

# Budget provides relief for cash strapped residents

Mayor Zanele Hlatshwayo had some good news for city residents yesterday when she delivered the city's budget at city hall.

Although residential rates are up four percent over last year's increase, the water tariff increase has come down from eight to five percent and the increase for electricity has been contained to 12 percent, three percent lower than Eskom's recommended rate increase of 15 percent.

In an interview shortly before delivering her budget Mayor Hlatshwayo told *Public Eye* that the city was extremely sensitive of the plight of consumers in what she described as "trying economic times".

"Even though the rising levels of inflation affects us as a city our approach to this year's budget has always been on the impact to consumers and therefore our budget reflects a sincere and serious attempt at helping people survive these trying economic times," said the mayor.

Hlatshwayo said the reduction in the rate of increase for water as well as keeping the electricity increases three percent below the recommended Eskom increase," illustrated the city's commitment to consumers.

The mayor said that the reduction of increase in the water tariff was based on the

outcome of negotiations with Umgeni Water.

"The outcome of these discussions pertaining to over-charging resulted in a significant savings which we managed to pass down to consumers," said Hlatshwayo.

She said the budget also focuses significant resources on development in rural areas with R80 million being allocated to the construction of roads in Vulindlela.

"This is the first time that such a significant percentage of the budget is focused on rural development. Our strengthened relationship with Amakhosi has paved the way for us to focus our efforts on stimulating development in these areas. We are targeting road infrastructure as this unlocks further economic development," said Hlatshwayo.

The tariff increases for both refuse and sewerage remain unchanged over last year at seven percent each.

Responding to the budget, Pietermaritzburg Chamber of Business CEO Andrew Layman said that the reduced financial impact on residential consumers was to be welcomed. He expressed concern however that business rates have gone up from six percent to 12 percent.

"As a chamber we would like to see additional focus on revenue improvement rather than a restriction of expenditure, as well as adequate

resources being made available for maintenance," said Layman.

He also welcomed the fact that Mayor Hlatshwayo has agreed to hold regular meetings with organized business.

City Manager Rob Haswell described this year's city budget as a "holding budget" which he says will concentrate on achieving 100 percent expenditure of all grant funding, especially the Municipal Infrastructure Grant.

"By concentrating on MIG-funded projects we hope to accelerate delivery, particularly in roads and sanitation, for Edendale and Vulindlela – both these areas suffered neglect and have been disadvantaged for decades if not centuries. Therefore we can safely say that development there is long over-due," said Haswell.

He added that it was critically important for the city to achieve 100 percent expenditure.

"I am confident that by December our expenditure patterns will be such that we can turn the focus of our attention to projects which require council funding. We want to achieve 100 percent expenditure of our capital budget," concluded Haswell.



*Msunduzi Mayor Zanele Hlatshwayo*