

2007 – 2010

Mayoral Budget Speech



Delivered by
Clr. Gertrude Mothupi
Executive Mayor
07 June 2007

MANGAUNG LOCAL MUNICIPALITY

The Honourable Acting Premier: Mr. Belot

The Honourable Speaker of the MLM: Clr. Mahlomola Ralebese

The Honourable Speaker of the Free State Province: Mr. Mxolisi Dukwana

The Honourable Deputy Speaker of the Free State Province: Madam Charlotte Lobe

The Honourable Chief Whip of the Legislature: Mr. Ace Magashule

The Honourable members of Executive Council of Free State Government

Honourable Executive Mayor of Motheo District Municipality: Clr. Faniswa Chaine

Honourable Speaker of Motheo District Municipality: Clr. Dennis Ntsepe

The Honourable Deputy Executive Mayor: Me Moilwa

The Honourable Council Whip of MLM: Clr. Mxolisi Siyonzana

The Honourable Members of Mangaung Executive Mayoral Committee and Fellow Councillors

His Majesty Kgosi Albert Moroka

Chairperson of SALGA Free State: Clr. Jonas Ramogoase, Leadership and Deputy CEO of SALGA

Leaders of All Our Political Formations

City Manager of Mangaung: Mr. Thabo Manyoni

Members of Mangaung Local Municipality Executive Management Team

The Auditor General: Mr. van Niekerk

Heads of Department from Provincial Administration

Board members and CEO: Mr. Themrani Lobe from Centlec

Leadership of parastatals and other government institutions in Mangaung present here today

Leadership of institutions of higher learning in Mangaung

Leadership of organized labour

Leaders of our religious communities

Leaders of our business community

Members of the Media

**Distinguished Guests, Comrades and Friends
Fellow Citizens and People of Mangaung**

“Road Map to Service Excellence – Setting The Agenda”

Mr. Speaker,

Allow me to start of by saying “The most important thing is to solve the problems of the people”.

These are the words engraved at the main entrance of Angolan Capital City, Luanda. It is a famous statement made by Augustino Netto, leader of MPLA, during the days of the struggle of the Angolan people.

I feel it is befitting to use these words today on this occasion of presenting a budget to this august house, because as the Municipal Council and the administration we must ask ourselves, if the work we are doing is to solve the problems of the people or those of individuals at the expenses of the collective and the people.

Through this budget, as we draw the road map for Service Excellence - Setting the Agenda, we must be able to answer this question.

I therefore want to reiterate what I said during the State of the City Address on 12 April 2007, that “The city of Mangaung is committed to providing accountable quality services at an affordable cost in a sustainable manner”.

This is a commitment made to you the people of Mangaung, a commitment we shall strive to achieve.

Mangaung at this moment can choose between two alternatives: on the one hand, we can shape a new self reliant and prosperous community - the one which offers a better life for all. On the other hand, we can make symbolic and superficial change while not actually changing the living conditions of the majority of people in the city.

To create better life for all in this community would require deep structural changes. The notion that a strong institution is a prerequisite for growth and development remains the only alternative for Mangaung.

Those who dare to rebel against this, need to beware that the people of Mangaung do not take kindly to such acts of deviance. Because I doubt that anybody in Mangaung wants to live the life of endless material struggle associated with near-state-less condition of so many people in our country.

It is easy to romanticize rural simplicity from comfort of ivory tower universities and five star hotel conference rooms. Those who live in poverty, however, do not find it romantic.

I believe in the fact that, Mangaung and its community can create a better life for all. I also believe that not only the municipal council, but the people matters in this process, the people both as employees and the community at large.

That is why as the municipal council, we are working tirelessly together in partnership with all our stakeholders to make sure that we build this new kind of an institution that is geared towards bettering the lives of the people.

Mr. Speaker, fellow councilors, ladies and gentlemen

This budget is informed by the following key areas:

- That it addresses priority needs as identified by the community of Mangaung during our IDP processes;
- That we ensure the city is not reliant on government subsidies, but we generate our own sustainable revenue;
- That we have realistic revenue projections;
- That we produce a balanced budget for the community of Mangaung;

- That we maintain our assets at a level adequate to protect the capital investments and minimize future maintenance and replacement costs, since for some time we have been behind with maintenance of our assets as a city and therefore allowed them to depreciate before we can attend to them.

These we will use together to measure our performance on the expectations of the community on their needs as prioritized and well articulated in the IDP.

With these as our basis for this budget, I can then say that this budget is a pro-poor budget, which is meant to meet the basic needs of the people by restoring and enhancing infrastructure spending in the underdeveloped areas of our city, something the city has not been consistent in doing.

The restoration and enhancement of infrastructure spending in the underdeveloped areas will also go a long way in attracting investment in those areas as well, as compared to having investment in the same areas all the time. This will also contribute to the local economic development and quality job creation in our city.

All directorates had to also make sure as they drafted their budgets that issues of environmental awareness are taken care of. Environmental awareness remains a global challenge, which needs us collectively as the municipality and the community at large to respond to the interests of future generations.

These are the attributes of our budget, a budget meant to draw the road map towards service excellence while setting the agenda.

This is our commitment to quality service delivery to our people; and an insurance of a people centered and people driven governance in practice.

However, I must say that even though our budget is undoubtedly people centered and people driven, it has a few shortcomings.

Mr. Speaker, allow me at this moment to share with this august house, people of Mangaung, Free State and our country, some of the challenges to this budget.

- **Salary Bill**

As we look at the budget we realize that our salary bill instead of decreasing it has increased from 32, 76% to 34%. This is against the commitment we made with National Treasury to reduce it to 28% of our total operating expenditure.

I must say that this commitment made to the National Treasury by our predecessors is possible and rational. It must have been informed by realities in the municipality. We must therefore, go back to the drawing board in trying to identify remedies to this problem.

We will be having a dialogue on the salary bill to find out how we can curb it from growing further.

Fellow councilors should note that the salary bill has increased, despite the fact that we are in the process of transferring health services to the provincial government. Therefore, we have not budgeted for their salaries and benefits for the coming financial year. We should also note that our salary bill has increased despite the fact that we have lost so many of our employees, in particular our security personnel. May their Souls Rest in Peace!!!

The challenge of the increasing salary bill is a cause for concern. This Council needs to find creative and sustainable mechanisms to address this matter soon.

- **Debt control**

Mr. Speaker, this is one of the issues which Council has to continuously engage in, as on a number of occasions it appeared in our previous annual reports as a challenge. This is an area which was amongst those that the municipality had to answer PROPAC on.

We all know that there are a number of factors that influence this matter. For instance, we have a domestic debt amounting to R402.9 million. This includes people who are indigent and indeed those who are not indigent.

This therefore, impresses upon us to make sure that the 100% campaign is modified to yield the expected results and that we intensify our water leakages and repair awareness campaign.

We also have a debt owed to us by government which amount to R72.5 million. We are currently busy sorting this out with the affected departments.

Mr. Speaker, additional to this, we also have R119.7 million owed to the community of Mangaung by the business sector.

To correct this situation we have appointed a Debt Recovery Advisor in the Office of the City Manager to assist with strategies and systems of managing our debt, with the intention to recover all monies owed to us. Perhaps it is worth noting that the figures I have just given represents our overall debt as at end April 2007.

Through this budget, we are committing R4.85 million as provision for bad debt. This is an illustration of our commitment to improve the lives of our people for the better.

It is through this budget that we are saying to our communities, "Mangaung Municipality is a caring institution whose mission is to ensure that levels of poverty and social evils are eradicated in our society".

- **Hosting of 2010**

Because we are a city on the move, this movement of ours attracts a lot of activities in our direction which may sometimes have budgetary implications on us like the hosting of FIFA 2010 World Cup. Due to the hosting as the city we have an added responsibility of preparing our city for the tournament in

2010, and this meant creating a new office all together, staffing of this office and covering its operational costs on a day to day basis.

We have in this budget included R13.52million for the costs related to the preparations of the tournament. It is worth noting that as the city we are not going to get any subsidy or assistance to ease the pressures on us related to increasing operational budget.

- **South African Games**

Later this year, the City will be hosting the SA games in partnership with the provincial government and therefore, we have to also make arrangements for the hosting of these games.

Although the SA games mean added expenses, it also translates into what would normally be our responsibility in the main i.e., upgrading and maintaining our sports facilities. We can use these games to measure our capacity to host the FIFA world cup in 2010 in terms of our levels of hospitality and physical infrastructure.

As a City, we are responsible for the up keeping of our sports facilities even when there are no major activities to be held in Mangaung, which means that upgrading and maintenance of the sports facilities will still be for the Municipality's account.

- **Financial Viability**

Even though the city's credit rating is very positive, we have experienced no growth in the manufacturing or industrial sector of our economy.

There is recorded growth in residential and commercial/ business centers, but the city has struggled to attract capital investment from private sector and thus have failed to gain from our central geographic location in the country.

- **Free Basic Services**

The city has adopted a policy of provision for free basic services to all formalised households. As a result of the increase in housing developments the demand grows on a year to year basis. Perhaps the time has come for us to look into whether it will not be feasible to provide free basic services only to indigent households.

- **Compliance to MFMA**

The municipality is still not fully complying with MFMA though a new system was introduced in June 2005. we are not certain why a year or two down the line; it is still not understood considering the fact that we even had two international advisors who were with the municipality on a full time basis yet in different periods.

We must urgently find solutions to this problem as well; we must be in a position through engagements with the department of Local Government and Housing to identify strategies in dealing with this issue as we are a high capacity municipality.

Mr. Speaker

Ali Mazrui a Kenyan born professor of political science who specializes in Afro-American and African studies, in his book "The Africans", deals with the socio-economic condition in Africa when he says

"The ancestors of Africa are angry, things are not working in Africa, institutions are decaying, and structures are rusting away"

To strengthen his argument Mazrui cites Nigeria's Chinua Achebe's things fall apart where the voice of the ancestors warns Africa that:

“Warriors will fight scribes for the controls of your institutions-wild bush will conquer your roads and path ways-your land will yield less while your offspring multiply - your houses will leak from the floods and your soil will crack from the draught - your sons will refuse to pick up the hoe and prefer to wonder in the wilds - you shall learn ways of cheating and you will poison the kolanats you serve your own friends. Yes, things will fall apart”

We must strive through this budget and other mechanisms available, to eradicate such a picture painted by both Mazrui and Chinua Achebe, our collective wisdom must prevail and it must prevail now. Our Municipality has decided where it wants to go and this budget will help to take us to that destination.

You esteemed councilors have been elected by the masses of our people as their trusted representatives. You carry in your hands and with you always, the hope of the people.

These masses expect that you will be their fearless champions, who will refuse to be destructed from the course of ensuring a better life for all.

This gathering in Thaba Nchu is therefore, a proud moment for all our people in Mangaung, wherever they may be. It is a moment that gives us together with them; hope that the people of Mangaung will express the reality of their own situation with the words *Mangaung’s time has come*.

If indeed, the most important thing is to solve the problems of the people as Augustino Neto said, together with the people, we have the duty to ensure that nobody contemplating the future of Mangaung should, once again say things fall apart.

We must consider that we shall be a city upon a hill, the eyes of the people of the Free State and South Africa are on us as the Provincial Capital and the Judicial Capital, so that if we shall deal falsely with our people of Mangaung in

this work we have undertaken, and so cause them shame, we shall be made a story and a by - word throughout the province and the Republic.

General Rates and Charges for 2007/08

In looking at our ongoing cost structure, Council considered various relevant cost indexes, which must be within inflation targets, and do not undermine government's national macro-economic, tax and fiscal policy objectives or otherwise negatively affect investor confidence. After some deliberation, a figure of 6 percent, above the previous financial year has been set as a benchmark increase for most rates and charges.

Effectively, Council has increased the rate in the rand from 7.82 cents to 8.29 cents on the land value of ratable property without any improvements, which represents an increment of 0.47 cents, while on the land value of ratable property with improvements; an increase is from 0.710 cents to 0.753 cents.

Discount remains unchanged at 40 percent, on ratable properties which are used solely for dwelling purposes, including ratable properties which are zoned for the purpose of town houses and flats and which are used solely for occupation as town houses and flats and including small holdings and farms used solely for residential and agricultural purposes.

Significantly in the budget, is the continuation to provide free services for rates and sanitation to residential properties as defined in the approved municipal valuation roll with a land value of R12 500.00 or less and a building value of R30 000.00 or less, which receive a 40% rebate and don't have any penalty clause applicable to it.

Sanitation

Sewerage charges will increase by 0.042 cents from last financial year to 0.736 cents per rand on the value of improvements (VAT excluded) with a minimum of thirty nine rand and eight cent (R39.08) (VAT excluded) per erf per month.

Forty four rand and thirty cent (R44.30) per erf per month for vacant erven (VAT excluded). Levy on churches, church halls and other places of similar nature qualifying charitable institutions and welfare organizations is R50.55 per sanitary point per month (VAT excluded) and R16.81 per refuse container per month (VAT excluded).

Martie du Plessis School and Lettie Fouche School is both R25.28 per sanitary point per month (VAT excluded) and R 8.40 per refuse container per month (VAT excluded).

Water Supply and charges

Everybody agrees that Mangaung Local Municipality needs to be guaranteed the certainty of a reliable, safe water supply into the future.

Mangaung is a growing municipality as can be noticed in unprecedented rural -urban and urban-urban migration and planning for augmentation of existing supplies has not been left to chance.

This budget contains R 234 million so that whatever the outcome, the community can have confidence that Mangaung Local Council can and will deliver a reliable and cost effective water supply in the Mangaung areas in specified periods.

The Mangaung water budget for other water related projects contained in this budget, including upgrades of existing facilities, new infrastructure and general maintenance of daily supply operations is R 21 million.

Council has again recognised that the usage of water and the conservation continues to be critical in Mangaung.

Increases for water supply and consumption are at 6.9 percent above the previous year. This increase is lower than the one experienced last financial year – which means that consumers benefit from the low increases.

The usage charges of water is therefore increased from R6.47 to R6.92 per kilolitre for 7 kilolitres up to 30 kilolitres consumed; and implement an excess charge of 55 cents per kilolitre per month for 31 kilolitres up to 100 kilolitres and excess charge of 45 cents per kilolitre per month for each kilolitre more than 100 kilolitres thereafter. The non-metered residential water charge will be a fixed amount of R13.82 per month.

Over the past two years, the water leakage programme has done a great job by encouraging people to adopt responsible water management practices, and has created a much greater awareness in the community for the need to conserve this finite and precious resource.

It is hoped that more businesses will develop and implement water efficiency management plans in the coming year as a result of these rises and the general conservation imperatives.

Financial Sustainability

It's important when setting an annual budget that we recognise its impact on our future. Throughout this extended budget process, Councillors have not felt scared from making tough decisions.

We are putting the community first and engaging with it, and not jeopardising past financial years of prudent fiscal management for some short-term gain.

You do not have to look far a-field to see how potentially damaging it can be for Council not to focus succinctly on financial management and sustainability.

Resource allocation with conscious biasness to the previously disadvantaged has been at the forefront of our strategy, matched by a policy of continuous improvement in our service delivery areas.

Council's ability to meet those remains sound, and this is supported by maintaining appropriate levels of cash across the forward years.

A Council must have its house in order if it is to continue to function as an effective and efficient organisation and meet the community expectation of viable and robust municipal administration.

Many other local authorities look to Mangaung with envy, because we are doing business better than most, and our community is the beneficiary. This budget provides Council with a sustainable financial position over the next three years, with all financial performance indicators within their respective targets.

Budget applied to IDP strategic priorities

As mentioned above, Council aims to ensure that the annual budget supports its strategic Plan, which in turn reflects the key areas of importance to the community.

The overall budgeted capital expenditure of R 673,6million is allocated against Integrated Development priorities as follows:

- Common purpose – R11,4m
- Community resilience – R58,6m
- Economic development – R25,8m
- Financial sustainability – R9m
- Service excellence – R568,8

The key Strategic priorities accounting for the bulk of this expenditure are:

- Electricity
- Bulk Infrastructural Services, including, water, refuse removal and roads and stormwater
- FIFA World Cup 2010
- Economic Development and Planning
- Housing

Community and social development

Mangaung has a strong 'sense of community' and Council reinforces this by ensuring services are identified and delivered to meet community needs. This budget includes an increase of R 7,3million to R 24,9million capital expenditure for this priority to target these needs.

Allocations for parks, reserves and community sport and recreation facilities will ensure we continue to offer a wide range of options for fostering healthy lifestyles.

Economic development and planning

Council's long-term economic blueprint is aimed at providing more jobs for residents and encouraging investment in the Mangaung Local Municipality.

This budget maintains our commitment to this key priority with an allocation of R5 million for CBD rejuvenation.

Mr. Speaker, this budget focuses on key priority areas agreed upon by the community and council, and it recognises the role our council plays in achieving a better life for our residents and stakeholders in Mangaung.

Many people have assisted in the formulation of this budget and I would particularly like to thank councilors, staff and our ward committees for the commendable work you have done.

Mr. Speaker, fellow Councilors

I therefore, recommend the adoption of this 2007/08 budget under the respective recommendations as contained in the Budget Document.

I thank You!!

1. BUDGET RELATED RESOLUTIONS

In terms of the Municipal Finance Management Act, No 56 of 2003, the following recommendations are submitted for consideration.

1.1 Operating Budget

It is recommended

That the total operating expenditure of R1,630,003,189 and total operating revenue of R1,890,753,254 and indicative amounts for the two projected outer years 2008/09 and 2009/10, as set out in the following tables of the main budget document be approved:

- (a) Operating revenue by source reflected in **Table 1 – Page 22**
- (b) Operating expenditure by vote reflected in **Table 2 – Page 25**
- (c) Operating expenditure by GFS classification reflected in **Table 2(a) – Page 28**

1.2 Capital Budget

It is recommended

- (a) That the capital budget of R673,559,930 and the multi year appropriations by vote, GFS classification and funding for the two projected outer years 2008/09 and 2009/10, as set out in **Table 3, 3(a) and 4 – Pages 31 – 38**, be approved.

1.3 Assessment Rates

It is recommended

That, the following general assessment rates in respect of the Mangaung Local Municipality be increased with 6.0% above the previous year and be determined as follows:

- (i) Eight comma two nine cent (8,29c) per rand on the land value of rateable property without any improvements (exempt from VAT);
- (ii) Comma seven five three cent (0,753) per rand on the value of improvements (exempt from VAT);

1.4 Sanitary Fees

That the following levies in respect of the Mangaung Local Municipality (excluding residential in Bloemindustria, Ribblesdale, Bloemspruit, Bainsvlei and Peri Urban areas in Thaba Nchu, but including the Langenhovenpark area) be determined:

- i) Comma seven three six cent (0,736c) per rand on the value of improvements (VAT excluded) with a minimum of thirty nine rand and eight cent (R39,08) (VAT excluded) per erf per month;
- ii) Forty four rand and thirty cent (R44,30) per erf per month for vacant erven (VAT excluded);
- iii) Levy on churches, church halls and other places of similar nature qualifying charitable institutions and welfare organizations:
 - R50,55 per sanitary point per month (VAT excluded);
 - R16,81 per refuse container per month (VAT excluded);
- iv) Martie du Plessis School and Lettie Fouche School:
 - R25,28 per sanitary point per month (VAT excluded);
 - R 8,40 per refuse container per month (VAT excluded);

1.5 Rebate

That in respect of general assessment rates, the following rebate shall apply:

- 1.5.1 40% rebate on rateable properties which are used solely for dwelling purposes, including rateable properties which are zoned for the purpose of town houses and flats and which are used solely for occupation as town houses and flats and including small holdings and farms used solely for residential and agricultural purposes;

- 1.5.2 100% rebate in the case of Bloemdustrya on rateable properties within the area of Bloemdustrya until 30 June 2008;
- 1.5.3 20% rebate on rateable properties, which are used mainly for dwelling purposes, but on which informal business is also being operated.40% rebate on rateable smallholdings larger than 25 hectare.
- 1.5.4 that a penalty assessment tariff of comma seven seven cent (0,77) per rand on the value of improvements be imposed if the conditions of section 106(2) of Ordinance number 8 of 1962 are not complied with (exempt from VAT);
- 1.5.5 that the continuation of free services for rates and sanitation be approved and applied only to valued residential property as defined in the approved municipal valuation roll of Mangaung Local Municipality with a land value of R12 500,00 or less and a building value of R30 000,00 or less, which receive a 40% rebate and don't have any penalty clause applicable to it.
- 1.5.6 that the rates and levies in accordance with (c), (d), and (e), as stated above, become due monthly on the following dates, 17 July 2007, 17 August 2007, 16 September 2007, 17 October 2007, 16 November 2007, 17 December 2007, 17 January 2008, 15 February 2008, 17 March 2008, 16 April 2008, 17 May 2008 and 16 June 2008;

1.6 General Tariffs

It is recommended

That the general tariffs and charges, at an average increase of 5%, as reflected in the **Tariffs Booklet**, be approved for the 2007/08 budget year.

1.7 Water Tariffs

It is recommended

- 1.7.1 That, the water tariffs for the 2006/07 financial year be increased with 6.9% above the previous year;

- 1.7.2 That, the new water tariffs for 2007/08 be applicable from the consumer month of July 2007;
- 1.7.3 That, for the calculation of water accounts the consumer month will be the period between the successive monthly readings irrespective of the period between reading dates. And
- 1.7.4 That, in terms of section 145 of the Local Government Ordinance of 1962, (Ordinance No 8 of 1962) the following charges and prices, excluding VAT, in connection with the supply and consumption of water are submitted for approval

Part A: Erf within Municipal Area

Tariff 1:

- (a) Erf Used for Residential Purpose only**
- (b) Sports Club Incorporated in the Council's Sport Club Scheme**

Water Consumed:

- (a) R0,00 per kilolitre per month for 0 to 6 kilolitres;
- (b) R6,92 per kilolitre per month for 7 up to 30 kilolitres;
- (c) R7,47 per kilolitre per month for 31 up to 100 kilolitres;
- (d) R7,92 per kilolitre per month for each kilolitre more than 100 kilolitres.
- (e) Bulk metered Flats / Townhouses / Duet Houses:
 - (1) Total kilolitres used, number of Flats/Townhouses/Duet Houses
 - (2) Apply sliding scale:
 - 0 - 6 kilolitres
 - 7 - 30 kilolitres
 - 31 - 100 kilolitres
 - 101 kilolitres and more
 - (3) Multiply amount by number of Flats/Townhouses/Duet houses

Tariff 2: Unmetered Erf Used for Residential Purposes Only.

Fixed amount: R13,82 per month

Tariff 3: Unimproved Erf

- a) Unimproved erf, which may be used for residential purposes only:
Minimum charge: R15,24 per month
- b) Any other unimproved erf:
Minimum charge: R204,72 per month

Tariff 4: Directorates of Council

Water consumed: R5,94 per month

Tariff 5: Any Other Point where Water is Supplied not Mentioned in Tariffs 1, 2, 3 and 4 per Water Meter.

- a) Minimum charge: R204,72 per month
plus
- b) Water consumed: R7,52 per kilolitre per month.

Part B: Erf Outside Municipal Area

Tariff 6: Erf Used for Residential Purposes Only

Water consumed:

- (a) R0,00 per kilolitre per month for 0 to 6 kilolitres;
- (b) R6,92 per kilolitre per month for 7 up to 30 kilolitres plus a surcharge of 35%;
- (c) R7,47 per kilolitre per month for 31 up to 100 kilolitres plus a surcharge of 35%;
- (d) R7,92 per kilolitre per month for each kilolitre more than 100 kilolitres plus a surcharge of 35%;

Tariff 7: Any Other Point where Water is Supplied not Mentioned in Tariff 6, per Water Meter (Excluding Special Arrangements)

- a) Minimum charge: R204,72 per month, plus a surcharge of 35%
plus
- b) Water consumed: R7,52 per kilolitre per month plus a surcharge of 35%

1.8 Electricity Tariffs

It is recommended

- 1.8.1 That, the electricity tariffs for the 2007/08 financial year be increased with an average of 5,4% above the previous year;
- 1.8.2 That, the new electricity tariffs for 2007/08 be applicable from the consumer month of July 2007;
- 1.8.3 That, for the calculation of electricity accounts the consumer month will be the period between the successive monthly readings irrespective of the period between reading dates. And
- 1.8.4 That, the following charges and prices, excluding VAT, in connection with the supply and consumption of electricity are submitted for approval:

Tariff I (a): Home Power

a) Service Levy

Urban Tariff - R35.65
Peri Urban Tariff - R53.40

b) Units (c/kWh)

Urban Tariff - R0.3250
Peri Urban Tariff - R0.3250

Tariff I(b): Home Power (Off-Peak)

a) Service Levy

Urban Tariff - R35.65

Peri Urban Tariff - R53.40

b) Units (c/kWh) Peak (07:00 – 12:00) Mondays to Fridays (all year round) and Peak (18:00 – 21:00) Mondays to Fridays (only Winter – 1 April to 30 September)

Urban Tariff - R0.3670

Peri Urban Tariff - R0.3670

c) Units (c/kWh) Off-Peak

Urban Tariff - R0.2280

Peri Urban Tariff - R0.2280

Tariff II (a): Business Rate

a) Service Levy

Urban Tariff - R186.85

Peri Urban Tariff - R218.90

b) Units (c/kWh)

Urban Tariff - R0.3965

Peri Urban Tariff - R0.3965

Tariff II(b): Business Rate (Off-Peak)

a) Service Levy

Urban Tariff - R186.85

Peri Urban Tariff - R218.90

b) Units (c/kWh) Peak (07:00 – 12:00) Mondays to Fridays (all year round) and Peak (18:00 – 21:00) Mondays to Fridays (only Winter – 1 April to 30 September)

Urban Tariff - R0.4570

Peri Urban Tariff - R0.4570

c) Units (c/kWh) Off-Peak

Urban Tariff - R0.2490

Peri Urban Tariff - R0.2490

Tariff II(c): Departmental

a) Units (c/kWh) Public Light (streetlights)

Urban Tariff - R0.2310

b) Units (c/kWh) (Department Buildings)

Urban Tariff - R0.3250

Tariff III(a): Bulk Supply

a) Service Levy LV

Urban Tariff - R474.30

Peri Urban Tariff - R474.30

b) Service Levy MV

Urban Tariff – R723.05

Peri Urban Tariff – R723.05

c) Units (c/kWh)

Urban Tariff - R0.1940

Peri Urban Tariff - R0.1940

d) kVA Demand Tariff (Low Tension) (R/kVA) – Only Peak Periods

Urban Tariff – R59.35

Peri Urban Tariff – R59.35

e) kVA Demand Tariff (11kV and <) (R/kVA) – only Peak Periods

Urban Tariff - R57.80

Peri Urban Tariff - R57.80

Tariff IV: Home Power Bulk

a) Service Levy

Urban Tariff - R474.30

Peri Urban Tariff - R474.30

b) Units (c/kWh)

Urban Tariff - R0.3250

Peri Urban Tariff - R0.3250

Tariff V: Prepaid Meters

a) Units (c/kWh) (H3 – Homelight – Full install. Costs)

Urban Tariff - is R0.4140

Peri Urban Tariff - R0.4140

b) Units (c/kWh) (H2 – Homelight – Partly Subsidised)

Urban Tariff - R0.4750

Peri Urban Tariff - R0.4750

c) Units (c/kWh) (H1 – Homelight – Largely Subsidised. Costs)

Urban Tariff - R0.5030

Peri Urban Tariff - R0.5030

d) Units (c/kWh) (B1 – Businesslight – Full install. Costs)

Urban Tariff - R0.5030

Peri Urban Tariff - R0.5030

1.9 Housing Rental Tariffs

The rental tariffs on all housing schemes be increased with 10% from 1 July 2007.