



TRIMMING R1,7BN FOR THE CITY'S MASSIVE BUDGET SHOULD NOT BE TOO DIFFICULT

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Trimming R1,7 billion for the city's massive budget should not be too difficult.

The municipality is the biggest business in Cape Town employing nearly 27 000 people with a budget of R44.3 billion so a R1.7 billion cut would amount to just 3.8% of the budget.

This should be a fairly straight-forward exercise and well within the Council's capability, any large business should be able to do it

Making the job even easier is the fact that there is a good deal of padding in the spending plans as officials generally make sure that they over-estimate costs to cover themselves in the event of unexpected cost over runs. Last year, for instance, the underspending on the operational budget amounted to 5.2 percent and the municipality finished the year with R3.8 billion cash in the bank.

The City should get to work on the cuts without delay. We are dealing with an emergency situation.

The place to start is the Mayor's directorate which has a budget item of R41.8m. This money, according to the presentation we saw on the draft budget, was to be used for 'the activation of the Cape Town to Miami air route, propagation of the Invest Cape Town brand and the Atlantis SEZ' and other similar projects.

The problem here is that this is work that Wesgro does and does very well. It looks to me like duplication so there would be an easy cut and a good way for the Mayor to lead by example.

The crisis was also a good reason to look again at the plan to divide the City into quadrants each with a "mini mayor" who would require support staff. There may or may not be merit in the plan but there is certainly no urgency.

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President of the Cape Chamber



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