



NGQUSHWA LOCAL MUNICIPALITY

FINAL TARIFF POLICY

FOR

2021/2022

Summary

Publication Date	1 st July 2021
Review Date	May 2021
Related Legislation/Applicable Section of Legislation	<ul style="list-style-type: none"> • The Constitution of the Republic of South Africa, 1996, Act No 108 of 1996; • The Municipal Finance Management Act, 2003 Act 56 of 2003 • The Property Rates Act, (Act 6 of 2004) and 29 of 2014 as amended • Municipal Systems Act, 2000, Act No 32 of 2000
Related Policies, Procedures, Guidelines, Standards, Frameworks	
Replaces/ Repeals (whichever is relevant, if any)	
Policy Officer (Name/Position)	Revenue Manager
Policy Officer (Phone)	040 6733 095
Policy Sponsor (Name/Position)	
Department Responsible	BTO
Unit responsible	Revenue
Applies to	All employees and Councillors

Key Words	Tariff policy
Status	Reviewed
Council approval date	<i>31st May 2021</i>
Version	<i>1</i>

REVISION RECORD

Date	Version	Revision Description
May 2021	Version 1	Final Tariff Policy 2021

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1. TITTLE

Tariff Policy

2. PURPOSE

The purpose of this policy is to give effect to Section 74 of the Local Government: Municipal Systems Act 32 of 2000, which requires a municipal council to adopt and implement a tariff policy, and by- law on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. The aforesaid policy must comply with the Municipal property rates Act No 6 of 2004 and any other applicable legislation.

3. SCOPE

This policy applies to Ngqushwa municipality for the levying of fees for municipal services provided by the municipality

4. PROCEDURE DETAIL

5. SCOPE

This policy applies to Ngqushwa municipality for the levying of fees for municipal services provided by the municipality.

5. CONTENT

GENERAL PRINCIPLES

- (a) The municipality adopts, subject to subparagraph **I**, paragraphs 4.1(c)(iii) and (iv) and 4(e)(iv), a two-part tariff structure consisting of a fixed availability charge coupled with a charge based on consumption;
- (b) In setting its annual tariffs, the municipality must, at all times, take due cognizance of the -
 - (i) tariffs applicable elsewhere in the economic region; and
 - (ii) the impact which its own tariffs may have on local economic development;

With the exception of the indigent relief measures approved by the municipality, should be viewed as user charges and not as taxes, and the ability of the relevant consumer or user of the services to which such tariffs relate, to pay for such services, should not be considered as a relevant criterion;

- (c) The municipality must ensure that its tariffs are uniformly and fairly applied throughout the municipal area;
- (d) Tariffs for the following services rendered by the municipality, must as far as possible recover the expenses associated with the rendering of each service concerned, and, where feasible, generate a surplus as determined in each annual budget:
 - (i) refuse (solid waste) removal services;
- (e) The tariff, which a particular consumer or user pays, must be directly related to the standard of service received and the quantity of the particular service used or consumed;
- (f) The municipality must annually review its indigent relief measures, and must set out the -
 - (i) municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents; and
 - (ii) the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region;
- (g) The municipality's tariff policy must be transparent;
 - (i) The extent to which there is cross-subsidization between categories of consumer or users must be evident to all consumers or users of the service in question;
- (h) The municipality undertakes to -(
 - (i) ensure that its tariffs are explained to and understood by all consumers and users affected by this policy;
 - (ii) render its services cost effectively in order to ensure the best possible cost of service delivery;
 - (iii) In order to calculate the tariffs which must be economical, efficient and effective use of resources, the recycling of waste and other appropriate environmental objectives must be encouraged.

charged for the supply of the

services contemplated in paragraph 2(e), the municipality must identify all the costs of operation—of the undertakings concerned, including specifically the following:

- (a) distribution costs;
- (b) depreciation expenses;
- (c) maintenance of infrastructure and other fixed assets;
- (d) 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, and
- (e) the cost of indigent relief measures.

STRUCTURE OF TARIFFS

- (a) The municipality may-
 - (i) Consider relief in respect of the tariffs refuse removal for such registered indigent to the extent that the council deems such relief affordable in terms of each annual budget. Such relief may, however, not be less than a discount as determined by the municipality;

REFUSE REMOVAL TARIFF

- (a) The categories of refuse removal users as set out in subparagraph (c) are charged at the applicable tariffs, as approved by the municipality in each annual budget;
- (b) Tariff adjustments are effective in respect of July accounts each year;
- (c) A separate fixed monthly refuse removal charge applies to each of the following categories of users, based on the costs of the service concerned:

- (i) domestic and other users, where refuse is removed by the municipality once weekly; and
- (ii) business and other users, where refuse is removed by the municipality twice weekly;
- (iii) business and other users, where refuse is removed by the municipality thrice weekly; and
- (iv) business and other bulk consumers;

(d) A registered indigent may receive a discount on the charge referred to in this paragraph in a percentage as the municipality deems affordable when approving each annual budget, provided such discount is not be less than the percentage, as determined by the municipality, of the monthly amount billed as a refuse removal charge.

MINOR TARIFFS

- (a) All minor tariffs are standardized within the municipal region.
- (b) All minor tariffs are approved by the municipality in each annual budget and are, when deemed appropriate by the municipality, subsidised by property rates and general revenues, particularly when the -
 - (i) tariffs prove uneconomical when charged to cover the cost of the service concerned;
 - (ii) costs cannot be determined accurately; or
 - (iii) such tariff is designed purely to regulate rather than finance the use of the particular service or amenity;
- (c) Unless there are compelling reasons why such adjustment should not be effected, all minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, are adjusted annually at least in accordance with the prevailing consumer price index;
- (d) The following services are subsidized services, and the tariffs levied cover 50%, or as near as possible to 50%, of the annual operating expenses budgeted for the service concerned:
 - (i) burial services and the provision of cemeteries; and
 - (ii) the provision of municipal sports facilities for use against a fee;
- (e) The following services are considered as being economic services, and the tariffs levied cover

100%, or as near as possible to 100%, of the budgeted annual operating expenses of the service concerned:

- (i) subject to paragraph (6), the use of a municipal hall and other municipal premises against payment of a fee;
 - (ii) the approval of a building plan against payment of a fee;
- (f) The following charges and tariffs are considered as regulatory or punitive, and are determined as appropriate in each annual budget:

(i) advertising sign fees;

(ii) pound fees;

(iii) penalty and other charges imposed in terms of the municipality's credit control policy and

(iv) penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques.

LEASE OF MUNICIPAL PREMISES

- (a) The lease of a municipal property must be dealt with in terms of the Municipality's Supply Chain Management Policy or Regulations;
- (b) If the Municipal Manager is satisfied, in the case of a rental for the use of a municipal hall and premises, that the hall or premises is required for nonprofit making purposes and for the provision of a service to the community, the Municipal Manager may waive the applicable rental;
- (c) The Municipal Manager must determine whether an indemnity or guarantee is to be lodged, or whether a deposit has to be paid, for the lease of a municipal hall, premises or sports field, and in so determining, must be guided by the likelihood of the municipality sustaining damages as a result of the use of the facilities concerned.

COSTS OF DEMOCRATIC PROCESS

The costs of the democratic process in the municipality such as, but not limited to, all expenses associated with the political structures of the municipality, form part of the expenses

to be financed from property rates and general revenues, and are not included in the costing of the major services of the municipality.

RATES TARIFFS

- (i) Tariffs for rates are being guided by the municipal property act no 29 of 2014 as amended.
- (ii) The Act stipulates that the tariffs should be charged according to the categories that are being identified by the general valuation , strictly those tariffs must be in line with the budget and must be approved by the Council
- (iii) Tariff structure, property rate policy and Council resolution must be advertised for comments before implementation.

7 NON COMPLIANCE

Failure to comply with this by – law will be in contravention of Section 74 of the Municipal Systems Act of 2000

8. ADOPTION AND APPROVAL OF THE POLICY BY COUNCIL

This policy is adopted and approved by the full Ngqushwa Local Municipality Council for implementation

Effective from (Date): 01 July 2021



MUNICIPAL MANAGER

22/06/2021

DATE



MAYOR

30/06/2021

DATE



SAMWU REP

DATE



IMATU REP

08/07/2021

DATE

5. ROLES AND RESPONSIBILITIES

Role	Authority
<ul style="list-style-type: none"> • Create, evaluate, review and adopt the irregular fruitless unauthorised and wasteful policy 	Council
<ul style="list-style-type: none"> • Implement and enforce this policy • Establish and control the administration necessary to fulfil this policy, and report efficiently and regularly to the Committee in this regard. 	Municipal Manager
<ul style="list-style-type: none"> • Ensure that there is compliance with the irregular fruitless unauthorised and wasteful policy 	Chief Financial Officer

6. MONITORING, EVALUATION AND REVIEW

- A report detailing the progress with the implementation of tariff policy with specific reference to achievement of this policy has to be compiled every year by the person with the responsibility for implementation and monitoring. The policy must be made available to all consulting parties for perusal and comment and must be circulated to all staff members by means of circulars, notices and notice boards

7. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
Account holder	Means any person who is due to receive a municipal account,
Annual budget	Means the budget approved by the municipal council for any particular financial year and includes any adjustments to such budget;

Availability charge	Means a fixed monthly or annual charge levied against the account holder which is based on the cost of providing a municipal service to the premises of the account holder;
Consumer means	The occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, then any person who has entered into a service agreement with the municipality for the supply of municipal services to such premises, or, if there is no such person, then the owner of the premises
Residential of municipal services means the person or household to whom	Municipal services are rendered in respect of residential property;
Commercial	Means municipal services are rendered in respect of business property
Consumer price index"	Means the consumer price index (CPIX) as gazetted by the South African Bureau of Statistics;
Council	Means the Council of the Municipality of Ngqushwa (or any service provider to the municipality)
Indigent debtor	Means an indigent debtor registered in the municipality's register of indigent debtors;

Major services	Means those services contemplated in paragraph 2(e) of this policy
Minor tariffs" means all tariffs, charges, fees, rentals or fines levied or imposed by	The municipality in respect of services, other than major services provided, and includes services incidental to the provision of the major services
Municipal Manager	<p>means the person appointed by the municipality in terms of Section 82 of the Municipal Structures Act, 1998 and includes any person:</p> <ul style="list-style-type: none"> (a) acting in such position ; and (b) to whom the municipal manager has delegated any power, function or responsibility in as far as it concerns the execution of those powers, functions or duties;
Municipal Services	<p>Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether-</p> <ul style="list-style-type: none"> (a) such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in Section 76 of the Municipal Systems Act, 2000 or by engaging an external mechanism contemplated in the said Section 76; and (b) fees, charges or tariffs are levied in respect of such a service or not; <p>";</p> <p>"</p>

Municipal Tariff	means a tariff for services which the municipality sets for the provision of a service to the local community, such as a tariff set for major services or a minor tariff, and includes a surcharge on stich service
Tariffs for major services	Means tariffs set for the supply and consumption or usage of major services.

8. SUPPORTING DOCUMENTS

NONE

9. REFERENCES

NONE

APPENDIX

NONE

The Council of Ngqushwa Local Municipality has in accordance to the Municipal Property Rate Act no 6 of 2004 , section 14 (1) and subsection (2) passed a resolution on levying the following rates tariffs in terms of the following categories for the financial year 2021/2022

		2020/2021		2021/2022		
		TARIFFS	INCREASE	TARIFFS VAT EXCL	VAT	TARIFFS VAT INCL
			3.9 %			
1	RATES					
	Annual rates of cent in the rand will be levied on all valued properties as follows					
1.1	Commercial, Industrial, Wind/Solar Farms, Mining and Special Properties	R0.0210		R0.0219	0	R0.0219
1.2	Residential / Vacant land	R0.0105		R0.0109	0	R0.0109
1.3	Municipal	R0.0000		R0.0000	0	R0.0000
	(NB. Municipal Buildings, Public Open Space & Municipal Public Service (exempted)					
	Infrastructure must be totally exempt from rates)					

	Farming				
1.4	Agricultural land	R0.0026	R0.0028	0	R0.0028
1.5	PIS (Public Infrastructure Services)	R0.0026	R0.0028	0	R0.0028
1.6	Farms (Small Holdings)	R0.0105	R0.0109	0	R0.0109
1.7	Properties Owned By An Organ Of State And Used For Public Service Purpose	R0.0407	R0.0407	0	R0.0407
2	REFUSE REMOVAL SERVICE	2020/2021	2021/2022		
2.1	Refuse removal: Households/month	R100	R104	R16	R119
	Business				
2.2	Commercial Business (Supermarkets, wholesale etc)	R839	R872	R131	R1,003
2.3	General Medium Business (Hardware, Retail Shops etc.)	R608	R632	R95	R727
2.4	General Small Business (Shops)	R278	R289	R43	R332
2.5	Refuse removal: Businesses/month	R121	R126	R19	R145
	Flats/Property to rent				
2.6	Refuse Removal:per room	R0	R0	R0	R0
	Institutions				
2.7	Category 1: Nompumelelo Hospital	R8,546	R8,879	R1,332	R10,211
2.8	Category 2: Schools, Clinics, Police Station and other Government entities	R367	R381	R57	R439
	Holiday/Short-term accomodation				
	-				
2.9	Mpekweni Beach Resort	R8,917	R9,264	R1,390	R10,654
2.10	Fish River Sun	R9,149	R9,506	R1,426	R10,932
2.11	B & B and Flats	R309	R322	R48	R370
	Disposal at Santa refuse site				
2.12	Garden refuse per month	R163	R169	R25	R194
2.13	Building rubble per month	R441	R458	R69	R526
2.14	Private residents/ Business 0-1 ton per load	R100	R104	R16	R119
3	CEMETERY FEES	2020/2021	2021/2022		
	Person resident in the town at the time of death				
3.1	Adult per site	R381	R396	R59	R455
3.2	Child per site	R124	R128	R19	R148
3.3	Digging of grave by the municipality	R660	R686	R103	R789

	For purposes of this publication "adult" means a person who at the time of death has reach the age of 12 years				
4	HALL HIRE	2020/2021		2021/2022	
4.1	Hamburg Hall Hire p/day	R973	R1,011	R152	R1,163
4.2	Hamburg Hall Hire - Refundable deposit	R330	R343	R51	R394
4.3	Ncumisa Kondlo Indoor Sport Centre p/day	R2,934	R3,048	R457	R3,506
4.4	Ncumisa Kondlo Indoor Sport Centre - Refundable deposit	R1,046	R1,087	R163	R1,250
5	POUND FEES	2020/2021		2021/2022	
	<u>Transport fee for all animals</u>				
5.1	Delivery to the pound one or more to the pound, per km	R11	R12	R2	R13
5.2	Herding by private person, per km	R7	R8	R1	R9
	<u>Subsistence Fee (per Head, per Day)</u>				
5.3	Horses , Donkey,Cow, Pigs, Sheep and Goats	R20	R21	R3	R24
	<u>Pound Fees (Per Herd)</u>				
5.4	Horses , Donkey,Cow, Pigs, Sheep and Goats	R43	R45	R7	R52
5.5	Sheep and Goats	R23	R24	R4	R28
6	BUSINESS LICENCE FEES	2020/2021		2021/2022	
6	BUILDING PLAN APPLICATION FEES	2020/2021		2021/2022	
6.1	Dwelling	R3,938	R4,938	R741	R5,679
6.2	Outbuilding	R3,273	R4,273	R641	R4,914
6.3	Flat,Townhouse and Hotels	R4,408	R5,408	R811	R6,219
6.4	Shops	R4,407	R5,407	R811	R6,218
6.5	Offices	R4,407	R5,407	R811	R6,218
6.6	Carports	R1,150	R2,150	R323	R2,473
6.7	Pools	R100	R320	R48	R368
6.8	Patios,Pergolas and Sun Decks	R1,150	R2,150	R323	R2,473
6.9	Basement Parking	R0	R4,344	651.6	R4,996
	<u>Factories and warehouses:</u>				
6.10	First 5000m2	R2,935	R3,935	R590	R4,525
6.11	Over 5000m2	R2,474	R3,474	R521	R3,995
6.12	Drainage only plans	R1,135	R1,179	R177	R1,356
6.13	Street Deposit	R209	R217	R33	R250

6.14	Minimum Building Plan Fee	R1,230	R1,278	R192	R1,470
6.15	Minor Works	R0	R272	R41	R313
	Energy and Telecommunications Development				
6.16	Wind and Solar Farm Facilities	R0	R13,500	R2,025	R15,525
6.17	Application for Telecommunication Towers	R11,797	12,257	R1,839	R14,096
7	TOWN PLANNING FEES	2020/2021	2021/2022		
	Category 1				
	Land Use Application Type				
	Rezoning Application				
7.1	Erven 0 – 2500 m2	R3,396	R3,528	R529	R4,057
7.2	Erven 2501 – 5000 m2	R5,447	R5,660	R849	R6,509
7.3	Erven 5001 – 10 000.m2	R9,848	R10,232	R1,535	R11,767
7.4	Erven 1 ha – 5 ha	R12,779	R13,277	R1,992	R15,269
7.5	Erven over 5 ha	R17,733	R18,425	R2,764	R21,189
	Subdivision application				
7.6	Basic Fees	R2,645	R2,748	R412	R3,160
7.7	Charge per subdivision (remainder considered a subdivision)	R146	R151	R23	R174
7.8	Subdivisions into more than 80 erven (Township Establishment)	R13,269	R13,786	R2,068	R15,854
7.9	Extension of time	R436	R453	R68	R521
	Amendment of an application				
7.10	If already approved by the municipality				
7.11	If not yet approved by the municipality				
		2020/2021	2021/2022		
	Phasing/cancellation of approved layout				
7.12	Basic fee	R1,671	1,736	R260	R1,997
	Removal, amendment, suspension of a restrictive or obsolete condition, servitude or reservation against the title of land				
7.13	Basic fee	R2,347	2,438	R366	R2,804
	Amendment or cancellation of a general plan of a township				
7.14	Basic fee	R1,841	1,913	R287	R2,200
	Permanent closure of public place or public road/street				
7.15	Charge per closure	R557	579	R87	R666
	Development on communal land				
7.16	Basic fee	R5,342	5,550	R832	R6,382

Category 2					
Land Use Application Type					
Rezoning Application					
7.17	Erven 0 – 2500 m2	R2,347	2,438	R366	R2,804
7.18	Erven 2501 – 5000 m2	R4,398	4,570	R685	R5,255
7.19	Erven 5001 – 10 000 m2	R8,799	9,142	R1,371	R10,513
7.20	Erven 1 ha – 5 ha	R12,156	12,630	R1,894	R14,524
7.21	Erven over 5 ha	R17,733	18,425	R2,764	R21,189
		2020/2021	2021/2022		
Subdivision application					
7.22	Basic Fees	R2,014	20,925	R3,139	R24,064
7.23	Charge per subdivision (remainder considered a subdivision)	R146	151	R23	R174
7.24	Subdivisions into more than 80 erven (Township Establishment)	R13,269	13,786	R2,068	R15,854
7.25	Extension of time	R436	453	R68	R521
Amendment of an application					
7.26	If already approved by the municipality				
7.27	If not yet approved by the municipality				
Phasing/cancellation of approved layout					
7.28	Basic fee	R1,671	1,736	R260	R1,997
Removal, amendment, suspension of a restrictive or obsolete condition, servitude or reservation against the title of land					
7.29	Basic fee	R2,347	2,438	R366	R2,804
Amendment or cancellation of a general plan of a township					
7.30	Basic fee	R1,841	1,913	R287	R2,200
Permanent closure of public place or public road/street					
7.31	Charge per closure	R557	579	R87	R666
Special Consent Use					
7.32	Basic fee	R2,347	2,438	R366	R2,804
Application for departure from building lines and Spaza Shop application fees:					
		2020/2021	2021/2022		
7.33	Erven smaller than 500 m2	R292	303	R45	R348
7.34	Erven 500 – 750m2	R565	587	R88	R676
7.35	Erven larger than 750 m2	R1,131	1,175	R176	R1,351
Departures other than building lines and spaza shops					

7.36	Erven smaller than 500 m2	R2,014	587	R88	R676
7.37	Erven 500 – 750m2	R565	1,175	R176	R1,351
7.38	Erven larger than 750 m2	R1,131	2,093	R314	R2,407
	Consolidation of erven not (non-exempted)				
7.39	Basic Fee	R2,203	2,289	R343	R2,632
	Miscellaneous Fees				
7.40	Public hearing and inspection	R3,652	3,794	R569	R4,363
7.41	Reason for decision of municipal planning tribunal, land development officer or appeal authority	R1,856	1,928	R289	R2,217
7.42	Re-issuing of any notice of approval of any application	R270	280	R42	R322
7.43	Deed search and copy of the title deed	R171	178	R27	R204
7.44	Way leave application (application to determine where the Council's services are located or a specific area located or a specific area where new services are to be installed)	R2,632	2,735	R410	R3,145
7.45	Any other application not provided for elsewhere in this schedule of fees	R3,652	3,794	R569	R4,363
7.46	Zoning Certificate	R79	82	R12	R94
7.47	Spatial Development Framework Documents	R138	144	R22	R165
7.48	Town Planning Scheme – Document	R1,389	1,443	R216	R1,659
8	GENERAL TARIFFS	2020/2021		2021/2022	
8.1	Clearance certificate	R105	109	R16	R126
8.2	Valuation certificate	R105	109	R16	R126
8.3	Tender document fees from R 30 000- R 200 000(printed hard copy)	R210	218	R33	R251
8.4	Tender document fees from R 201 000 - R 2 000 000(printed hard copy)	R367	381	R57	R439
8.5	Tender document fees from R 2 000 000 - 5 000 000(printed hard copy)	R525	545	R82	R627
8.6	Above R 5 000 000 - (printed hard copy)	R1,049	1,090	R163	R1,253

