

DEAR VALUED ACCOUNT HOLDER

Annually, from 1 July 2025, the City's new budget year starts and rates and tariffs are adjusted. This income comprising rates and usage and fixed tariff charges among others, is used to provide services. Thank you for your support and payments as it ensures that we remain a service-delivery-strong and future-fit metro.

The two key features of the City's Invested in Hope Budget (2025/26) are:

- more infrastructure investment for a better city, with an SA-record R40 billion capital budget especially in water, waste, roads and energy;
- more investment for a safer city, with over 700 new officers including new dedicated neighbourhood policing in every ward.

Following two rounds of meaningful public participation, the final revised budget not only protects households under R2,5 million as it was designed to do, but also expands relief to more homes including above this threshold as well.

EXPANDED RELIEF MEASURES ADOPTED

- **'First R450 000 rates-free' benefit extended:** to homes up to R7 million valuation (up from R5 million)
- **More pensioners and social grant recipients now qualify for rates relief and lifeline electricity:**

Pensioner, Social Grant Recipients: Rates and City-wide Cleaning rebate	Monthly household income p/m
100% rebate	up to R10 000 p/m (up from R7 500)
50% rebate	up to R20 000
20% rebate	up to R24 000
10% rebate	up to R27 000

- Significantly **reduced city-wide Cleaning charges** for all residential properties under R20 million.
- **Lower fixed water charges** for property value bands between R1 million and R25 million.

ELECTRICITY PRICE RELIEF AND CITY-WIDE CLEANING

- **Cape Town households have experience electricity price relief despite Eskom's annual price increase. In most other municipalities, electricity will go up by at least 11,32% due to Eskom's increase. About 70% of the City's electricity tariff income goes to paying for bulk Eskom power and fees.**
- This price relief compensates for increased necessary fixed charges.

	Domestic Tariff		Home User Tariff	
	Per Unit Price Before 1 July excl. VAT	Per Unit Price After 1 July excl. VAT	Per Unit Price Before 1 July excl. VAT	Per Unit Price After 1 July excl. VAT
Energy Block 1 (up to 600 units)	R3,40	R3,40	R2,99	R2,94
Energy Block 2 (over 600 units)	R4,13	R4,04	R4,13	R3,84

• Domestic Tariff

- Customers now pay a total of R59,90 (VAT excl.) fixed charge per month, called the Services and Wires Charge. The charge is divided into a daily rate of R1,97.
- With each electricity purchase, customers pay for the number of days since the last purchase.
- Example: a customer buying electricity every 15 days will pay $15 \times R1,97 = R29,55$ in fixed charges (R59,90 for 30 days).
- **Depending on the vendor, the fixed charged could be displayed as 'utility charge' or 'Service and wires charge' or fixed charge.**

• Home User Tariff

- Customers will continue to pay their fixed charge, now called Services and Wires Charge, as part of their monthly bill. Monthly fixed charge of R339,89 (VAT excl.) from 1 July 2025.
- Note the charge is not new, but it is now referred to as 'Services and Wires Charge' on the bill.

• Special Price Protection continues

- Lifeline customers using 600 units p/m still pay roughly the same as they did three years ago.
- Customers need to stay within the 450-unit monthly average over 12 months to remain on the Lifeline tariff.
- Lifeline customers receive either 25 or 60 units Free Basic Electricity if they have a prepaid meter installed depending on consumption level. Contact us to get your meter.

Electricity cost no longer includes City-Wide Cleaning

Previously, all City-supplied customers made a contribution to city-wide cleaning services via the cost of electricity.

Cleaning has now been removed from the electricity price.

Customers therefore now pay less for electricity, and City-Wide Cleaning is now shown separately on the monthly bill under 'sundries'. It is not new City income but to cover existing costs beyond the refuse collection (under the refuse tariff for wheelie bins and dry recycling). This includes among others:

- Construction, management and maintenance of drop-off facilities.
- Clearing illegally dumped waste.
- Mechanised street sweeping enhancements.
- Servicing informal settlements.
- Servicing green litter bins and large central business

- districts bins/containers.
- Animal carcass removals.
- Unscheduled residential cleaning where resources allow.

While City-supplied customers have always contributed to City-Wide Cleaning via electricity purchases, this is a new charge for Eskom-supply area customers who in the past have been subsidised by other ratepayers.

SPECIAL DEBT WRITE-OFF

Council approved debt relief for qualifying customers who own residential properties valued between R450 000 and R7,5m, as well as those on pension and social grants.

Including various institutions such as cemeteries and crematoria, non-profits, animal shelters, accommodation for the vulnerable, local community museums, old age homes and public benefit, social housing and youth development organisations when they enter into a payment arrangement for outstanding debt.

This is part of the City's sustainable debt management practices. Outstanding interest has previously been written off for all qualifying City customers. Those who benefited from this relief are also encouraged to either settle their debts in full or enter into a payment arrangement.

Contact: 0860 103 089

Visit a customer centre or

Email us: payment.arrangements@capetown.gov.za.

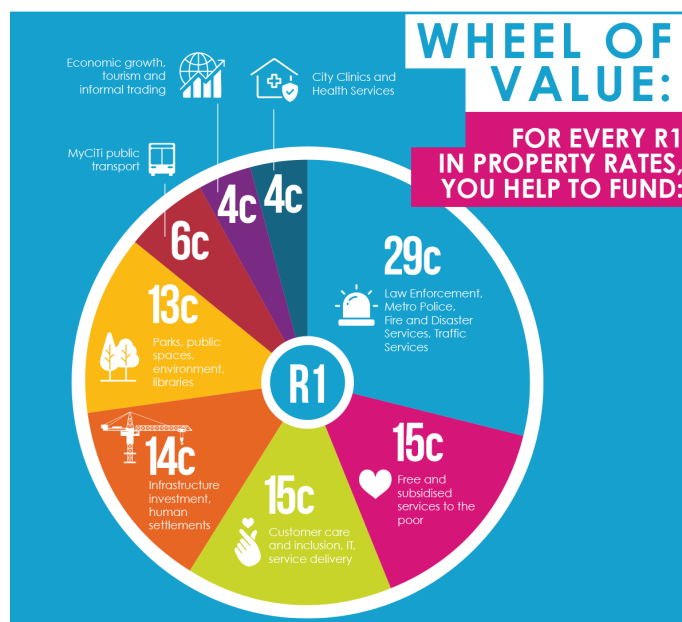
WHY FIXED CHARGES

Tariffs include both a fixed charge and consumption charges. This means residents can save by consuming less, while still ensuring that all property owners contribute to Cape Town's infrastructure and fixed service costs.

Fixed charges are necessary because the City needs a portion of reliable, fixed revenue to make long-term infrastructure investments.

Fixed charges linked to property value is the most fair and equitable way of funding the infrastructure our city needs. The only alternative is a flat rate for everyone, which places a much bigger burden on lower-income households.

In summary, while ratepayers **pay more in other cities** and get failing services and infrastructure in return, here in Cape Town they pay lower bills and get a functional, successful city in return.



THANK YOU

Thank you for your valuable monthly contribution to ensuring Cape Town remains South Africa's City of Hope.

Cape Town has the highest payment ratio of all metros in South Africa. This is in part due to the good governance, unique clean audit achievements and the trust that our customers and residents place in us to enhance service delivery, to create a future-fit City with a zero-tolerance approach toward corruption and fraud.

FOR MORE INFO:

Visit www.capetown.gov.za to view the Residential Rates Calculator and for the full tariff info:

<https://bit.ly/40qdHxm>

Rates rebates: Rates.Rebate@capetown.gov.za

Email: payment.arrangements@capetown.gov.za

Indigent help: indigent.relief@capetown.gov.za