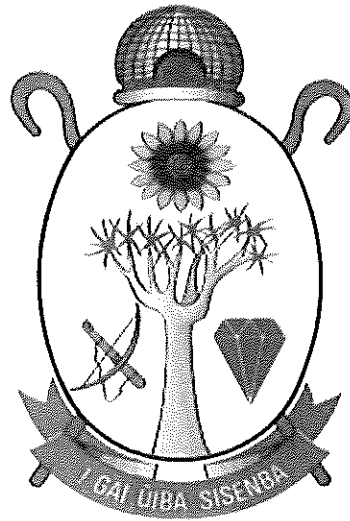


NAMA KHOI MUNICIPALITY



TARIFF POLICY

2023/24

VERSION 1

CONTENTS

1	PREAMBLE.....	4
2	PURPOSE.....	4
3	SCOPE OF APPLICATION.....	4
4	LEGISLATIVE AND POLICY FRAMEWORK.....	4
5	DEFINITIONS.....	5
6	PRINCIPLES.....	15
7	FACTORS TO BE CONSIDERED IN THE DETERMINATION OF A TARIFF STRUCTURE.....	16
7.1	FINANCIAL FACTORS.....	16
7.2	SOCIO-ECONOMIC FACTORS.....	18
7.3	MINIMUM SERVICE LEVELS.....	19
7.4	CREDIT CONTROL.....	19
7.5	PACKAGE OF SERVICES.....	19
7.6	HISTORICAL AND FUTURE USER PATTERNS.....	19
7.7	USER GROUPS.....	20
8	FREE BASIC SERVICES.....	20
9	TARIFF STRUCTURES FOR VARIOUS SERVICES.....	21
9.1	GENERAL ARRANGEMENTS.....	21
9.2	ELECTRICITY.....	21
9.3	WATER.....	23
9.4	REFUSE REMOVAL.....	24
9.5	SEWERAGE.....	25
9.6	PROPERTY RATES.....	26
10	ELECTRICITY TARIFF POLICY.....	26
10.1	GENERAL ARRANGEMENTS.....	26
10.2	DOMESTIC (RESIDENTIAL) CUSTOMERS.....	27
10.2.1	CUSTOMERS WITH CONVENTIONAL CREDIT METERS.....	27
10.2.2	PREPAID CUSTOMERS.....	27
10.3	ACCOMMODATION ESTABLISHMENTS.....	28
10.3.1	GENERAL ARRANGEMENTS.....	28
10.3.2	CUSTOMERS WITH CONVENTIONAL CREDIT METERS.....	28
10.3.3	PREPAID CUSTOMERS.....	28
10.4	COMMERCIAL / BUSINESS CUSTOMERS.....	29
10.4.1	GENERAL ARRANGEMENTS.....	29
10.4.2	CUSTOMERS WITH CONVENTIONAL CREDIT METERS.....	29
10.4.3	PREPAID CUSTOMERS.....	30
10.5	BULK CUSTOMERS.....	30
10.6	STREETLIGHTS.....	30
10.7	SPECIAL ARRANGEMENTS.....	30
10.8	DEPARTMENTAL CUSTOMERS.....	31

10.9	ELECTRICITY SUNDRY TARIFFS.....	31
11	WATER TARIFF POLICY	31
11.1	DOMESTIC (RESIDENTIAL) (NON-METERED).....	31
11.2	DOMESTIC (RESIDENTIAL) / ACCOMMODATION ESTABLISHMENTS (METERED)	31
11.3	BUSINESS / COMMERCIAL / INDUSTRIAL.....	32
11.4	SPECIAL ARRANGEMENTS	32
11.5	WATER SUNDRY TARIFFS.....	32
12	REFUSE TARIFF POLICY	32
12.1	REFUSE REMOVAL TARIFFS	32
12.2	SPECIAL ARRANGEMENTS	33
12.3	REFUSE REMOVAL SUNDRY TARIFFS.....	33
13	SEWERAGE TARIFF POLICY	33
13.1	GENERAL ARRANGEMENTS.....	33
13.2	DOMESTIC (RESIDENTIAL) (NON METERED)	33
13.3	DOMESTIC (RESIDENTIAL) / ACCOMMODATION ESTABLISHMENTS (METERED)	33
13.4	BUSINESS / COMMERCIAL / INDUSTRIAL.....	34
13.5	SPECIAL ARRANGEMENTS	34
13.6	SEWERAGE SUNDRY TARIFFS	35
14	PROPERTY TAX POLICY	35
14.1	PROPERTY TAX TARIFFS.....	35
14.2	PROPERTY TAX SUNDRY TARIFFS	35
15	SUNDRY TARIFFS	35
16	DEVELOPMENT CHARGES.....	36
17	INCENTIVES FOR CONTRIBUTIONS BY COMMUNITY MEMBERS	38
18	APPROVAL AND PUBLICATION OF TARIFFS, FEES AND CHARGES.....	38
19	MISCONDUCT	38
20	CONFLICT.....	38
21	DELEGATIONS.....	39
22	RESPONSIBILITY FOR IMPLEMENTATION.....	39
23	MONITORING AND EVALUATION.....	39
24	REVIEW AND AMENDMENTS	39
25	EFFECTIVE DATE	39
26	POLICY APPROVAL.....	39

1 PREAMBLE

- 1.1 In terms of section 62(1) of the Local Government: Municipal Finance Management Act 56 of 2003, 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, amongst others, the Municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act 32 of 2000.
- 1.2 In terms of section 74 of the Municipal Systems Act, the Council hereby adopts a tariff policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements.

2 PURPOSE

- 2.1 The purpose of this Policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying of tariffs by the Municipality.

3 SCOPE OF APPLICATION

- 3.1 This Policy applies to all tariffs charged within the defined boundaries of the Municipality.

4 LEGISLATIVE AND POLICY FRAMEWORK

The legislative and policy framework for this Policy includes –

- Constitution of the Republic of South Africa Act, 1996
- Deeds Registry Act 47 of 1937
- Electricity Regulation Act 4 of 2006
- Local Government: Disciplinary Regulations for Senior Managers, 2010
- Local Government: Municipal Demarcation Act 27 of 1998
- Local Government: Municipal Finance Management Act 56 of 2003
- Local Government: Municipal Property Rates Act 6 of 2004
- Local Government: Municipal Structures Act 117 of 1998
- Local Government: Municipal Systems Act 32 of 2000
- Promotion of Access to Information Act 2 of 2000
- Promotion of Administrative Justice Act 3 of 2000
- Nama Khoi Municipality Credit Control and Debt Collection Policy
- Nama Khoi Municipality Delegation Policy
- Nama Khoi Municipality Indigent Support Policy

- Nama Khoi Municipality Property Rates Policy
- Nama Khoi Municipality Tariffs, Credit Control and Debt Collection By-Law
- Nama Khoi Municipality Writing Off of Irrecoverable Debt Policy

5 DEFINITIONS

In this Policy, unless the context dictates otherwise, any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act 32 of 2000 has that meaning, unless the context indicates otherwise, and –

“accommodation” means accommodation in an accommodation establishment, a room, dwelling-house or second dwelling unit, self-catering room, self-catering apartment or free standing building let to transient guests;

“accommodation establishments” consists of one or more of the following lettable types of accommodation:

- (a) camping;
- (b) bed and breakfast;
- (c) self-catering accommodation;
- (d) self-catering apartments;
- (e) backpackers accommodation; and
- (f) boarding house;

“account” means an account rendered specifying charges for municipal services provided by the Municipality, or any authorised and contracted service provider, and which account may include assessment rates levies;

“accounting officer” means the Municipal Manager;

“annual budget” means the budget approved by the Council for any particular financial year, and must include any adjustments to such budget;

“annually” means once every financial year;

“arrangement” has meaning ascribed to it in the Credit Control and Debt Collection Policy;

“arrears” means those rates and service charges that have not been paid by the due date and for which no arrangement has been made;

“backpackers accommodation” means accommodation and communal facilities in a building or free standing buildings for transient guests and is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such outbuildings as are normally used therewith and includes a building in which dormitories/rooms/beds are rented for residential purposes, youth hostel, and backpackers“ lodge; but does not include a hotel, dwelling house, second dwelling or group house;

“basic municipal services” means municipal services necessary to ensure an acceptable and reasonable quality of life, which service, if not provided, would endanger public health or safety or the environment;

“bed and breakfast” means accommodation in a dwelling-house or second dwelling unit for transient guests and is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere; provided that the primary use of the dwelling-house concerned must remain for the living accommodation of a single family;

“boarding house” a dwelling–house or second dwelling which is used for the purpose of supplying lodging with or without meals or self-catering to non-permanent or permanent residents for compensation; provided that the primary use of the dwelling-house must remain for the living accommodation of a single family;

“business and commercial property” means –

- (a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
- (b) property on which the administration of the business of private or public entities take place;

“by-law” means legislation passed by the Council, and which is binding on the Municipality and on the persons and institutions to which it applies;

“calendar year” means 12 consecutive months of a financial year;

“camping” means informal temporary accommodation in a unique environment and is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday-makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping , for use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title share blocks or individual subdivision; and excludes resort accommodation or mobile homes;

“category” in relation to –

- (a) a property, means a category of properties determined in terms of section 8(2) of the Local Government: Municipal Property Rates Act 6 of 2004; or
- (b) to the owners of property, means a category of owners determined in terms of section 15(2) of the Local Government: Municipal Property Rates Act 6 of 2004;

“Chief Financial Officer” means the person appointed as the Chief Financial Officer of the Municipality;

“Council” means the Municipal Council of Nama Khoi Municipality established in terms of section 157(1) of the Constitution;

“credit control” means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services;

“customer” means the occupier of any premises to which the Municipality has agreed to supply or is actually supplying municipal services, or if no occupier can be identified or located, then the registered owner of the premises and includes any customer of the Municipality;

“day” means calendar day, inclusive of Saturdays, Sundays and public holidays;

“Disciplinary Regulations for Senior Managers” means the Local Government: Disciplinary Regulations for Senior Managers, 2010;

“domestic customer” of municipal services means the person or household which municipal services are rendered in respect of residential property, and **“domestic user”** has a corresponding meaning;

“due date” in relation to –

- (a) rates due in respect of any immovable property, means –
- (i) the 30th day of September of the financial year for which such rate is made, in the case where rates are levied on an annual basis;
 - (ii) the date for payment indicated on the account, in the case where rates are levied on a monthly basis; or
 - (iii) any other date determined by Council in terms of a public notice in the Provincial Gazette; and
- (b) service charges due in respect of any immovable property, means the date for payment indicated on the account, provided that the due date for any service charges means the 25th day of each month. September in the case where service charges are levied annually; and

should such day fall on a Saturday, Sunday or public holiday the due date is the next working day;

“dwelling” means a building, structure or place of shelter to live in;

“electricity charges” means service charges in respect of the provision of electricity;

“farm property or smallholding not used for any purpose” means agricultural property or an agricultural zoned land unit situated outside an urban region which is not used for farming purposes, regardless of whether such portion of such property has a dwelling on it which is used as a dwelling and must be regarded as residential property;

“farm property or smallholding used for agricultural purpose” means property that is used for the cultivation of soils for purposes of planting and gathering in of crops; forestry in the context of the planting or growing of trees in a managed and structured fashion; the rearing of livestock and game or the propagation and harvesting of fish, but excludes the use of a property for the purpose of eco-tourism; and in the respect of property on which game is reared, trade or hunted, it excludes any portion that is used for commercial or business purposes;

“financial year” means the period starting from 1 July in any year and ending on 30 June of the following year;

“guesthouse” means accommodation in a dwelling-house or second dwelling unit for transient guests and is defined by a dwelling-house or second dwelling which is used for the

purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings or training sessions for resident guests;

“household” means a registered owner or tenant with or without children who reside on the same premises;

“immovable property” also includes –

- (a) an undivided share in immovable property, and
- (b) any right in immovable property;

“indigent” means any household or category of households, earning a combined gross income, as determined by the Municipality annually in terms of a social and economic analysis of its area, which qualifies for rebates or remissions, support or a services subsidy: Provided that child support grants are not included when calculating such household income;

“indigent customer” means the head of an indigent household –

- (a) who applied for and has been registered as an indigent customer in terms of this Policy; and
- (b) who applied for indigent support in terms of this Policy on behalf of all members of his or her household;

“Indigent Support Policy” means the Indigent Support Policy adopted by the Council of the Municipality;

“industrial property” means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

“interest” means the charge levied on arrears, calculated as the prime rate, charged by the bank which holds the Municipality’s primary bank account, plus one percent or such other percentage as may be determined by the Council from time to time;

“local community” in relation to the Municipality –

- (a) means that body of persons comprising –
- (i) the residents of the Municipality; the rate payers of the Municipality;
 - (ii) the rate payers of the Municipality;
 - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality; and
 - (iv) visitors and other people residing outside the Municipality, who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality; and
- (b) includes, more specifically, the poor and other deprived sections of such body of persons;

“**market value**” in relation to a property, means the value of the property determined in accordance with section 46 of the Local Government: Municipal Property Rates Act 6 of 2004;

“**month**” means one of twelve months of a calendar year;

“**monthly average consumption**” means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding or succeeding twelve months;

“**multiple purposes**” in relation to a property, means the use of a property for more than one purpose as intended in section 9 of the Local Government: Municipal Property Rates Act 6 of 2004;

“**municipal area**” means the geographic area, determined in terms of the Local Government: Municipal Demarcation Act 27 of 1998 as the municipal area pertaining to the Municipality;

“**Municipal Manager**” means the Municipal Manager contemplated in section 54A of the Local Government: Municipal Systems Act 32 of 2000;

“**Municipal Property Rates Act**” means the Local Government: Municipal Property Rates Act 6 of 2004;

“**municipal services**” means services provided either by the Municipality or by an external agent on behalf of the Municipality in terms of a service delivery agreement;

“Municipal Systems Act” means the Local Government: Municipal Systems Act 32 of 2000;

“municipal tariff” means a tariff for services which the Municipality may set for the provision of a service to the local community and may include a surcharge on such service, and **“tariff”** has a corresponding meaning;

“Municipality” means the Nama Khoi Municipality;

“NERSA” means the National Energy Regulator of South Africa established in terms of section 3 of the National Energy Regulator Act 40 of 2004;

“occupier” means any person who occupies, controls or resides on any premises, or any part of any premises without regard to the title under which he or she so occupies it;

“owner” in relation to immovable property means –

- (a) the person in whom is vested the legal title thereto, provided that –
 - (i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, must be deemed to be the owner thereof; and
 - (ii) the occupier of immovable property occupied under a service servitude or right analogous thereto, must be deemed to be the owner thereof;
- (b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, must be deemed to be the owner thereof; or
- (c) if the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property;

“person” means a natural and juristic person, including any department of state, statutory bodies or foreign embassies;

“premises” includes any piece of land, the external surface boundaries of which are delineated on –

- (a) a general plan or diagram registered in terms of the Land Survey Act 8 of 1977 or in terms of the Deeds Registry Act 47 of 1937; or
- (b) a sectional plan registered in terms of the Sectional Titles Act 95 of 1986, and which is situated within the area of jurisdiction of the Municipality;

“prescribed” means prescribed by this Policy and where applicable by Council or the Municipal Manager;

“property” means immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;

“public holiday” means any day that is a public holiday in terms of the Public Holidays Act 36 of 1994;

“rateable property” means property on which the Municipality may, in terms of section 2 of the Local Government: Municipal Property Rates Act 6 of 2004, levy a rate, but excluding property fully excluded from the levying of rates in terms of section 17 of said Act;

“ratepayer” means a person who is liable to the Municipality for the payment of –

- (a) rates on property in the Municipality;
- (b) any other tax, duty or levy imposed by the Municipality; and/or
- (c) fees for services provided either by the Municipality or in terms of a service delivery agreement;

“rates” means municipal rates on property envisaged in section 229(1) of the Constitution read with the Local Government: Municipal Property Rates Act 6 of 2004 and the Local Government: Municipal Finance Management Act 56 of 2003;

“rebate” in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Local Government: Municipal Property Rates Act 6 of 2004 on the amount of the rate payable on the property;

“reduction” in respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount;

“refuse charges” means service charges in respect of the collection and disposal of refuse;

“registered owner” means the person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act 47 of 1937;

“residential property” means a property included in the valuation roll in terms of section 48(2)(b) of the Local Government: Municipal Property Rates Act 6 of 2004 as residential, and furthermore means improved property that –

- (a) is used predominantly (60% or more) for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping must be regarded as one residential property for rate rebate or valuation reduction purposes, if still used dominantly for residential purposes;
- (b) is a unit registered in terms of the Sectional Title Act 95 of 1986 and is used predominantly for residential purposes;
- (c) is owned by a share-block company and is used predominantly for residential purposes;
- (d) is a residence used for residential purposes situated on a property used for educational purposes;
- (e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Local Government: Municipal Property Rates Act 6 of 2004; and
- (f) are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes,

provided that vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, are specifically excluded from this property category;

“self-catering accommodation” means accommodation for non-permanent residents and transient guests and is defined by a house, cottage, chalet, bungalow, flat, studio, apartment, villa, or similar accommodation where facilities and equipment are provided for guests to

cater for themselves. The facilities should be adequate to cater for the maximum advertised number of residents the facility can accommodate;

“self-catering apartments” means accommodation for non-permanent residents and transient guests and is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen/kitchenette facility, and which may include other communal facilities for the use of transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house;

“service charges” means the fees levied by the Municipality in terms of the Tariff Policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this Policy;

“service delivery agreement” means an agreement between the Municipality and an institution or person contemplated in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000;

“sewerage charges” means service charges in respect of the provision of sewerage collection and treatment of infrastructure;

“smallholding” means –

- (a) all agricultural zoned land units situated within an urban region with an area of one to three hectares; or
- (b) any agricultural zoned land unit situated outside an urban region with an area of three hectares or less;

“tariff” means the scale of rates, taxes, duties, levies or other fees which may be imposed by the Municipality in respect of immovable property and/or for municipal services provided;

“tariffs for major services” means tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs must mean all other tariffs, charges, fees, rentals or fines levied or imposed by the Municipality in respect of other services supplied including services incidental to the provision of the major services;

“user” means the owner or occupier of a property in respect of which municipal services are being rendered; and

“water charges” means service charges in respect of the provision of water.

6 PRINCIPLES

- 6.1 The Municipality must perform the procedures set out in this Policy to ensure the effective planning and management of tariffs.
- 6.2 In setting its annual tariffs, the Council must at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.
- 6.3 Service tariffs imposed by the Municipality must be viewed as user charges and not as taxes, and therefore the financial ability of the relevant customer or user of the services to which such tariffs relate, may not be considered as a relevant criterion (except in the case of the indigent support measures provided for in the Indigent Support Policy).
- 6.4 The Municipality must ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
- 6.5 Tariffs for the four major services rendered by the Municipality, namely electricity, water, sewerage and refuse removal, must as far as possible recover the expenses associated with the rendering of each service concerned, and where feasible, generate a modest surplus as determined in each annual budget. Such surplus must be applied in relief of property rates or for the future capital expansion of the service concerned, or both.
- 6.6 The tariff which a particular customer or user pays must therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.
- 6.7 The Municipality must develop, approve and at least annually review its Indigent Support Policy and indicate its cost recovery policy in respect of the tariffs which it levies on registered indigent customers, and the implications of such policy for the tariffs which it imposes on other users and customers in the municipal region.
- 6.8 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 customers in regard to the tariffs which it levies. Such differentiation must, however, at all times be reasonable and must be fully disclosed in each annual budget.

- 6.9 The tariff policy must be transparent, and the extent to which there is cross-subsidisation between categories of customers or users must be evident to all customers or users of the service in question.
- 6.10 The Municipality further undertakes to ensure that its tariffs are easily explainable and understood by all customers and users affected by such tariffs.
- 6.11 The Municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
- 6.12 In the case of conventional credit metering systems for electricity and water, the consumption of such services must be properly metered by the Municipality and meters must be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on customers must be proportionate to the quantity of the service which they consume. In addition, the Municipality must levy a monthly fixed charge for electricity services.
- 6.13 In adopting what is fundamentally a two-part tariff structure for electricity, namely a fixed basic 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.
- 6.14 In case of vacant stands, where the services are available but not connected, the Municipality must levy a monthly availability charge which is levied because of fixed costs such as the capital and maintenance costs and insurance of infrastructure available for immediate connection.
- 6.15 The tariffs for electricity services must be determined to ensure that those customers who are mainly responsible for peak demand, and therefore for the incurring by the Municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. To this end, the Municipality must install demand meters to measure the maximum demand of such customers during certain periods. These bulk customers must therefore pay the relevant demand charge as well as an energy charge directly related to their actual consumption of electricity during the relevant metering period.

7 FACTORS TO BE CONSIDERED IN THE DETERMINATION OF A TARIFF STRUCTURE

7.1 FINANCIAL FACTORS

- 7.1.1 The primary purpose of a tariff structure is to recover the actual costs of the rendering of a particular service to avoid cross subsidising of services.
- 7.1.2 In order to determine the tariffs which must be charged for the supply of the four major services, the Municipality must identify all the costs of operation of the undertakings concerned, including specifically the following:
- (a) Cost of bulk purchases in the case of electricity and water.
 - (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) Cost of approved indigent support measures and cross subsidising of low consumption.
 - (g) Administration and service costs, including –
 - (i) service charges levied by other departments such as finance, human resources and legal services;
 - (ii) reasonable general overheads, such as the costs associated with the Office of the Municipal Manager;
 - (iii) adequate contributions to the provisions for bad debts and obsolescence of stock; and
 - (iv) 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.
 - (h) The intended surplus to be generated for the financial year. Surplus to be applied –
 - (i) as an appropriation to capital reserves; and/or
 - (ii) generally in relief of rates.

7.2 SOCIO-ECONOMIC FACTORS

7.2.1 The determination of tariffs must be based on sound, transparent and objective principles at all times. In order to fully understand the influence of the socio-economic factors, the various user categories and forms of subsidisation need to be considered. Tariffs must also support business initiatives aimed at creating jobs or contribute to the economy of the area.

7.2.2 Users can be divided into the following categories –

- (a) Users who are incapable to make any contribution towards the consumption of services and who are fully subsidised;
- (b) Users who are able to afford a partial contribution and who are partially subsidised only; and
- (c) Users who can afford the cost of the services in total.

7.2.3 It is important to identify the categories above and to plan the tariff structures accordingly. Subsidies are currently derived from the following two sources:

- (a) Contributions from National Government: National Government makes an annual contribution according to a formula, which is primarily based on information obtained from Statistics South Africa by means of census surveys. If this contribution is judiciously utilised, it will subsidise all registered indigent households in terms of the Indigent Support Policy.
- (b) Contributions from internal funds: The Council can, if the contribution of National Government is insufficient, provide in its own operational budget for such support. Such action will in all probability result in increased tariffs for the larger users. Any subsidies from such internal funds must be made known publicly.

7.2.4 To make provision for subsidisation, the tariff structure may be compiled as follows:

- (a) Totally free services (within limits and guidelines);
- (b) Lower tariffs for users who qualify in terms of particular guidelines, for example to recover the operational costs of the service only; and

- (c) Full tariff payable with a subsidy that is transferable from sources as mentioned above.

7.3 MINIMUM SERVICE LEVELS

- 7.3.1 It is important that minimum service levels be determined in order to make an affordable tariff package available to all potential users.

7.4 CREDIT CONTROL

- 7.4.1 It is not possible to successfully compile a tariff structure without consideration of the stipulations of an effective credit control system. Income is provided for in the annual budget as if a 100% payment level will be maintained. It is therefore important to continuously ensure that users indeed pay punctually. Non-payment has a direct effect in that provision for bad or irrecoverable debt, in accordance with current payment levels, must be provided for as expenditure in the annual budget.

- 7.4.2 Additionally, there are users who are unable to pay. Tariffs must therefore provide access to a minimum level of basic services for all users. This must furthermore be supplemented with a policy for indigent support to ensure the sustainable delivery of services. In addition, adequate provision must be made on an annual basis for bad or irrecoverable debt and working capital in accordance with current payment levels.

7.5 PACKAGE OF SERVICES

- 7.5.1 The accounts for rates and services must not be seen in isolation. It must be considered jointly to determine the most affordable amount that the different users can pay as a total account. The basic costs of a service must firstly be recovered and then only can surpluses be manipulated to determine the most economic package for the user, with due allowance for future events in regard to a particular service.

7.6 HISTORICAL AND FUTURE USER PATTERNS

- 7.6.1 It is important to keep accurate consumption statistics for the purpose of determining tariffs. Consumption determines tendencies, which ultimately have an influence on tariffs within a structure. Provision should be made in the

process for growth and seasonal use, as well as for unforeseen events that may have an impact on tariffs.

7.7 USER GROUPS

7.7.1 Users are traditionally divided into the following user groups:

- (a) Domestic (residential);
- (b) Businesses / commercial;
- (c) Industries / bulk customers;
- (d) Farm properties (agricultural);
- (e) Accommodation establishments (incl. guesthouses);
- (f) Municipal consumption (departmental charges);
- (g) Institutions that may be directly subsidised, e.g. retirement homes, schools and hostels, sport organisations, etc.;
- (h) Special arrangements for specific developments as may be determined by Council from time to time; and
- (i) Mining.

7.7.2 A continuous effort must be made to group together those users who have more or less the same access to a specific service.

8 FREE BASIC SERVICES

8.1 Free basic municipal services refers to those municipal services necessary to ensure an acceptable and reasonable quality of life and which service, if not provided, could endanger public health or safety or the environment.

8.2 In terms of the Constitution, all customers must have access to basic services. Currently, the free basic services provided to the domestic customers within the municipal area are as follows:

- (a) The extent of the monthly indigent support granted to registered indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.
- (b) The monthly household income threshold for indigent support is determined by Council at the beginning of every financial year and published in terms of the Indigent Support Policy.
- (c) The categories of rates and services that qualify for indigent support and the extent of such support is determined in terms of the Indigent Support Policy.

9 TARIFF STRUCTURES FOR VARIOUS SERVICES

9.1 GENERAL ARRANGEMENTS

9.1.1 It is essential that a compromise be reached between the following needs with the determination of a tariff structure:

- (a) The need to reflect costs as accurately as possible in order to achieve cost effectiveness;
- (b) The need to ensure equality and fairness between user groups;
- (c) The need for a practically implementable tariff;
- (d) The need to use appropriate metering and provisioning technology;
- (e) The need for an understandable tariff; and
- (f) The users' ability to pay.

9.1.2 Taking into consideration the needs identified above, the tariff structure of the different services are outline below.

9.2 ELECTRICITY

9.2.1 To calculate the tariff for electricity, the actual cost incurred in the supply of electricity to the community has to be taken into consideration. The principle of basic levies as well as a per unit tariff for electricity is determined by the cost structure. This cost structure consists of the following components:

- (a) Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any electricity has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of electricity, cost of capital, and insurance that is payable in respect of the infrastructure. These costs must be recovered whether any electricity is used or not. The costs are therefore recovered by means of a fixed levy per period (normally as a monthly basic charge) in order to ensure that these costs are covered.
- (b) Variable costs: It relates to the physical provision of electricity according to consumption/demand and must be financed by means of a unit tariff which is payable per kWh/kVA electricity consumed.
- (c) Profit taking: The tariffs for these services are determined in such a way that a nett trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate-funded services.

9.2.2 The following tariff structures are generally used for the determination of tariffs:

- (a) Inclining block tariff (IBT) structure (domestic (residential), business and commercial customers with prepaid electricity meters) where customers' consumption is divided into blocks and each subsequent block has a higher energy rate (c/kWh). The tariff structure is set by NERSA in order to protect/cross-subsidise low income domestic (residential) customers and to promote energy efficiency.
- (b) Single rate energy tariff (all costs expressed in a single cent/kWh charge).
- (c) Three part tariff for domestic (residential), business and commercial customers which consists of a basic monthly charge, demand and a variable charge related to metered kWh consumption) as follows:
 - (i) Energy rate (c/kWh);
 - (ii) Basic monthly charge (R/month); and
 - (iii) Demand (kVA) charge (R/kVA).

- (d) Four part tariff for industries and bulk customers which consists of a basic monthly charge, access charge, demand charge and a variable charge related to metered kWh consumption as follows:
 - (i) Energy rate (c/kWh);
 - (ii) Basic monthly charge (R/month); and
 - (iii) Demand charge (R/kVA).
- (e) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

9.2.3 An availability fee is charged on properties not connected to the electricity network should the network be available to that property. This fee is aimed at recouping capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects the service with the intention to improve the property, the debit must be adjusted pro-rata from the date of the connection.

9.2.4 A basic charge in respect of large businesses is levied where a business exceeds a consumption of 1000.00 kWh units or more per month.

9.2.5 A basic charge in respect of small businesses is levied where a business does not exceed a monthly total consumption of 999.99 kWh units per month.

9.3 WATER

9.3.1 Water is a scarce commodity with few alternatives available (contrary to electricity). Tariff structures should therefore be aimed at the reduction of consumption. In order to restrict consumption, an inclining block rate tariff structure with a basic fee is applied.

9.3.2 In principle, the amount that users pay for water services must generally be in proportion to their use of water services. Tariffs must be set at levels that facilitate the sustainability of the service.

9.3.3 To calculate the tariff for water, the actual cost incurred in the supply of water to the community must be considered. The principle of basic levies as well as a kilolitre tariff for water is determined by the cost structure.

9.3.4 Similar to electricity, this cost structure consists of the following components:

- (a) Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any water has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of water, cost of capital, and insurance that is payable in respect of the infrastructure. These costs must be recovered whether any water is used or not. The costs are therefore recovered by means of a unit tariff which is payable per kilolitre water consumed in order to ensure that these costs are covered.
- (b) Variable costs: It relates to the physical provision of water according to consumption/demand and must be financed by means of a unit tariff which is payable per kilolitre water consumed.
- (c) Profit taking: The tariffs for these services are determined in such a way that a nett trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate-funded services.

9.3.5 The following tariff structures are generally used for the determination of tariffs:

- (a) Single-leg water consumption for users with prepaid and conventional credit meters.
- (b) A fixed tariff per month for users with no meters.
- (c) An availability fee is charged on users and/or properties not connected to the water network should the network be available to the user and/or property. This fee is aimed at recouping capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects the service with the intention to improve the property, the debit must be adjusted pro-rata from the date of the connection.
- (d) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

9.4 REFUSE REMOVAL

- 9.4.1 Refuse removal is an economic service and tariff calculations must be based on the actual cost incurred in delivering the service.
- 9.4.2 A customer who chooses to do his or her own refuse removal will still be liable for paying the applicable refuse tariff.
- 9.4.3 The tariff levied by the Municipality is based on the category of property as determined in the valuation roll.
- 9.4.4 The following tariff structures are generally used for the determination of tariffs:
- (a) Domestic (residential) customers – maximum of one removal per week.
 - (b) Flats / townhouses / duet houses – maximum of one removal per week.
 - (c) Business / commercial / industrial (non-bulk) – maximum of two removals per week.
 - (d) Business / commercial / industrial (bulk) – individual arrangements.
 - (e) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.
 - (f) Households / businesses / economical consumers / indigent customers that have more than one building (flats, Wendy houses etc.) on the same property and are renting out these buildings are charged for refuse removal per building on the property.

9.5 SEWERAGE

- 9.5.1 Sewer service is an economic service and tariff calculations must be based on the actual cost incurred in delivering the service.
- 9.5.2 The following tariff structures are generally used for the determination of tariffs:
- (a) The tariff levied for waterborne sewerage systems is based on the water consumption. Sewerage tariffs are directly linked to water consumption and tariffs. Water and sewerage has an inverse relationship where an

increase in water consumption means a decreased allocation to sewerage.

- (b) Customers who are not connected to the waterborne sewerage network but who can reasonably be connected to such network must pay an availability tariff. This fee is aimed at recouping capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects the service with the intention to improve the property, the debit must be adjusted pro-rata from the date of the connection.
- (c) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.
- (d) Households / businesses / economical consumers / indigent customers that have more than one building (flats, Wendy houses etc.) on the same property and are renting out these buildings are charged for sewerage per building on the property.

9.6 PROPERTY RATES

9.6.1 The rate levied by the Municipality is a cent amount in the Rand based on the market value of the property.

9.6.2 In terms of the Municipal Property Rates Act, the Municipality may levy different rates for different categories of rateable property. Differential rating among the various property categories is performed by way of setting different cent amount in the rand for each property category and by way of reductions and rebates as provided for in the Property Rates Policy.

10 ELECTRICITY TARIFF POLICY

10.1 GENERAL ARRANGEMENTS

10.1.1 Electricity is supplied under a distribution license granted by NERSA for a specific area of jurisdiction, which regulates amongst others the following aspects:

- (a) Classification of customer categories.

- (b) Permissible tariff structure options as determined at a national level and such option must be applied by distributors to obtain uniformity.
- (c) All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor.
- (d) High demand seasonal rates and low demand seasonal rates for kWh consumed are applied as per the approved NERSA tariffs.
- (e) The kWh consumption is determined between meter reading dates.

10.2 DOMESTIC (RESIDENTIAL) CUSTOMERS

10.2.1 CUSTOMERS WITH CONVENTIONAL CREDIT METERS

10.2.1.1 Customers with conventional credit meters are billed as follows:

- (a) Two part tariff:
 - (i) Fixed monthly charge (R/month).
 - (ii) Energy rate (c/kWh). The energy rate is charged at an inclining block tariff (IBT) per unit based on the number of kWh purchased which is determined as follows:

Block	kWh
Block 1	1 - 50 kWh
Block 2	51 - 350 kWh
Block 3	351 - 600 kWh
Block 4	> 600 kWh

- (b) An availability charge is payable on all properties where a connection to the electricity network is possible but not in use.

10.2.2 PREPAID CUSTOMERS

10.2.2.1 Prepaid users are charged at an inclining block tariff (IBT) per unit based on the number of kWh purchased, which is determined as follows:

Block	kWh
-------	-----

Block 1	1 - 50 kWh
Block 2	51 - 350 kWh
Block 3	351 - 600 kWh
Block 4	> 600 kWh

10.2.2.2 If a customer has any municipal arrears, the auxiliary payment system may be activated as provided for in the Credit Control and Debt Collection Policy for the gradual payment of the arrears.

10.2.2.3 Registered indigent customers receive a number of kWh units fully subsidised every month in terms of the Indigent Support Policy.

10.3 ACCOMMODATION ESTABLISHMENTS

10.3.1 GENERAL ARRANGEMENTS

10.3.1.1 This tariff covers the supply of electricity to all premises qualifying under the definition of accommodation establishments as determined in this Policy or similar premises.

10.3.2 CUSTOMERS WITH CONVENTIONAL CREDIT METERS

10.3.2.1 Customers with conventional credit meters are billed as follows:

- (a) Three part tariff:
 - (i) Fixed monthly charge (R/month).
 - (ii) Demand charge (R/kVA) as per the approved NERSA tariffs.
 - (iii) Energy rate (c/kWh). The energy rate is charged at a tariff per unit based flat rate, based on the number of kWh consumed.
- (b) An availability charge is payable on all properties where a connection to the electricity network is possible but not in use.

10.3.3 PREPAID CUSTOMERS

10.3.3.1 Prepaid users are charged at an inclining block tariff (IBT) per unit based on the number of kWh purchased, which is determined as follows:

Block	kWh
Block 1	1 - 50 kWh
Block 2	51 - 350 kWh
Block 3	351 - 600 kWh
Block 4	> 600 kWh

10.3.3.2 If a customer has any municipal arrears, the auxiliary payment system may be activated as provided for in the Credit Control and Debt Collection Policy for the gradual payment of the arrears.

10.4 COMMERCIAL / BUSINESS CUSTOMERS

10.4.1 GENERAL ARRANGEMENTS

10.4.1.1 This tariff covers the supply of electricity to shops, office buildings, hotels, clubs, industrial undertakings, builder's supplies or similar premises.

10.4.2 CUSTOMERS WITH CONVENTIONAL CREDIT METERS

10.4.2.1 Customers with conventional credit meters are billed as follows:

- (a) Three part tariff:
 - (i) Fixed monthly charge (R/month).
 - (ii) Demand charge (R/kVA) as per the approved NERSA tariffs.
 - (iii) Energy rate (c/kWh). The energy rate is charged at a tariff per unit / flat rate based on the number of kWh consumed.
- (b) An availability charge is payable on all properties where a connection to the electricity network is possible but not in use.

10.4.3 PREPAID CUSTOMERS

10.4.3.1 Prepaid users are charged at an inclining block tariff (IBT) per unit based on the number of kWh purchased as per the table below, and a basic charge as a fixed monthly charge in R/month.

Block	kWh
Block 1	1 - 50 kWh
Block 2	51 - 350 kWh
Block 3	351 - 600 kWh
Block 4	> 600 kWh

10.4.3.2 If a customer has any municipal arrears, the auxiliary payment system may be activated as provided for in the Credit Control and Debt Collection Policy for the gradual payment of the arrears.

10.5 BULK CUSTOMERS

10.5.1 Bulk customers are billed as follows:

- (a) Three part tariff:
 - (i) Fixed monthly charge (R/month).
 - (ii) Demand charge (R/kVA month).
 - (iii) Energy rate (c/kWh): The energy rate is charged as a flat rate tariff per unit based on the number of kWh consumed within a specific period.

10.6 STREETLIGHTS

10.6.1 An energy rate (c/kWh) is applied per streetlight metering point.

10.7 SPECIAL ARRANGEMENTS

10.7.1 Tariffs other than the tariffs outlined above may only be applied only where a special arrangement exist in terms of –

- (a) another policy or by-law; or

(b) a resolution by the Council.

10.7.2 Any other income, e.g. new connections, only for registered indigent customers on agreement for 6 months.

10.8 DEPARTMENTAL CUSTOMERS

10.8.1 The respective commercial and bulk customer tariffs are applicable to all municipal buildings, pump stations, wastewater works, water treatment works, etc.

10.9 ELECTRICITY SUNDRY TARIFFS

10.9.1 All other electricity related services offered by the Municipality are charged at such tariffs as determined by the Council as part of the annual budget process.

11 WATER TARIFF POLICY

11.1 DOMESTIC (RESIDENTIAL) (NON-METERED)

11.1.1 Customers are billed a fixed amount per month.

11.2 DOMESTIC (RESIDENTIAL) / ACCOMMODATION ESTABLISHMENTS (METERED)

11.2.1 Customers are billed as follows:

(a) Customers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage in the following blocks:

Kilolitre	Customer
1 - 6 kl	Registered indigent domestic customers only
1 - 6 kl	All non-indigent domestic customers / accommodation establishments
7 - 15 kl	All non-indigent domestic customers / accommodation establishments
16 - 30 kl	All domestic customers / accommodation establishments

31 - 60 kl	All domestic customers / accommodation establishments
61 kl and above	All domestic customers / accommodation establishments

- (b) An availability charge is payable on all properties where a connection to the water reticulation network is possible but not in use.
- (c) Registered indigent customers receive an amount of water fully subsidised every month in terms of the Indigent Support Policy.

11.3 BUSINESS / COMMERCIAL / INDUSTRIAL

11.3.1 Customers are billed as follows:

- (a) Customers are billed for consumption based on the amount of water used per kilolitre usage.
- (b) An availability charge is payable on all properties where a connection to the water reticulation network is possible but not in use.

11.4 SPECIAL ARRANGEMENTS

11.4.1 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

11.4.2 Any other income, e.g. new connections, only for registered indigent customers on agreement for 6 months.

11.5 WATER SUNDRY TARIFFS

11.5.1 All other water related services offered by the Municipality are charged at such tariffs as determined by the Council as part of the annual budget process.

12 REFUSE TARIFF POLICY

12.1 REFUSE REMOVAL TARIFFS

12.1.1 The following categories are applicable for refuse removal:

- (a) Domestic (residential) customers – maximum of one removal per week.

- (b) Flats – maximum of one removal per week.
- (c) Townhouses / duet houses – maximum of one removal per week.
- (d) Accommodation establishments – maximum of one removal per week.
- (e) Business / commercial / industrial (non-bulk) – maximum of two removals per week. Businesses situated in residential areas will only be serviced once a week.
- (f) Business / commercial / industrial (bulk) – individual arrangements.
- (g) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

12.1.2 Registered indigent customers receive a refuse removal service fully subsidised in terms of the Indigent Support Policy.

12.2 SPECIAL ARRANGEMENTS

12.2.1 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

12.3 REFUSE REMOVAL SUNDRY TARIFFS

12.3.1 All other refuse removal related services offered by the Council are charged at a tariff as determined by the Council as part of the annual budget process.

13 SEWERAGE TARIFF POLICY

13.1 GENERAL ARRANGEMENTS

13.1.1 Sewerage tariffs are directly linked to water consumption.

13.2 DOMESTIC (RESIDENTIAL) (NON METERED)

13.2.1 Customers are billed a fixed amount per month.

13.3 DOMESTIC (RESIDENTIAL) / ACCOMMODATION ESTABLISHMENTS

(METERED)

13.3.1 Customers are billed as follows:-

- (a) Customers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage in the following blocks:-

Kilolitre	Customer
1 - 6 kl	Registered indigent domestic customers only
1 - 6 kl	All non-indigent domestic customers / accommodation establishments
7 - 15 kl	All non-indigent domestic customers / accommodation establishments
16 - 30 kl	All domestic customers / accommodation establishments
31 - 60 kl	All domestic customers / accommodation establishments
61 kl and above	All domestic customers / accommodation establishments

- (b) An availability charge is payable on all properties, where a connection to the sewerage reticulation network is possible, but not in use.
- (c) Registered Indigent customers receive an amount of sewerage fully subsidised every month in terms of the Indigent Support Policy.

13.4 BUSINESS / COMMERCIAL / INDUSTRIAL

13.4.1 Customers are billed as follows:

- (a) Customers are billed for consumption based on the amount of water used per kilolitre.
- (b) An availability charge is payable on all properties where a connection to the sewerage reticulation network is possible but not in use.

13.5 SPECIAL ARRANGEMENTS

13.5.1 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

13.5.2 Any other income, e.g. new connections, only for registered indigent customers on agreement for 6 months.

13.6 SEWERAGE SUNDRY TARIFFS

11.6.1 All other sewerage related services offered by the Municipality are charged at such tariffs as determined by the Council as part of the annual budget process.

14 PROPERTY TAX POLICY

14.1 PROPERTY TAX TARIFFS

14.1.1 Property rates are levied as determined by Council in terms of the Property Rates Policy.

14.2 PROPERTY TAX SUNDRY TARIFFS

14.2.1 All other property tax related services offered by the Municipality are charged at such tariffs as determined by the Council as part of the annual budget process.

15 SUNDRY TARIFFS

15.1 Various sundry tariffs are applied to recoup costs of sundry services to the public. All such tariffs are based on cost of supply, but individual tariffs may be set at –

- (a) subsidised levels;
- (b) levels reflecting actual cost; or
- (c) levels producing surpluses.

15.2 The level at which the Council sets a sundry service tariff, takes into account factors such as –

- (a) affordability;
- (b) socio-economic circumstances;

- (c) utilisation of amenities and resources;
- (d) national and regional agreements and provisions; and
- (e) any other factors influencing such decisions.

15.3 Sundry tariffs and structures must be reviewed by the Council as part of the annual budget process.

16 DEVELOPMENT CHARGES

16.1 For purposes of this clause, unless the context dictates otherwise –

“development charge” means a development charge contemplated in section 44 of the Amended Spatial Planning and Land Use Management Guideline By-Law, 2016;

“equivalent erf” in relation to –

- (a) water and sewerage services, means a property of which the hypothetical average daily water usage as determined by the Director: Technical Services in accordance with the Directorate’s standard formula does not exceed 1 kl/day;
- (b) electricity, means a property with a hypothetical design capacity of 10 kVA before diversity as determined by Director: Technical Services in accordance with the Directorate’s standard formula, subject thereto that (a) a three-phase domestic supply is equal to two equivalent erven (i.e. 20 kVA); (b) a three-phase business supply is equal to three equivalent erven (i.e. 30 kVA); and (c) any other cases must be determined by the Director: Technical Services on a basis of what is fair and reasonable; and
- (c) solid waste removal, means a property of which the hypothetical solid waste generation is equal to that of a three-bedroom residential unit calculated in accordance with the standard formula as determined by the Director: Community Services; and

“transfer” means the transfer of the relevant property in terms of the Deeds Registries Act 47 of 1937 or any similar transfer of ownership.

- 16.2 Development charges are payable in addition to any tariffs, service charges, charges for consumption, availability charges and connection fees.
- 16.3 Development charges provided for in this Policy may be imposed in terms of section 75A of the Municipal Systems Act or in terms of section 44 of the Amended Spatial Planning and Land Use Management Guideline By-Law, 2016.
- 16.4 Development charges must be reviewed by the Council as part of the annual budget process.
- 16.5 Development charges are charged and payable at the tariffs which are applicable at the time of transfer of the erf or property concerned or the approval of building plans in respect of such erf or property, whichever takes place first.
- 16.6 If the number of erven, residential units, equivalent erven or other basis on which development charges may previously have been based, increase, additional development charges are payable calculated in accordance with the tariffs applicable when such changes take place or building plans are approved, as the case may be, whichever takes place first.
- 16.7 If the floor area of an existing building is increased or if the approved building plans are changed or if an existing or authorised use of any building is changed or if new buildings are erected, or the electricity supply be increased, as the case may be, the owner is liable for the payment of development charges in respect of such extensions, additions or changes on approval of the building plans in respect of such extensions or additions or the occurrence of such change, as the case may be.
- 16.8 If any development charges have been paid upon approval of building plans or at any time before the transfer of a property, and any changes contemplated in clauses 16.6 and 16.7 subsequently occur, the provisions of clauses 16.6 and 16.7 apply mutatis mutandis in determining the additional development charges payable.
- 16.9 The development charges for roads and refuse removal must be calculated in accordance with the applicable standard formula of the Technical Services and Community Services directorates. To the extent that storm water drainage is not provided for in the standard formula in respect of roads or if, in the opinion of the Director: Civil Engineering Services, it would be more appropriate, the development charges in respect of storm water drainage must be equal to the direct costs of the storm water drainage infrastructure provided or to be provided.

16.10 Development charges are payable by the registered owner of the property concerned at the time when the contribution is due and payable, which is upon transfer of the property concerned or approval of building plans, whichever is applicable, unless any conditions of approval or service agreement provide otherwise or if the Director: Civil Engineering Services, upon application in writing and on good cause shown, determine otherwise. If the payment of development charges are to take place at any time other than upon transfer or approval of building plans, such payment must be secured by a guarantee to be determined by the Director: Technical Services.

17 INCENTIVES FOR CONTRIBUTIONS BY COMMUNITY MEMBERS

17.1 The Municipality acknowledges the contributions that community members make and the support that community members provide with regard to the maintenance of municipal infrastructure and the provision of municipal services.

17.2 The Municipality may, on good cause shown, provide non-financial incentives for, and in kind support to, community initiatives that are aligned to the Municipality's service delivery mandate.

17.3 The Municipality must develop guidelines for the allocation of such incentives and support.

18 APPROVAL AND PUBLICATION OF TARIFFS, FEES AND CHARGES

18.1 All tariffs, fees and charges provided for in this Policy, must be approved by the Council as part of the annual budget process.

18.2 Such tariffs, fees and charges come into effect as and when determined by the Council.

18.3 All tariffs, fees and charges must be published in the annual tariff list and must be available to the public at any time.

19 MISCONDUCT

19.1 If there is evidence of any misconduct, dishonesty or intentional wrongdoing with regard to any provision of this Policy by a municipal staff member, the Municipality must institute disciplinary proceedings in terms of the disciplinary procedure in the collective agreement or the Disciplinary Regulations for Senior Managers, as the case may be.

20 CONFLICT

20.1 In the event of a conflict between this Policy and the Credit Control and Debt Collection Policy or the Tariffs, Credit Control and Debt Collection By-Law, the latter prevails.

21 DELEGATIONS

21.1 The delegation of any power, function or duty provided for in this Policy must be performed in terms of the Delegation Policy.

22 RESPONSIBILITY FOR IMPLEMENTATION

22.1 The Municipal Manager accepts overall responsibility for the implementation of this Policy.

23 MONITORING AND EVALUATION

23.1 The Executive Mayor oversees and monitors –

- (a) the implementation and enforcement of this Policy; and
- (b) the performance of the Municipal Manager in implementing this Policy.

24 REVIEW AND AMENDMENTS

24.1 The Council –

- (a) must review this Policy on an annual basis and table the reviewed Policy for approval as part of the annual budget process in terms of section 17(1)(e) of the Municipal Finance Management Act; and
- (b) may amend this Policy during the course of any specific year.

25 EFFECTIVE DATE

25.1 This Policy becomes effective upon approval thereof by the Council.

26 POLICY APPROVAL

Authorised by Municipal Manager:

Signature:

Date:

Recommended by Portfolio Committee on Finances:

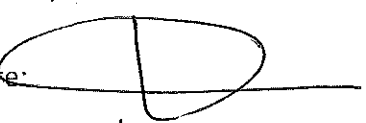
Signature:

Date:

Approved by Council:

Signature:

Date:

A handwritten signature consisting of a large, stylized loop with a vertical line through the center, crossing the horizontal baseline.

01 July 2023