



# **TARIFF POLICY**

2009

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## 1. INTRODUCTION

1.1 A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government Municipal Systems Act, 2000 (Government Gazette No. 21776, dated 20 November 2000), such policy to cover, among others, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

1.2 The tariff policy for Molemole Local Municipality has been compiled taking into account, where applicable, the guidelines set out in Section 74.

## 2. ASSESSMENT RATES

2.1 All rateable property in the Molemole Local Municipality is to be valued at least once every four years.

2.2 The rate in the rand is to be uniform throughout the municipal area unless otherwise determined by the council.

2.3 Varying rebates on assessment rates will be applied to the following categories:

a) Farms used for agricultural purposes

b) Pensioners, who earn less than a determined amount, are at least 60 years of age, are registered owners of the said property and have submitted proof of income to the municipality under oath.

c) Property located in a rural area used for residential purposes

d) Newly rateable property as determined by section 21 of the Municipal Property Rating Act

2.4 The rate in the rand, as well as the rebates, will be determined and approved by Council when the budget and tariffs are annually submitted for consideration.

2.5 The Councils Rating Policy shall determine properties or categories of property which shall be exempt from rates. The Rates Policy shall be reviewed by Council at least once annually.

### 3. ELECTRICITY

3.1 All electricity tariffs must be approved by the National Energy Regulator of South Africa.

3.2 The various categories of electricity consumers, as set out below; will be charged at the applicable tariffs, as approved by Council at least one month before implementation.

3.3 Tariff adjustments will be effected only from 1 July each year

### 3.4 Categories of consumption:

- a) With the single exception set out in the immediately ensuing paragraph, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- b) The first 50 kWh units for all domestic indigent electricity consumers shall be free of charge. This policy is designed to cater for poor households only.
- c) All domestic electricity consumers with the exception of pre-paid consumers shall additionally be billed a basic charge, and this charge may differentiate between properties with improvements and properties without improvements.
- d) All business properties shall additionally be billed a monthly basic and a monthly fixed charge.
- e) All higher low voltage consumers shall additionally be billed a monthly basic, fixed and KVA charge.
- f) Churches, sport clubs and museum consumers shall additionally be billed a monthly basic charge.
- g) Schools and hostels shall additionally be billed a monthly basic and a monthly fixed charge where applicable.
- h) Casual electricity consumers shall additionally be charged a fixed charge.

## 4. WATER

4.1. The following categories of water consumers shall be charged at the applicable tariffs, as approved by Council, at least one month before implementation, when the budget is compiled:

- a) All domestic registered indigent water consumers shall receive the first six (6) kl of water consumption free per month. Thereafter a stepped tariff shall be applicable on metered water consumption. This policy is to cater for poor households.
- b) All other consumers (including business, industry, flats, hospitals, schools, churches, sport clubs and museums) shall be charged on actual water consumption at a rate per kl.
- c) A basic charge shall be charged on domestic vacant stands, and other areas identified by Council and on business and industrial properties where applicable.
- d) Where a property has multiple consumers and/or dwellings the basic charge shall apply to each additional consumer/dwelling/user.

4.2 The Council further reserves the right to introduce a quota system for water consumption, with penalty tariffs for consumers exceeding their quotas, whenever a quota system is imposed by a bulk supplier on the Council itself.

4.3 Tariff adjustments shall be effective from 1 July each year.

## 5. REFUSE REMOVAL

5.4 The following categories of refuse removal consumers shall be charged at the applicable tariffs, as approved by Council at least one month before implementation, when the budget is compiled:

- a) Domestic
- b) Business/Industrial
- c) Molemole Local Municipality's departments
- d) Builders/Contractors

5.5 A separate fixed monthly refuse removal charge shall apply to each of the above mentioned categories of users:

5.6 Tariff adjustments will be effected from 1 July each year,

5.7 The council further reserves the right to levy, at a tariff determined charge, casual consumers for the removal of bulk refuse per M<sup>3</sup>.

## 6. SEWERAGE

6.1 The following categories of sewerage users shall be charged per month at the applicable tariff as approved by Council at least one month before implementation, when the budget is compiled:

- a) A charge per sewerage point shall be charged for domestic consumers.
- b) A charge per sewer point for business/industrial users connected to the sewerage reticulation system.
- c) A fixed charge shall be charged for builders/contractors.
- d) A fixed charge shall be charged to Molemole Local Municipality's departments based on actual costs.

6.2 Tariff adjustments will be effected from 1 July each year

## 7. GENERAL

7.1. Uniform rates and tariffs structures shall apply throughout Molemole's municipal area for all types of services and residents.

7.2. The policy of Molemole Local Municipality for electricity, water, refuse removal and sewerage shall be at least to recover all costs, and whenever appropriate to generate a 10% surplus, or such lesser percentage determined when the budget is compiled and approved by the Council.

- 7.3. The determination of rates and service tariffs shall take into account provisions for bad debts.
- 7.4. All minor tariffs shall be approved and implemented on an annual basis, and shall, when appropriate, be subsidised by the rates account, particularly when the tariffs will prove uneconomical when charged at cost or when cost cannot accurately be determined or when the tariff is designed purely to regulate rather than finance the use of a particular service or amenity.
- 7.5. Operating surpluses generated through the application of any tariff for any service will form part of the general operating income of the council, unless otherwise stipulated.
- 7.6. All operating surpluses will at year-end be consolidated and shall accrue to the general operating surplus of the council.
- 7.7. All minor tariffs shall be standardised with the municipal region.
- 7.8. Minor tariffs includes, but is not limited to the following:
- a) Cemetery fees
  - b) Housing rentals
  - c) Library fees (e.g. membership, fines, lost books, lost membership cards)
  - d) Health (e.g. systologic test, sale of milk powder)
  - e) Rent: Town Hall
  - f) Application fees for town planning and related issues
  - g) Rent: sport grounds
  - h) Refuse removal: mass removal
  - i) Plastic bag sales
  - j) Refuse bin sales
  - k) Cleaning of stands
  - l) Sewerage application fees

- m) Photostat copies
- n) Clearance certificates
- o) Electricity: reconnection fees
- p) Electricity: new connection for pre-paid meters
- q) Electricity: new connection fees
- r) Water: reconnection fees
- s) Water: new connection fees
- t) Fines for the tampering with council metering or other equipment

7.9 Where the imposition of fees, tariffs or fines are not expressly mentioned in the tariff policy document, council resolution or where applicable, the tariff determinate on of the relevant by-laws shall apply.

**8. APPROVAL OF THE POLICY**

a) Date of Approval by Council

31 May 2009