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Tariffs up, but
indigent won't
pay; more jobs;
Tshwi-fi stays

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THE poor in the capital won't have to bear the burden of the tariff hikes announced by mayor Solly Msimanga during his maiden budget speech for the 2017/18 financial year.

The budget, Msimanga said during a special council sitting at Sammy Marks Council Chamber yesterday, was pro-poor; and 60% of it would take care of the needs in poor communities.

"We are happy to announce that this budget will make it less expensive for our consumers – the residents of Tshwane – compared to what would've been the case if proper affordability assessments were not carried out in the formulation of this budget."

The budget for the current term has an operating budget of approximately R30 billion, and a capital budget of R3.9bn.

The total revenue expected by the metro was R30.3bn – and the amount would give the city a surplus on its operating account.

In addition, the city was expecting to receive a grant of R2.2bn from the national and provincial governments.

The 2016/17 budget by the previous ANC municipality included an expenditure plan of about R32.8 billion – an operating budget of R28.3bn and a capital budget of R4.5bn.

Msimanga announced imminent tariff increases, but said the poor would be exempt from the payments.

Electricity will increase by 1.8%, water by 10.2%, refuse removal by 7.5% and property rates tariffs would be based on the new valuation roll, he said.

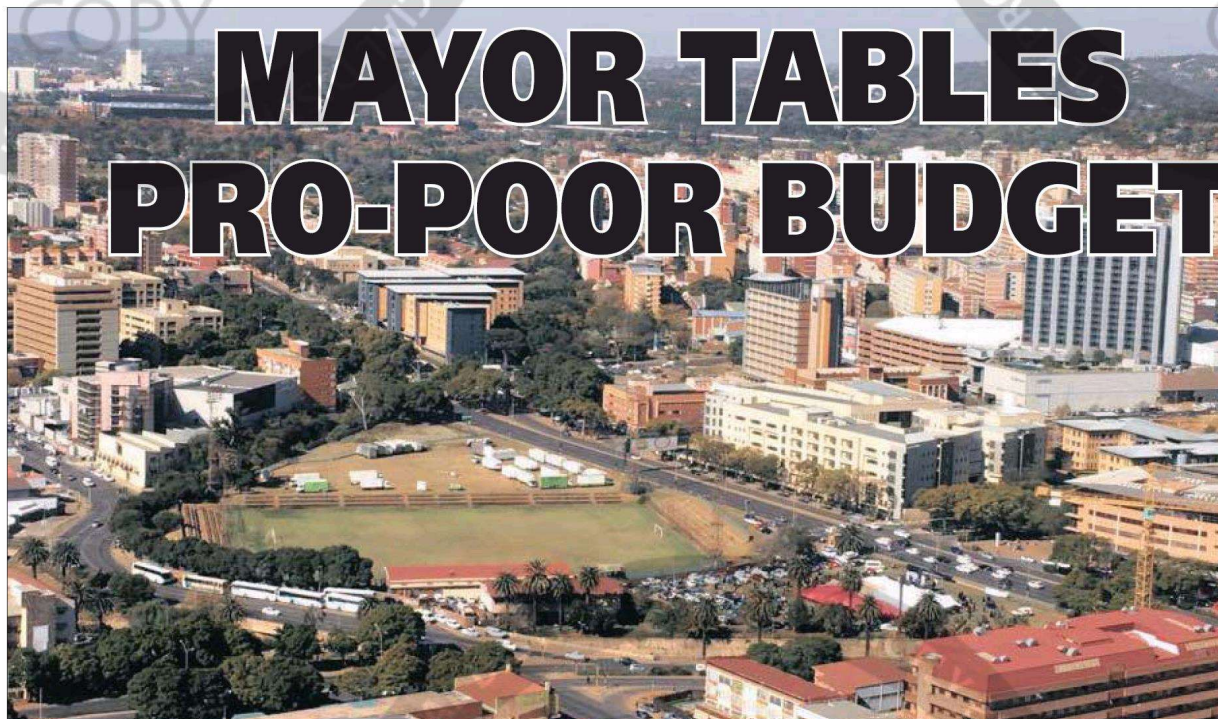
"It is important to note that water and electricity tariffs are mainly influenced by the Rand Water and Eskom tariffs respectively," Msimanga said.

He said property rate tariff had been reduced.

"In real terms this means that in the 2016/17 financial year an account holder paid R394.54 on property rates. In the upcoming 2017/18 financial year the account holder will pay R346.43. This is a R48.11 decrease in what the city is asking our residents to pay."

Msimanga said he was mindful of the fact that many residents could not afford basic services and needed to be supported by the municipality.

He dismissed claims that the city was intending to phase out its indigent policy, saying it was not true.



The legendary Caledonian Stadium, which was to make way for a park under the old ANC regime, has been allocated R32 million towards its refurbishment, and another R35m in the 2018/19 financial year.

The policy seeks to alleviate the poverty situation of residents.

Msimanga said in terms of the policy, beneficiaries needed to be re-evaluated every 24 months to verify their economic and social position.

He announced that the first R120 000 on the value of residential properties was exempt from all residential property, previously it was R75 000.

"We have introduced a relief on properties with a value of R120 000 and less. These account holders will receive a discounted fee of R179.98 for a 240l bin," he said.

Registered indigent households would be exempt from paying for refuse removal and property rates, irrespective of the value of the property they own, Msimanga said.

"Pensioners and physically and mentally disabled persons are granted rebates under the policy and registered indigents are granted 100kWh of electricity free of charge, and 12kl water free of charge," he said.

In addition, Msimanga said the city would contribute an amount of R122 million towards creating

HOW THE MONEY WILL BE SPENT

- R1.3 billion: Maintenance and repair of infrastructure.
- R660 million: Industrial nodes such as Rosslyn, Ekangala and Watloo.
- R84m: Wonderboom Airport. The amount is split as follows: R34m for 2017/18, R15.5m for 2018/19, R35m for 2019/20.
- R662.3m: Department of Economic Development and Spatial Planning.
- R1.1bn: Integrated transport infrastructure. The amount is split as follows: R34m for the Wonderboom Airport, R669.2m for A Re Yeng.
- R375.8m for roads
- R32m: Caledonian Stadium; R35m in 2018/19 for refurbishment.
- R2bn: Ishwane Metro Police Department.
- R40m: Anti-drugs budget
- R106m: Housing and Human Settlements Department
- R90m: Construction of 1 000 top structures
- R122m: Creating the 23 000 Expanded Public Works Programme jobs.

the 23 000 Expanded Public Works Programme jobs promised during his state of the capital address last month.

More jobs would be created from the development of infrastructure in Rosslyn, Ekangala and Watloo, which was allocated R660m.

For the first time, Msimanga said, the city had allocated an amount of R1.3bn for maintenance and repair of infrastructure.

Msimanga also allayed fears that

the DA-led administration would terminate the TshWi-Fi.

"The TshWi-Fi network is stable and operational. Our job now is to make it better and sustainable."

"The service has not been suspended for any reason and network deployment continues to grow," the mayor said.

Fighting crime would also take priority in the city.

To that effect Msimanga allocated an amount of R2bn towards

the metro police.

"The city will focus on utilising the metro police and law enforcement to increase visible policing in strategic areas, address the metro police's ability to respond to a variety of challenges, prioritise initiatives to deal with drug abuse and protect residents from disasters effectively," Msimanga said.

The mayor emphasised that the budget was fully funded, realistic and balanced.

He slammed the previous ANC administration for the ill-fated prepaid electricity smart meter contract it entered into with Peu Capital, saying the smart meter commission alone cost the city more than R630m a year.

"Supply-chain processes were almost never enforced before. This meant strategic procurement was also not a priority."

"This meant that goods and services were procured at astronomically inflated prices by the previous administration at the expense of the city and its people," Msimanga said.

Political parties will debate the budget during another special council sitting next Thursday.

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