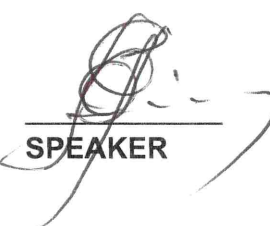




TARIFFS POLICY

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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SPEAKER

28.08.26
DATE

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY



TARIFFS POLICY

2026/2027

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1. ABBREVIATIONS

- "MHS"** Municipal Health Services
"COA" Certificate of Acceptability
"COC" Certificate of Compliance
"EHIA" Environmental Health Impact Assessment
"AEL" Atmospheric Emissions License
"SANS" South African National Standards
"NHA" National Health Act, 61 of 2003.
"FCDA" Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972.
"NEMA" National Environmental Management Act, 107 of 1998.
"AQA" Air Quality Act, 39 of 2004.
"NBRBSA" National Building Regulations and Building Standards Act, 103
"EHP" Environmental Health Practitioner

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2. DEFINITIONS

"Accounting officer" means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act.

"Annual budget" shall mean the budget approved by the municipal council for any particular financial year and shall include any adjustments to such budget.

"Basic municipal services" shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service — if not provided — would endanger public health or safety or the environment.

"By-law" shall mean legislation passed by the council of the municipality, and which shall be binding on the municipality and on the persons and institutions to which it applies.

"Consumer price index" shall mean the CPIX as determined and gazette from time to time by the South Bureau of Statistics.

"Chief Financial Officer" means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act.

"Councilor" shall mean a member of the council of the municipality.

"Financial year" shall mean the period starting from 1 July in any year and ending on 30 June of the following year.

"Integrated development plan" shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000, as amended.

"Local community" or **"community"**, in relation to the municipality, shall mean that body of persons comprising the residents of the municipality, the ratepayers of the municipality, any civic organisations and non-governmental, private sector or labour organisations bodies involved in local affairs within the municipality, and 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.

"Month" means one of twelve months of a calendar year.

"Municipality" or **"municipal area"** shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act No. 27 of 1998 as the municipal area pertaining to the municipality.

"The municipality" means John Taolo Gaetsewe District Municipality.

"Municipal council" or **"council"** shall mean the municipal council of John Taolo Gaetsewe District Municipality as referred to in Section 157(1) of the Constitution.

"Municipal entity" shall mean (a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation, and which operates under the ownership control of one or more municipalities; or

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(b)a service utility.

"Municipal manager" shall mean the person appointed in terms of Section 82 of the Municipal Structures Act, 1998.

"Multiple purposes" in relation to a property, shall mean the use of a property for more than one purpose.

"Municipal service" has the meaning assigned to it in terms of Section 1 of the Municipal Systems Act.

"Municipal tariff" shall mean a tariff for services which the municipality may set for the provision of a service to the local community

"Tariff" means a tariff for services which the Municipality may set for the provision of a service to the local community and includes a surcharge on such tariff.

3. **PURPOSE OF THE POLICY**

The purpose of this tariff policy is to:

Prescribe the accounting and administrative policies and procedures relating to the determining and levying of tariffs by John Taolo Gaetsewe District Municipality.

The Municipality should perform the procedures set out in this policy to ensure the effective planning and management of tariffs. In setting its annual tariffs the Council shall always 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.

This policy must be read with the Property Rates Policy, and where there are any differences, the Property Rates Policy will prevail.

4. **SCOPE OF APPLICATION**

This policy applies to all tariffs charged within the defined boundaries of John Taolo Gaetsewe District Municipality.

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4.1. BASIC PRINCIPLES TO BE CONSIDERED IN DETERMINATION OF A TARIFF STRUCTURE

- (a) Service tariffs imposed by the municipality shall be viewed as user charges and not as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigent relief measures approved by the municipality from time to time).
- (b) The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region in accordance with the various levels of services.
- (c) Tariffs for services rendered by the municipality, shall 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 shall be applied for future capital expansion of services.
- (e) The municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all consumers and users affected by the tariff policy concerned.
- (f) The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.

5. FACTORS TO BE CONSIDERED IN THE DETERMINATION OF A TARIFF STRUCTURE

6.1 Financial Factors

The primary purpose of a tariff structure is to recover the actual costs of the rendering of a particular service. If a service is rendered at a loss, cross subsidisation of such loss by another service will be necessary. This will place a burden on the tariff structure of the other service.

In order to determine the tariffs which must be charged for services, the municipality shall identify all the costs of operation of the undertakings concerned.

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6.2 Multi-year Budgets

In terms of the Municipal Finance Management Act and guidelines from National Treasury, Municipalities are required to compile multi-year budgets. Such a change also necessitates that proposed tariffs would form part of this process. An increase in tariffs should not simply be implemented annually without considering the affordability thereof by the user. The effect of resolutions that impact on the financial situation of the Council must be observable over a longer period in respect of tariffs and sensible planning of cost structures must be done to keep tariffs within affordable levels.

6.3 Credit Control

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 budget as if a 100% payment level will be maintained. It is therefore important to continuously ensure that users indeed pay punctually. However, it is also a fact that there are users who are unable to pay.

6.4 Principles in terms of the Local Government: Municipal Systems Act

Section 74 of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, contains clear guidelines regarding the compilation of and principles for a tariff policy. An extract reads as follows:

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

(2) A tariff policy must reflect at least the following principles, namely that-

- (a) *Users of municipal services should be treated equally in the application of tariffs,*
 - (b) *The amount individual users pay for services should generally be in proportion to their use of that service;*
 - (c) *Poor households must have access to at least basic services through-*
 - (i) *Tariffs that cover only operating and maintenance costs;*
 - (ii) *Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service, or*
 - (iii) *Any other direct or Indirect method of subsidisation of tariffs for poor households;*
 - (d) *Tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;*
 - (e) *Tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned;*
 - (f) *Provision may be made in appropriate circumstances for a surcharge on the tariff for a service;*
 - (g) *Provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;*
 - (h) *The economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;*
 - (i) *The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.*
- (3) *A tariff policy may differentiate between different categories of users, debtors, service providers, service standards, geographical areas and other matters as long as the*

differentiation does not amount to unfair discrimination.'

6. MUNICIPAL SERVICES

Basic municipal services refer 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 such as Municipal health services.

In terms of the South African Constitution all consumers should have access to basic Municipal services.

7. PROPOSED TARIFF STRUCTURE FOR VARIOUS SERVICES

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

The need to reflect costs as accurately as possible in order to achieve cost effectiveness;

- The need for a practically implementable tariff;
- The need for an understandable tariff; and
- The user's ability to pay.

Taking into consideration the above-mentioned points the tariff structure for services are as follows:

8.1 Services

- **Rental of Council Facilities**
- **Rental of Commonage Farms**
- **Rental of Investment Properties**
- **Municipal Health Services**
- **Bricks sales**

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All other services shall be standardized within the municipal region.

All minor tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidized by

property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

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

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

- penalty and other charges imposed in terms of the approved policy on credit control and debt collection
- Market-related rentals shall be levied for the lease of municipal properties.
- Municipal Health Services will be provided by Environmental practitioners and will be charged per professional service as determined in annexure A attached in this policy.

8.2 Sundry Tariffs

All other services offered by the Council are charged at a tariff as determined by the Council from time to time.

8. TARIFF STRUCTURE

The tariff structure for each financial year will be determined during the budget process and based on this policy.

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9. ANNEXURE A: RENTAL OF COUNCIL FACILITIES

The rental of council facilities(committee rooms and council chambers) consists of the following:

Rental of Premises

- **Committee rooms**
 - Rental – R 2 000.00
 - Deposit – R1 000.00
- **Council chambers**
 - Rental – R5 000.00
 - Deposit – R2 500.00

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10. ANNEXURE B: RENTAL OF COMMONAGE FARMS

The tariff structure of rental of commonage farms is as follows:

- **Large Stock**
 - R 25.00 per large stock
- **Small Stock**
 - R 12.00 per small stock

11. ANNEXURE C: RENTAL OF INVESTMENT PROPERTIES

The tariff structure for rental of investment properties is stipulated in the contracts with the different organisations

12. ANNEXURE D: MUNICIPAL HEALTH SERVICES

Proposed Tariff Structure for Revenue Enhancement for the Municipal Health
Section of John Taolo Gaetsewe District Municipality

PROPOSED TARIFF STRUCTURE

Tariff Structure as indicated below.	As follows	Note that the proposed tariff structure may create an income for the municipality, however income is dependent on the resources provided.	Revenue Enhancement
Sampling <u>SANS 241</u>	Water Sampling	Drinking Water (Microbiological)	R 830
		Drinking Water (Chemical)	R 4000
		Sewage (Microbiological)	R 850
		Sewage (Chemical)	R 2000
	Milk/Food	Resample after initial results are found not to	R 750

	Sampling	comply	
		At the request of the Retailer/Producer	R 750
	Surface Sampling at food premises	Swab after first failure	R 300
	Cholera	Microbiological in Drinking Water and Sewerage	R 635
	Cholera	Confirmation if (+)	R 800
Food Premises Control <u>FCDA</u>	Inspections	Inspection for issue of COA	R1 500
		Re Inspection of a premises and/or condition after Issue of a Prohibition Order	R 1 000
	Certificates	Copy of COA	R 500
		Issue of Food Condemnation and/or Seizure Certificate	R 700
		Training of Food Handlers per individual	R 250
Building Plans <u>NBRBSA</u>	Building Plan Consideration from an Environmental Health perspective	Tariff per m2	R 10.00
Disposal of the Dead <u>NHA</u>	Inspections	Inspection for issue of COC	R 2500
		Re Inspection of a premises and/or condition after Issue of a Non-Compliance Notice	R 1 000
	Certificates	Copy of COC	R 1000
	Reburial and Exhumation	Monitoring Exhumation and Reburial	R 2000
Vector Control <u>NHA</u>	Inspections	Re Inspection of a premises and/or condition after Issue of a Non-Compliance Notice	R 1 000

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Waste Management <u>NHA</u>	Inspections	Re Inspection of a premises and/or condition after Issue of a Non-Compliance Notice	R 1 000
Air Quality Management NEMA <u>AQA</u>	Certificates	Application for Atmospheric Emission License AEL	R 10 000
		Review of application per listed activity	R 5000
		Renewal of Atmospheric Emission License AEL	R 5 000
		Change of Ownership for Atmospheric Emission License AEL	R 2 000
	Inspections	Re Inspection of a premises and/or condition after Issue of a Non-Compliance Notice	R 1 000
Health Surveillance of Premises <u>NHA</u>	Schools	Inspection of a premises on request for compliance.	R 1 500
	Police Station		
	Clinic		
	Hospital		
	Correctional Services		
	Early Learning Centre	Urban Area	R 1 500
	Early Learning Centre	Peri- Urban Area	R 700
	Early Learning Centre	Rural Area	R 500
		Re Inspection of a premises and/or condition after Issue of a Non-Compliance Notice	R 1 000
Abbreviations	MHS	Municipal Health Services	
	COA	Certificate of Acceptability	
	COC	Certificate of Compliance	
	EHIA	Environmental Health Impact Assessment	

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	AEL	Atmospheric Emissions License	
Legislation	SANS	South African National Standards	
	NHA	National Health Act, 61 of 2003.	
	FCDA	Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972.	
	NEMA	National Environmental Management Act, 107 of 1998.	
	AQA	Air Quality Act, 39 of 2004.	
	NBRBSA	National Building Regulations and Building Standards Act, 103 of 1977.	

13. ANNEXURE E: BRICKS SALES

All types of bricks will range between R3,07 to R 4,50.

200mm x 100mm x 80mm Interlocking Paving Bricks:

BELOW STANDARD SET FOR ROADS BRICKS:

10MPa	R3.07
15MPa	R3.31
20MPa	R3.55

STANDARD SET FOR ROADS BRICKS:

25MPa	R3.79
30MPa	R4.03
35MPa	R4.27
40MPa	R4.50

14. POLICY REVIEW

This policy will be reviewed annually.

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