

Approved New Tariffs & Rates for City of Johannesburg Effective 1 July 2011
Principally Residential / Domestic Tariffs Prepared 30th August 2011

This document has been prepared by the DA caucus of the CoJ Council for the benefit of residents. It replaces the similar document on the proposed tariffs which was sent out on the 10th April 2011. The background to the development of these tariffs is set out at the end of the document. The historical tariffs are shown in the tables. Only the principal tariffs applicable to residents are given except where others are provided for comparison. This document is produced in good faith as a guide and might contain errors. The Council documents are the legal sources of information.

Charges are reflected per month and in Rands. Information for 2011 is in bold , and with a gray background
 See the <www.joburg.org.za> website for more details (when this is updated).

Billing :Sectional Title Properties The account for municipal services where this is metered at one supply point such as water and electricity, will still be billed to the Body Corporate. Refuse removal will be billed directly to the property owner where the relevant information is available to the Council e.g. the number of units, and the postal addresses of the registered owners. The council will welcome any information to assist e.g. missing addresses

1. Water Domestic

Residential (domestic) metered consumption in c/kl							
Usage kl	2008	2009	% incr	2010	% incr	2011	% incr
0 to 6	free	free		free		free	
7 to 10	4.40	4.66	5.8%	4.93	5.8%	5.26	6.7%
11 to 15	6.26	6.82	8.8%	7.31	7.1%	7.95	8.7%
16 to 20	7.93	8.79	10.8%	9.59	9.1%	10.62	10.7%
20 to 30	9.52	10.64	11.8%	11.98	12.6%	13.50	12.7%
30 to 40	9.60	10.84	12.8%	12.36	14.1%	14.09	14.0%
>40	11.46	13.04	13.8%	14.94	14.6%	17.11	14.5%

Schools & Institutions:

in 2009 :R9.27 <200 kl and R9.35 for >200kl;
 in 2010:R10.58<200 kl and R10.72 for >200kl;
 in **2011** :R12.06<200 kl (incr 14%)and
 R12.33 for >200kl (incr15%)

Industrial/Commercial:

in 2009 R12.81 <200 kl and12.93 for >200kl;
 in 2010: R14.62<200 kl and R14.82 for >200kl;
 in 2011 :R16.67<200 kl (incr 14%) and
 R17.04 for >200kl (incr 15%)

Note 1 Multiple Dwellings In the case of multiple dwellings, with a single metering point, where the number of units can be established, the average consumption will be used to determine the applicable tariff line, and the free basic water to be included in the levy to the body corporate as applicable. (Ensure that the Accounts Department at the People Centre for your area has the correct details)

Example a townhouse complex with 10 dwellings- consuming 100 kl. would be charged as a single consumer R1244.02 (i.e. first step 6kl @ nil;+ second step 4 kl @ R5.26;+ 5 kl @ R7.95; + 5 @ R10.62; + 10 @ R13.50; + 10 @ R14.09 + 60 @ R17.11). This represents an increase of 13.8%. Instead it should be charged on the average rate , i.e. 100kl/10 i.e. for 10 kl x 10 units ; the charge should be R21.04 x 10 units = R210.40. Each unit gets the 6kl free , and 4 units at R5.26/kl. This represents an increase of 6.7%

Previously deemed consumption areas now fitted with pre-payment meters
 (see section 2 for the domestic rates for sanitation)

Usage kl	Water					Sanitation				
	2008	2009	2010	2011	%incr	2008	2009	2010	2011	%incr
0 to 6	free	free	free	free		free	free	free	free	
7 to 10	3.40	3.60	3.81	4.07	6,8	1.90	2.01	2.13	2.27	6,5
11 to 15	4.24	4.35	4.66	5.07	8,8	2.20	2.39	2.56	2.78	8,6
16 to 20	6.64	7.29	7.95	8.80	11	3.72	4.12	4.49	4.97	10,7
20 to 30	9.20	10.19	11.47	12.93	12,7	5.25	5.87	6.61	7.45	12,7
30 to 40	9.28	10.38	11.84	13.50	14.0	5.30	5.98	6.82	7.77	13,9
>40	11.46	12.93	14.82	16.97	14,5	6.44(41-50)	7.33	8.40	9.62	14,5
						8.52(>50kl)	9.7	11.12	12.73	14,5

2. Domestic Sanitation

Stand Size in Sqm	2008	2009	%incr	2010	%incr	2011	%incr
0 to 300	58.75	66.27	12.8%	75.61	14.1%	86.20	14.0%
301 to 1000	114.37	129.00	12.8%	147.19	14.1%	167.80	14.0%
1001 to 2000	173.01	195.16	12.8%	222.68	14.1%	253.86	14.0%
2001 and greater	249.29	281.00	12.8%	320.85	14.1%	365.77	14.0%

Note 1 These tariffs apply to a single dwelling unit on a stand and to multiple units. In the case of multiple units the average erf size will be established, and will apply to all the units with a minimum of **R167.80** per unit.

Note 2 Schools and Institutions:

R9.77 (2009) per kl of water consumption where a single metering point is provided.

From 2010 this will be R11.15 per kl, **From 2011 - R12.60**

For blocks of flats the tariff is in 2010 :- R75.61 per unit per month. **In 2011 R85.44 per unit per month**

Note 3 In previously deemed consumption areas now fitted with pre-payment water meter connections the domestic sanitation tariff is based on the water consumption in steps: for details see the table above in para 1).

Note 4 Business/ Commercial and other users the tariff is **R12.60/kl** based on the water consumption **All other tariffs increase by 14%**

Expanded Social Package (ESP). The City has kept the ESP the same as last year. The points system results in three bands of poverty level. :

For Water : In the lowest band 3 (70-100 points) the free allowance is 15kl per month, in the middle bracket (35-70points) band 2 - 12kl per month free, for the highest bracket (1-34points) Band 1 -10kl free.

For sanitation : Band 1 sees a 70% discount on the tariff, Bands 2 and 3 - - 100% discount on the charges.

For Electricity : In the lowest band 3 (70-100 points) the free allowance (FBE) is 150kWh per month, in the middle bracket (35-70points) band 2 - - FBE - - 100kWh per month, for the highest bracket (1-34points) Band 1 FBE is 50kWh.

3. Domestic Refuse Removal

Property Value	Tariff & City Cleaning levy 2008		Tariff 2009	%incr	Tariff 2010	%incr	Tariff 2010	%incr
Less than R150 000	free	na	free	na	free		free	
R150 001 to R300 000	50.00	10.00	R65	8.5%	R73	12%	77.89	6.7%
R300 000 to R500 000	60.00	10.00	R76	8.6%	R85	12%	90.7	6.7%
R500 000 to R700 000	70.00	10.00	R87	8.8%	R97	12%	103.5	6.7%
R700 000 to R1, 5m	80.00	10.00	R113	26%	R128	12.5%	136.58	6.7%
Greater than R1, 5m	120.00	10.00	R159	33%	178	12.5%	189.93	6.7%

Schools hostels and institutions such as retirement villages, churches and registered welfare organizations **R64.02 per bin per mth.**

Tariffs intended to be introduced to deal with multiple dwelling units in the central business district: details are not provided here.

Note 1. These tariffs apply to a single dwelling unit on a stand or to a townhouse unit or to a flat and the owner will be billed directly. A full service will be provided for each unit as arranged with Pikitup.

Note 2. A full monthly collection tariff will be levied for each additional service i.e. for more than one bin.

Note 3 Lost or stolen bins will no longer be replaced for free. The replacement cost is R385.00.

Bins worn out after 5 years will be replaced.

Note 4 Pikitup is to discontinue bulk container services, safe disposal, incineration of medical waste

Business/ Commercial and other users. For non-domestic properties the tariff is made up of a City Cleaning levy as well as the waste removal charges.

Base tariffs are to be increased by 6.7% e.g. charges will be R208.92 per bin or R279.34 per 1100 bin

The City Cleaning levy is in 5 steps from R104.57 for property values < R2m, ; R151.51 for R2m to R5m ; R240.08 for R5m to R10m --;--R320.10 for R10m to R30m.--;-- R405.46 for > R30m.

4. Electricity:

Charges reflected as Rand per month for fixed charges, or cents per kWh for energy . Seasonal tariffs are available, to be applied for, for conventionally metered domestic properties. These as well as the tariffs for business, agricultural , and industrial consumers are not given on this sheet - see the website < <http://www.citypower.co.za>> A brief summary is included after this section. For ESP see table on page 1.

Domestic 1. Lifeline Pre-paid Tariff		2007	2008	2009	2010	% incr	2011	%incr
consumption is < 300 kwh per mth	FBE (Free Basic Electricity)	50kWh	100kWh	50-150 kWh(2)	50-150 kWh(2)		see ESP	
	Energy charge only (c/kWh)	43.23	49.37	56.78 (3)	65.30	15%	70.52	8%
consumption is <500 kWh and >301 kwh per mth	FBE		nil		nil		see ESP	
	Energy charge only (c/kWh)	43.23 49.37		56.78(3)	65.30	15%	70.52	8%

Domestic 2 Lifeline Tariff Conventional Meter provided

The history is difficult to present. The current position is that Free Basic Electricity is only provided according to the ESP as set out on page 2. There was some FBE in earlier years

Cons<300kWh	Energy charge only (c/kWh)	2007	2008	2009	2010	%	2011	%
301 – 500kWh		43.23	52.01	59.81	68.78	15%	74.28	8%
		45.54	52.01	59.81	68.78	15%	74.28	8%

Note 1: Consumption above 500 kWh occasions a switch to the 3-Part tariff - - details are given below

Domestic Prepaid Tariff : levies are based on energy only, in c/kWh		2007	2008	%incr	2009	%incr	2010	%incr	2010	%incr
Energy charge c/kWh	consumption is 0 < 500 kWh	45.54	65.35	43.50%	See lifeline tariffs set out in the first table					
	consumption is 500<1000 kWh	45.54	66.45	45.91%	78.52	18.16%	90.30	15%	94.82	5%
	consumption is 1000<2000 kWh	45.54	67.55	48.09%	80.12	18.61%	92.14	15%	96.75	5%
	consumption is 2000<3000 kWh	45.54	69.00	51.84%	82.06	18.93%	94.37	15%	99.09	5%
	consumption is > 3000 kWh	45.54	70.02	53.75%	83.05	18.61%	95.55	15%	100.33	5%

Users are advised that the effect of the stepped tariff is that modest amounts bought early in the month will be charged at lower rates than when purchases later in the month take you into the next bracket on the assumption that all the units will be consumed in the month.

Domestic 3- Part Tariff (Service + Network + energy charge) Single Phase Connection see note 1

		Rating	2008	%incr	2009	%incr	2010	%incr	2011	%incr
Fixed (service) charge Rands/mth (including any network charge)		60A	147.12	20.60	226.56	54%	274.14	21%	307.04	12%
		80A	153.92	20.60	237.04	54%	286.82	21%	321.24	12%
Energy charge c/kWh in consumption brackets	cons 0 < 500 kWh	60/80A	39.82	20.59	47.38	19%	58.75	24%	79.31	35%
	cons 501<1000 kWh	60/80A	39.82	20.59	48.18	21%	59.74	24%	80.65	35%
	cons 1001<2000 kWh	60/80A	39.82	20.59	48.98	23%	60.74	24%	81.99	35%
	cons 2001<3000 kWh	60/80A	39.82	20.59	50.17	26%	62.21	24%	83.98	35%
	cons > 3001 kWh	60/80A	39.82	20.59	50.77	27.5	62.95	24%	84.99	35%

Note 1 The levy (i.e. the amount you pay) will be made up of the fixed charge and the energy charge .

Domestic 3- Part Tariff (Service+Network + Energy charge) 3 Phase Connection see note 1 above

		Rating	2008	% incr	2009	%incr	2010	%incr	2011	%incr
Fixed (service) charge Rands/mth (including any network charge)		60A	205.30	68.29%	260.73	27%	315.48	21%	353.34	12%
		80A	219.12	71.70%	278.28	27%	336.72	21%	377.13	12%
Energy charge c/kWh consumption	cons 0 < 500 kWh	60/80A	47.38	43.50%	47.38	0%	Details are the same as for single phase connections see above			
	cons 500<1000 kWh	60/80A	48.18	45.91%	48.18	0%				
	cons 1000<2000 kWh	60/80A	48.98	48.09%	48.98	0%				
	cons 2000<3000 kWh	60/80A	50.17	51.84%	50.17	0%				
	cons > 3000 kWh	60/80A	50.77	53.75%	50.77	0%				

4. (contd) Electricity:

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Multiple Dwellings . In multi unit complexes since the energy charges for single phase and three phase supplies are the same , and the energy charge for the conventional tariff is lower than that for the lifeline tariff the assessment is straightforward. The consumption of the complex should be divided by the number of units to establish the average consumption, which then should establish the applicable tariff line. If in practice some of the units use less than 300 kWh in the month on average through the year then the Life Line Tariff should apply . This has to be applied for at the applicable peoples centre. (see example below)

Example : Ignoring the DSM levy , and the VAT since these affect all results equally, If the consumption of the complex of 10 units as a whole was 10 000 kWh as a single consumer , this would be charged at the highest rate and the levy would be R8499.00 plus the fixed charge at 353.34 = R8852.34. Whereas, the average consumption is 1000 kWh for each dwelling unit. Then the charge per dwelling unit on the average consumption is R 806.5.4 which x 10 amounts to R8065.4 plus the service charge 353.34 = 8418.74. The account therefore has to be adjusted initially to this figure. And then the, DSM and VAT added on . In practice , if there are separate meters for each dwelling the account for each dwelling unit should be calculated as though they were direct consumers to City Power. And the complex can then apply for a reduction in the account when the cost of the common consumption has also been accounted for.

Note : Seasonal Tariffs are now also available. The energy charges at a premium of 5% in summer, and at a premium of 58% in winter.

Agricultural Tariff is increased by 28%

Business and Large Power Users tariffs are increased by 22% for pre-paid customers , and 28% for energy and 0% for service charges This is a summary , and is only indicative

Time of use tariffs are also available for large users. Users are encouraged to study these on the website

Development of the tariffs in 2011.

Proposed tariffs and rates were tabled at the March CoJ council meeting for public comment. These were based on an expected increase in power from ESKOM , and water from Rand Water Board. The electricity tariffs were subject to approval from the National Energy Regulator (NERSA) They were published on the City website and objections were called for. The date of closure for comments was circa the end of April.

The first version of this document was then issued on the 10th April and circulated to all interested parties for information.

The same proposals were tabled for the new Council at the Council meeting on the 21st June together with the budget and was accepted despite objections and opposition.

A decision was made by NERSA on the 21st June. . The CoJ lodged an immediate appeal. and the NERSA agreed to a public hearing. This was set for the end of July.

The City could then only issue accounts in July which did not include electricity levies.

The tariffs for business and commercial had been reduced in the NERSA determination such that the aggregate increase had dropped to 22% from the requested and published figure of 27.7%. A review hearing was held in late July , and the final outcome published on the 16th August on the NERSA website. However this information contained errors which left doubt as to what had been approved. The final aggregated increase was estimated at 25,74%.

The council started sending out accounts based on the approved figures as advised to them but not yet correctly published and not correctly known to the public. The issuing of this document has then been delayed until confirmed figures were obtained. Residents who could have had incorrect levies billed are advised to raise the matter with the Revenue Department. Please advise the DA of any such cases for our information. log a complaint with the city via e-mail at joburgconnect@joburg.org.za. And get a reference number . Details of disputes should be sent to: statements@joburg.org.za alternatively

Billing_Queries/joburg.org.za@joburg.org.za or revenuequeries@joburg.org.za.

5. Rates and Rebates

See the www.joburg.org.za website for more details Examples of calculations are provided at the foot of the information

5.1 Assessment Rates : Residential And Residential Sectional Title Properties

	2008/2009	2009/2010	% Incr	2010	% Incr	2011	Incr
Rate in the rand, cents in the Rand, per annum	0.004	0.0044	10%	0.004928	12%	0.005258	6,7%
Residential Property with Consent Use (2xbase)	0.008	0.0088	10%	0.009856	12%	0.010516	6.7%

All developed residential property will be rated at the same rate irrespective of the number of dwelling units on that property, based on the latest valuation of land and improvements. Different rates apply for other classes of properties.

5.2 Rates Applicable to categories of Property other than Residential and Residential Sectional Title Properties

Category	Tariff (Rate in the Rand)			2011/2012	%incr	Category	Tariff (Rate in the Rand)			2011/2012	%incr
	2009/2010	2010/2011	%in				2009/2010	2010/2011	%incr		
Agricultural holdings	0.0044	0.004928	12%	0.005258	6.7%	Multiple Purpose Note 1	0.012	0.017248	12%	0.018404	6.7
Business (3,5xbase)	0.0154	0.017248	12%	0.018404	6.7%	Municipal Not ratable	nil	nil	nil	Nil	nil
Business Sectional Title (3,5xbase)	0.0154	0.017248	12%	0.018404	6.7%	Municipal Ratable (1.2xbase)	0.00528	0.005914	12%	0.006310	6.7
Education (0.25)	0.0044	0.001232		0.001314	6.7%	Public Service Infra Incl privately owned	nil	0.001232		0.001314	6.7
Public Benefit (0.25)		0.001232		0.001314	6.7%	Religious	nil	nil	nil	nil	nil
Farming (0.25xbase)	0.0044	0.01232	- 75%	0.001314	6.7%	State (1.5xbase)	0.0066	0.007392	12%	0.007887	6.7
Mining	0.0154	0.017248	12%	0.018404	6.7%	Vacant (4xbase)	0.0176	0.019712	12%	0.021033	6.7
						Pte open Space		0.001232		0.001314	6.7

Note 1 tariff for the highest authorized use unless sectionalized for partial residential in which case the residential tariff shall be applied to units used for residential purposes

5.3 Value exclusion Threshold R150 000,00 (remains the same as 2008/2009) The first R150 000,00 of value of all residential property and multiple purpose properties (provided one or more components of the multiple purpose property are used for residential purposes) is to be excluded from rating. With a minimum payment required of R60.00

5.4 Rebates	2008/9	2009/10	2010/11	2011/12
5.5. Pensioner Owned Property Rebates:				
5.4.1 Criteria to be met for Pensioner to qualify:				
5.4.1.1 residential property is owned by pensioner, and				
5.4.1.2 residential property is occupied by pensioner				
5.4.1.3 the value of the property as recorded in the prevailing valuation roll is less than figure in the column	R1,5m	R1, 5m	R1, 5m	R1, 5m
5.4.1.4 the pensioner has attained the age of 60 years or older				
5.4.1.5 or in the case of dual o'ship at least one of the owners is 60 years or older				
5.4.2 State Pensioners : residential property owners who occupy the property and are dependant on a State social grant security grant as their sole source of income. (provided all 5 points above are met)	100%	100%	100%	100%
5.4.3 Pensioners where the total income of the household does not exceed the maximum of x per month over the previous income tax yr (provided all 5 points above are met)	R5000 100%	R5 300 100%	R5 300	R5 600
(contd)				

Rebates contd		page 6	2008/9	2009/10	2010/11	2011/12
5.4.4 Pensioners where the total income of the <u>household</u> exceeds the average of the figure in 5.4.3 per month over the previous income tax year but does not exceed the maximum of y per month over the previous income tax year (provided all 5 points above are met) the rebate is			R9 000 50%	R9 600 50%	R9 600 50%	R10 300 50%
5.4.5 Pensioners are required to make application bi-annually for the pensioners rebate providing proof of the criteria and once approved by Council will qualify for the pensioners rebate.						
5.5. Should a sectional title property owner fall into both Pensioner rebate and sectional title rebates the sectional title rebate will take preference, thereafter a further rebate based on pensioners rebate calculated on the net amount payable after the sectional title rebate, as may be applied.						
5.6 100% rebate for Indigents Residential property owned and occupied by natural persons whose annual income falls below the limit determined by Council and who are registered as indigents under the Expanded Social Package (ESP)			100%	100%	100%	100%
5.7 20% rebate for Residential Sectional Title property owners (to incentivize higher density residential development to ensure better use of infrastructure)			20%	20%	20%	20%
5.8 20% rebate for Residential property developed at a density of 70 dwelling units per h or higher			20%	20%	No info	No info
5.9 40% rebate for property in the Inner City which was partially rezoned for residential purposes allowing for a minimum of 80% residential with the remaining 20% being available for commercial purposes. One owner, and one market value on the valuation roll.			40%	40%	40%	40%
5.10 Heritage site			20 %	20 %	20%	20%
5.11 Organisations with a purpose of animal protection			100%	100%	100%	100%
5.12 Primary and secondary schools			50%	50%	50%	50%
5.13 Technical colleges, Univs and tertiary education facilities			20%	20%	20%	20%
5.14 Public benefit organizations registered with SARS in terms of Section 30 of the Income Tax Act and who provide a service referred to in Sections 1, 2, and 4 of the Ninth Schedule to the said Act. This is set out in the Special Cases Policy and the organization should submit proof annually			100 %	100 %	100%	Up to 100%
5.15 Farming and Agricultural subject to conditions			55%	55%	55% mx	55%max
5.16 Property Owned by Organisations in terms of the Housing Development Schemes for Retired Persons Act			?	50%	50%	50%
5.17 Vacant Land where Council is unable to provide infrastructural services				50%	50%	50%
5.18 Private Sports Clubs					40%	40%
5.19 Phase in: All properties levied for the first time -	75% deducted in 2008/2009 financial year being yr 1 (provided the body corporate was not rated prior to the implementation of the New Rates Policy) ; 50% in year 2; 25 % in year three ;Full amount in yr 4 This has now been completed.				25%	Nil

Example 1 Sectional Title property per valuation roll R1 750 000
Less: Threshold R150 000 equals R1 600 000
Multiplied by R0.005258 (Rate in the Rand) equals R8412.80
Less (if applicable) : Sectional title rebate 20% R1 682.56
Less: Pensioner rebate 2 b) c) & d) not applicable since the property value exceeds R1 500 000
Rates payable per annum R6730.24 == (R560.85 per month)

Example 2 Sectional Title property per valuation roll R1 450 000
Less: Threshold R150 000 equals R1 300 000
Multiplied by R0,005258 equals R 6835.40
Less (if applicable) : Sectional title rebate 20% R1 367.08
Rates payable per annum R5468.32 = R455.69 pm
Less where applicable : for three separate cases
Pensioner rebate 5.4.2 100% therefore payable Rnil.
Pensioner rebate 5.4.3 100% therefore payable Rnil
Pensioner rebate 5.4.4 50% therefore payable R2 734.16 per annum (R227.85 per month)