

ANNEXURE 8

CITY OF CAPE TOWN TARIFF POLICIES 2007/2008

Index

- Chapter 1 General Tariff Policy
- Chapter 2 Water & Sanitation Tariff Policy
- Chapter 3 Electricity Tariff Policy
- Chapter 4 Solid Waste Management (Refuse Removal) Tariff Policy

CHAPTER 1 GENERAL TARIFF POLICY

1. LEGISLATIVE COMPLIANCE

- 1.1. The Municipal System Act requires that Council adopt a Tariff Policy.
- 1.2. The general financial management functions covered in section 62 of the Municipal Finance Management Act includes the implementation of a tariff policy.
- 1.3. Specific legislation applicable to each service has been taken into consideration when determining this policy.

2. SCOPE OF THE POLICY

- 2.1. It is intended that this policy document guides the annual setting (or revision) of tariffs, hence the policy does not make specific tariff proposals, nor does it deal in any detail with the implementation of specific tariff proposals. Details pertaining to specific levels and applications of the various tariffs are published in the Schedule of Tariffs, which must be read in conjunction with this Policy.
- 2.2. The policy is applicable to all tariffs for electricity, water, sanitation and solid waste services provided by the City of Cape Town.
- 2.3. This policy is also applicable to all sundry tariffs, as provided for in the Schedule of Tariffs of the City.

3. OBJECTIVE

- 3.1. The tariffs approved during the Budget process by Council to fund services must be consistent with this policy.
- 3.2. Where a service is provided primarily for the benefit of an individual user and the actual service or consumption can be accurately measured, the cost of providing the service should be recovered from the individual by means of tariffs.
- 3.3. When a service connection is made a *sundry tariff* should be used and when a metered amount of a service is consumed a *consumption based tariff* should be used. Where *sundry tariffs* and *consumption based tariffs* are used, they must comply with this *Tariff Policy*.

- 3.4. Some services, although provided primarily for the benefit of individual users have important community benefits and, particularly where these services can not be accurately measured, the cost of the service should be recovered by a combination of tariffs and rates. The provision of solid waste collection is such a service.
- 3.5. Where a service is provided primarily for the benefit of the community and an individual's use cannot be accurately measured, the cost of providing the service should be recovered by means of rates. For example, street lighting benefits the community but an individual can use the light by standing beneath it. How much light the individual uses cannot be measured and thus rates are used to fund this service. The rates must comply with the City's Rates Policy.
- 3.6. Poor households and homeless people as defined in paragraph 4.7 below should have access to free basic services in line with national government policy, taking into consideration the affordability constraints for the municipality.

4. DEFINITIONS

All terms used in this policy, unless the context indicates otherwise, have the meaning ascribed to them in Local Government legislation or hereunder.

- 4.1. *"Total Municipal Account"* means a postulated current account based on median bills for water, electricity, sanitation, solid waste services and rates. Sundry charges and interest on debt are excluded.
- 4.2. *"Indigent Fund"* means a budget provision, funded from National Government transfers and Municipal rates, used to subsidize basic services.
- 4.3. *"Rates and General Account"* means a budget provision used to fund other City services excluding the electricity, water, sanitation and solid waste services.
- 4.4. *"Sundry Tariff"* means a tariff set as a fixed Rand amount.
- 4.5. *"Consumption based Tariff"* means a tariff set as a Rand amount per measurable unit of service.
- 4.6. *"CPIX"* means the consumer price index excluding mortgage costs as measured by STATSSA.
- 4.7. *"Homeless people Shelters"* means bona-fide non-profit organisations used primarily for the accommodation of homeless people and who have applied for and been registered as such shelters by Council on an annual basis and have inter alia indicated by affidavit how many people they normally shelter.

5. PRINCIPLES

- 5.1. The basic principles and long-term goals for the City include equity in service provision, sustainability of service levels through economic and effective funding of efficient services.
- 5.2. Where a service is provided primarily for the benefit of an individual user and the actual service or consumption can be accurately measured, the cost of providing the service should be recovered from the individual by means of tariffs.
- 5.3. When a service connection is made a *sundry tariff* should be used and when a metered amount of a service is consumed a *consumption based tariff* should be used. Where *sundry tariffs* and *consumption based tariffs* are used, they must comply with this *Tariff Policy*.
- 5.4. Some services, although provided primarily for the benefit of individual users, have important community benefits. The cost of these services, particularly where the use cannot be accurately measured, should be recovered by a combination of tariffs and rates. The provision of solid waste collection is such a service.
- 5.5. Where a service is provided primarily for the benefit of the community and an individual's use cannot be accurately measured, the cost of providing the service should be recovered by means of rates or a "basic charge". For example, street lighting benefits the community but an individual can use the light by standing beneath it. How much light the individual uses cannot be measured and thus rates are used to fund this service. The rates must comply with the City's Rates Policy.
- 5.6. Where an individual user's consumption can be metered, electricity and water will be charged for using *consumption based tariffs*. These tariffs must be structured to accommodate the provision of basic electricity and basic water supply as defined in the *Indigent Relief measures as contained in the Credit Control and Debt Collection Policy*.
- 5.7. Solid Waste will be charged for using a tariff. Rebates are applicable for property values between R0 and R300 000.

6. APPLICATION OF TARIFF PRINCIPLES

Section 74(2) of the Municipal Systems Act sets out principles that must be reflected in the *Tariff Policy*. These principles are applied in the following manner:

- 6.1. Users will be treated equitably through the differentiation for tariff purposes being limited to that set out in Section 7 of this policy.
- 6.2. Where appropriate and possible the amount individual users pay for services will generally be in proportion to their use of that service by using *consumption based tariffs* as defined in Section 4 of this policy. This will

be dependant on the service being able to provide discernable, universal and regular metering and reading.

- 6.3. Poor households and homeless people, as defined in the City's Indigent Relief measures as contained in the Credit Control and Debt Collection Policy, from time to time, will have access to basic services through subsidized tariffs as defined in Section 7 of this policy.
- 6.4. Tariffs will reflect the costs reasonably associated with rendering the service. The budgeted income and expenditure of the Service, showing the contributions to *Rates & General Account*, Support Services Recharges and contributions from the *Indigent Fund* must be provided as part of the annual report on the revision of rates and tariffs.
- 6.5. Tariffs will be set at levels that facilitate the financial sustainability of the Service, taking into account subsidization from sources other than the Service concerned.
- 6.6. Provision may be made in appropriate circumstances for a surcharge on the tariff for a service as set out in the Municipal Service By-law.
- 6.7. The promotion of local economic development through special tariffs for categories of commercial and industrial users may be provided on the basis set out in the City's *Economic Incentive Policy*.
- 6.8. The economical, efficient and effective use of resources will be encouraged through the use of rising block tariffs, time of use tariffs, and tariff options linked to solid waste minimization for certain categories of user where appropriate.
- 6.9. Where free basic services or services subsidized from the *Indigent Fund* are provided to individual users, these will be shown on the monthly bill of those users. The extent of the annual subsidization to all subsidized users will be reported to council.
- 6.10. In addition, the amount that users pay for services, as measured through the *Total Municipal Account*, should generally be affordable for different categories of users and annual tariff increases should be benchmarked against inflation measured by *CPIX*.

7. DIFFERENTIATION FOR TARIFF PURPOSES

Section 74(3) of the Municipal Systems Act allows for the differentiation between different categories of *users*, debtors, service providers, *services*, *service standards*, *geographical areas* and other matters for tariff purposes as long as the differentiation does not amount to unfair discrimination. The nature and basis for differentiation for tariff purposes in the City of Cape Town is set out below. Each Municipal Service is not compelled to differentiate for tariff purposes, but where it does; the differentiation must be consistent with the framework set out below, categories must be defined in the Municipal Service By-law and a separate tariff must be applicable for each category that is defined.

7.1. Categories of Users

The following categories of *user* may be defined provided that they are defined in the City's *Rates Policy*:

- (a) Residential or Domestic
- (b) Commercial
- (c) Industrial
- (d) Farming
- (e) Government
- (f) State owned enterprises

7.2. In addition, sub-categories of residential or domestic *users* may be defined based on any one or more of the following criteria in a manner defined in the City's *Indigent Relief measures as contained in the Credit Control and Debt Collection Policy*.

- (a) Settlement type (which must include informal settlements and Homeless people Shelters)
- (b) Property value
- (c) Service consumption level
- (d) Payment levels
- (e) Household income
- (f) Type of connection

7.3. Categories of Service

7.4. Different categories of *service* may be defined but only if the *basic service* is defined for that municipal service in the City's *Indigent Relief measures as contained in the Credit Control and Debt Collection Policy*.

The following criteria may be used in defining different categories of *service*:

- (a) Type of service
- (b) Category of *user*
- (c) Level of consumption
- (d) Type of connection
- (e) Time of use

Certain categories of *service* may be restricted to certain categories of *user*. The *basic service* will be restricted to residential / domestic *users*.

7.5. Categories of Standard of Service

Different categories of *standard of service* may be defined for different categories of *users* or *services*. They may be based on:

- (a) Access
- (b) Frequency

Categories of *basic service* may not have different *standards of service*.

7.6. Categories of Geographical Area

Differentiation based on *geographic area* may be used if the service provided is at least the *basic service* and one of the following criteria is met:

- (a) Topography must have significant impact on the cost of delivering the service
- (b) Significant capital costs are needed to develop service infrastructure in the area
- (c) The *Integrated Development Plan* identifies the area as having strategic developmental importance.

8. SUBSIDIZATION OF BASIC SERVICE TARIFFS FOR RESIDENTIAL / DOMESTIC USERS

- 8.1. Basic level consumption of any service **may** be subsidized by a higher level tariff, dependant on legislative requirements and national acceptance.
- 8.2. Individual domestic users **may** have consumption subsidized from the *Indigent Fund* as classified in the City's *Indigent Relief measures as contained in the Credit Control and Debt Collection Policy*.
- 8.3. , which may be amended from time to time.

9. ACCESS TO SERVICES BY POOR HOUSEHOLDS AND HOMELESS PEOPLE SHELTERS

- 9.1. Council currently accepts the standards for basic service levels as stated in National Government documents related to free basic services, which may change from time to time.
- 9.2. The free and subsidised basic services provided to poorer households are as follows:

Service	Basic Level
Water	<ul style="list-style-type: none">○ A 100% subsidy up to 6kl of water per household per month will apply. Any consumption exceeding 6 kl per month will be charged at normal tariffs.○ In the case of Homeless People Shelters, an equivalent free allocation of 25 litres per person per day or 750 litres per person per month will apply.○ Any free water not utilised will be forfeited at the end of each month/metering period/billing cycle.
Electricity	<ul style="list-style-type: none">○ Where the electricity purchased does not exceed 400 kWh per month, consumers will receive a free basic allocation of up to 50 kWh, bringing the total electricity provided to a maximum of 450 kWh per month. Should the electricity purchased exceed 400

	<p>kWh per month, then the free electricity portion will no longer be made available to the household.</p> <p>NOTE: The electricity purchased of 400 kWh per month is an average measured over the twelve months up to June of the completed financial year.</p> <ul style="list-style-type: none"> ○ Any free electricity not claimed will be forfeited at the end of each month/billing cycle/metering period.
--	---

9.3. Any changes to these standards will only be considered as binding on Council after acceptance by Council to change the minimum standards set out above.

9.4. The level of free or subsidised services provided to poor households and homeless people shelters of other services not spelt out in documentation on free basic services, is as follows:

Service	Basic Level
Solid Waste/ Refuse	<ul style="list-style-type: none"> ○ Sliding scale charged for all properties with a total site and improvements valuation of up to R300 000 (excluding Homeless People Shelters). ○ In respect of Homeless People Shelters, the first 15 bins will be rebated at 50% of the Refuse Collection charge.
Sanitation/ Sewerage	<ul style="list-style-type: none"> ○ The first 4,2 kl per household discharged into the sewer system each month is free, based on 70% of the 6 kl free water made available on a monthly basis. ○ Beyond that allocation, a charge based on 70% of water use will apply up to a capped maximum of 35kl per month sanitation per household. ○ In the case of Homeless People Shelters, an equivalent free allocation of 17.5 litres per person per day or 525 litres per person per month will apply. Beyond that allocation, the charge will be based on 70% of water use with no capped maximum.

9.5. Access to Council owned and operated Parks, Libraries, Clinics and other public places will be as determined in Council policy for those places as may be amended from time to time.

9.6. Relief available to the indigent in Council owned-housing rental and selling schemes will be as outlined in the Housing chapter of the Credit Control and Debt Collection Policy adopted by Council, as amended from time to time.

CHAPTER 2
WATER AND SANITATION TARIFF POLICY

10. DEFINITIONS

Average Historic Cost of Water (AHC)	The total current annual cost of the water service (including capital charges but excluding surcharges and contributions to a capital development fund) divided by the total volume of billed water sales for that year.
Commercial water use	Water supplied to premises predominantly of a commercial nature (for example, shops, offices, showrooms, service stations, hospitals).
Domestic water use	Water that is used predominantly for domestic purposes, including garden irrigation.
Industrial water use	Water which is used in mining, manufacturing, generating electricity, land-based transport, construction or any related purpose (follows definition in Water Services Act).
Other water use	All water use not defined as domestic, industrial and commercial water use.
Future Incremental marginal cost	The Average Incremental Cost of system expansion, taking into account the next large scheme or schemes to be built to meet current and future increases in water demand.
Residential Unit	Means a group of rooms, used for residential purposes, contained within a block of flats, and which includes any undivided share of common property or any other portion of the property apportioned to that unit in terms of exclusive use, which shall include a garage or any other outbuildings.
Average historical cost of Sanitation (AHC)	The total annual cost of the sanitation service (including capital charges but excluding contributions to a capital development fund) divided by the total volume of sewage discharged for that year.
Commercial Wastewater	Effluent discharged from a premise predominantly of a commercial nature (for example shops, offices, showrooms, service stations).
Industrial Wastewater	Wastewater arising from mining, manufacturing, electricity generation, land-based transport, construction or any related activities. <i>(Consistent with definition of disposal of industrial effluent in the Water Services Act.)</i>
Domestic Wastewater	Effluent discharged from a premise not defined as commercial or industrial.
Other Wastewater	Effluent discharge from a premise not defined as domestic, commercial or industrial.

11. SPECIFIC POLICIES FOR WATER TARIFFS

11.1 Consumer categories

Water tariffs shall distinguish between at least three categories of consumers: domestic water use (D), industrial and commercial water use (I) and other water use (O).

11.2 Domestic consumer categories

Water tariffs for domestic consumers shall distinguish between significantly different levels and standards of services provided and shall include at least the following four categories of domestic consumers:

- (i) **Domestic communal (D_{communal})**: consumers (households) with access to communal water services (for example, a public-standpipe or a water-tanker service)
- (ii) **Domestic controlled ($D_{\text{controlled}}$)**: consumers with access to a controlled volume of water supply.
- (iii) **Domestic full (D_{full})**: consumers with access to an uncontrolled volume of water supply that is metered.
- (iv) **Domestic cluster (D_{cluster})**: where one meter serves a multi residential unit development.

11.3 Metering

All connections providing an uncontrolled volume of water supply shall be metered and tariffs shall be applied in proportion to water use. The amount of water feeding standpipes in informal settlements without title deeds should also be measured to assess the impact of this free water on the service, but should not be billed.

11.4 Consumption tariffs – D_{communal}

Where communal water supplies provide water for domestic use, and where this water use is, on average, less than 6 000 litres per household per month, then no charge shall be levied on domestic households for this water.

11.5 Consumption tariffs – $D_{\text{controlled}}$

Where water use is controlled to less than 6 000 litres per month per connection, then no charge shall be levied on domestic households for this water. Where water in excess of 6 000 litres per month is used, a flat monthly rate shall be applied to this additional water use, based on the AHC.

11.6 Consumption tariffs – D_{full}

Consumption tariffs for uncontrolled volume, metered, domestic connections shall be based on an increasing block structure with the first block set at 6 000 litres per connection per month with a zero charge and the last block should be set at an amount that would deter unnecessarily high water use and would reflect the incremental cost that would be incurred to increase the water supply infrastructure to meet an incremental growth in demand. The rising block tariff structure should consist of at least five steps. The consumption level at which the last step begins should be at an amount that would encourage water conservation and should not be greater than 60 kl per month.

11.7 Consumption tariffs – D_{cluster}

Consumption Tariffs for multi residential unit developments served by one meter will be set to recover at least the AHC once allowance is made for the free water allocation. An allowance of 6 000 litres per unit will be made available at zero cost upon submission of a signed affidavit stating the number of residential units supplied from that metered connection.

11.8 Consumption tariffs – Industrial, Commercial and Other

Apart from instances where special tariffs are applied in terms of 6.7 above, the consumption tariffs for all other consumers should be set equal to at least the Average Historical Cost of water (AHC). Separate consumption categories should be kept for Sporting bodies/Schools and Municipal consumption to assist in Water Demand Management measures.

11.9 Consumption tariffs – schools, sports fields, clubs, churches, charities etc.

The consumption tariffs for these consumer groupings shall be the same as defined above for Industrial and Other (above). *Note: Any subsidies to these groupings should be made through other transparent mechanisms so as not to distort the incentives for the wise and economical use of water.*

11.10 Consumption tariffs – homeless people shelters

In order to provide free basic services to people without title deed a special subcategory for homeless people shelters shall be used. The consumption tariffs for this consumer subcategory shall be based on the number of people or beds normally accommodated in each shelter as defined in a sworn affidavit upon annual application for such shelter to be registered with Council, and receive a free water allocation of 25 litres per person per day or 750 litres per person per month. Beyond such consumption a separate consumption category shall be applied.

11.11 Consumption tariff for the provision of a bulk water supply

The bulk water tariff is used to charge for the bulk supply of potable water to consumers external to the City such as other Local Authorities who are

dependent on part or all of their potable water supplies from the City of Cape Town and is also used as the basis for internal charges for the bulk supply of potable water within the Water and Sanitation Department.

The bulk water tariff is set on an annual basis to ensure full cost recovery for the provision of the bulk water service as well as the long term sustainability of this service.

11.12 Surcharge

The water tariff may include surcharges subject to Council approval.

11.13 Fixed charges – D_{full}

There shall be no fixed monthly charge for D_{full} . The domestic water tariff should, however, take into account and reflect these costs that are based on the cost of maintaining the water connection.

11.14 Fixed charges – Industrial and Other

Monthly fixed charges for Industrial and Other connections shall be related to the size of the connection. The charge shall be based on the historic costs of maintaining the connection. Cost allocations should be clearly set up to ensure that historical costs can be measured and used effectively to determine accurate tariff charges that are truly cost reflective. *Note: It is essential that this component of the tariff be retained otherwise an important equity principle is compromised – domestic consumers pay for capacity expansion costs through the last block high marginal consumption tariff. Other consumers pay for capacity costs through the fixed charge*

11.15 Connection charges - $D_{controlled}$

There shall be no monthly fixed charges for domestic controlled-supply connections.

11.16 Connection charges – other categories

Connection charges for all consumer categories except $D_{controlled}$ shall recover the full costs of connection. Cost allocations should be clearly set up to ensure that historical costs could be measured and used effectively to determine accurate tariff charges.

11.17 Flow Restriction for non-payment

Domestic consumers with D_{full} connections who fail to pay shall, after due process, have their uncontrolled water connections restricted.

11.18 Illegal re-connections

Consumers who, after having been disconnected for non-payment, reconnect illegally shall forfeit the right to the free basic water allocation until such time as the outstanding debt has been paid in full.

11.19 Disconnections – other

All consumers with uncontrolled volume connections (except for $D_{\text{restricted}}$) shall be disconnected for failure to pay after due process has been followed.

11.20 Contributions

There will be no contribution from Water and Sanitation to the rates and general fund.

11.21 Water restriction tariffs

Special tariffs may be introduced during periods of water restrictions to reduce water use to within sustainable limits. A separate tariff schedule for water restrictions shall be developed.

11.22 Subsidies

Reasonable and appropriate cross-subsidization may be applied between consumer categories.

11.23 Departures

Departures from the above principles may only be made where there are sound practical reasons that prevent the implementation of the policy at the present time and/or where the phased adoption of the policy or policies would reduce an otherwise onerous burden on Council and/or consumers. The reasons for any departures must be recorded in writing.

12. SPECIFIC POLICIES FOR SANITATION TARIFFS

12.1. User categories

Sanitation tariffs shall distinguish between at least three user categories: Domestic users (D), Industrial and commercial users (I), and other users (O).

12.2. Domestic user categories

The sanitation tariff structure for domestic users shall distinguish between significantly different levels and standards of services and shall include at least the following five categories for domestic users.

- (i) **Domestic communal** (D_{communal}): Users (households) with access to Communal sanitation facilities (Rudimentary sanitation and communal ablution facilities).
- (ii) **Domestic full** (D_{full}): Users with waterborne sanitation and uncontrolled discharge to a sewer network.
- (iii) **Domestic On Site waterborne** (D_{onsitewb}): Users with waterborne sanitation collected on site (Septic tanks).
- (iv) **Domestic On Site** (D_{basic}): Users with a non-waterborne system collected on site (Black bucket, container or VIP).

- (v) **Domestic cluster (D_{cluster}):** Where one connection point serves a multi residential unit development (Flats, Townhouses).

12.3. Universal Billing

All users are to be billed unless provided with a rudimentary or basic service such as communal facilities .

12.4. Volumetric domestic tariffs (D_{communal})

No charge shall be rendered for the use of communal facilities.

12.5. Volumetric domestic tariffs (D_{full})

Volumetric sanitation tariffs for domestic users shall be based on the estimated volume of wastewater discharged into the sewerage system, calculated as a percentage of the user's domestic water consumption and shall be limited to a maximum allowable volume. An allowance of 4 200 litres per month will be made available at zero cost.

12.6. Volumetric tariffs (D_{onsitewb})

Volumetric sanitation tariffs for this category of user shall be based on a volume as measured in the tank of the truck. The tariff shall be a tariff per kilolitre of wastewater. Users will be permitted to make use of private contractors.

12.7. Basic Tariff (D_{Basic})

This tariff shall be a fixed charge where necessary in informal areas depending on the mechanism. Different tariffs may apply for different systems.

12.8. Volumetric Tariffs (D_{cluster})

Volumetric sanitation tariffs for users in multi-residential unit developments shall be based on the estimated volume of wastewater discharged into the sewerage system, calculated as a percentage of the monthly metered water consumption. An allowance of 4 200 litres per residential unit per month will be made available at zero cost upon submission of a signed affidavit stating the number of residential units supplied from that metered connection.

12.9. Volumetric Tariffs - Industrial and Commercial

Volumetric sanitation tariffs for Industrial and Commercial users shall be based on the estimated volume of wastewater discharged into the sewerage system, calculated as a percentage of the monthly metered water consumption.

12.10. Volumetric Tariffs - Other: Schools, Hospitals, Municipal users, churches etc.

Volumetric sanitation tariffs for all other users shall be based on the estimated volume of wastewater discharged into the sewerage system, calculated as a percentage of the monthly metered water consumption.

12.11. Volumetric Tariffs – Homeless people shelters

In order to provide free basic services to people without title deed a special subcategory for homeless people shelters shall be used. Volumetric sanitation tariffs for such shelters shall be based on the estimated volume of wastewater discharged into the sewerage system, calculated as a percentage of the shelter's water consumption.

The consumption tariffs for this consumer subcategory shall be based on the number of people or beds normally accommodated in each shelter as defined in a sworn affidavit upon annual application for such shelter to be registered with Council, and receive a free sanitation allocation of 17,5 litres per person per day or 525 litres per person per month. Beyond such consumption a separate consumption category shall be applied.

12.12. Surcharge: extraordinary treatment cost

Where the pollution loading (quality) of wastewater discharged into the sewerage system exceeds the pollution loading of ordinary domestic wastewater, the specific user or industrialist will have to accept responsibility for the additional treatment cost.

This additional charge shall be based on the formulae as stipulated in the applicable Sanitation By-Law. This additional charge shall be billed monthly.

12.13. Fixed connection charges

No fixed charge will be levied on users who discharge wastewater into a sewer system.

12.14. Connection charges

Connection charges for all consumer categories shall recover the full costs of the sewer connection. Correct cost allocation should be set up in the financial system to ensure that costs are recovered by the relevant tariff, and that no inappropriate subsidization occurs.

12.15. Disconnections

Domestic Users - Due to the health risk related to effluent, a sewerage connection should not be disconnected if a user fails to pay. The water

supplied to the user may be restricted in terms of the Credit Control and Debt Collection Policy that in turn will minimize the effluent discharged.

12.16. Availability charge

An availability charge shall apply to serviced vacant or undeveloped land.

12.17. Adjustment to the calculated volume

For Industrial, Commercial, Domestic (cluster) and Other Rates categories only, an executive official shall have delegated authority to adjust the percentage used to calculate the estimated volume of wastewater discharged into the sewerage system. Acceptable scientifically-based calculations shall determine the adjustments.

12.18. Subsidies

Reasonable and appropriate cross subsidization may be applied between consumer categories. All applied subsidies (including those within and between consumer categories) must be disclosed to the extent that this is practical.

12.19. Contributions

Income from sanitation charges should not be used to subsidize other services.

12.20. Departures

Departures from the above policies may only be made where there are sound practical reasons that prevent the implementation of the policy at the present time and/or where the phased adoption of the policy or policies would reduce an otherwise onerous burden on council and/or consumers.

13. UNDERGROUND LEAKAGE REBATES ON WATER ACCOUNTS

13.1 Philosophy

The City should seek to address the problem of underground leaks on private property in a caring and understanding manner by granting an “underground rebate” for bona fide claimants of underground plumbing leaks and should share the costs on an equal basis with the consumer. Care needs to be taken to minimise the abuse of the rebate system by excluding leaks on plumbing to convenience fixtures such as irrigation systems and automatic filling systems to ponds, pools, fountains etc., where the possibility of the disconnection of those systems from the primary erf plumbing would have prevented the water waste in the first instance.

13.2 Plumbing leaks subject to the rebate system

Rebates shall only be granted in the case of leaks that are not visible to the eye on the erf's primary plumbing which would normally be kept pressurised for normal household activity requirements.

13.3 Derivation of rebates for underground leaks

Rebates for underground leaks shall be determined by establishing the difference between the "average" consumption over a corresponding consumption period and the increased consumption resulting from the underground leak.

This difference shall be then halved and the consumer shall be charged for half the consumption associated with the underground leak at a rate deemed to be the reticulated water cost.

The reticulated water cost, (Rc), shall be derived as follows:

$$Rc \text{ (R/kl)} = \text{Bulk Water cost (R/kl)}$$

plus Estimated distribution cost (excluding contribution to any Rates, Tariff stabilisation, asset financing funds in Rands), divided by estimated water sales in kl.

13.4 Time period over which the rebate will extend

It is considered reasonable that two months of actual metered high water consumption would be sufficient time to alert a consumer to the possibility of water leakage. A further month is considered a reasonable time to have this leakage repaired. Accordingly, the total period over which the rebate will extend is defined as the period covering the last three municipal bills based on actual water meter readings. (This period may be in excess of three months if bills are based on estimated consumption).

13.5 Relationship between rebated water and volumetric sewerage charge

Any water deemed to be lost through a leak on the primary plumbing of an erf shall not be included in the compilation of volumetric sewerage charges.

13.6 Steps to minimise abuse of the rebate system

All rebate claims will be subject to the production of a certificate by the claimant detailing the exact location of the leak on the property, the nature of the leak and the steps taken to repair the leak. The Council reserves the right to inspect all leakage repairs that are subject to rebate claims. The Council also reserves the right to grant rebates at its sole discretion.

Each erf shall be limited to two rebate claims in each twelve-month period. A property shall also be limited to a maximum of 3 rebates.

All documentation around rebate claims shall be filed for audit scrutiny as and when required.

CHAPTER 3 ELECTRICITY TARIFF POLICY

14. DEFINITIONS

In this Policy, unless the context otherwise indicates-

Commercial/Industrial Customer	<i>Customers that are not defined as Domestic Customers and includes halls, churches, schools, sports clubs, restaurants, theatres, consulting rooms, all other commercial and industrial premises and residential establishments where a business license exists (such as hotels, bed and breakfast premises, hostels, retirement homes etc).</i>
Connection Fee	<i>The fee payable as a contribution towards the cost of providing a supply. This may be subsidised to facilitate electrification of poor households.</i>
Cost Reflective Tariff	<i>A two part tariff consisting of a Service Charge and an Energy Charge or a three part tariff which includes a Demand Charge.</i>
Credit Meter	<i>A meter where an account is issued subsequent to the consumption of electricity.</i>
Customer	<i>A person purchasing electricity</i>
Demand Charge	<i>The charge payable for each kilovolt-ampere of the maximum demand supplied during any 30 consecutive minutes of the month</i>
Development Levy	<i>A charge made to cover the costs incurred to increase the capacity of existing networks due to the additional demand imposed by new developments.</i>
Domestic Customer	<i>Customers in private residential establishments including houses, blocks of flats and town house complexes and including Bona fide residential establishments registered by the Welfare Department</i>
Energy charge	<i>A charge for each kilowatt-hour (kWh) of electrical energy</i>
Green Energy	<i>Energy generated from a sustainable source such as solar, wind or wave.</i>
Low Voltage (LV)	<i>230 volts single phase / 400 volts three phase</i>
Medium Voltage (MV)	<i>The set of voltage levels greater than 1 kV up to and including 44 kV</i>

Meter	<i>A device that records the demand and/or electrical energy consumed and includes Credit and Prepayment Meters.</i>
Municipality	<i>The City of Cape Town</i>
NERSA	<i>The National Energy Regulator of South Africa</i>
Prepayment Meter	<i>A meter that can be programmed to allow the flow of a pre-purchased amount of energy in an electrical circuit</i>
Point of Supply	<i>The point determined by the Service Provider at which the Service Provider supplies electricity to any premises.</i>
Schedule of Tariffs	<i>Schedule containing details pertaining to levels and application of the various tariffs as approved by the Municipality from time to time.</i>
Service Charge	<i>A fixed charge to recover fixed costs such as capital, meter reading, billing, vending, maintenance, etc. It may be recovered as a daily or monthly charge but it is not applicable to subsidised tariffs. It is applicable throughout the entire period during which the relevant premises are connected to the supply mains irrespective of whether any electricity is used or not.</i>
Service Provider	<i>The Institution authorised by the Municipality to provide electricity distribution services</i>
Service Consumption	<i>The electrical energy and/or demand capacity installed, required or supplied to the Customer.</i>
Special Tariffs	<i>Special tariffs may be introduced from time to time in terms of sub-paragraph 74(2)(g) of the Municipal Systems Act.</i>
Subsidised Tariff	<i>One part tariff consisting of an Energy Charge only intended for use by Customers whose consumption is lower than the energy consumption level at which the relevant two-part tariff is advantageous</i>
Sundry Tariff	<i>Charges for additional general services rendered such as reconnections, disconnections, meter testing etc. These will be published in a tariff schedule, which may be adjusted from time to time.</i>
Type of Connection	<i>The Low Voltage or Medium Voltage supply provided at the Point of Supply.</i>
Wheeling	<i>The transport of electrical energy over the Service Provider's network infrastructure</i>

14.1 ELECTRICITY TARIFFS

Electricity tariffs may consist of Cost Reflective Tariffs, Connection Fees, Sundry Tariffs, Special Tariffs, Development Levies and Subsidized Tariffs as contained in the Schedule of Tariffs.

Any approved increases in the tariff shall be applied to monthly accounts on a pro-rata basis from the day on which the revised tariff is implemented.

14.2 CATEGORIES OF USERS

Electricity Consumption Based Tariffs shall distinguish at least between Domestic Customers and Commercial /Industrial Customers and shall have sub-categories for Domestic Customers based on levels of Service Consumption and/or Type of Connection. Domestic Tariffs are not dependant on the type of meter installed.

14.3 CATEGORIES OF SERVICE

Electricity tariffs shall be defined for different categories of *service provided where these categories of service are based on:*

- (a) Type of service (may include Wheeling and the supply of Green Energy)
- (b) Level of Service Consumption
- (c) Type of Connection
- (d) Time of Use

14.4 APPLICATION OF TARIFFS

Electricity tariffs shall be applied consistent with the categories of users and categories of service, provided that final discretion resides with the Service Provider.

14.5 CONSUMPTION BASED TARIFFS

Electricity consumption based tariffs shall include cost reflective tariffs and subsidized tariffs.

14.6 NERSA APPROVAL

Electricity Consumption Tariffs shall be approved by NERSA.

14.7 UNIVERSAL METERING

The supply of electricity will be metered by means of a Meter at the Point of Supply or at an alternate point determined by the Service Provider.

Where the supply to a premises is transferred to a different customer more than twice in a twelve month period, e.g. holiday homes, or the credit risk is high, the owner of the property may be required to install a pre-payment meter.

**CHAPTER 4
WASTE MANAGEMENT TARIFF POLICY**

15 PREAMBLE

- 15.1 The policy deals with both residential Waste Management and non-residential Waste Management services, as provided by Council or on behalf of Council. Fixed costs for services rendered on behalf of Council by another entity are not determined by this policy, as they will be subject to Council's normal tender and procurement procedures and the policies associated with these processes. This policy, however, establishes the principle that the cost-benefit of services provided on behalf of Council should be equal to or better than the cost benefit of Council-provided services.
- 15.2 The policy does not deal with the cost for services rendered by another entity where Council does not render a service due to a decision of Council.

16 DEFINITIONS

In this Policy, unless the context otherwise indicates-

Availability Charge	A charge payable by all properties zoned as "Vacant".
Residential properties	All improved properties, that are: <ul style="list-style-type: none">- Used predominantly for residential purposes, with no more than two dwelling units per property;- Registered in terms of the Sectional Title Act;- Owned by a share-block company;- A rateable residence on property used for or related to educational purposes; and- Homeless People Shelters accredited by Council.
Non-Residential properties	All developed properties not zoned for residential use and includes "Agricultural land" and "Vacant land".
Vacant land	All undeveloped land irrespective of its current or future intended zoning.
Agricultural land	All property zoned for agricultural purposes and includes smallholdings.
Rebates	Rebates are granted to "Residential properties". Rebates do not apply to vacant land zoned as "Residential" or intended for Residential Development or "Non-Residential properties".
Sectional title units	All properties registered in terms of the Sectional Title Act.

Sigma code	Code that identifies properties per their evaluation status on the City's SAP system.
240 L Container (Wheelie bin)	A wheeled waste container with a capacity of 240L, provided by Council for the storage and disposal of waste in areas identified for containerisation. The container, which remains the property of Council and which may only be used for the intended purpose of waste service provision by or through Council, is provided at no cost to the property owner.
85L Bin/Bag	A waste container or black refuse bag with a capacity of 85L, provided by the property owner, for the storage and disposal of waste. Council to provide 85L bags for informal areas.

17 CITY OF CAPE TOWN CONTEXT

17.1 Waste minimisation

The demand for waste disposal has grown in recent years due to economic and population growth in the City. This has placed strain on the available airspace resources of landfill sites in the area and the City of Cape Town is rapidly running out of available airspace for the disposal of waste.

To combat this trend, the National Waste Minimisation Strategy has determined various principles and objectives that must be implemented by local government. To achieve this, the City is in the process of restructuring and realigning its services. The latter will include partnership arrangements and local economic development initiatives focussed on community, business and industry involvement linked to various technical solutions and financial mechanisms to achieve the strategic objective of minimising waste as far as possible.

Waste minimisation comprises any activity to prevent or reduce the volume and/or environmental impact of waste that is generated, treated, stored or disposed of through mechanisms such as reusing, recycling and processing waste for reuse.

17.2 Rebated Services: Residential Properties

17.2.1 The City has implemented a rebated waste management service policy, providing a free basic waste collection service of a once a week bagged service per informal household per month on Council and privately owned land and a free once a week bin/bag service per formal residential property valued less than R100 000 per month. Residential properties valued between R100 001 and up to R150 000 are rebated by 75% of the waste collection tariff, residential properties between R150 001 and up to R250 000 are rebated by 50% of the waste collection tariff, whilst residential properties between R250 001 and up to R300 000 are rebated by 25% of the waste collection tariff.

To ensure cost recovery and financial sustainability of the service, the cost of providing the free basic service to informal households on

Council and private land, is recovered from the residential tariffs. The rebate on tariff for formal residential properties is recovered from the Indigent Fund.

- 17.2.2 The City of Cape Town has implemented a rebate for Homeless People Shelters. A 50% rebate on the collection charge for a once per week frequency will apply for the first 15 (fifteen) 240 L black lid bin refuse bins. Any additional bins will be charged for at the full rate. This rebate will be recovered from Residential Tariffs.

17.3 Financial Management

The Municipal Systems Act stipulates that tariffs must reflect the costs reasonably associated with rendering the service hence waste collection and disposal costs are fully recovered per service (Collections and Disposal) and tariffs are correctly mapped in the cost allocation structure on the service level. However the current system of allocating expenditure and tariffs within the respective services (Collections and Disposal) is still not fully developed, resulting in actual costs and related tariffs for components of waste collection services (Residential, Non-Residential) not being possible. This could lead to inappropriate subsidisation of non-residential tariffs by residential tariffs and visa versa.

The setting up of cost recovery mechanisms and accounting system that clearly indicate how the various costs associated with the service will be recovered (through service level tariffs, miscellaneous tariffs or other income), needs to be further developed. This will assist in a more-accurate pitched tariff associated with the service provided.

17.4 Service Delivery

Responsible waste management services are vital to the health and well being of all people and the conservation of the environment. While waste management services in the Cape Metropolitan Area are generally of a high standard, there should be a striving for continual improvement in four broad areas:

- Extending access to services (basic service delivery to informal households on Council and private land);
- Efficient and effective supply of services (through service optimisation, improved resource management, waste minimisation, public awareness and education, reducing expenditure and increasing efficiency);
- Managing and improving the quality of services provided (through a performance management system to effect improved service responsiveness, and greater customer care); and
- The maintenance of waste management infrastructure to minimize the cost of replacement or development of capital assets and infrastructure.

18 POLICY PRINCIPLES

The following broad policy principles have been used to inform the development of the more specific policies that are set out in the following section:

18.1 General Principles

18.1.1 Access to basic services

Waste Management tariffs for residential use should be “pro-poor” in their orientation and should seek to ensure that a minimum basic level of service is affordable for all households, ensuring that all households (formal and informal) have access to basic waste management services. The tariff policy must support the viability and sustainability of waste management services to the poor. Poor households (informal and formal) must have access to at least basic services through:

- (i) A free basic bagged service for informal households
- (ii) A basic 85L bin/bag service for formal households
- (iii) Tariffs that cover only operating and maintenance costs; or
- (iv) Any other direct or indirect method of subsidisation of tariffs for poor households

18.1.2 Fairness

The Waste Management Tariff Policy should be fair to ensure that it treats all users in similar circumstances in the same way. In other words, it treats waste management service users equitably in the application of tariffs and does not unfairly discriminate between users. A tariff and other policies may, however, differentiate between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination.

18.1.3 Cost-reflectivity

Waste Management tariffs must include all the costs reasonably associated with rendering the service including capital, operating, maintenance, administration and replacement costs and interest charges. Correct cost allocations should be made that will allow costs to be mapped against the tariffs required as to reflect those costs and prevent Residential users cross subsidizing Non-Residential users. It should also include the cost for those waste management services provided for or on behalf of the City, which cannot be allocated to a specific consumer. This may include area cleaning and ad-hoc cleaning services.

18.1.4 Revenue Sufficiency

The revenue from all waste management-related tariffs should cover the full costs of service delivery, including operational and maintenance costs, rehabilitation, replacement and extension of the infrastructure, provision for bad debt as well as financing and depreciation charges for Capital work not

financed through any grant, subsidy or donation. Revenue sufficiency may be defined to include surcharges on the tariff for a service in appropriate circumstances, and contributions to capital development and other funds.

18.1.5 Sustainability

Tariffs should be set at levels that facilitate the financial sustainability of the service. Innovative debt management schemes should be implemented to promote payment. Waste Management tariffs shall also encourage the economical, efficient and effective use of airspace, the reduction of waste to landfill, the recycling of waste and other appropriate environmental objectives. Adequate provision must also be made for funding the on-going rehabilitation of waste infrastructure. Tax incentives, rebates and other income streams, such as waste energy cost recoveries are components that can only be factored in once a full cost accounting model, which takes into account development, social and environmental factors, has been developed to inform future waste management financial decision-making.

18.1.6 Transparency

The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed. Correct cost allocation should be done in the spirit of transparency.

18.1.7 Special Tariffs

Waste Management services may implement special tariffs to reduce waste disposal and to support waste minimization within sustainable levels. Tariffs may also be introduced for special services provided by Council and which is not yet defined in the service categories. Provision may also be made for the promotion of local economic development through special tax incentives for Commercial and Industrial users.

18.1.8 Contributions

The contribution from Solid Waste Services to the rates fund should be limited to the actual cost to provide waste collection services to informal settlements.

18.1.9 Subsidies

All subsidies (including those within and between user categories) should be disclosed to the extent that this is practical. Correct cost allocations and measurement of historical costs must take place to ensure that the policy of cost recovery is adhered to and that no inappropriate subsidisation occurs.

18.1.10 Departures

Departures from the above principles may only be made where there are sound practical reasons that prevent the implementation of the policy at the present time and/or where the phased adoption of the policy or policies would reduce an otherwise onerous burden on Council and/or consumers. The reasons for any departures must be recorded in writing.

18.2 Specific Policies for Waste Management Tariffs

18.2.1 User Categories

Council shall distinguish all waste collection services between three user categories, namely: Residential properties (R), Non-Residential properties (NR) and Vacant properties (V). Waste Management tariffs for Council-provided services or those provided by other entities on behalf of Council shall accordingly distinguish between the same three user categories. Council reserves the right to service Residential properties (R) for all waste services, service categories and service levels. All three user categories, with the exception of Vacant properties (V), must have a legal waste service as prescribed in the Tariff By-law. Residential properties (R) are compelled to use Council service and may not use private contractors directly. All Vacant properties, irrespective of its current or future intended zoning, will until developed be charged for availability. Non-Residential properties may opt to use either Council service or the private contractor directly.

18.2.2 Residential properties (R)

18.2.2.1 Service categories.

The Waste Management tariff structure for Residential users shall distinguish between six different levels and standards of services, namely:

- (i) **Black lid 240L container service (R_{blacklid}):** A once-per week basic 240 L containerised service for users (residential properties) in suburbs already containerised. Council to provide black lid 240L container(s).
- (ii) **Blue lid 240L container service (R_{blueid}):** An enhanced service level of thrice-per-week 240 L containerised service for users (Sectional title, Hostels, Flats, Old age homes and retirement villages) in suburbs already containerised. Council to provide blue lid 240L container(s).
- (iii) **85L bin/bag service (R_{85L}):** A once-per week basic 85L bin/bag service for users (residential properties) in suburbs not yet containerised. Owner to provide 85L bin/bag(s).
- (iv) **Enhanced 85L bin/bag service ($R_{85L \text{ enhanced}}$):** An enhanced thrice-per-week 85L bin/bag service level for users (Sectional title, Hostels, Flats, Old age homes and retirement villages) in suburbs not yet containerised. Owner to provide 85L bin/bag(s).
- (v) **Rudimentary service ($R_{\text{Rudimentary}}$):** Strategic-placed bulk containers serviced according to need as a rudimentary service to informal settlements. Council to provide bulk container/skip(s).
- (vi) **Basic Bagged service ($R_{\text{Rudimentary enhanced}}$):** A once-per week basic 85L bin/bag service for informal household units in informal settlements. Council to provide 85L bag(s) in accordance to operational requirements.

18.2.2.2 Billing categories

In all instances the Property owner will be billed and not the Tenant. Council will not enter into agreement for service delivery or additional service delivery with a tenant. Residential properties will be billed in terms of the prevailing service, irrespective whether the service is used or not, whether a bin is issued or not or whether no waste is generated. Only in the case of Sectional Title Developments will the Body Corporate be billed. The bins will be charged to the Body Corporate and the Bin Rebate will be "R0". In the case of Homeless People Shelters, the registered Non-Governmental Organisation (NGO) will be billed.

- (i) **Black lid 240L container service (R_{blacklid}):** All users (Residential properties excluding Living Sectional Title Units) are automatically billed for one basic **Black lid 240L container service** subject to the area being containerized. Billing is automatic and no service delivery agreement is required, the account is directly linked to the residential property number (erf number etc.) and served on the property owner.

In the case of Homeless People Shelters the account will be linked to the registered NGO, subject to a service delivery agreement with Council.

- (ii) **Volumetric Black lid 240L container service (R_{blacklid}):** This is considered to be an enhanced service level, provided on request/contract additional to the basic **Black lid 240L container service**. Any user (Residential properties) may request one or more additional **Black lid 240L container service** subject to the area being containerized. The account is directly linked to the residential property number (erf number etc.) and served on the property owner. The additional number of services is based on the actual Service delivery Agreement with Council or as confirmed by External Auditors appointed by Council to do a Bin Audit.
- (iii) **Blue lid 240L container service (R_{blueid}):** This is considered to be an enhanced service level, provided on request additional to the basic **Black lid 240L container service**. Only specified users (Residential properties - Sectional title, Hostels, Flats, Old age homes and Retirement villages) may request for a **Blue lid 240L container service** additional to the **Black lid 240L container service** subject to the area being containerized. The service level (No of containers) is based on the actual service delivery agreement with Council. The account is directly linked to the residential property number (erf number etc) and served on the property owner.
- (iv) **85L bin/bag service (R_{85L}):** All users (Residential properties excluding Living Sectional Title Units) are automatically billed for one basic **85L bin/bag service** in areas not yet containerized. Billing is automatic and no service delivery agreement is required, the account is directly linked to the residential property number (erf number etc.) and served on the property owner

- (v) **Enhanced 85L bin/bag service ($R_{85L \text{ enhanced}}$):** This is considered to be an enhanced service level, provided on request/contract additional to the basic **85L bin/bag service**. Only specified users (Residential properties - Sectional title, Hostels, Flats, Old age homes and Retirement villages) may request for an **Enhanced 85L bin/bag service** additional to the basic **85L bin/bag service** in areas not yet containerized. The service level (number of 85L bin/bags) is based on the actual service delivery agreement with Council. The account is directly linked to the residential property number (erf number etc.) and served on the property owner.
- (vi) **Rudimentary service ($R_{\text{Rudimentary}}$):** This service is a free service.
- (vii) **Basic Bagged service ($R_{\text{Rudimentary enhanced}}$):** This service is a free service.

18.2.3 Non Residential properties (NR)

18.2.3.1 Service Categories.

The Waste Management tariff structure for Non-Residential users shall distinguish between four different levels and standards of services, namely:

- (i) **Black lid 240L container service (NR_{blacklid}):** A once-per week basic 240 L containerised service for users (Non-Residential properties) in suburbs already containerised. Council to provide black lid 240L container(s).
- (ii) **Blue lid 240L container service (NR_{bluelid}):** A combination of options ranging from two-times to five-times per-week 240 L containerised service for users (Non-Residential properties) in suburbs already containerised. Council to provide blue lid 240L container(s).
- (iii) **85L bin/bag service (NR_{85L}):** A once-per week basic 85L bin/bag service for users (Non-Residential properties) in suburbs not yet containerised. Owner to provide 85L bin/bag(s).
- (iv) **Enhanced 85L bin/bag service ($NR_{85L \text{ enhanced}}$):** A combination of options ranging from two-times to five-times per-week 85L bin/bag service level for users (Non-Residential properties) in suburbs not yet containerised. Owner to provide 85L bin/bag(s).

18.2.3.2 Billing categories

Billing categories will be in accordance with the Credit Control and Debt Collection Policy and By-law. Non-Residential properties will be billed in terms of a fixed agreement or as confirmed by External Auditors appointed by Council to do a Bin Audit. The charges will not be variable, irrespective whether the service is used or not or whether no waste is generated. In all new agreements the Property Owner will be billed and not the Tennant. Existing agreements with Tenants will be phased out.

- (i) **Black lid 240L container service (NR_{blacklid}):** Any user (Non-Residential properties) may request one or a multiple basic **Black lid 240L container service** subject to the area being containerized. The number of services for billing is based on the actual service delivery agreement with Council. The account is directly linked to the Non-Residential property number (erf number) and served on the property owner.
- (ii) **Blue lid 240L container service (NR_{bluelid}):** Any user (Non-Residential properties) may request one or a multiple **Blue lid 240L container service** subject to the area being containerized. The service level (number of containers) is based on the actual service delivery agreement with Council. The account is directly linked to the residential property number (erf number) and served on the property owner.
- (iii) **85L bin/bag service (NR_{85L}):** Any user (Non-Residential properties) may request one or a multiple basic **85L bin/bag service** in areas not yet containerized. The number of services for billing is based on the actual service delivery agreement with Council. The account is directly linked to the Non-Residential property number (erf number) and served on the property owner.

18.2.4 Vacant properties (V)

18.2.4.1 Service Categories.

The Waste Management tariff structure for **Vacant properties (V)** only provides for a single level of service, namely:

- (i) **Availability Charge_(V_{availability}):** A fixed charge for all users (Vacant properties). All vacant properties are included irrespective of its current or future intended zoning. All vacant properties within the municipal area are considered to be serviceable.

18.2.4.2 Billing categories

In all instances the property owner will be billed and not a tenant.

- (i) **Availability Charge_(V_{availability}):** All users (Vacant properties) are automatically billed for one an **Availability Charge_(V_{availability}):** Billing is automatic and no service delivery agreement is required, the account is directly linked to the vacant property number (erf number) and served on the property owner.

18.2.5 Waste Disposal

18.2.5.1 Disposal Sites excluding Transfer Stations

Disposal of general waste at disposal sites excluding transfer stations are based on a fixed rate per mass of waste disposed or the carrying capacity of the vehicle.

18.2.5.2 Transfer Stations

Disposal of general waste at transfer stations are based on a fixed rate per mass of waste disposed including an additional rate for transport based on the mass of waste disposed or the carrying capacity of the vehicle.

18.2.6 Area Cleaning

Illegal dumping and or cleaning before, at or after events will be based on actual cost plus a % for Administration Costs

18.2.7 Application for the supply of services: Solid Waste

All properties owners must complete the application form for the supply of services on registration of the property or anytime subsequent on change of service level requirements.

18.2.8 Adjustment to accounts

An executive official shall have delegated authority to adjust accounts on documented proof of an amended service level (agreement, letter, etc.) and the applicable date of change. If no proof of an amended service level exists and the service level verified by Council is different to the financial billing, then it will be corrected from date of first report.

18.2.9 Subsidies

Reasonable and appropriate cross-subsidization may be applied between user categories. All applied subsidies (including those within and between user categories) must be disclosed to an extent where this is practical.

18.2.10 Contributions

Income from Disposal charges should not be used to subsidize other services. Income from Collection charges could be used to subsidize Solid Waste rates services for the provision of integrated collection, disposal and cleaning services to informal households.

18.2.11 Departures

Departures from the above policies may only be made where there are sound practical reasons that prevent the implementation of the policy at the present time and/or where the phased adoption of the policy or policies would reduce an otherwise onerous burden on council and/or consumers.

18.2.12 Terminations

Termination of service is to be done by Letter, E-mail, Fax or standard Disconnection form. If this is not done then the disconnection date of the Electricity supply may be taken as the date of Termination.