



## **TARIFF POLICY 2017/18**

Approved by Council on the 29<sup>th</sup> May 2017

## **PREAMBLE**

**Whereas** section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

**And whereas** the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

**And whereas** the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiations do not amount up to unfair discrimination;

**Now therefore the** Municipal Council of the Polokwane Municipality adopts the following Tariff Policy:

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## 1. DEFINITIONS

For the purpose of this Policy any word or expression to which a meaning has been assigned in the Act, shall bear that same meaning in this Policy, and unless the context indicates otherwise:

<b>“basic service”</b>	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
<b>“break even”</b>	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
<b>“capital contributions”</b>	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
<b>“Commercial Unit/Erf”</b>	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
<b>“community services”</b>	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
<b>“consumer, customer, owner, occupier, account holder”</b>	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied. The levying of tariffs, fees, charges, etc depends on statutory clauses, approved tariffs in terms of by-laws, contracts, agreements or tacit uses of services in certain circumstances. Such levies are payable on presentation of any invoice or monthly statement issued by the Municipal Manager. Payments are due by the date indicated for the transaction in an agreement, contract or on an invoice or monthly statement, as the case may be;
<b>“Council” or “municipal council”</b>	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane;
<b>“economic services”</b>	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
<b>“lifeline”</b>	Available to pre-paid consumers whose connection is $\leq 30$ Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
<b>“fixed costs”</b>	means costs which do not vary with consumption or volume produced;
<b>“multi-purpose”</b>	In relation to a property, means the use of a property for more than one purpose;
<b>“Municipality”</b>	the institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane;

<b>“Municipal Manager”</b>	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty;
<b>“resident”</b>	means a person who normally resides in the municipal area;
<b>“residential unit”</b>	Means a single residential erven, flats, townhouse and group development, retirement villages, guest houses, bed and breakfast and households related consumers that do not fall in one of the above household consumer categories;
<b>“the Act”</b>	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
<b>“total cost”</b>	means the sum of all fixed and variable costs associated with a service;
<b>“trading services”</b>	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
<b>variable costs”</b>	means costs that vary with consumption or volume produced;
<b>“wet Industry”</b>	Defined as an industry using water as essential and fundamental input in the production process.

## 2. PURPOSE OF POLICY

The Polokwane Municipality wishes to achieve the following objectives by adopting this tariff policy:-

- (a) To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- (b) To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- (c) To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.
- (d) To ensure that there is consistency in how the tariffs are applied throughout the Municipality.
- (e) To ensure municipal services are financially sustainable, affordable and equitable.
- (f) Determining cost effective tariff as far as possible.
- (g) To ensure affordability of basic services to the community.
- (h) To ensure the needs of the indigents aged and disabled are taken into consideration.

## 3 TARIFF PRINCIPLES

The Polokwane Municipality wishes to record that the following tariff principles will apply:-

- (a) Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion. (Except in the case of the indigent relief measures approved by the Municipality from time to time.)
- (b) The Municipality shall ensure that its tariff is uniformly and fairly applied throughout the Municipal area of jurisdiction where billing for services is implemented.
- (c) Tariffs for the four major services rendered by the Municipality, namely:
- (a) Electricity;
  - (b) Water;
  - (c) Sewage (waste water); and
  - (d) Refuse removal (solid waste),
- shall, as far as possible, be calculated at a level which will recover all expenses associated with the rendering of these services.
- (d) During the annual budget processes the Municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the four major services generate operating surpluses.
- (e) Surpluses generated on major services will be determined during the approval of the annual operating budget.
- (f) Surpluses generated on major services shall be applied in relief of property rates or for the future capital expansion of the services concerned or both.
- (g) To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.
- (h) Capital contributions to finance new developments and subdivisions will be required from all developers.
- (i) All users of municipal services, within a category of users, will be treated equitably.
- (j) The amount payable by consumers and/or owners will generally be in proportion to usage of the service.
- (k) The Municipality shall develop, approve and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's 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.
- (l) Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution the Municipality may consider supplying free basic services to categories of consumers.
- (m) 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.
- (n) In addition to the above, the Municipality shall levy monthly availability ( where services are available but not connected)/ or basic charges for the services concerned, and those charges shall be fixed for each type of property as determined in accordance with its appropriate policies. Generally, consumers of water and electricity shall therefore pay two charges;
- A basic charge which is levied because of the availability of the service concerned or a basic charge which is unrelated to the volume of

consumption and is levied because of fixed costs such as salary of staff related to the provision of the service, capital costs and insurance of infrastructure; and

- A consumption charge directly related to the consumption of the service in question.
- (o) Tariffs must reflect the total cost of services.
- (p) Tariffs must be set at a level that facilitates the sustainability of services.

Sustainability will be achieved by ensuring that:-

- (a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.
  - (b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services in order to subsidise property rates and general services.
  - (c) Service providers retain a fair rate of return on their investments.
- (q) Provision may be made in appropriate circumstances for surcharges on tariffs.
- (r) Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.
- (s) The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.
- (t) Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating costs votes in the service budgets and including the costs in tariff calculations.
- (u) VAT is excluded in all tariffs
- (v) This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.
- (w) A property used for multiple purposes must, for purposes related to the services concerned and the categories of users will be calculated at the appropriate and applicable rate for each distinct use of the property.
- (x) In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by customers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing users.

#### **4 CATEGORIES OF CONSUMERS**

4.1 Separate tariff structures may be imposed for the following categories of consumers (which the council may change) :

- (a) Domestic consumers;
- (b) Commercial consumers;
- (c) Industrial consumers;
- (d) Agricultural consumers;
- (e) Organs of state;
- (f) Municipality;
- (g) Consumers with whom special agreements were made;
- (h) Consumers in certain geographical areas;

- (i) Sport and recreation facilities
  - (j) Private schools & educational institutions; and
  - (k) Public benefits organizations and suchlike institutions.
- 4.2 Council may differentiate between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters as long as the differentiation does not amount to of these tariffs be assigned to a category determined by the council for properties used for a purpose corresponding with the dominant use of the property if the Municipality cannot readily make an apportionment in unfair discrimination.
- 4.3 Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.
- 4.4 Differentiated tariffs must be based on one or more of the following elements; Infrastructure costs, volume usage, availability and service standards.
- 4.5 If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best taking into account the nature of the service concerned and the user or category of users involved.

## **5 INCENTIVE POLICY**

- 5.1. Tariffs will not reflect incentives for investment or to promote economic development.

## **6. INDIGENT RELIEF**

- 6.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.
- 6.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.
- 6.3. During implementation of such policy, recognition will be taken that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.
- 6.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.
- 6.5. Assistance and management of indigent households is contained in the Customer Care and Debt Collection Policy/By-Law. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears.

## **7. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS**

- 7.1. **Service classification**

7.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognized Accounting Practice (GRAP) and Executive Mayoral Committee of the Council, provide for the classification of services into the following categories:-

- (i) Trading services;
- (ii) Economic services;
- (iii) Community services; and
- (iv) Subsidized services.

7.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidized services will be financed from rates and related income.

## 7.2. **Expenditure classification**

Expenditure will be classified in accordance with GRAP.

## 7.3. **Cost elements**

The following cost elements may be used to calculate the tariffs of the different services:-

- (a) "*Fixed costs*" which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.
- (b) "*Variable costs*" which include all other variable costs that have reference to the service.
- (c) "*Total cost*" which is equal to the fixed costs and variable costs.

## 8. **TARIFF TYPES**

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following five options or a combination thereof:-

### 8.1. **"Single tariff":-**

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

### 8.2. **"Cost related two to four part tariff":-**

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g.

management, capital and maintenance costs may be grouped together and may be recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed. Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

**8.3. “Inclining block tariff”:-**

This tariff is based on consumption levels being categorized into blocks, the tariff being determined and increased as consumption levels increase.

**8.4. “Declining block tariff”:-**

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

**8.5. “Regulating tariff”:-**

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

**8.6. “Cost plus mark-up tariff”:-**

This tariff is for other services rendered.

## **9. CALCULATION OF TARIFFS FOR MAJOR SERVICES**

### **9.1. General**

In order to determine the tariffs which must be charged for the supply of the four major services (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following:-

9.1.1. Cost of bulk purchases in the case of electricity and water.

9.1.2. Distribution costs, including distribution losses in the case of electricity and water.

9.1.3. Depreciation and finance charges.

9.1.4. Maintenance of infrastructure and other assets.

9.1.5. Administration and service costs, including:-

- (a) service charges levied by other support services, such as finance, human resources and legal services;
- (b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;
- (c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;

- (d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.

9.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.

9.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be executed before 30 September to be implemented for the specific financial year.

## 9.2. Electricity

9.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.

9.2.2. The Municipality has standardized on the use of Pre Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre Payment Meters. The change from Pre Payment Meters to Credit Meters will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Engineering Services and by payment of the required change of meter fees as well as the required deposit.

9.2.3. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.

9.2.4. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.

9.2.5. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.

9.2.6. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used:-

Categories of Consumers	Tariff Components			
	Basic/Demand/Service Charge (Rand/consumer/month)	Active Energy Charge (cent/kWh/month)	Seasonally Time-of-use Energy Charge Peak / Standard /Off-peak (sent/kWh/month)	Capacity Charge (Rand/KVA/month)
<b>Single Phase:</b> (Domestic Credit/Conventional meters)				<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh
<b>Single Phase:</b> (Domestic Pre-paid meters)				<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh

<b>Single Phase:</b> (Commercial-credit meter)	X	X		Flat rate
<b>Single Phase:</b> (Pre –Paid meter )	X	X		Flat rate
<b>Three Phase:</b> (Domestic Credit meter) ≤ 100A	X	X		<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh
<b>Three Phase:</b> (Domestic Pre-paid meter) ≤ 100A	X	X		<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh
<b>Three Phase:</b> (Commercial Credit meter) ≤ 100A	X	X		Flat Rate
<b>Three Phase:</b> (Commercial Pre-Paid meter) ≤100A	X	X		Flat Rate
<b>Bulk:</b>				
> 100 A	X	X		Flat Rate
Time of Use based on Ruraflex Munic			X	Flat Rate
<b>Departmental (Municipality)</b>		X		

(a) A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.

(b) Where a property or unit is not connected to the electricity reticulation system, but can reasonably be so connected, an availability tariff will be payable.

9.2.7.A fixed basic charge for electricity will be levied on a monthly basis on certain properties or units.

9.2.8.Where consumers within an approved township establishment are not connected to the electricity services, but can reasonably be so connected, an availability tariff will be payable.

### 9.3. Water

9.3.1.The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.

9.3.2.The first 6kl of water consumption per month shall be supplied pro rata free of charge to all indigent water consumers.

9.3.3.Because water is a scarce national resource, and this 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.

9.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

Category of Consumer	Basic Fixed Charge (Rand/meter/month)	Unit Charge per kl	Level of Consumption (Rand/kl/month)
DOMESTIC SUPPLY		X	0 – 5 KL 6 -15 KL 16 – 30 KL 31 -50 KL 51-100 KL >100 KL
NON-DOMESTIC SUPPLY	X	X	0 – 30 KL 31 -50 KL 51-100 KL >100 KL
INDUSTRIAL SUPPLY	X	X	0 – 30 KL 31 – 50 KL 51-100 KL 101-20 000 KL >20 000 KL
SILIKON SMELTERS	X	X	0 – 20 000 KL > 20 000 KL
PUBLIC WORKS	X	X	Flat Rate
DALMADA WATER CORPORATION & BROADLANDS	X	X	Flat Rate
SCHOOLS & HOSTELS	X	X	Flat Rate
POTGIETERSRUS PLATINUM LTD	X	X	Flat Rate
LEZMIN 3535	X	X	Flat Rate
Departmental (Municipality)		X	Flat Rate

9.3.5. After accounting for free water and basic charges, the cost of water in the first step will be calculated at break even.

9.3.6. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against certain water consumers.

9.3.7. Where consumers within an approved township establishment are not connected to the water services, but can reasonably be so connected, an availability tariff will be payable.

#### 9.4. Refuse Removal

9.4.1. A fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.

9.4.2. An availability charge per month will be levied on all erven or units within an approved township establishment where no building plan has been approved.

9.4.3. The fixed basic charge will be based on surface area of the erf or the floor area of the building or per skip container

Category of Consumer	Charge based on surface area of stand, erf or premises	Charge based on floor area of building	Level of Charge (Rand month)
<p>1. Dwelling houses, churches and church halls which are used for that purpose and</p> <p>2. Improved premises used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or a similar organization- per unit and</p> <p>3. Fats</p>	<b>X</b>		<p>(a) On an erf with a surface area not exceeding 500m<sup>2</sup></p> <p>(b) All erven with a surface area in excess of 500m<sup>2</sup></p> <p style="padding-left: 40px;">(i) For the first 500m<sup>2</sup> of the surface area of the erf</p> <p style="padding-left: 40px;">(ii) Thereafter, for the following 500m<sup>2</sup> or part thereof, of the surface area of the erf</p> <p style="padding-left: 80px;">(iii) Thereafter, per 500m<sup>2</sup> or part thereof, of the surface area of the erf</p> <p style="padding-left: 80px;">(iv) Maximum charge (11 000m<sup>2</sup>)</p>
<p>State supported schools, technicons, colleges and universities and related amenities</p>			<p>Flat Rate per 1m<sup>3</sup> container</p>
<p>1. Hostels and related amenities for educating institutions and or</p>		<b>X</b>	<p>Per 300m<sup>2</sup> or part thereof, of the total floor area of the building</p>

<p>2.Old age homes as well as youth centre's/homes whereof the body corporate is registered as a welfare organization in terms of applicable National Welfare Acts and or</p> <p>3.Homes, crèches or other similar amenities mainly used for the fulltime caring and/or education of the aged, crippled and intellectually/mentally handicapped and whereof the body corporate is registered as a welfare organization in terms of the applicable National Welfare Acts:</p>			
<p>1.Hotels licensed in terms of the Liquor Act, as amended and</p> <p>2.Non-residential buildings and sectional titles on industrially/commercially zoned stands and</p> <p>3.Any other building:</p>		<b>X</b>	<p>(i) Up to and including 300m<sup>2</sup> or part thereof, of the total floor area</p> <p>(ii) Thereafter, per 100m<sup>2</sup> or part thereof, of the total floor area of the building</p> <p>(iii) Maximum charges are applicable</p>
<b>Other Services</b>			
For the removal of domestic refuse where a mass container is specifically supplied for use by a specific premises			Flat Rate per mass container per removal
For the removal of garden refuse other than placed in plastic bags, per removal			Flat Rate per removal
For the removal of non-perishable refuse, excluding garden refuse			Estimated cost + 10%
Occasional Services:			Flat Rate per removal
Weltevreden Landfill Site Weighbridge.			Flat Rate per ton or part thereof.
Carcass removal and disposal thereof			Flat Rate per removal category

## 9.5. Sewage

### 9.5.1. APPLICATION FEES

The Engineer shall determine application fees in terms of the provisions of section 23(1) of the By Laws.

The assessment of the charges shall be based upon the total square area of the building, addition or alteration to an existing building. The charges are incorporated in the building plan fees and shall be payable in advance when the building plans are submitted. In case of any dispute arising in respect of the assessment of the application fees, the matter shall be subject to the right of appeal as determined in Section 3 of the By Laws.

### 9.5.2. SEWAGE CHARGES

The owner of any erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges:

The categories of sewage users as set out below shall be charged monthly at the applicable tariff as approved by the Council in each annual budget:-

Category of Consumer	Charge based on surface area of stand, erf or premises	Charge based on floor area of building	Level of Charge
<b>1. Availability charges</b>			
(i) Improved residential erven with a surface area not exceeding 500m <sup>2</sup>			No Charge
<b>2. All other erven</b>	X		(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf:  (ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 2 000m <sup>2</sup> of the surface area of the erf:  (iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:

			(iv) Additional charge per unimproved erf:  (v) Maximum charge (887 000m <sup>2</sup> ):
<b>3. Additional charges</b>			
1. Dwelling-houses, churches, church halls as well as buildings used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or similar organization.			(i) For the first dwelling-house, church, church hall or other building mentioned in 2(1) above erected on any erf or piece of land, per building  (ii) For the second or subsequent dwelling-house, church, church hall or other building mentioned in 2(1) above, per building
2. Flats – per flat			Flat Rate
3. State supported schools, technicons, colleges, universities and related amenities, excluding hostels. per 35 personnel and pupils or part thereof:			Rate Per 35 personnel and pupils or part thereof
4. Amenities for lodging which include:  (i) Hostels and related amenities for educational institutions.  (ii) Old age homes as well as youth centres/homes whereof the body corporate is registered as a welfare organisation in terms of the applicable National Welfare Acts -			Rate Per 12 residents, personnel and pupils/students, or part thereof
(iii) Homes, crèches or other similar amenities mainly used for the full time care and/or education of the aged, crippled, mentally/intellectually handicapped where			Rate Per 8 residents and personnel or part thereof

<p>the body corporate is registered as a welfare organization in terms of the applicable National Welfare Acts -</p>			
<p>(iv) Hotels licensed in terms of the Liquor Act, as amended:</p>		<p><b>X</b></p>	<p>For each 100m<sup>2</sup> or part thereof of the total floor area on each storey, including the basement and outbuildings available for hotel purposes</p>
<p>5. Non-residential buildings on industrially/commercially zoned stands:</p>			<p>(i) For each bath (plunge bath and shower bath included) water closet, urinal pan or compartment, slop hopper, washing trough</p> <p>(ii) For each trough or channel used for, or destined to be used for urinal or water closet purposes, for each 650mm or part thereof</p>
			<p>For each grease trap:</p> <p>(i) Not in excess of 150mm in diameter</p> <p>(ii) In excess of 150mm up to and including 200mm in diameter</p> <p>(iii) In excess of 200mm up to and including 300mm in diameter</p> <p>(iv) In excess of 300mm in diameter</p>
<p>6. Any other building or improvement:</p>			<p>(i) For each bath (plunge and shower bath included) water closet, urinal pan or compartment, or slop hopper, or washing trough</p> <p>(ii) For each trough or channel used for or destined to be used for urinal or water closet purposes, for each 650mm or part thereof</p> <p>(iii) For each grease trap:</p>

			<p>(i) Not in excess of 150mm in diameter</p> <p>(ii) In excess of 150mm up to and including 200mm in diameter</p> <p>(iii) In excess of 200mm up to and including 300mm in diameter</p> <p>(iv) In excess of 300mm in diameter</p>
<b>4.CONSERVANCY TANKS</b>			
Erven that cannot be connected to the main sewer and where a conservancy tank is installed:			Flat rate per month

Charges for Industrial Effluent and for Chemical and Bacteriological Analysis will be calculated according to a formula which will be indicated in the Tariff of Charges on an annual basis.

## 9.6 Minor tariffs

9.6.1 All minor tariffs shall be standardised within the municipal region.

9.6.2 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 be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

9.6.3 Minor tariffs may include but are not limited to the following:-

<b>A</b>	Administration	<ul style="list-style-type: none"> <li>▪ Access to information</li> <li>▪ Administration Costs</li> <li>▪ Advertisements</li> <li>▪ Bank cost on foreign accounts</li> <li>▪ Deposit Consultation</li> <li>▪ Duplicate Accounts</li> <li>▪ Facsimiles</li> <li>▪ Interest on Arrear Accounts</li> <li>▪ Interest on Arrear Accounts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Management consultation</li> <li>▪ Photocopies</li> <li>▪ Placard / Poster Costs</li> <li>▪ Section 62 Appeals</li> <li>▪ Tender Objections</li> <li>▪ Tender Participation Costs</li> <li>▪ Top Management Consultation</li> <li>▪ Trace of Direct Deposits</li> </ul>
<b>B</b>	Building Control	<ul style="list-style-type: none"> <li>▪ Administration storage fee</li> <li>▪ Alterations</li> <li>▪ Building Plans</li> <li>▪ Contravention Levy</li> <li>▪ Demolition Fees</li> <li>▪ Deposits</li> <li>▪ Encroachments</li> <li>▪ Heritage Investigations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspection Fees</li> <li>▪ Land Use Planning</li> <li>▪ Photocopies of Building Plans</li> <li>▪ Plan Printing Fees</li> <li>▪ Plan Scrutiny Fees`</li> <li>▪ Re-inspection fees</li> <li>▪ Searching Fees</li> </ul>
<b>C</b>	Cemeteries	<ul style="list-style-type: none"> <li>▪ Garden of Remembrance</li> <li>▪ Grave-sites</li> </ul>	<ul style="list-style-type: none"> <li>▪ Indication of grave</li> </ul>
<b>D</b>	Commercial Filming/Photographing	<ul style="list-style-type: none"> <li>▪ Permits</li> </ul>	
<b>E</b>	Credit Control & Debt Collecting	<ul style="list-style-type: none"> <li>▪ Administration fee</li> <li>▪ Notices</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sheriff fee</li> <li>▪ Tracing fee</li> </ul>
<b>F</b>	Dog Tax	<ul style="list-style-type: none"> <li>▪ Licenses</li> </ul>	
<b>G</b>	Electricity	<ul style="list-style-type: none"> <li>▪ Builders connection</li> <li>▪ Bulk Service Development Fees</li> <li>▪ Call-out fee</li> <li>▪ Cancellation Fee</li> <li>▪ Capital Contributions</li> <li>▪ Certificates</li> <li>▪ Change from Bulk to Time of use</li> <li>▪ Change of Circuit Breaker</li> <li>▪ Commission of Bulk Meter</li> <li>▪ Connection and Disconnection of Service</li> <li>▪ Consumer Deposits</li> <li>▪ Contractor Inspection</li> <li>▪ Conversion of meters</li> <li>▪ Credit Control and Debt Collection</li> <li>▪ Damaged meter</li> <li>▪ Disconnection</li> <li>▪ Extension Fee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Meter Verification</li> <li>▪ MV Switching</li> <li>▪ New Service Connections</li> <li>▪ Reconnection</li> <li>▪ Remedial Action Fee</li> <li>▪ Removal of meter</li> <li>▪ Rental of Equipment</li> <li>▪ Repair of Cables or Additional Joints</li> <li>▪ Repositioning of Meter</li> <li>▪ Service Connections</li> <li>▪ Special Meter Readings</li> <li>▪ Still-off" inspections</li> <li>▪ Street Lighting</li> <li>▪ Sundry Services</li> <li>▪ Tariff change</li> <li>▪ Unsafe/illegal leads per visit</li> <li>▪ Upgrading extension Fee</li> <li>▪ Verification of meter reading</li> </ul>
<b>H</b>	Fire Services & Disaster Management	<ul style="list-style-type: none"> <li>▪ Plot Clearing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-inspection Fee under the Bylaw</li> </ul>
<b>I</b>	Housing	<ul style="list-style-type: none"> <li>▪ Administration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental</li> </ul>
<b>J</b>	Law Enforcement	<ul style="list-style-type: none"> <li>▪ Business Licenses</li> <li>▪ Bylaw on outdoor advertising</li> <li>▪ Impoundment of Hawkers goods</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspection Fees</li> <li>▪ Pound fee Dogs and Cats</li> <li>▪ Pound fee other animals</li> </ul>

<b>K</b>	Libraries	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Facsimiles</li> <li>▪ Photocopies</li> <li>▪ Scanning</li> <li>▪ Internet Usage</li> <li>▪ Lost Cards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Penalty for Late Return</li> <li>▪ Rental of Library Amenities</li> <li>▪ Reservations</li> <li>▪ Special Requests</li> <li>▪ Subscription</li> <li>▪ Visitors Fee</li> </ul>
<b>L</b>	Municipal Buildings	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Rental of Amenities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental of Equipment</li> </ul>
<b>M</b>	Operational Cost	<ul style="list-style-type: none"> <li>▪ Street Signage</li> </ul>	
<b>O</b>	Property Administration	<ul style="list-style-type: none"> <li>▪ Application lease/purchase</li> <li>▪ Encroachment Fee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Memorial Benches</li> <li>▪ Radio Mask</li> </ul>
<b>P</b>	Public Works	<ul style="list-style-type: none"> <li>▪ Felling and Pruning of Trees</li> <li>▪ Private Work</li> <li>▪ Sale of Miscellaneous Items</li> <li>▪ Storm Water Drainage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Street Signage</li> <li>▪ Tar and Patch Work</li> <li>▪ Vehicle Entrances</li> </ul>
<b>Q</b>	Recreational Amenities	<ul style="list-style-type: none"> <li>▪ Boat Launching</li> <li>▪ Boat License/Permits</li> <li>▪ Caravan Parks</li> <li>▪ Community Halls</li> <li>▪ Deposit</li> <li>▪ Hawker Stalls Lagoons</li> <li>▪ Lagoons</li> </ul>	<ul style="list-style-type: none"> <li>▪ Office Rental</li> <li>▪ Open Spaces</li> <li>▪ Public Open Space</li> <li>▪ Schuss Houses</li> <li>▪ Spaces for Sport</li> <li>▪ Sport Events</li> <li>▪ Swimming pool</li> </ul>
<b>R</b>	Roads	<ul style="list-style-type: none"> <li>▪ Capital Contributions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bulk Service</li> <li>▪ Development Fee</li> </ul>
<b>S</b>	Refuse Removal	<ul style="list-style-type: none"> <li>▪ Capital Contributions</li> <li>▪ Deposits</li> <li>▪ Mass Containers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Refuse Bins</li> <li>▪ Rental of Bulk Containers</li> <li>▪ Replacement of Bulk Containers</li> <li>▪ Self Dumping</li> </ul>
<b>T</b>	Sewage	<ul style="list-style-type: none"> <li>▪ Bulk Service Development Fee</li> <li>▪ Capital Contributions</li> <li>▪ Connection of tanks</li> <li>▪ Disposal</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service Connections</li> <li>▪ Tank Services</li> <li>▪ Testing of tanks</li> </ul>
<b>U</b>	Stony Point	<ul style="list-style-type: none"> <li>▪ Annual Permit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Visitors</li> </ul>
<b>V</b>	Swimming Pool	<ul style="list-style-type: none"> <li>▪ Entrance Fee</li> <li>▪ Galas</li> </ul>	<ul style="list-style-type: none"> <li>▪ Training session</li> </ul>
<b>W</b>	Town Planning	<ul style="list-style-type: none"> <li>▪ Advertising Cost</li> <li>▪ Application Fee</li> <li>▪ Contravention Levy</li> <li>▪ Departure Fee</li> <li>▪ Extension of Time</li> <li>▪ Land use planning Fee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Registered Letter</li> <li>▪ Removal of Title Deed</li> <li>▪ Restrictions</li> <li>▪ Spatial Development</li> <li>▪ Framework</li> <li>▪ Sub-division</li> </ul>

<b>X</b>	Traffic	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Disabled Parking Tokens</li> <li>▪ Driver's Licenses</li> <li>▪ Escorting and Other Services</li> <li>▪ Learner's Licenses</li> <li>▪ Parking Meters</li> <li>▪ Professional Driver's Permits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Removal of Vehicles</li> <li>▪ Roadworthy Certificates</li> <li>▪ Storage Fees</li> <li>▪ Taxi Rank Tokens</li> <li>▪ Towing Charge</li> <li>▪ Vehicle Registration</li> <li>▪ Wheel clamping fee</li> </ul>
<b>y</b>	Valuation	<ul style="list-style-type: none"> <li>▪ Access to Information</li> <li>▪ Clearance Certificates</li> <li>▪ Deeds Office Registrations</li> <li>▪ Impact studies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revaluation</li> <li>▪ Valuation Certificates</li> <li>▪ Valuation Roll</li> <li>▪ Voters' Roll</li> </ul>
<b>Z</b>	Water	<ul style="list-style-type: none"> <li>▪ Bulk Service Development</li> <li>▪ Call-out Fee</li> <li>▪ Capital Contributions</li> <li>▪ Connection &amp; Disconnection</li> <li>▪ Consumer Deposits</li> <li>▪ Convert to flow restrictor meter</li> <li>▪ Credit Control and Debt</li> <li>▪ Collection</li> <li>▪ Damaged Water Meter</li> <li>▪ Fee recalculation – no access</li> <li>▪ Final meter reading</li> <li>▪ Irrigation Water</li> <li>▪ Meter Testing</li> </ul>	<ul style="list-style-type: none"> <li>▪ New Service Connections</li> <li>▪ Registration of borehole</li> <li>▪ Remedial Action Fee</li> <li>▪ Rental of Equipment</li> <li>▪ Repair of meter</li> <li>▪ Repositioning of meter</li> <li>▪ Service Connections</li> <li>▪ Special Meter Readings</li> <li>▪ Still-off" inspections</li> <li>▪ Sundry Services</li> <li>▪ Temporary connections</li> <li>▪ Verification of meter reading</li> </ul>

9.6.4 The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

## **10. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES**

- 10.1. After a draft budget as required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) has been tabled, the Municipal Manager must invite the local community to submit representations for consideration by the Council. Such invitation includes the draft resolutions on taxes and tariffs proposed.
- 10.2. After approval of the budget, the Council will give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.
- 10.3. A notice stating the purport of the council resolution, date on which the new tariffs shall become operational and invitation for objections will be advertised by the Municipality.
- 10.4. All tariffs approved must have been considered at the annual budget meeting.

## **11. IMPLEMENTING AND PHASING-IN OF THE POLICY**

- 11.1. The principle contained in this Policy will be reflected in the various budget proposals submitted to the Council on an annual basis, service by-laws as

promulgated and adjusted by the Council from time to time and the Tariff By-laws referred to in section 75 of the Act.

11.2. The Council may determine conditions applicable to community service of a regulators nature. These conditions will be reflected in the standing orders of the Council.

## **12. PROCEDURES AND ACCOUNTABILITY**

12.1. The Municipal Manager shall ensure that procedures to manage all aspects of Policy are prepared in the form of a manual, reviewed regularly and that these are formally adopted by him/her for implementation. These procedures will include aspects in this Policy and subscribe to sound principles of internal control.

12.2. The Directors and Managers shall ensure compliance with the procedures as approved from time to time by the Municipal Manager to give effect to the provisions of this Policy.

## **13. SHORT TITLE**

This Policy shall be called the **Tariff Policy of the Polokwane Municipality**.

