

CITY OF CAPE TOWN

1 APRIL 2019

STATEMENT BY THE CITY'S MAYORAL COMMITTEE MEMBER FOR FINANCE AND EXECUTIVE DEPUTY MAYOR, ALDERMAN IAN NEILSON

Social assistance of R2,9 billion proposed as Draft Budget opens for public comment

The City's public participation process on the 2019/2020 Draft Budget has started. A social assistance package for the most vulnerable residents in Cape Town, as well as senior citizens of approximately R2,9 billion, is proposed. Other proposals include a 22% reduction in property rates and increasing the no-rates-payable thresholds. Read more below:

The public participation process for the City of Cape Town's 2019/2020 Draft Budget of R49 billion has started and members of the public are encouraged to comment until 24 April 2019.

Almost R1,7 billion has been proposed for indigent relief and R1,23 billion has been proposed to be budgeted for rates rebates. The Budget priorities include a focus on crime and grime and on the delivery of human settlements opportunities. Much work has also been done to ensure that rates and tariffs are as affordable as possible.

Other proposals include:

- No rates payable for residential properties on the first R300 000 (currently R200 000)
- A 22% reduction in the property rate from 0,7154 c/R to 0,555 c/R
- Lowering the required increase in water and sanitation tariffs by subsidising costs to the tune of R200 million from the Equitable Share Allocation and keeping the tariff increase at 9% which is an increase of R1,23 per 1 000 litres of water
- No increase in the fixed charge for water
- Additional relief for indigent residents and senior citizens
- A controlled increase in the electricity tariff of 8,88% (compared to the 15,63% increase in the tariff that the City pays to Eskom for bulk electricity supply). Approximately 65% of the tariff cost is for buying bulk electricity from Eskom.
- An increase of 5% for refuse removal services, down from 5,7%

'As a caring City, we make allowance for residents who are unable to pay for basic services to approach the City for relief, and for those who are struggling to pay their municipal accounts to enter into an agreed arrangement or instalment plan to pay off their arrears. The R2,9 billion that we are proposing aims to help our more vulnerable residents by supporting them with basic services and also by providing them with rates relief in the form of rebates or discounts.

'We encourage all of our residents and businesses to take part in the public participation process. This is not the municipality's budget. It is your budget. It is the budget of our residents and

businesses and of the broader Cape Town community. It shows the good work that is being planned; how well the City is being run; what actions are planned to alleviate the social and economic pressures on the City; and how the City intends to meet future challenges and opportunities in a sound and sustainable manner,' said the City's Mayoral Committee Member for Finance, Alderman Ian Neilson.

To view the Draft Budget please visit <https://www.capetown.gov.za/City-Connect/Have-your-say/Issues-open-for-public-comment/draft-budget-for-2019-2020>

To Have Your Say:

- In person: the dates and venues for public participation are available on http://resource.capetown.gov.za/documentcentre/Documents/Procedures,%20guidelines%20and%20regulations/Draft%20Budget%202019-20_Meeting%20schedule.pdf
- Online: residents are encouraged to view the Draft Budget and to provide feedback online by accessing the City's Have Your Say portal at <https://www.capetown.gov.za/City-Connect/have-your-say>

If you know of someone who might potentially qualify for assistance, please visit: <http://www.capetown.gov.za/local%20and%20communities/financial-relief-and-rebates/our-approach-to-financial-support/indigent-grants>

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Issued by: Media Office, City of Cape Town

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