



CITY OF CAPE TOWN

STATEMENT BY THE CITY'S EXECUTIVE MAYOR, ALDERMAN DAN PLATO

Cape Town Council expands indigent relief, passes SA's lowest rates increase

The City of Cape Town council has today passed South Africa's [lowest rates](#) increase of all metros, despite an estimated R2 billion COVID-19 impact on the 2020/21 Budget.

A R3 billion social package has also been passed to support the indigent, disabled and pensioners.

In his speech to Council, Mayor Dan Plato said: 'We know that many have already lost their jobs or fallen on hard times. That's why we are expanding indigent relief to persons earning R7000 per month or less, and increasing the rates discount for many in this category.'

Residents with a property value below R300 000, or household income below R4500, will get a 100% property and refuse rebate, 10.5 kilolitres of free water, 7.35 kilolitres of sanitation, and up to 60 kilowatt hours of free electricity.

'Good governance is enabling us to absorb the estimated R2 billion COVID-19 impact on our budget, without passing this burden onto residents. That's why our annual rates increases are the [lowest of all metros](#) who've tabled budgets so far,' said Mayor Plato.

The City's Social Package means that more people can now qualify for relief. Special COVID-19 arrangements allow residents to apply for relief via a quicker and easier process.

A range of interest-free payment options are also available for struggling residents who have fallen behind on their rates.

Mayor Plato concluded: 'My message to residents is this: *'Hou uit, hou aan, en hou moed'*. We'll get through these tough times as One City Together.'

Staff costs reduced by R450 million

The City is also saving R450 million in staff costs through a range of measures including a limit placed on filling vacancies, a 50% reduction in annual performance increases for management, reductions in the appointment of Consultants & Training Programmes, and a 50% portion of Long Service rewards being converted into additional leave.

Mayor Plato has further called on all Councillors to donate back-pay of their cost of living increase to the Mayor's Special Fund for food relief initiatives. Councillors will receive only a 4% cost of living increase this year compared to 6% in other metros.

A SA Local Government Association (SALGA) increase of 6.25% for staff is included in the 2020/21 Budget as per Bargaining Council agreements, and applies nationally to all municipalities. Due to the impact of COVID-19 on revenue, the City said it would take out a R2.5 billion loan for capital projects in the outer years of the budget, but that surpluses from prior years meant borrowing was not required for 2020/21.

The City's total 2020/21 Budget amounts to R54 billion, with a R44.8bn operational budget and R9.6bn capital budget. The Budget provides for a 3.9% increase in property rates, 3.5% for refuse, 4.5% for Water and sanitation, and 4.8% for Electricity.

A special allocation of R475 million has been to increase law enforcement boots on the ground as part of the LEAP programme in partnership with the provincial government.

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