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JOBS AT RISK

Mayor condemns slashed budget

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CAPE Town mayor Geordin Hill-Lewis has criticised the R540 million budget cut by the National Treasury over the next two years.

The City said it was set to receive the budget cut as part of nationwide reductions announced by Finance Minister Enoch Godongwana in his 2024 Budget speech.

"We in Cape Town strongly condemn the national government's decision to cut critical job creation and infrastructure funding.

"This follows years of corruption, looting, and bailing out of state-owned enterprises," said Hill-Lewis.

He said Cape Town would receive R353m less in equitable share funding over the next two financial years compared to last year's medium-term budget figures.

This was part of a national reduction to Division of Revenue funding shared among all municipalities and provinces on a population-based formula, said Hill-Lewis.

"National grant-funding cuts have been particularly severe for job creation grants, with Cape Town's Expanded Public Works Programme funding slashed by almost 60%, from R62.59m in 2023/24 to R26.66m in the coming 2024/25 financial year.

"More than 83000 EPWP work opportunities were created in Cape Town in the last two years, with the programme offering valuable training aligned to skills gaps in the economy," said Hill-Lewis.

According to web-based data and intelligence service Municipal IQ, cuts to municipal infrastructure grants meant less funding for the provision of basic services.

"Unions have blamed the Treasury for these choices, but they were made in the context of policy priorities whether explicit or implicit – that forced the leveraging of 'undesirable' revenue options and painful budget cuts, including a rising public sector wage bill and free tertiary education."