



MEDIA RELEASE

ATT: REPORTERS & ASSIGNMENT EDITORS

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BUFFALO CITY METRO APPROVES PRO-POOR BUDGET TO RELIEVE ITS RESIDENTS DURING TOUGH ECONOMIC CONDITIONS

In line with the tough current economic conditions, the Buffalo City Metro has approved a pro-poor budget which will bring a relief to its residents.

Council sat on Tuesday and approved a R10 billion budget and Integrated Development Plan for the 2022-2023 financial year which starts on 01 July 2023.

The budget will see the electricity and water tariff reduced significantly. The electricity purchase has also been revised and lowered as approved by the regulator, Nersa.

On top of this, the Metro is expected to announce increments on free indigent grants and subsidies for the poor in the upcoming State of the City Address.

The following reductions have been approved to the 2022/2023 MTREF budget:

- a) Electricity tariff reduced from 9.61% to 7.47% as approved by NERSA.
- b) Water tariff reduced from 9.64% to 6.78%. The tariff of 6.78% is based on the final approved tariff of 5.78% by Amatola Water Board plus 1% for the drought provision tariff.
- c) Electricity purchase revised from 9.61% to 7.47% in 2022/2023 as approved by NERSA.
- d) Water purchase revised from 9.64% to 5.78% in 2022/2023 as approved by Amatola Water.

Before being passed by Council, a councillors workshop was held where the Metro's budget was proven to be funded, credible and sustainable over the MTREF in terms of Section 18 of the MFMA.

Some of the budget considerations that were taken into account when approving the budget are the Consumer Price Inflation (CPI), which is 4.8% in 2022 /2023, 4.4% for 2023 /20242024, and a projected CPI of 4.5% has been applied for 2024 /2025.

Others are the high unemployment resulting in increase in bad debts; the collection rate and the determinations Nersa who is responsible for determination of the bulk costs for electricity.

The approved Budget and IDP is also accommodative to major service delivery projects for the development of townships and beatification of the City.

Of the total budget, R996 million has been ringfenced for projects in the coastal region which includes East London, Duncan Village and surrounding villages.

Some of the project budgeted for are already underway like the beachfront Court Crescent, the Water World Fun Park, the Duncan Village housing de-densification project, the huge Reeston to Amalinda sewer tunnel, the Settlers Way airport road upgrade, the Nahoon Beach gravity sewer, and upgrades of the Kidds Beach waste water treatment works.

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