A - F (32 – 2026) CM 23/06/2026	FINANCE DEPARTMENT: MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) FOR 2026/27 TO 2028/29 AND THE AMENDMENT 2022/23 TO 2026/27 INTERGRATED DEVELOPMENT PLAN (IDP) (2026/27).

9.10. That **Council APPROVE** the amended **Policies** and **By-Laws** as contained in **Annexure E** to guide the implementation of the municipality's annual budget**.**

POLICIES

CONTENTS

PRICING POLICY

1. APPLICATION AND SCOPE

The Pricing Policy is applicable to the City of Ekurhuleni as well as to all of the municipal entities of the City, being:

- Brakpan Bus Company;
- East Rand Water Care Company; and
- Ekurhuleni Housing Company, including Pharoe Park, Phase Two and Lethabong Housing Company.

The policy will be effective as from 1 July 2026.

2. OBJECTIVES OF POLICY

To ensure that pricing of services in the City of Ekurhuleni is done in a financially sustainable and socially responsible manner, and in doing so:

- Determining cost reflective tariffs, as far as is possible;
- Ensuring equitable pricing;
- Ensuring affordability of basic services to the community;
- To ensure compliance with the Municipal Systems Act; and
- To ensure compliance with all tariff setting regulatory bodies.

3. INTRODUCTION

The municipality must have a balance between investments made in productive capacity versus investment made in social services. This policy statement must be read in conjunction with the following policy documents:

- Budget Policy Statement;
- Property Rates Policy;
- Electricity Tariff Policy;
- Free Basic Electricity Policy;
- Free Basic Water Policy;
- Water and Wastewater Tariff Policy;
- Waste Management Services Tariff Policy and
- Indigent Support Policy

4. VARIOUS CATEGORIES OF PRICING

The City of Ekurhuleni has a wide range of customers. The pricing policy is intended to derive an appropriate pricing and cross-subsidisation mechanisms to meet the needs of the various customer groupings.

Whilst the categories of users guide pricing, the various tariff policies of the City will govern the prices that will be payable for the various services and a person will not be entitled to a subsidy simply based on the category in which the person is deemed to fall.

The exception will be approved and deemed indigent category where a person or property will qualify for grants, rebates and free basic services based on status or residential property value.

In terms of the approved Indigent Policy of Council, indigent relief will be granted to an approved household where the:

(a) combined household income of all occupants / residents tenant, his/her spouse or life partner, and/or dependents residing on the property and are over the age of 18 years of age, is less than two (2) monthly minimum wage determination based on Area “A” Domestic worker who work more than 27 ordinary hour per week, as amended by Minister of Labour from time to time;

(b) account in respect of Basic Services and/or Assessment rates is held with Council in the name of the applicant;

(c) Applicant is a South African citizen or in possession of permanent residence with South African Identity;

(d) The property is used for residential purposes and no portion thereof subleased

(e) Municipal value of property does not exceed maximum R1 500 000 as reflected in the valuation roll of the City.

(f) The current account of a deceased estate may be subsidized if the surviving spouse or dependents who occupy the property applies for assistance. Relevant supporting documents must be submitted as part of the application.

Households within the following categories of properties will be deemed to be indigent households, if - :

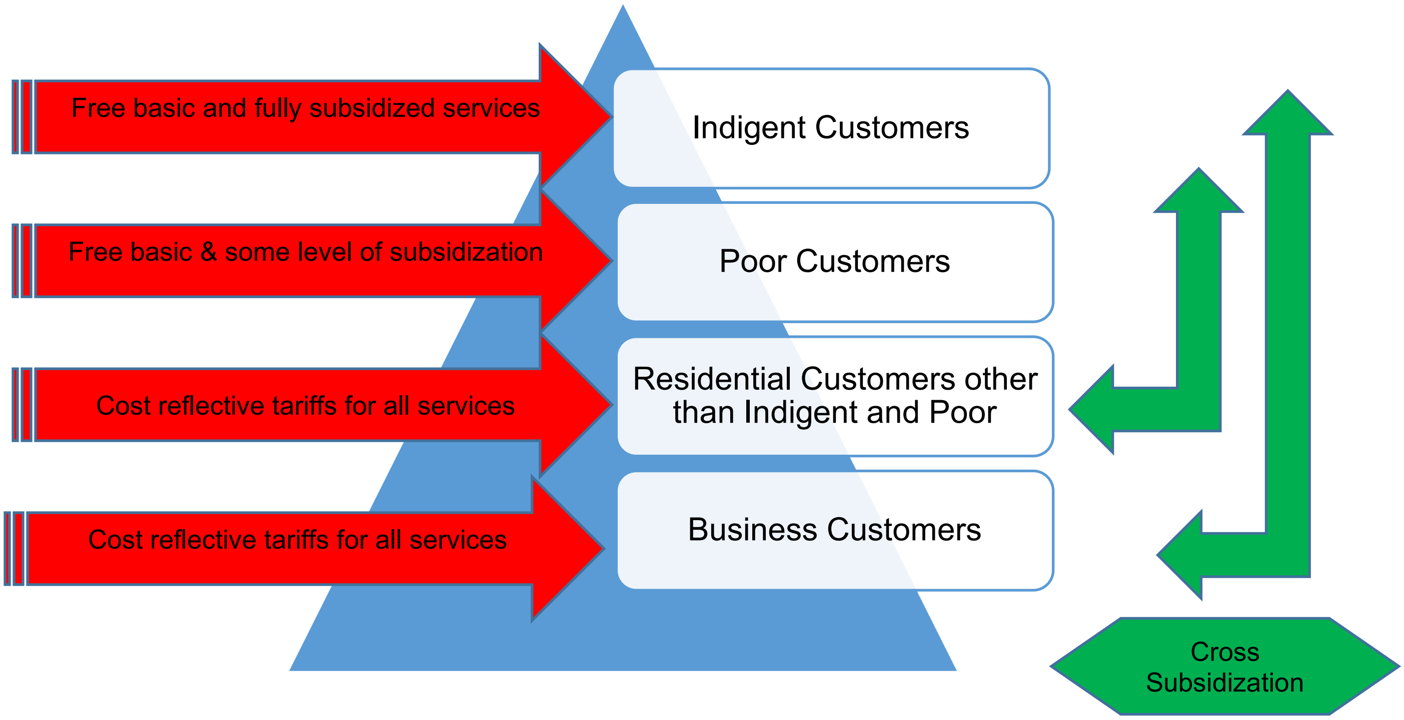
a) the property is used for residential purposes only as reflected in General Valuation roll; and
b) the residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property; and
c) The municipal value of property does not exceed maximum value R600 000.

Households within City of Ekurhuleni listed as/under Un-proclaimed Townships will be deemed to be indigent households, if:

d) Property identified as Un-proclaimed Township is not registered at the ~~in~~ Deeds Office. That all informal settlement be registered as deemed as they consume services without account numbers.
e) Proclaimed property is registered in the name of City of Ekurhuleni and included in general valuation roll; and
f) Provisional value of individual developed residential property, as determined by City of Ekurhuleni municipal valuer, will not exceed maximum value of R 600 000 on date of valuation.
g) Account in respect of Basic Services is held with Council in the name of the household;
h) The Rental Stock residents be registered as indigent for metered services (water, sanitation, and electricity)

In addition, residents of Ekurhuleni who do not have a formal municipal account but live in an informal settlement will receive indirect benefits. Whilst these residents will not benefit from rebates related to assessment rates, free basic services will be extended to these residents to the extent that infrastructure is available (i.e. provision of water to informal settlements, collection of refuse from informal settlements, chemical toilets, free basic electricity or free basic alternative energy etc.). Other benefits that apply to registered indigents will also be extended to those in informal settlements who are registered on the indigents register of Council.

The pricing and cross-subsidisation strategy is reflected below:



5. DETERMINATION OF POVERTY

There are differences between poverty and indigence and the factors to be taken into account in determining the aforementioned are in the process of policy formulation as required in terms of the law.

How do we deal with scenarios where an individual is a beneficiary under the indigent policy of the municipality in circumstances where it is clear that the individual is above the set threshold to qualify for such benefits or discounts? For example, an individual who lives in a shack simply because it is his or her choice, or individuals with certain amenities which ordinarily cannot be enjoyed by people falling within the threshold, as set out for qualification in the indigence scheme (such as DSTV in a shack or a flashy car etc).

The list below relates to legislative provisions, municipal policies and by-laws which are relevant in dealing with this matter:

- The Constitution of the Republic of South Africa Act 108 of 1996.
- Water Services Act.
- The Municipal Systems Act 32 of 2000.
- The Municipal Property Rates Act 6 of 2004.
- Framework for a Municipal Indigent Policy.
- Electricity Pricing Policy (EPP) of the South African Electricity Supply Industry
- Electricity By-laws.
- Water Services By-laws.
- Policy on the Provision of Free Basic Services – water and wastewater.
- Electricity Basic Services Support Tariff (Free Basic Electricity) Policy
- Policy on the Provision of Free Basic Electricity.
- Indigent Support Policy.

- Property Rates Policy.

Section 229 of the Constitution authorises the municipality to impose rates on property and surcharges on fees for services provided by, or on behalf of, the municipality subject to national legislation.

Section 3 of the Water Services Act states that everyone has a right of access to basic water supply and basic sanitation.

Section 74 of the Municipal Systems Act provides that a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services, in accordance with prescribed principles in terms of the section.

Section 2(a) of the Municipal Property Rates Act says that a metropolitan or local municipality may levy a rate on property in its area.

Section 3(5) of the Municipal Property Rates Act states that any exemptions, rebates or reductions adopted by a municipality must comply and be implemented in accordance with a national framework that may be prescribed after consultation with organised local government.

It is worth mentioning at this stage that the above mentioned legislation does not define poverty or indigent. Poverty is defined in Black's Law Dictionary as *"a condition where people's basic needs like food and shelter are not being met"*. Indigent is defined in the aforementioned source as "*a person who is needy and poor, or one who has no property to furnish him a living or anyone able to support him and to whom he is entitled to look for support"*.

5.1 PROPERTY RATES POLICY

Section D of the abovementioned policy provides for criteria for exemptions, reductions and rebates in terms of which the following will be taken into consideration for the purpose of granting exemptions, reductions and rebates:

(a) Indigent status of the owner of a property
(b) Sources of income of the owner of a property; and
(c) Social or economic conditions of the area where the owners of property are located e.g. an area declared by the national or provincial government to be a disaster area within the meaning of Disaster Management Act 57 of 2002, to the extent that the property was significantly negatively affected.
(d) Social or economic conditions of the property owner.

Paragraph 9 lists the categories of owners of property for purposes of exclusions, exemptions, reductions, rebates and differential rating, namely, residential, indigent owners, child headed households, pensioners and disability grantees/medically boarded persons and the like.

5.2 INDIGENT SUPPORT POLICY

This policy defines an “indigent person” as a poor needy person lacking the basic necessities of life such as insufficient water, basic sanitation, refuse removal, health care, housing, environmental health, supply of basic energy, food, clothing and has a lower income threshold as defined in this policy.

“Deemed Indigent” household is defined as individuals who live together in a single residential property and qualifies for indigent relief based on the use and value of property as determined in terms of general valuation roll.

Paragraph 9 deals with the criteria for qualification for indigent support and under 9.1.1, indigent relief will be granted to an approved household where the :

a) combined household income of all occupants / residents tenant, his/her spouse or life partner, and/or dependents residing on the property and are over the age of 18 years of age, is less than two (2) monthly minimum wage determination based on Area “A” Domestic worker who work more than 27 ordinary hour per week, as amended by Minister of Labour from time to time;
b) account in respect of Basic Services and/or Assessment rates is held with Council in the name of the applicant;
c) Applicant is a South African citizen or in possession of permanent residence with South African Identity;
d) The property is used for residential purposes and no portion thereof subleased
e) Municipal value of property does not exceed maximum R1 500 000 as reflected in the valuation roll of the City.
f) The current account of a deceased estate may be subsidized if the surviving spouse or dependents who occupy the property applies for assistance. Relevant supporting documents must be submitted as part of the application.

Paragraph 9.1.3 states that indigent relief will **not** be granted where the applicant, household, occupants/residents and/or dependents residing on the property, as the case may be, -

(a) receive significant benefits or regular monetary income that is above the indigent qualification threshold;
(b) where the applicant is not the registered consumer of services in the records of Council;
(c) where the applicant own/s more than one (1) property, registered individually or jointly within area of jurisdiction of Council;
(d) where the applicant rent/s or subleases his property or part thereof to any third party and the monetary income is above the indigent qualification threshold during the duration of the grant period; or
(e) applicant tampers or illegally connects or reconnects services prior to this application, until such time as the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Council have been paid in full.
(f) business activities are being conducted on property and the income is above the indigent qualification threshold.
(g) should the applicant refuse entry to the property or household’s premises for verification purposes, the Indigent application should be reversed or cancelled.
(h) Property of and employees of any organ of state (national, provincial, local and or state-owned entities.

Paragraph 9.2 states that households will be deemed indigent if –

a) the property is used for residential purposes only as reflected in General Valuation roll; and
b) the residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property; and
c) The municipal value of property does not exceed maximum value R600 000.

Households within City of Ekurhuleni listed as/under Un-proclaimed Townships will be deemed to be indigent households, if:

d) Property identified as Un-proclaimed Township is not registered at the ~~in~~ Deeds Office. That all informal settlement be registered as deemed as they consume services without account numbers.
e) Proclaimed property is registered in the name of City of Ekurhuleni and included in general valuation roll; and
f) Provisional value of individual developed residential property, as determined by City of Ekurhuleni municipal valuer, will not exceed maximum value of R 600 000 on date of valuation.
g) Account in respect of Basic Services is held with Council in the name of the household;
h) The Rental Stock residents be registered as indigent for metered services (water, sanitation, and electricity)

6. ASSESSMENT RATES PRICING

In determining the level of increases in the rates, the criteria to be applied include the following:

- Ratepayers with similar categories of properties will pay similar levels of assessment rates.
- The ability of specific categories of properties and/or categories of owners to pay their assessment rates will be taken into account by the Council through applicable rebate policies.
- In terms of section 229(2)(a) of the Constitution, a municipality may not exercise its power to levy rates on property in a way that would materially and unreasonably prejudice -
  (a) national economic policies;
  (b) economic activities across its boundaries; or
  (c) the national mobility of goods, services, capital or labour.
- The determination of the tariffs and the levying of rates must allow the Council to promote local, social and economic development.

Property rates are determined based on the categories of rateable properties which are determined according to actual use of the property irrespective of the permitted use in terms of the Town Planning Scheme. Categories of properties are included in Property Rates Policy and reviewed on annual basis in terms of the provisions of Municipal Property Rates Act.

The applicable tariffs relevant to various categories of properties will be influenced by :

- Pricing ratio of the category – Residential category forms the basis of ratio determination with differentiated ratios being applied to different categories of properties. As an example, industrial ratio is 2.5, meaning that the rate of industrial properties will be 2.5 times higher than the residential rate. Similarly, the ratio of farms is 0.25 meaning that the rate of farms will be a quarter of that of residential properties. The various ratios are contained in the property rates policy.

- Rebates and exemptions granted in respect of category – various categories have rebates associated with the use of the property. Churches, as an example, receive a 100% rebate, indigents receive a 100% rebate, and pensioners receive rebates based in first instance on pensioner status with additional rebate of up to 100% depending on their household income. In addition, all residential properties have a legally compulsory exemption of at least R15 000. This exemption can be increased to the discretion of Council as part of its pricing policy.

In addition, the existing rebates offered in terms of Section 15(1) (b) of the Property Rates Act read with Council's Property Rates Policy will remain in place for the 2025-26 financial year.

The rebates are as follows:

- Indigent Households – Owner of residential property, registered in terms of councils approved Indigent Policy, be exempted from paying of property rates.
- Child headed households – That a child headed household registered in terms of councils approved Indigent Policy, be exempted from paying of property rates.
- Age/Pensioners reduction, disability grantees and medically boarded persons – subject to requirements as set out in Property Rates Policy, an additional reduction of R150 000 on the market value of residential property owned by person older than 60 years of age or registered as "Life right use" tenant in deeds office (Age/Pensioner reduction), disability grantees and medically boarded persons be granted.
- Aged/Pensioners rebate, disability grantees and medically boarded persons – an additional rebate be granted in respect of sliding scale based on average monthly earnings.

  The applicant must:

  (a) be the registered owner of property within the following categories of properties :
    - Residential.

  (b) produce a valid South African identity document ;
  (c) must be at least 60 years of age upon application, provided that where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor;
  (d) be in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount as determined by Council from time to time;
  (e) a once-off application must be submitted with the implementation of every new valuation roll. The applicant applies only once for the reduction and it remains valid for the duration of the valuation roll.
  (f) not be in receipt of an indigent property rate rebate;
  (g) must reside permanently on the property concerned which consists of one dwelling only and no part thereof is sub-let; and
  (h) confirm the aforementioned details by means of a sworn affidavit.

  - On approval, the following rebates will be applicable:

Average Monthly earnings in respect of preceding 12 months.	
R0.00 to R 4,640 (2 x Older Persons Grant when amended - 10-*2025)*	100 % rebate on property rates
R4,640.01 to R9 495.00	85% rebate on property rates
R9 495.01 to R14 250.00	70% rebate on property rates
R14 250.01 to R18 900.00	55% rebate on property rates
R18 900.01 to R23 750.00	40% rebate on property rates

That the minimum “average monthly earnings” be adjusted annually and effective in accordance with National Government Budget announcement in respect of state pensions.

- Sporting bodies - used for the purposes of amateur sport and any social activities which are connected to sport and registered in terms of section 8 of the ninth schedule of the Income Tax act 58 of 1962, **90% REBATE** in respect of the amount levied as rates on the relevant property but subject to existing agreements between club and Council not determining a different position.
- Welfare organisations registered in terms of the National Welfare Act, 1978 (Act No. 100 of 1978), **100% REBATE** in respect of the amount levied as rates on the property.
- Public benefit organisations/Non-Governmental Organisations (NGOs) and Cultural Organisations approved in terms of section 30 of the Income Tax Act 58 of 1962, read with Items 1, 2 and 4 of the Ninth Schedule to that Act, **100% REBATE** in respect of the amount levied as rates on the property.
- Private schools, universities, colleges and crèches :
  - Private (Independent) primary and secondary schools (regardless of whether subsidized or not), registered as educational institutions with Department of Education, **BE REBATED** between **70% and 100 %** in respect of the amount levied as rates on the relevant property, subject to prior application and submission of prior years audited financial statements. Rebate will be adjusted in accordance with percentage ratio between net profit and gross income in the following categories :

Net Profit after tax %			**Rebate %**
0.00 %	To	10.00%	100%
10.01%	To	20.00%	90%
20.01%	To	30.00%	80%
30.01%	To	40.00%	70%

  - Private (Independent) Universities and colleges, registered as educational institutions not subsidized by state, **20% REBATE** in respect of the amount levied as rates on the relevant property.
  - Crèches, registered as educational institutions, **100% REBATE** in respect of the amount levied as rates on the relevant property.
- Vacant unimproved stands - That a 75% rebate be granted on residential property on which a dwelling unit(s) is/are being constructed and which will be used exclusively for that purpose, subject to the following conditions:

  - That an approved building plan is supplied;
  - That a residential dwelling unit(s) be constructed on the property;

- That the 75% rebate be granted for a maximum period of eighteen (18) months from the date the approved building plan was supplied;
- That the occupation certificate be supplied at the end of the eighteen (18) month period;
- That the failure to supply the occupation certificate will result in a reversal of the 75% rebate already granted; and
- That in the event that the said property is sold prior to the issue of the occupation certificate, the rebate already granted be reversed.

7. ENERGY PRICING

Electricity supply tariffs are guided by the Cost of Supply framework and it must be cost reflective.

In line with Eskom's approach to move away from the Inclining Block Tariff to a flat rate tariff, the City has followed suite.

The City, strategically and in part, matches the lower than municipal Eskom flat rate to c indigent customers, given the approximately 160 000 direct Eskom supplied customers in the area. The City also provides 50 kWh units FBE to registered and deemed indigent residents of City of Ekurhuleni. In essence, Free Basic Electricity (FBE) also protects the poor from high electricity costs.

FBE is dealt with under separate provisions of government's social programmes. The lower than municipal Eskom flat rate principle is specifically provided for and supported by the "South African Electricity Supply Industry: Electricity Pricing Policy GN 1398 of 19 December 2008" (EPP) which states that:

"Low income tariff customer subsidisation: Charging an appropriate tariff structure that allows for maximum subsidization at low consumption levels with gradually reducing cross-subsidies as the consumption levels increase."

Consumption Levels	Pricing principle.
0 to 50 kWh	Equal to FBE
All units above 50 kWh	As per pricing policy – gradually reducing cross-subsidies as the consumption levels increase

Table 1 - Free basic electricity and cross-subsidised tariff principle.

Ring fenced percentage of Income Budget towards repair and maintenance expenditure
The electricity tariffs shall include a maintenance fund calculated at 4% of income. Income to this fund is to be used for preventative and critical maintenance of the network only. This is not a levy as defined by the Municipal Fiscal Powers and Functions Act.

The electricity tariffs will again include an energy efficiency fund of 0.25% of income. The income from this is to be used for energy efficiency projects within Ekurhuleni. It is not a levy as defined by the Municipal Fiscal Powers and Functions Act.

8. WATER AND SANITATION PRICING

Broad water pricing goals have been established by National Government. These goals have been primarily directed at the pricing of raw water; however, they form an important context for the establishing of retail tariff goals.

The prices of water and sanitation services in South Africa reflect the fact that they are both social and economic goods (that is, pricing promotes access to a basic safe service, encourages the wise and sustainable use of resources and ensures financial sustainability).

Water ServicesTariff principles

Tariff principles as set out in South Africa's Strategic Framework for Water Services specify the following;

- tariff policies must be based on the following tariff principles:
- Tariffs should be applied equitably and fairly.
- The amount individual users pay for services generally should be in proportion to their use of that service.
- Water and sanitation tariffs for domestic use should be pro-poor in their orientation, that is, they should seek to ensure that a minimum basic level of water supply and sanitation service is affordable for all households, especially vulnerable groups
- Tariffs must reflect all of the costs reasonably associated with rendering the service.
- Tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned.
- The economical, efficient and effective use of resources, the reduction of leaks and unaccounted-for water, the recycling of water, and other appropriate environmental objectives must be encouraged.

The National Water Act of 1998 clearly identifies four primary national water pricing goals:

- Improving social equity;
- Ensuring ecological sustainability;
- Ensuring financial sustainability; and
- Improving efficiency.

The broad principles used in the compilation of the tariffs to promote the attainment of the tariff setting goals mentioned above that are applied in setting the tariffs are:

- adequate services are provided fairly to all consumers of Ekurhuleni;
- the prices of water and sanitation reflect the fact that they are both social and economic goods, ie pricing promotes access to a basic service, encourages the wise and sustainable use of resources and ensures financial sustainability;
- Tariffs to be based on "efficient costs"(cost to run the water service provider in a cost effective, efficient manner);
- Payment to be in proportion to the amount of water consumed. This will promote the more efficient use of water, compared to tariffs which have a large fixed-cost component; and
- Tariffs should promote the development of competitive business and economic development.

There are many factors that influence the cost of delivering water to customers. The following relevant costs are taken into account in order to determining the water tariff:

- Rand Water cost-bulk purchase cost;
- ERWAT sanitation treatment cost;

- Unaccounted for water(UAW);
- Percentage non-payment (bad debt provision);
- Cost of free basic water;
- Operating and maintenance cost of City of Ekurhuleni water and sanitation system;
- Capital investment cost of City of Ekurhuleni water and sanitation system; and
- Portion of equitable share made available by Central Government.

The Council's water tariffs are affected by the following factors and the minimum tariff has to cover the following aspects:

- Cost of raw water or bulk potable water; plus
- Cost of overhead and operational costs (maintenance and depreciation etc); plus
- Cost of capital (interest on loans); plus
- Reasonable rate of return on assets; plus
- Cost of free basic water provision; plus
- Provisions for bad debt and future infrastructure expansion; minus
- Subsidies (municipal infrastructure and the local government equitable share grants).

The Council's sanitation tariffs are affected by the following factors and the minimum tariff has to cover the following aspects:

- Sanitation treatment cost; and
- Cost of overhead and operational costs (maintenance and depreciation etc); plus
- Cost of capital (interest on loans); plus
- Reasonable rate of return on assets; plus
- Cost of free basic sanitation provision; plus
- Provisions for bad debt and future infrastructure expansion; minus
- Subsidies (municipal infrastructure and local government equitable share grants).

The water and sanitation tariffs shall include a maintenance levy calculated at 3% of income. Income resulting from this is to be used for critical water and wastewater maintenance only. This is not a levy as defined by the Municipal Fiscal Powers and Functions Act.

Steps tariffs for both domestic as well as commercial industrial usage have been applied (water and sanitation) to promote water conservation. The sanitation tariff will continue to be based on the volume of water consumed during the MTREF under consideration. The basis for this approach is to discourage wasteful water use practices and thus avoiding high water losses.

Current pricing approach

At present, the water tariff structure is in the form of an inclining block tariff, i.e. the more you use, the more you pay.

The City of Ekurhuleni provides 6 kilolitres free basic water and wastewater services per month to Registered Indigents qualifying in terms of the Councils approved Indigent Policy.

The Water Loss Programme adopted must be strengthened in terms of resources so as to achieve intended targets and to reduce Non-Revenue Water levels. Currently water losses account for more than R400 million per year. This is revenue that cannot be recovered and is causing a strain on the surplus of the organisation. The eradication of water losses forms an integral part of the strategic priorities of the City in that it impacts on the broader business operation and further liquidity standing. The cost of water losses impact adversely on the existing consumers as such translates to direct increases on the tariffs charged for water and sanitation.

9. WASTE MANAGEMENT SERVICES PRICING STRATEGY

Effective waste management is crucial for maintaining a clean, healthy, and sustainable environment in our communities. To achieve this, a fair and efficient pricing strategy is needed to manage waste management services while ensuring access for all residents

The National Pricing Strategy for Waste Management (NPSWM) is a legislative requirement of the National Environmental Management: Waste Amendment Act (Act No. 26 of 2014) and gives effect to the National Waste Management Strategy (NWMS). The Waste Act, as amended in section 13B, calls for an Act of Parliament to give effect to the pricing strategy, including details on 13B (b) determination of waste management charges and the review of these waste management charges from time to time.

The Department has further considered the Municipal Systems Act, which requires that "tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges".

This pricing strategy aims to:

- Encourage responsible waste disposal and recycling
- Ensure cost recovery for sustainable service delivery
- Support indigent households
- Generate surplus for community projects

Pricing structure

- Availability charge: charged per month per property (title deed holder) to cover infrastructure costs, regardless of service usage.
- Residential tariffs: basis is a 240l bin tariff per month and number of issued bins, serviced once per week
- Flats and townhouses: charged per unit per month, irrespective of type of container used
- Commercial tariffs" charged based on bin size and collection frequency
- Indigent support: 100% rebates for registered households
- Free basic refuse collection. – as per waste management tariff policy.

Pricing approach

1) Cost reflectivity

Cost reflective tariff setting is a requirement of the Municipal Systems Act Number 32 of 2000 which states in Section 74(2) that tariffs must "reflect the costs reasonably associated with rendering the service". Such tariff setting ensures that municipalities can generate sufficient revenue to fully cover their costs, sustainably deliver services to customers and invest in infrastructure that promotes local economic development.

2) Revenue

In order for the City to provide waste services in a financially sustainable manner, the City should have a sound revenue base that takes into cognizance the operational costs and capital funding required to provide the service.

3) User charge

The aim is to put a price on waste collected from the waste generators (e.g. households and business). The intention is to create an environment for waste generators to reduce the volume of waste generated and thus reduce the cost to the City of managing that waste.

In addition, all properties that are zoned non-residential and/or are found to be operating a business from a residential property will be liable for non-residential property tariffs.

The following charges are further applicable:

- Street sweeping and litter picking levy
  - At all non-residential properties where a scheduled litter picking service is provided at least once per week.
  - Charge per m2 at all non-residential properties where a scheduled litter picking service is provided at least once per week, with a maximum charge per month.
  - All properties that are zoned non-residential and/or are found to be operating a business from a residential property will be liable for this charge.

- **Disposal:** General public shall be allowed free disposal of general household waste generated from their own homes of up to 1000 kg limited to once a week in line with Clause 6 above. If same vehicle is carrying a load of more than >1000kg the exception is longer applicable, and the appropriate tariffs are applicable.

An ideal waste tariff must incorporate the following principles to be cost reflective:

- Efficient allocation of municipal resources
- Efficient and cost-effective supply of municipal services
- Efficient and environmentally friendly use of natural resources
- Full cost recovery
- Financial viability cognisant of the socioeconomic climate
- Horizontal equity commensurate with the services supplied
- Vertical equity and poverty alleviation
- Administrative and technical feasibility
- Punitive to waste generators and incentivise waste recyclers
- Deterrent to illegal dumping
- Proportionality commensurate with waste generation
- Transparency with grants and subsidies
- Promotion of local economic development

Bearing in mind the above considerations, the City of Ekurhuleni should ensure that the waste management tariffs for residential use should be considerate of low-income households. The City has a free basic service provision for registered indigents households, that meet the required criteria. This ensures that formal and informal households have access to basic waste management services. Which includes a free service for some category of informal households, a 240l weekly collection for formal households and other direct/indirect subsidisation for these households.

Indigents

The Department will provide free services to all approved and registered indigent account holders subject to the stipulations of the Council's indigent policy. The waste management tariff structure for Informal Residential users is a free service excluding reblocked informal settlements.

The following conditions must be met for the household to qualify for Indigent rebate:

a. The property is used for residential purposes only as reflected in General Valuation roll; and
b. The residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property

Rebates

The Business Unit does apply certain rebates to specific customer types. These include the following:

- Institutions
- Indigents
- Retirement villages and charity organisations
- Institutions such as orphanages, children's homes, old age homes, retirement Facilities/Villages and other charity organizations registered as non-profit organizations: may qualify for rebates. An application process needs to be followed and thereafter variable percentage discounts are applied based on the relevant criteria stipulated in the policy.

Category Percentage Rebate

Indigents	100%

By implementing this strategy, we can improve waste management, promote sustainability and ensure equitable access to services. The revenue generated will support infrastructure upgrades and community initiatives, benefiting our residents and environment.