

EMAKHAZENI LOCAL MUNICIPALITY



TARIFFS POLICY

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1 Introduction

1.1 Vision and value statement

It is the vision of Council to “create a secure environmental and sustainable development to promote service excellence and unity” Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.

The Values of the Council are:

Transparency
High Quality Service Delivery
Accountability
Serving Communities with Integrity
Efficiency
Professionalism

1.2 Vision

A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society.

1.3 Mission

- Emakhazeni Local Municipality is a category B municipality and a tourist within the Nkangala District
- Existing to provide sustainable basic municipal services to the local community and the visitors
- Creating a conducive environment for socio-economic development
- And promoting democracy, accountability and public participation in our affairs.

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2 Definitions

“**chief financial officer**” means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act

“**the municipality**” means Emakhazeni Local Municipality

“**municipal accounts**” means a postulated current account based on median bills for water, electricity, sanitation, solid waste services and rates. Sundry charges and interest on debt are excluded.

“**provision for free basic services**” means a budget provision, funded from National Government transfers and municipal rates to subsidize basic services.

“**rates and general account**” means a budget provision used to fund other municipal services excluding water, electricity, sanitation, solid waste tariff funded services.

“**sundry tariff**” means a tariff set as a fixed rand amount.

“**consumption based tariff**” means a tariff set as rand amount per measurable unit of service.

“**CPI**” means the consumer price index, excluding mortgage costs, as measured by Statistics South Africa.

3 Categories

The tariff structure of Emakhazeni Local Municipality makes provision for the following categories of consumers as per Section 74(3) Municipal Systems Act.

- ◆ Residential
- ◆ Business
- ◆ Commercial
- ◆ Industrial
- ◆ Agricultural
- ◆ Government

4 Purpose of the policy

The purpose and objectives of this policy are to:

- 4.1 ensure that the tariffs approved by council during the budget process are consistent with this policy;
- 4.2 ensure that, where a service connection is made, a sundry tariff is used, and where a metered amount of a service is consumed, a consumption-based tariff is used;

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- 4.3 Ensure that, where a service is primarily provided for the benefit of the community and an individual's use cannot be accurately measured, the cost of providing the service is recovered by means of rates;
- 4.4 ensure that poor people have access to free basic services in line with national government policy, taking into account the affordability constraints of the municipality; and
- 4.5 guide the annual setting or revision of tariffs. The policy does not make specific tariff proposals, nor does it deal with any detail with the implementation of specific tariff proposals.

5 Scope of Application

The Policy applies to all tariffs charged within the defined boundaries of Emakhazeni Municipality.

6 Legislative Framework

The policy is required by section 74 of the Municipal System Act and section 62(1)(f)(i) of the Municipal Finance Management Act

7 Principles

- 7.1 Service tariffs imposed by the Municipality shall be viewed as usage charges and shall not be viewed as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigency relief measures approved by the municipality from time to time).
- 7.2 The Municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
- 7.3 Tariffs for the four major services rendered by the municipality, namely:
 - ◆ electricity
 - ◆ water
 - ◆ sewerage (waste water)
 - ◆ refuse removal (solid waste),shall as far as possible recover the expenses associated with the rendering of each service concerned. The tariff which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.
- 7.4 The Municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the foregoing services further generate an operating surplus each financial year of 10% or such lesser percentage as the council of the Municipality may determine at the time that the annual operating budget is approved. Such surpluses shall be applied in relief of property rates and for the partial financing of general services or for the future capital expansion of the service concerned, or both. The modesty of such surplus shall prevent the service tariffs concerned from being viewed as concealed taxes.
- 7.5 The Municipality shall develop, approve and at least annually review an indigent support programme for the municipal area. This programme shall set out clearly the municipality's

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- cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- 7.6 In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the Municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.
- 7.7 The Municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be evident to all consumers or users of the service in question.
- 7.8 The Municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all consumers and users affected by the tariff policy concerned.
- 7.9 The Municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
- 7.10 In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. Where readings are not available an average consumption will be utilised for a period not exceeding two(2) months. The flat rate will be used for water and electricity consumption. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.
- 7.11 In addition, the Municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with the detailed policies set out below. Generally, consumers of water and electricity shall therefore pay two charges: one, relatively minor, which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and another directly related to the consumption of the service in question.
- 7.12 In considering the costing of its water, electricity and sewerage services, the Municipality shall take due cognisance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services. The Municipality therefore undertakes to plan the management and expansion of the services carefully in order to ensure that both current and reasonably expected future demands are adequately catered for, and that demand levels which fluctuate significantly over shorter periods are also met. This may mean that the services operate at less than full capacity at various periods, and the costs of such surplus capacity must also be covered in the tariffs which are annually levied.
- 7.13 In adopting what is fundamentally a two-part tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the Municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.
- 7.14 It is therefore accepted that part of the Municipality's tariff policy for electricity services will be to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the municipality of the associated demand charges from

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Eskom, will have to bear the costs associated with these charges. To this end the municipality shall therefore install demand meters to measure the maximum demand of such consumers during certain periods. Such consumers shall therefore pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.

8 Tariff Policy Guidelines

8.1 Calculation of tariffs for major services

In order to determine the tariffs which must be charged for the supply of the four major services, the Municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- a) Cost of bulk purchases in the case of water and electricity.
- b) Distribution costs.
- c) Distribution losses in the case of electricity and water.
- d) Depreciation expenses.
- e) Maintenance of infrastructure and other fixed assets.
- f) Administration and service costs, including:
 - ◆ service charges levied by other departments such as finance, human resources and legal services;
 - ◆ reasonable general overheads, such as the costs associated with the office of the accounting officer;
 - ◆ adequate contributions to the provisions for bad debts and obsolescence of stock;
 - ◆ all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area (note: the costs of the democratic process in the municipality – that is, all expenses associated with the political structures of the municipality – shall form part of the expenses to be financed from property rates and general revenues, and shall not be included in the costing of the major services of the municipality).
- g) The intended surplus to be generated for the financial year, such surplus to be applied:
 - ◆ as an appropriation to capital reserves; and/or
 - ◆ generally in relief of rates and general services.
- h) The cost of approved indigency relief measures.

Consumers, who have registered as indigents in terms of the Municipality's indigency relief programme, shall be provided with the first 50kWh of electricity and the first 6 kl of water, including the basic amount, per month free of charge. The Municipality shall further consider relief in respect of the tariffs for sewerage and refuse removal for such registered indigents to the extent that the council deems such relief affordable in terms of each annual budget, but on the understanding that such relief shall not be less than the basic amount on the monthly amount billed for the service concerned.

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Because water is a scarce national resource, and the municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed. The tariff for domestic consumption shall be based on monthly consumption of up to 6 kl, more than 6 kl but not more than 14 kl, more than 14 kl but not more than 24 kl, more than 24 kl but not more than 34 kl, and more than 34 kl. Tariffs for non-domestic consumption shall be based on monthly consumption of 0 kl up to 20 kl, more than 20 kl but not more than 30 kl, more than 30 kl but not more than 40 kl, more than 40 kl but not more than 50 kl, and more than 50 kl.

Tariffs for pre-paid meters shall be the same as the ordinary consumption tariffs levied on the category of consumer concerned, but no availability charge shall be levied on properties where pre-paid meters have been installed. This distinction is made in recognition of the financial advantages which pre-paid metering entails for the services in question.

8.2 Electricity

8.2.1 General

The various categories of electricity consumers, as set out below, shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year or as soon as possible thereafter.

Categories of consumption and charges shall be as follows:

- a) With the single exception of registered indigents, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- b) All domestic electricity consumers of the municipality who are registered as indigents with the municipality shall receive free the first 50kWh (fifty) of electricity consumed per month.
- c) All domestic electricity consumers other than registered indigents and consumers using prepaid meters per month shall additionally be billed a basic charge per meter installed.
- d) All commercial, industrial and other non-domestic properties shall additionally be billed a monthly basic charge per meter installed and, where applicable, a demand charge appropriate to their respective levels of consumption.
- e) The local municipality's departmental electricity consumption shall be charged at cost.
- f) A basic charge per electricity meter, as determined by the council from time to time, shall be charged on all electricity consumers, except registered indigents.

8.2.2 New electricity installations

Per written authorisation of the Technical Services Manager, a new electricity installation shall be installed, or permitted to be installed, in any premises within the area of supply and connected to the Council's supply mains.

Application for such authority shall be lodged with the Technical Service Department, via an application form obtainable from the Cashiers at the Municipality's offices.

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The Council shall not be liable for any loss or damage, direct or consequential, due to or arising from any interruption, diminution or discontinuance of the supply of electricity or any temporary increase or surge therein, occasioned by a strike, blackout, war, Act of God, legislative action or embargo or any other cause beyond the Council's control or by any fault occurring in the machinery, supply or service mains or other apparatus of the Council or by the rectification of any such fault.

The consumer is deemed to hold the Council indemnified against any action, claim, expense or demand arising from or in connection with any of the matters aforesaid.

The Technical Service Department may without notice, interrupt the supply of electricity to any premises for the purpose of carrying out emergency repairs to the supply or service mains.

8.2.3 Termination of supply

Unless an application for the continuance of the supply to such premises has been lodged with the Chief Financial Officer, the Engineer shall be entitled to disconnect the supply to the premises.

A consumer who has given notice of termination of supply may claim a refund of the amount deposited by him, or the residual amount after the deduction of any amount owing by him for electricity supplied or services rendered.

The Chief Financial Officer shall make payment of the amount due within 30 days from the date of the receipt of any such claim.

The deposit shall be forfeited to the Council where no claim for a refund of the amount deposited is made:

- ◆ Within 30 days of the date of the termination of the supply, and no interest shall accrue after the expiration of such period; or
- ◆ If a claim is made after the expiration of 30 days from the date of termination of supply, the Chief Financial Officer may in his absolute discretion, refund such amount.

8.2.4 Meter readings

Meters shall be read, as far as practical, at intervals as determined by the policy.

Electricity consumed between meter readings will be deemed to be consumed evenly between such meter reading dates.

Final readings: No reduction of or addition to the prescribed monthly fixed or minimum charges will be made, unless the date of reading is at least five days before or after a full period of one month or a multiple thereof, from the previous reading.

Where a meter is read less than or more than one month after the commencement of an account, or where an account is terminated less than or more than one month or a multiple thereof after the preceding reading of the meter, the monthly fixed or minimum charge will

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be proportioned accordingly. For the purpose of assessing fixed or minimum charges 'one month' shall be regarded as 30 days.

8.2.5 Months in which Meter is not Read

An account for a provisional sum for electricity shall be rendered. The provisional sum shall be assessed with due regard, wherever possible, to the average monthly value of fixed or minimum charges and electricity consumed upon the premises served by the meter and to any tariff changes that may have occurred.

Where there has been no previous consumption, the Chief Financial Officer may determine the amount of the said provisional sum by reference to such consumption on other similar premises as he considers would constitute a reasonable guide.

8.2.6 Rendering Accounts

As far as practical, monthly accounts that are to be paid within 10 working days from the date of the account, shall be rendered.

Where a consumer fails to pay the account within the specified period, the Engineer or the Chief Financial Officer may cut off the supply according to the Credit Control Policy

A consumer whose supply of electricity has been disconnected in terms of this section shall not be entitled to be reconnected to the Council's supply mains until the conditions as stipulated in the Credit Control Policy have been achieved.

Electricity supplies are disconnected when a consumer's account is in arrears. Thereafter, a final demand is issued. Failure to respond will result in debt collection procedures being followed according to the Credit Control Policy.

8.2.7 Validity of meter reading

The record given by any meter installed on any premises by the Council shall be conclusive proof of the quantity of electricity consumed, subject to following:

Where a meter is tested and found to be more than 2,5% inaccurate, the Chief Financial Officer shall correct the consumer's account to conform to the results of the test and shall refund the consumer any amount paid by him in excess of the amount due. However no such adjustment shall be made in respect of any period prior to the last metered period for which an account is rendered to the consumer, unless the consumer is able to establish to the satisfaction of the Technical Service Department, that the meter was inaccurate during such prior period.

8.2.8 Request to Test Accuracy of Meter

Per the request of any consumer and upon the payment of the fee prescribed, the Technical Service Department shall test the accuracy of any meter installed by the Council.

Where any such test is carried out at the request of the consumer, the fee paid by him shall be refunded if the meter is found to be more than 2.5% inaccurate.

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8.3 Water

8.3.1 General

The categories of water consumers as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year.

Categories of consumption and charges shall be:

- a) All consumers shall receive free the first 6 kl (six) of water consumed per month while consumers registered as indigents with the municipality shall receive free the first 6 kl (six) of water, including the basic amount.
- b) All domestic consumers shall be charged for actual water consumption at a stepped tariff per kl as determined by the council from time to time.
- c) The tariff applicable to domestic consumption of water shall not exceed 75% per kl of the tariff applicable to other consumers. All other consumers, including businesses, industries and institutional consumers, shall pay the stepped tariff per kl as determined by the council from time to time.
- d) A basic charge per water meter, as determined by the council from time to time, shall be charged on all water consumers, except registered.
- e) The local municipality's departmental water consumption shall be charged at cost.

8.3.2 Application for a Supply of Water

An application for the supply of water must be made to the Council on a prescribed form together with a copy of the applicant's identity document. Until the application has been granted, no persons shall have access to water from the water supply system.

The prescribed form mentioned above may contain such conditions as the Council deems fit.

An application granted by the Council shall constitute an agreement between the Council and the applicant. Such agreement shall take effect on the date referred to or stipulated therein.

A consumer shall be liable for all the conditions prescribed in the application form, in respect of the supply of water granted to him until the agreement has been terminated.

8.3.3 Special Agreement for Supply of Water

The Council may enter into a special agreement for the supply of water to:

- a) An applicant in its area of jurisdiction;
- b) The supply necessitates the imposition of conditions not contained in the prescribed form; or
- c) An applicant outside its area of jurisdiction.

8.3.4 Termination of Agreement for Supply of Water

A consumer may terminate the agreement by giving the Council, not less than 5 working days notice in writing, of his intention to do so.

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The Chief Financial Officer may by notice in writing of not less than 5 working days, advise a consumer of the Council's intention to terminate his agreement for the supply of water, if:

- a) He has not consumed any water in the preceding 6 months and has not made satisfactory arrangements with the Council, for the continuation of his agreement;
- b) He has committed a breach of the bylaws of the Council and has failed to rectify such a breach;
- c) The Council cannot continue to supply him with water; and
- d) In terms of an arrangement with another local water supplier, such authority shall supply water to the consumer.

The Council may without notice, terminate an agreement for supply if a consumer has vacated the premises to which such agreement relates.

8.3.5 Payment of Deposit

The Chief Financial Officer may require an applicant to deposit with him a sum of money for water. Alternatively the Chief Financial Officer may on written application by a consumer, accept from him a guarantee to his satisfaction in lieu of the sum of money.

The deposit paid or the guarantee provided by the consumer shall not be regarded as payment of a current account due for the supply of water.

Upon termination of an agreement, if there is any amount outstanding in respect of supply to the consumer, the Chief Financial Officer may:

- a) Apply the deposit in payment or part payment of the amount and refund any balance to the consumer; or
- b) Recover the amount in terms of the guarantee.

An agreement referred to above may contain a condition that upon termination of the agreement, a deposit will be forfeited to the Council if it is not claimed within 30 days of the termination.

8.3.6 Provisions of Communication / Connection Pipe

Once an application for a supply of water in respect of a premise has been granted and no communication pipe exists in respect of the premises, the owner shall make an application on the prescribed form and pay the prescribed charge, for the installation of the abovementioned pipe.

If an application is made for a supply of water to premises, which necessitates the extension of the water supply system, the Chief Financial Officer may agree to the extension subject to conditions as he may impose.

8.3.7 Cutting-off or Restricting of Supply

The Council may cut off (business consumers) or restrict (residential consumers) the supply of water, if a consumer has:

- a) Failed to pay a sum due to it in terms of its bylaws subject to the requirements of the Credit Control and Debt Collection Policy;

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- b) Committed a breach of its bylaws and has failed to rectify such breach within the period specified in a written notice served on him, requiring him to do so; and
- c) By written notice, inform him of its intention to cut off or restrict his supply on a specified date and it may on or after that date so cut off or restrict such supply.

The consumer shall pay:

- a) The prescribed charge for the cutting off or restricting of his water supply; and
- b) The prescribed charge for restoration of the water supply.

Provided that, in the case of a cutting off or restriction, the prescribed charges required, as mentioned above, must be paid prior to the restoration of the water supply or alternate arrangements have been agreed upon as per the Credit Control Policy conditions.

The Chief Financial Officer may at the written request of a consumer:

- a) Turn off the supply of water to his premises; and
- b) Reinstate the supply on the dates requested by him. The consumer shall prior to the reinstatement of his water supply; pay the prescribed charge for the turning-off of his water supply and for its reinstatement.

The Technical Service Manager may disconnect a water installation from the communication pipe and remove it if:

- a) The agreement for supply has been terminated, and no further application has been received within a period of 90 days of such termination; or
- b) The building on the premises concerned has been demolished.

8.3.8 Metering of Water Supplied to a Consumer

A meter may not be used in the case of:

- a) An automatic sprinkler installation;
- b) A fire installation in respect of which steps have been taken to detect unauthorised draw-off of water for purposes other than fire fighting; and
- c) A special circumstance at the Chief Financial Officer's discretion.

The meter mentioned above shall be provided and installed by the Council. It shall remain the property of the Council and may be changed by it when deemed necessary.

8.3.9 Quantity of Water Supplied to a Consumer

For the purpose of assessing the quantity of water supplied through a meter to a consumer over a specified period, it shall be deemed, unless the contrary can be proved, that:

- a) Such quantity is represented by the difference between readings of the meter taken at the beginning and end of a period;
- b) The meter was registered correctly during the period; and
- c) The entries in the records of the Council were correctly processed.

Provided that if water is supplied to or taken by, a consumer without passing through a meter, the estimate by the Chief Financial Officer of the quantity of such water, shall be deemed to be correct.

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8.3.10 Payment of Water Supplied

All water supplied by the Council shall be paid for by the consumer at the prescribed charge for that particular category of use for which the supply was granted.

A consumer shall pay for all water supplied to him from the date of agreement, until the date of termination thereof.

The Chief Financial Officer may estimate a quantity of water supplied in respect of a period or periods within the interval between actual successive readings of the meter, and may render an account to a consumer for the quantity of water so estimated, to have been supplied to him during each period.

The amount of an account rendered for water supplied to a consumer, shall become due and payable on the due date stipulated in the account.

If a consumer is dissatisfied with an account rendered for water supplied to him by the Council, he may prior to the date stipulated therein, object in writing to the account detailing his reasons for such dissatisfaction.

However the lodging of an objection shall not entitle a consumer to defer payment, except with the written consent of the Chief Financial Officer.

Should a consumer use water for uses other than which it was being supplied for, he shall be liable for the amount due to the Council in respect of:

- a) Quantity of water which in its opinion he has consumed and for which he has not been charged; and
- b) The difference between the cost of the water used by him at the rate at which he has been charged, and the cost of the water at the rate at which he should have been charged.

If amendments to the prescribed charges for water supplied become operative on a date between meter readings it shall be deemed, for the purpose of rendering an account in respect of the charges that the same quantity of water was supplied in each period of 24 hours during the interval between the meter readings.

A consumer shall not under any circumstances be entitled to a reduction of the amount payable for water supplied to him except for leaks arising from faulty connection to water supply.

8.3.11 Defective Meters

A consumer must make an application on the prescribed form, against payment of the prescribed charge for the meter to be tested if found defective.

The prescribed charge may be refunded if the meter is found to be defective.

The account of a consumer, who has been charged for water supplied through a defective meter, shall be adjusted over the period determined by the Chief Financial Officer.

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8.3.12 Recovery of Account

The Municipality:

- a) Shall collect all monies that are due and payable to it, subject to the Local Government Municipal Systems Act and any other applicable legislation; and
- b) For this purpose, shall adopt, maintain and implement a credit control and debt collection policy, which is consistent with its Rates and Tariff Policies and complies with the provisions of the Local Government Municipal Systems Act, 2000.

8.4 Refuse removal

The categories of refuse removal users as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year.

A separate fixed monthly refuse removal charge shall apply to each of the following categories of users, based on the costs of the service concerned:

- a) Domestic and other users
- b) Business and other users

Registered indigents shall receive a 100% discount on the basic charge and if the service is more than the basic amount, the full amount exceeding the basic amount, is payable.

A fixed monthly charge shall be charged to the local municipality's departments equal to the lowest (domestic) tariff.

8.5 Sewerage

The categories of sewerage users as set out below shall be charged per month at the applicable tariff as approved by the council in each annual budget.

Tariff adjustments will be effective from 1 July each year.

Categories of usage and charges shall be:

- a) A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.
- b) A fixed monthly charge based on the costs of the service shall be charged for domestic users. Registered indigents shall receive a 100% discount on the basic charge and if the service is more than the basic amount, the full amount exceeding the basic amount, is payable.
- c) A fixed monthly charge based on the costs of the service per sewer point/toilet shall be charged to all businesses, industries and institutional users.
- d) A fixed monthly charge per sewer point/toilet shall be charged to the local municipality's departments equal to the lowest (domestic) tariff.
- e) A rebate will be applied to institutions i.e. Schools , Public Benefit Organisations on the basis of application annually to the municipality wherein the institution has 10 or more toilets whereby the following rebate will apply:
 - 20 % rebate, on the strength of physical verification on the property.

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8.6 Minor tariffs

All minor tariffs shall be standardised within the municipal region.

All minor tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

All minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, shall annually be adjusted at least in line with the prevailing consumer price index, unless there are compelling reasons why such adjustment should not be effected.

The following services shall be considered as subsidised services, and the tariffs levied shall cover 50% or as near as possible to 50% of the annual operating expenses budgeted for the service concerned:

- ◆ burials and cemeteries
- ◆ rentals for the use of municipal sports facilities

The following services shall be considered as community services, and no tariffs shall be levied for their use:

- ◆ municipal museum and art gallery
- ◆ disposal of garden refuse at the municipal tip site for residents
- ◆ municipal parks and open spaces.

The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:

- ◆ municipal botanical garden
- ◆ disposal of all refuse at the municipal tip site for non-residents
- ◆ municipal lending library
- ◆ municipal reference library
- ◆ municipal swimming pool
- ◆ maintenance of graves and garden of remembrance (cremations)
- ◆ housing rentals
- ◆ rentals for the use of municipal halls and other premises (subject to the proviso set out below)
- ◆ building plan fees
- ◆ cleaning of stands
- ◆ electricity, water, sewerage: new connection fees
- ◆ sales of plants
- ◆ photostat copies, faxes and printouts
- ◆ clearance certificates.

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The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:

- ◆ fines for lost or overdue library books
- ◆ advertising sign fees
- ◆ pound fees
- ◆ electricity, water: disconnection and reconnection fees
- ◆ penalty and other charges imposed in terms of the approved policy on credit control and debt collection

Market-related rentals shall be levied for the lease of municipal properties.

In the case of rentals for the use of municipal halls and premises, if the accounting officer is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the accounting officer may waive 50% of the applicable rental.

The accounting officer shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields, and in so determining shall be guided by the likelihood of the municipality's sustaining damages as a result of the use of the facilities concerned.

9 Roles and Responsibilities

The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and implements a tariff policy referred to in section 74 of the Municipal Systems Act.

A municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of the Municipal Systems Act and with any other applicable legislation.

10 Monitoring, Evaluation and Reporting

When an annual budget is tabled in terms of section 16(2) of the Municipal Finance Management Act, it must be accompanied by the draft resolutions imposing any municipal tax and setting any municipal tariffs as may be required for the budget year.

Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

11 Implementation

The Tariff Policy will be adopted and implemented at the start of the financial year after Council approval.

Approved on: 30 JUNE 2016

Council Resolution nr: S29/06/2016