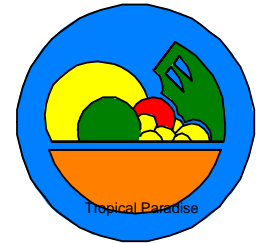




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To: Sifiso Mabaso

**EXPLANATION OF REFUSE REMOVAL TARIFFS INCREASES ABOVE THE  
PROJECTED INFLATION OF 3.9%;**

1. The matter above refers
2. Circular 107 & 108 on setting cost reflective tariffs guidelines provides that cost reflective tariff setting is a requirement of section 74(2) of the Municipal Systems Act, 2000 (Act No.32 of 2000) which states that tariffs must reflect the costs reasonably associated with rendering the service.

The circular further provides that Municipalities are required to **justify all increases in excess of the projected inflation.**

**3. REFUSE REMOVAL SERVICE PROVIDED IN RURAL AREAS**

Greater Tzaneen Municipality provides households with a basic refuse removal service to protect the environment for the benefit of present and future generations. The service is done through legislative and other measures to prevent pollution and ecological degradation and promote conservation to ensure sustainable development.

**4. DELIBERTIONS**

In an attempt to determine cost reflective tariffs for the solid waste removal service, the service provided per area must be determined. The refuse removal service can be divided into three service levels, namely:

- Level 1 Service: Curbside – Removals (Bags)

- Level 2 Service: Communal Drop of per street (Bags)
- Level 3 Service: Communal on site disposal

#### 4.1 **Collection and Transportation in Five Towns**

A level 1 Service – Curbside – Removals in rendered to 8% of all households which represents 8,537 of the 108687 households.

#### 4.2 **Service Provided in Rural Areas**

##### 4.2.1 Rural Collection and Transportation

- A Level 2 Service – Communal Drop of Centre removals is rendered at 44% of all households (representing 47,822 of the 108 687 H/h's) These drop of center's are road side centers.
- A Level 3 Service – Communal on site disposal exist @ 48% of all households (representing 52 170 of the 108 687 H/h's)

##### 4.2.2 Rural Waste Management

- 4 x Waste Development Workers (WDW) under the PWP scheme do awareness activities at Rural Wards and Schools.
- Firewood from the Landfill site are available for re-use and also delivered to rural Drop-off Centre's (DoCs) for utilization by communities, to mitigate deforestation-practices.
- 97 x DoCs have been erected in Rural Waste Service areas of which only 40 x is activated.

#### 4.3 **Number and Level of Service Provided**

From the above-mentioned information which has been submitted by the Director Community Services as past performance the following:

- THE FIVE TOWNS: - 8537 Households received a Level 1 Service, which is a curbside removal service. These households are billed for the service.
- RURAL AREAS: - 47 822 Households receive a Level 2 Service, which is a roadside communal drop off center removal service. Households are not billed for this service.
- RURAL AREAS: - 52 170 Households receive a Level 3 Service, which is communal drop off centers. Removal Service, Households are not billed for this service.
- RURAL AREAS: - Firewood from the landfill site is transported to rural drop-off centers for utilization by rural communities, to mitigate deforestation practices.

Greater Tzaneen Municipality after careful consideration noted that the refuse removal tariffs do not cover the full cost to operate the refuse removal in all towns. In an attempt to meet the pressing refuse removal collections in all towns , the Municipality had to re-calculate the refuse removal tariffs to ensure cost recovery without depending on an equitable share. the cost of running refuse removal in all villages was not included in the tariff calculation seeing that the service will continue to be funded by the equitable share until the cost recovery model in all villages is determined.

5. The average increase of 9.66% on the 2020/2021 tariffs is the result of the fact that the current tariffs do not cover the full cost to operate the refuse removal services in all five service towns and the service was running at a loss.

## **6. RECOMMENDATION**

- a) That the cost recovery for the waste removal service in rural areas be investigated.
- b) That the cost for rural waste removal be financed by an equitable share allocation.

7. Based on the above mentioned Greater Tzaneen Municipality request that the increase of 9.66% on the 2020/2021 refuse removal tariffs for the 2021/2022 financial year be considered and approved