CITY OF CAPE TOWN
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CITY OF CAPE TOWN - 2017/18 – 2019/20 BUDGET

Media Briefing
Councillor Johan van der Merwe, Mayoral Committee Member for Finance
29 March 2017

Making progress possible. Together.

2017/18 – a different budget year

ODTP

- The current financial year saw the introduction of a new organisational structure (ODTP) which formed the basis of the 2017/18 budget
- Area-based service delivery
- Process aims to deliver services that focuses on our residents and ensures that they are at the centre of the City's philosophy, operations and ideas.

2016 Municipal Elections

- The election on 3 August 2016, necessitated an amendment to the budget timelines for the 2017/18 MTREF. However, important public participation processes were completed for instance: an extensive public participation process for the IDP was run from 1 September 2016 to 10 October 2016

- **Drought**

- **Public participation**

After tabling of the draft budget today, public participation process ensues

All inputs are to be considered and submitted to Mayco for considerations of its inclusion in the final IDP and Budget submission to Council in May 2017

Eleven transformational priorities

-1-
Excellence in basic service delivery

-2-
Mainstreaming basic service delivery to informal settlements and backyard dwellers

-3-
Safe communities

-4-
Dense and transit oriented urban growth and development

-5-
An efficient, integrated transport system

-6-
Leveraging technology for progress

-7-
Positioning Cape Town as a forward-looking, globally competitive business City

-8-
Resource efficiency and security

-9-
Building integrated communities

-10-
Economic Inclusion

-11-
Operational sustainability

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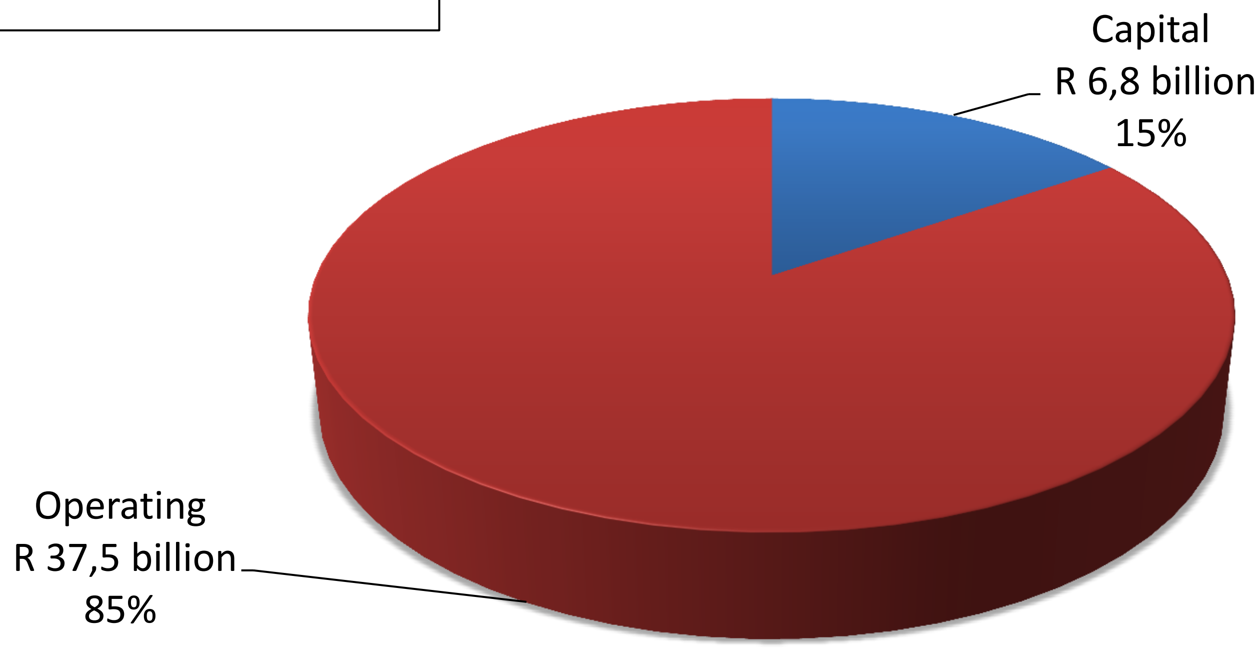
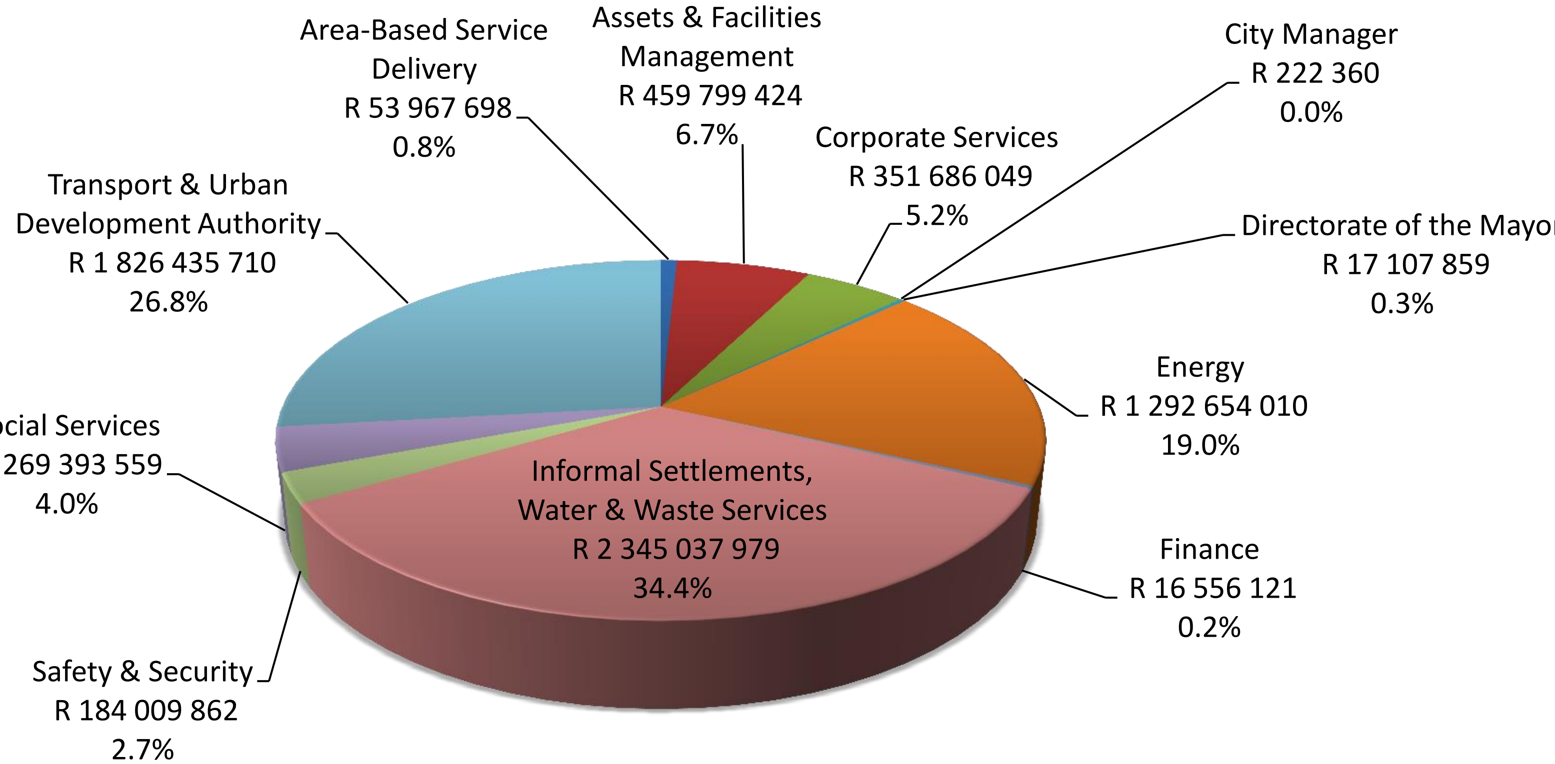
Total 2017/18 Tabled Budget

Total Budget R44,3 billion



Who spends what?



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Operating Budget highlights

2017/18 Operating Budget Highlights

- **Social Services**
  - **R5,5 million** for Nutrition Programme - to address malnutrition in the Western Cape
  - **R850,000** for Street People Programme - Winter readiness and to give donations to registered shelters and NGO's
  - **R217 million** for HIV and AIDS Programme - to sustain health and wellness, prevent new HIV victims, STI and TB infections
  - **R943 million** for Personal Primary Health Care Services

- **Informal Settlements, Water and Waste Services**
  - **R11,4 million** for apprenticeship (trade orientated training) programme to preserve institutional knowledge within Solid Waste and Water & Sanitation
  - **R10 million** to accommodate the growth in informal settlements and the number of households
  - **R20 million** in order to increase the separation of recyclable waste from the organic at formal residential properties
- **Finance**
  - **R18 million** to address staffing gaps within the Motor Vehicle Registration offices and debt management

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2017/18 Operating Budget Highlights

- **Informal Settlements, Water and Waste Services**
  - **R28,4 million** for capacitating the asset management function, first level response teams, water management device teams, sewer teams and the associate dispatch teams to improve responsiveness
  - **R39 million** to ensure enhanced and pro-active maintenance
  - **R50 million** provision for future infrastructure projects, i.e. BWAS and next major water resource
  - **R15 million** for capacitating of Informal Settlement Teams
- **Energy**
  - **R20 million** provided for artisan posts in order to accommodate apprentices being trained within the department
  - **R30 million** for new Sustainable Energy Markets
  - **R32 million** for additional Eskom connections (Pinotage and Oakdale)
- **Corporate Services**
  - **R5.5 million** External Bursaries - to assist financially needy people in the community and to address specific scarce skills within the City
  - **R6,7 million** Leanerships - to provide assistance to financially needy people to obtain a formal qualification
  - **R9,9 million** Apprenticeships - to provide financial and practical assistance to financially needy people

2017/18 Operating Budget Highlights

- **Assets & Facilities Management**
  - **R61,4 million** for the maintenance of housing rental stock.
  - **R70 million** for Transversal Facilities Management and Maintenance Services within the directorate and to devolved asset users (i.e clinics , libraries etc.)
  - **R10 million** for the appointment of additional staff at artisan level required for the maintenance and repairs work

- **Transport and Urban Development Authority**
  - **R497,6 million** for the construction of 3153 top structures
  - **R30,9 million** for the Glenhaven Social Housing Project
  - **R629 million** for the ongoing roads, stormwater and traffic signals maintenance.
  - **R284 million** for metro and local road reseal to address the mounting backlogs
  - **R134 million** for river, streams, canal and gulley cleaning and maintenance of stormwater systems
  - **R583 million** to provide affordable alternative road-based public transport
  - **R54.5 million** for security at the 50 Public Transport Interchanges
  - **R17.8 million** for cleaning services at 55 Public Transport Interchanges, i.e cleaning of toilets during operational hours, chemical toilets, sanitary services to ensure compliance with basic health and safety standards.

2017/18 Operating Budget Highlights

- **Safety & Security**
  - **R6 million** for the Expansion of the CCTV Footprint to assist in monitoring of the City's assets this enables efficient and effective response to various incidents
  - **R11.5 million** for School Resource Officers for the reduction and prevention of school-related violence and crime thereby actively contributing to the creation of safe school environments and safer communities
  - **R3.1 million** for Metro Police Cadet Programme and Academy to enhance leadership skills, support and the instil prosocial values
  - **R12.6 million** for the Stabilisation Unit to enhance public safety and community policing by saturate gang areas and disrupt gang activities
  - **R3.5 million** for Auxiliary Law Enforcement Officers to augment and supplement permanent staff compliments to assist with by-law enforcement and crime prevention City-Wide
  - **R1.5 million** for Disaster Management Volunteers to ensure readiness and effective reaction to disaster related incidents

2017/18 Mayor's Job Creation Project

Allocations per directorate as follows:

Directorate	Plan
Area-Based Service Delivery	108 957
Assets & Facilities Management	755 142
Corporate Services	3 136 525
Directorate of the Mayor	568 750
Finance	1 849 704
Informal Settlements, Water & Waste Services	117 498 298
Safety & Security	5 478 198
Social Services	191 538 166
Transport & Urban Development Authority	20 024 785
Total	**340 958 525**

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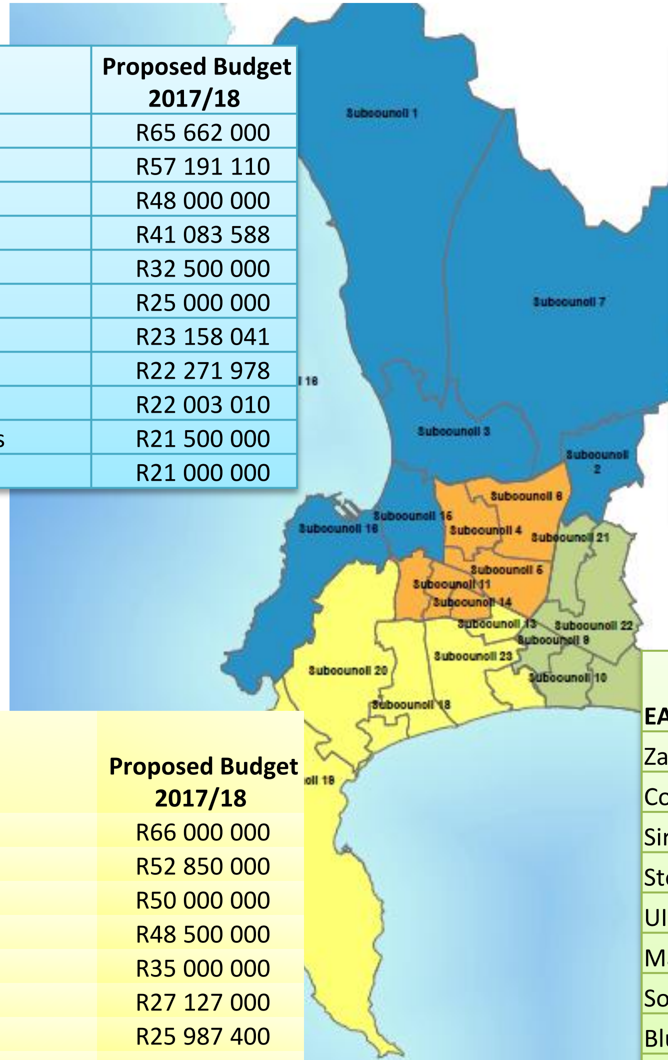
Major projects in each Area for 2017/18



NORTH	Proposed Budget 2017/18
Bloemhof Network Control Centre	R65 662 000
City Depot CBD - New	R57 191 110
Roads: Bulk: Housing Projects	R48 000 000
Langa Hostels CRU Prj: Special Quarters	R41 083 588
Upgrading Solid Waste facilities	R32 500 000
Vissershok South: LFG Infrastructure	R25 000 000
Du Noon Library Construction	R23 158 041
Langa Hostels CRU Project: New Flats	R22 271 978
Hout Bay LV Depot	R22 003 010
Vissershok North:Design and develop Airs	R21 500 000
Plattekloof Road Dualling	R21 000 000

CENTRAL	Proposed Budget 2017/18
Borchards Quarry WWTW	R95 500 000
Bellville WWTW	R71 649 995
Transmission System Development	R40 645 400
Parow depot Upgrade	R36 206 000
Road Rehabilitation:Hanover Park:Ph2&Ph3	R35 000 000
UISP: 8ste Laan -Valhalla Park	R33 000 000
Upgrading of drop-off facilities	R26 800 000
Park Upgrades Programme	R25 600 000
Roads: Rehabilitation	R19 950 000
Development of landfill infrastructure	R18 780 000
ARTS:Material Recovery Facility / MBT	R17 173 000

SOUTH	Proposed Budget 2017/18
Kommetjie Road Dualling & Ou Kaapseweg	R66 000 000
Land acquisition for municipal purposes	R52 850 000
IRT Phase 2 A	R50 000 000
Grassy Park Main Substation Upgrade	R48 500 000
IDA/UISP Sweethomes-Philippi	R35 000 000
Coastal Park:Design and develop (MRF)	R27 127 000
Noordhoek LV Depot	R25 987 400
Upgrading Solid Waste facilities	R21 240 000
New Pelican Park Clinic	R18 268 188
Replace & Upgrade Water Network	R16 500 000
Retreat Public Transport Interchange	R15 000 000

EAST	Proposed Budget 2017/18
Zandvliet WWTW-Extension	R146 313 178
Congestion Relief Projects	R58 100 000
Sir Lowry's Pass River Upgrade	R46 230 000
Steenbras: Refurbishment of Main Plant	R40 000 000
UISP: Kalkfontein Informal Settlement	R38 000 000
Macassar BNG Housing Project	R28 380 000
Somerset West Fire Station	R24 435 947
Blue Downs Streetlighting Depot	R22 534 900
Cemetery Developments	R20 500 000
Dualling: Broadway Blvd:Beach Rd:MR27	R20 000 000
R44 Extra N-bound Lane - Foundry Precinc	R18 000 000

Capital Budget Highlights

2017/18 Capital Budget Highlights

- Social Services directorate:
  - New ECD centres in Strand and Heideveld to assist with development of children in poor communities → R16.2m
  - New clinics in Fisantekraal and Pelican Park to provide an one-stop service → R22.9m
  - Replace two clinics in Uitsig and Zakhele → R6.9m as well as extension of the ARV/TB sections at Uitsig clinic → R5m
  - Metro South-east & Vaalfontein Cemetery Developments→ R21.5m
  - IT modernisation - to render integrated streamlined and efficient business processes e.g. booking- and reservation systems at community facilities & appointment systems at City clinics → R5m
  - Construct new Du Noon library → R23.1m
  - Upgrade Manenberg Precinct and integrated Parks projects → R18m

2017/18 Capital Budget Highlights

- Corporate Services directorate:
  - Continuation of Broadband to build a Metro Area Telecommunications Network to serve needs of City, residents and businesses → R260m
  - Extension of Smart City Strategy to provide limited internet access at all at all municipal libraries, ICAN centre in Elsies River & Wale Street Offices(CBD) → R3.5m

- Area-based Service Delivery directorate:
  - Upgrade of informal markets and facilities which aims to contribute to the City's strategic objective to create opportunities for growth and jobs → R3.8m

2017/18 Capital Budget Highlights

- Transport & Urban Development Authority:
  - Ongoing roll out of IRT Project: Phase 2A to the Metro South East, linking Mitchell's Plain and Khayelitsha to the Wynberg and Claremont public transport hubs → R462.6m
  - Public Transport Interchange (PTI) programme includes allocations for development and/or upgrading of Inner City & Bellville Public Transport Hubs, Retreat & Somerset West PTIs, Makhaza Bus & Taxi Facilities and the Dunoon and Masiphumelele Taxi Facilities → R108.7m
  - Non-Motorised Transport Programme - rollout of pedestrian & cycle facilities across the City, including areas such as Grassy Park, Eerste River, Manenberg, Blaauberg North, and in the northern suburbs → R150m
  - Congestion Relief Programme will focus on congestion hotspots around the City, identified ito a congestion strategy that is being finalized at present. Ongoing projects include the dualing of Kommetjie Road, Plattekloof Road, Broadway Boulevard and Jip de Jager Drive → R239.6m
  - Roads Rehabilitation Programme to upgrade existing concrete roads in Hanover Park, Heideveld, Gugulethu, Bonteheuwel and Bishop Lavis → R131.1m

2017/18 Capital Budget Highlights

- Transport & Urban Development Authority (continue):
  - Provide bulk infrastructure for housing projects, (e.g. ongoing bulk earthworks, roads and stormwater infrastructure for Fisantekraal/Greenville, Imizamo Yethu and Morkel's Cottage housing developments) → R66m
  - Metro Roads: Reconstruction that is kept up to standard to ensure efficient movement of people and goods across the City which will include rehab of a portion of Prince George Drive between Hyde Road & 5th Avenue, and replacement of Westlake culvert → R69m
  - Construct R44 Extra North-bound lane – Foundry Precinct to unlock development potential of Paardevlei site in the Metro South East which will release land for mixed used housing opportunities → R18m
  - New Markets Development - Human Settlements Implementation target is to create 1808 serviced sites (2017/18) → R172.9m

2017/18 Capital Budget Highlights

- Informal Settlements, Water & Waste Services:
  - Solid Waste Management:
    - Vehicle replacement plant to ensure optimal and continued service delivery → R80m
    - Material recovery facilities at Athlone and Coastal Park to divert more waste from landfills → R44m
    - Gas management systems at Bellville, Coastal Park, Vissershok- North & South landfill sites → R60.5m
    - Provision of adequate drop-off facilities within a 7km radius which will include Beaconvale, Prince George and Helderberg drop-offs → R54.6m
    - Additional airspace at Vissershok (North & South) → R21.5m
  - Informal Settlements & Backyarders
    - Construct civil and electrical infrastructure for the establishment of an Informal Settlements Programme:
      - Kalkfontein Informal Settlement → R38m
      - Sweethomes, Philippi → R35m
    - Installation of Water Dispensing & Management Devices in City Rental Stock Units as part of the Backyarder Program → R15.2m
    - Informal Settlements Sanitation Installation → R22m

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2017/18 Capital Budget Highlights

- Water and Sanitation:
  - Extensions to Wastewater Treatment Plants to ensure sufficient treatment capacity incl. Borchards Quarry , Westfleur, Scottsdene, Mitchell's Plain → R142.m
  - Bulk Water Augmentation Scheme of which the Muldersvlei Reservoir and pipeline forms part of the project to ensure uninterrupted water supply → R60.2m
  - Extensions to Zandvliet Wastewater Treatment Works to ensure sufficient treatment capacity - Khayalitsha forms part of this catchment → R199m
  - Water Network Upgrading to ensure an uninterrupted supply of water and prevent water losses in for instance Gugulethu, Manenberg & Grassy Park → R13.1m
  - Cape Flats Rehabilitation required to ensure sustainable sewer service for the catchment areas including Athlone, Bridgetown, Heideveld, Gatesville, Hanover Park, Philippi and Belgravia Estate → R7m
  - Water Supply at Baden Powell Dr to Khayelitsha to address water security resulting from growth on Enkanini side of Khayelitsha which has put water supply in area under pressure → R30m
  - Informal Settlements Water & Sanitation – depending on site condition, full flush toilets may be installed where possible, otherwise a portable flush toilet or container toilet → R27m

2017/18 Capital Budget Highlights

- Energy directorate:
  - Electrification programme to provide subsidised connections to informal settlements and subsidised housing development will continue in City areas such as Manenberg, Gugulethu, Valhalla Park, Bonteheuwel, Langa, Mfuleni, Strand, Atlantis → R60.5m
  - Street lighting across the metro to aid in the safe movement of pedestrian and vehicular traffic through the City → R67.8m
  - Install electricity connections directly on backyarder dwellings at Council rental units, current areas targeted are Kalksteenfontein, Bonteheuwel, Newfields, Hanover Park and Parkwood → R50m
  - Resource & energy efficiency in large municipal buildings by equipping them with renewable energy sources such as photovoltaic installations and result in energy saving and reduced cost → R14.5m
  - Role out of prepayment meters to remainder of credit meters → R52m

2017/18 Capital Budget Highlights

- Assets & Facilities Management directorate:
  - Renovation and reallocation of Municipal Courts → R13m
  - Fleet Management to upgrade and equip the workshops, review current fleet management and monitoring system and the balance of the funds to be utilised to replace ageing fleet→ R87m
  - Replace old plant to reduce repairs and maintenance cost → R21.3m
  - Upgrading of the Langa Hostels CRU → R64m
  - Major upgrading of Rental Units → R85m
  - Strategic acquisition of land for municipal purposes → R52m

- Finance directorate:
  - E-Tendering System in order to speed up tender processes → R7m

- Directorate of the Mayor:
  - Integration and Enhancement of technology to better enable project managers, which in turn will enhance service delivery → R13m

Extract of specific additional allocations

Operating Budget

Highlights of service delivery enhancements per directorate as identified during the Budget hearings totals R304m and include allocations to:

- **Social Services**
  - **R100 million** to enhance Security Services at Community Facilities, Various Social Development Programmes (Youth Development Work Skills, Street People Cemeteries, Disability Work Placement, Poverty Alleviation, Alcohol & Other Drugs Strategy, Social Crime Prevention strategy etc.) and additional allocation for MJCP
- **Transport and Urban Development Authority**
  - **R40 million** for Professional Service: Project Preparation and Investment Packaging , Roads Repairs & Maintenance, Master planning and soil remediation work required to for the development of Paardevlei and Training.

Operating Budget

- **Informal Settlements, Water and Waste Services**
  - **R12 million** for growth in number of doors in Informal Settlements to receive a refuse service within Solid Waste.
  - **R14 million** for additional capacity for the management of informal settlements and backyarders

- **Energy**
  - **R20 million** required for additional capacity for the development of new energy markets and innovation programmes

- **Area based Management**
  - **R20 million** for Staff required to support the de-centralisation of Area Economic Development, Project Management support and allowances for Ward Forum Members.

Operating Budget

- **Safety & Security**
  - **R35 million** for Additional Staff: Priorities - Neighbourhood Safety Teams, 24-hour Law Enforcement services and EPIC requirements

- **Directorate of the Mayor**
  - **R41,8 million** funds required for the Development and deployment of Cultural assessment tool ,development of 'Leadership Handbook, Activation of the Miami air route, propagation of the Invest Cape Town brand, Atlantis SEZ project management , skills development for the inclusive economy and various PPM activities (i.e. SOPs, screening, training, SAP support etc.)

- **Assets & Facilities Management**
  - **R20 million** for *the appointment of additional staff at Artisan level required for the maintenance and repairs to public housing assets aimed at reducing the number of units to be maintained per staff member.*
  - *Funds to be utilised to implement/enhance the maintenance of facilities managed by AFM including housing rental stock.*

Capital Budget

- Due to a positive cash position to date and further analysis of projected cash on hand at year-end, an additional R340 million were allocated to projects and programmes in Rates funded services where further service enhancements were identified. Major allocations are as follows:
  - Extension of Smart City Strategy → R3.5m
  - Data Storage Security & Accessibility of the corporate IT infrastructure → R8m
  - Upgrade of security at subcouncil offices to ensure the safety of staff and customers → R2m
  - Enabling resource efficiency in large municipal buildings → R3m
  - Data management system of the Smart Fleet within the Smart Driver Programme → R2m
  - Security at cash (MVR) offices → R1.9m
  - E-Tendering System to expedite the tendering process → R2m
  - New drop-off facilities within Solid Waste → R12.3m
  - Upgrading of drop-off facilities in amongst others Retreat, Beaconvale and Woodstock → R37.6m
  - Asset Management Programme to upgrade City rental stock → R85m
  - Upgrade of the City Hall → R4.7m
  - Electronic Workflow - Immovable property → R1.1m

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Capital Budget

- Upgrade of facilities within Safety and Security → R5m
- Additional CCTV Equipment for the continued rollout of cameras in areas such as Wallacedene and Kraaifontein → R4.5m
- Furniture, Fittings & Equipment for newly appointed staff within Metro Police → R2m
- Replacement of aging animals (horses) → R1.5m
- Expansion of shotspotter technology which identifies gunfire locations → R4m
- Equipment for staff working in the Housing Safety Unit to prevent social decay in social housing environment → R3m
- Specialised vehicles for Fire and Traffic Services → R43.4m
- Construct prefab building at Mitchells Plain Traffic for deployment of operational staff → R1.3m
- New Fire Station for Masiphumelele and Lwandle → R23.7m
- Upgrade fire stations at Central Khayelitsha & Khayelitsha Site C → R3.7m
- Project EPIC: Integrated Contact Centre to achieve improved ways to measure emergency and response management → R15m
- Film & Events Permitting System to give effect to assigned and tracked capabilities and increase the speed of application process → R1m

Capital Budget

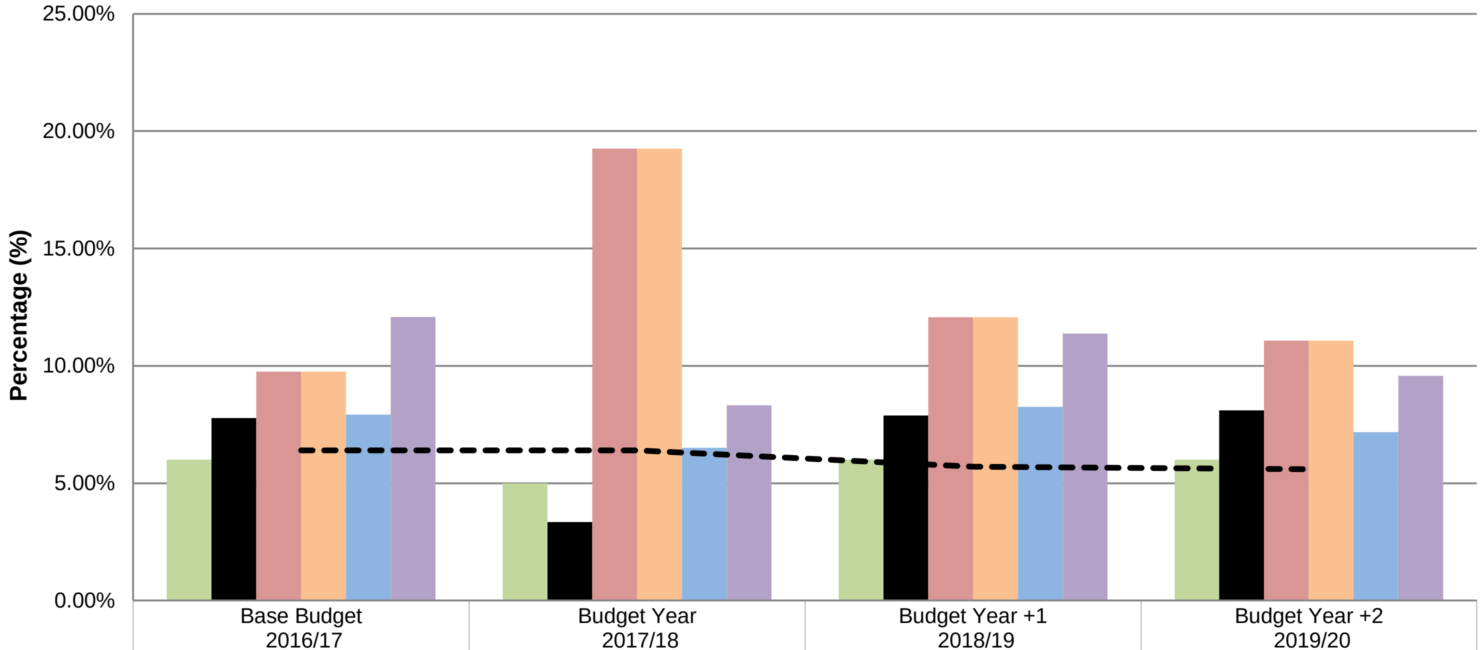
- To address backlog of reconstruction and rehabilitation → R20m
- N2 Interchange(Phase 1) which is associated with the Paardevlei site in Metro South East and will unlock development potential of this site, thereby releasing land for mixed used housing opportunities → R15m
- IT modernisation in order to render integrated streamlined and efficient business processes e.g. booking- and reservation systems at community facilities & appointment systems at City clinics → R5m
- Driftsands Project entails the INSITU upgrading of the Drift Sands informal Settlement area → R5.3m
- EHP: Wallacedene project to create an incremental development area for the Kleinakker informal settlement which will include water, sanitation and electricity services → R8m

• A further R112m was also made available from the EFF to fund the following service enhancements within Rates funded services:
  - Informal Settlements & Backyarders: Enkanini-Khayelitsha to commence with planning work →R10m
  - Informal Settlements & Backyarders department replacement of old fleet which must operate in informal settlements → R1m
  - Fleet Management - upgrade and equip workshops, review current fleet management- and monitoring systems while the balance of the funds will be utilised to replace ageing fleet and plant → R100m

Proposed 2017/18 Tariff Increases

Property Rates
Water and Sanitation
Electricity
Refuse Removal
Social Package

Rates and Tariff funded services' parameters



	Base Budget 2016/17	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Property Rates	6.00%	5.00%	6.00%	6.00%
Electricity	7.78%	3.34%	7.89%	8.10%
Water	9.75%	19.25%	12.07%	11.07%
Sanitation	9.75%	19.25%	12.07%	11.07%
Refuse	7.92%	6.51%	8.25%	7.17%
Disposal	12.08%	8.32%	11.37%	9.57%
NT's CPI projection	6.40%	6.40%	5.70%	5.60%

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Property Rates

Tariff Cent in the Rand

For residential properties it increases:

- from 0.6397 c/R (2016/17)
- to 0.6717 c/R (2017/18)

The Residential Deduction remains unchanged at R200 000

Proposed Residential Electricity Tariffs

Category	Unit	Steps	2015/16 c/kWh excl VAT	2016/17 c/kWh excl VAT	% increase	2017/18 c/kWh excl VAT	% increase
Lifeline INCLUDES the FBE portion	Energy Charge (c/kWh)	0-350kWh	91.06	97.09	6.62%	102.00	5.06%
		350.1+ kWh	252.12	268.81	6.62%	205.65	-23.50%
Domestic	Energy Charge (c/kWh)	0-600kWh	154.30	164.51	6.62%	169.12	2.80%
		600.1+ kWh	187.63	200.05	6.62%	205.65	2.80%
Home User	Service Charge	Per Month	-	212.92		219.00	2.86%
	Energy Charge (c/kWh)	0-600kWh	154.30	129.02	-16.38%	132.63	2.80%
		600.1+ kWh	187.63	200.05	6.62%	205.65	2.80%

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Proposed 30% Water Restriction Tariffs

Category	Current Tariff 2016/17 (30%)	Proposed Tariff 2017/18 (30%)	% Increase
	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)	
Domestic - Non Indigent			
Step 1 (0 < 6kl)	0	4	
Step 2 (>6 < 10.5kl)	14.51	15.57	7.33%
Step 3 (>10.5 < 20kl)	20.65	21.87	5.89%
Step 4 (>20 < 35kl)	35.93	36.43	1.40%
Step 5 (>35 < 50kl)	58.25	61.66	5.85%
Step 6 (>50kl)	175.58	209.29	19.19%
Domestic - Full Indigent			
Step 1 (0 < 6kl)	0	0	
Step 2 (>6 < 10.5kl)	14.51	15.57	7.33%
Step 3 (>10.5 < 20kl)	20.65	21.87	5.89%
Step 4 (>20 < 35kl)	35.93	36.43	1.40%
Step 5 (>35 < 50kl)	58.25	61.66	5.85%
Step 6 (>50kl)	175.58	209.29	19.19%

2016/17 (30%) tariffs as approved by Council in May 2016

Proposed 40% Water Restriction Tariffs

Category	Current Tariff	Proposed Tariff
	2016/17 (40%)	2017/18 (40%)
	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)
	Domestic - Non Indigent	
Step 1 (0 < 6kl)	n/a	4
Step 2 (>6 < 10.5kl)	n/a	15.57
Step 3 (>10.5 < 20kl)	n/a	22.78
Step 4 (>20 < 35kl)	n/a	38.32
Step 5 (>35 < 50kl)	n/a	99.99
Step 6 (>50kl)	n/a	265.12
	Domestic - Full Indigent	
Step 1 (0 < 6kl)	n/a	0
Step 2 (>6 < 10.5kl)	n/a	15.57
Step 3 (>10.5 < 20kl)	n/a	22.78
Step 4 (>20 < 35kl)	n/a	38.32
Step 5 (>35 < 50kl)	n/a	99.99
Step 6 (>50kl)	n/a	265.12

Proposed 30% Sanitation Restriction Tariffs

Category	Current Tariff 2016/17 (30%) Rand per Kl (excl. VAT)	Proposed Tariff 2017/18 (30%) Rand per Kl (excl. VAT)	% Increase
Domestic - Non Indigent			
Step 1 (0 < 4,2 kl)	-	3.85	
Step 2 (>4.2 < 7.35 kl)	12.26	13.14	7.18%
Step 3 (>7.35 < 14 kl)	24.10	25.53	5.95%
Step 4 (>14 < 24.5 kl)	30.96	34.88	12.67%
Step 5 (>24.5 < 35 kl)	42.67	45.18	5.87%
Domestic - Full Indigent			
Step 1 (0 < 4,2 kl)	-	-	0.00%
Step 2 (>4.2 < 7.35 kl)	12.26	13.14	7.18%
Step 3 (>7.35 < 14 kl)	24.10	25.53	5.95%
Step 4 (>14 < 24.5 kl)	30.96	34.88	12.67%
Step 5 (>24.5 < 35 kl)	42.67	45.18	5.87%

2016/17 (30%) tariffs as approved by Council in May 2016

Proposed 40% Sanitation Restriction Tariffs

Category	Current Tariff 2016/17 (40%)	Proposed Tariff 2017/18 (40%)
	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)
Domestic - Non Indigent		
Step 1 (0 < 4,2 kl)	n/a	3.85
Step 2 (>4.2 < 7.35 kl)	n/a	13.14
Step 3 (>7.35 < 14 kl)	n/a	26.59
Step 4 (>14 < 24.5 kl)	n/a	43.02
Step 5 (>24.5 < 35 kl)	n/a	52.02
Domestic - Full Indigent		
Step 1 (0 < 4,2 kl)	n/a	0
Step 2 (>4.2 < 7.35 kl)	n/a	13.14
Step 3 (>7.35 < 14 kl)	n/a	26.59
Step 4 (>14 < 24.5 kl)	n/a	43.02
Step 5 (>24.5 < 35 kl)	n/a	52.02

Reasons for higher than CPI increases

Water & Sanitation

- Various factors which includes:
  - Continuing aggressive capital programmes to ensure water security, implementation of augmentation schemes, extensions to wastewater treatment plants, appropriate capacity levels and asset replacements programmes to ensure proper asset management
  - The lower collection ratio- collection ratio budgeted for 82% which requires a higher debt provision;
  - The anticipated shrinkage in sales; and
  - Acceleration of the repairs and maintenance programme as well as staffing strategy to ensure that service delivery and responsiveness expectations are met

Refuse Removal

- Primarily for the service to comply with the NEMWA waste minimisation requirements by increasing the removal of recycling at the source and upgrade the solid waste depot facilities

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2017/18 Social Package

Social package changes

- 6kl of water per month/household free of charge for properties valued less than or equal to R400 000
  - **Previously applicable to all households**
- 4.2kl sanitation per month/household free of charge for properties valued less than or equal to R400 000
  - **Previously applicable to all households**

The total cost of the social package for the 2017/18 financial year amounts to approximately R2.7 bn:

- R1,3 bn – indigent relief
- R1,4 bn – rates rebates

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Thank You

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Making progress possible. Together.