



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

13 April 2018

The City of Cape Town draft Budget 2018-2019 comment period is open

Dear Cape Town residents and businesses

The draft Budget 2018-2019 is available for comment until 16:30 on Friday, 4 May 2018.

A budget of R 49.1 billion will be spent in the metropolitan area to ensure that services are maintained, improved and expanded, that capital projects are rolled out and that the Integrated Development Plan (IDP) is implemented.

The effect of the unprecedented and continuing drought is a strong theme and has influenced many factors, including tariff increases and reviews in tariff structure.



2016-2017 Budget highlights: Created 45 370 EPWP job opportunities; invested R 3.7 billion (2015/16: R 3.3 billion) in repairs and maintenance; installed 1 747 subsidised electricity connections; provided 676 new taps and 2 085 new toilets to informal settlements; achieved 69,86% employment rate of people from employment equity target groups at the highest levels of management.

- [Review the draft 2018/2019 Budget documents](#)
- [Comment online and read the common draft Budget FAQs](#)
- You can see what an existing tariff will look like under the new draft Budget by reviewing Annexure 6 and the various documents by Directorate.
- For a [comprehensive overview of the tabled budget](#) and proposed changes, please read Annexure A.

Highlights from Annexure A:

- An allowance of R 76 million for **indigent relief**.
- Introduction of a fixed service charge for both water and electricity.
- Planned capital expenditure includes R 5 billion for Informal Settlements, Water & Waste. Services, R 1.7 billion for the Transport & Urban Development Authority and R 1.1 billion for Energy.
- Simplifying the steps of the water and electricity tariff from six to four.

The proposed average rates and tariff increases for 2018-19 are shown the table below.

Table 4: Average tariff increases for the 2018/19 MTREF (Medium Term Revenue and Expenditure Framework)

Category	Base Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Property Rates	5.00%	7.20%	7.70%	8.16%
Electricity Water *	3.34%	8.14%	9.56%	9.96%
Sanitation * Refuse	19.25%	24.71%	27.91%	26.03%
Disposal	19.25%	34.29%	28.74%	13.54%
	6.50%	5.70%	7.90%	8.00%
	8.30%	14.83%	10.87%	14.24%

* Level 6 Water Restrictions

Important things to remember:

- The City does not make any profit on the sale of water or electricity.
- The National Energy Regulator of South Africa (NERSA) approved an average percentage price increase of 5.23% to Eskom for the 2018-19 financial year, which translates to a 7.32% increase for municipalities.

Frequently asked questions:

- [Rates and valuation FAQs](#)
- [Electricity tariff FAQs](#)



Western Cape Government Economic Impact Survey

The Western Cape Government has commissioned an Economic Impact Survey on the water crisis. We urge businesses to complete the survey as comprehensively as possible to assist in a better understanding in the business response, current and potential impacts, as well as enabling the most appropriate forms of support going forward.

Complete the Economic Impact Survey online- [click here](#). The survey closes on 20 April 2018, but extensions may be granted. Email <mailto:water@green-cape.co.za> if you have any queries.



Site preparation for the Monwabisi desalination plant is progressing well. The first water has been delivered at our Waterfront desalination plant which has a capacity for producing two million litres per day. Work also continues at our other desalination plants and on our aquifer programme as we strive to bring additional supply online.

We value your comments and look forward to your feedback.

The City of Cape Town

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