



## **Tariff Policy**



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## **Midvaal Local Municipality Tariff Policy**

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.

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

Tariffs can be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned.

### **ASSESSMENT RATES**

- All rateable property in the Midvaal Local Municipality is to be valued at least once every three years.
- The rate in the rand is to be uniform throughout the municipal area, except where mentioned in the promulgation of tariffs.
- Varying rebates on assessment rates will be applied to the following categories:
  - ❖ Developed properties zoned as residential
  - ❖ Agricultural holdings according to promulgated tariffs.
  - ❖ 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 on oath.
  - ❖ Welfare organizations, churches, section 21 companies and agricultural societies.
  - ❖ Industries, businesses who establish on undeveloped ground.
  - ❖ Government properties
  - ❖ Municipal properties

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.



All electricity tariffs must be approved by the National Energy Regulator.

The various categories of electricity consumers, as set out in the promulgation of tariffs, will be charged at the applicable tariffs, as approved by Council .

Electricity tariffs includes the costs reasonably associated with the rendering of this service including the cost of capital, operating, maintenance, administration, replacement costs and loan charges.

A basic charge shall be levied on any stand which can connect to a network.

Households who are approved indigents will receive a certain quantity of free units electricity per month according to the indigent policy.

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

## **WATER**

All categories of water consumers shall be charged at the applicable tariffs, as approved by Council.

Water tariffs includes the costs reasonably associated with the rendering of this service including the cost of capital, operating, maintenance, administration, replacement costs and loan charges.

Tariffs may vary between water purified by council to those bought from a bulk supplier

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

All domestic water consumers shall receive the first six 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, although the free kl apply to all household consumers, excluding bulk supply meters.

All other consumers (including business, industry, flats, hospitals, schools, churches, sport clubs and museums) shall be charged on actual water consumption at a fixed rate per kl.



A basic charge shall be charged on any stand which can connect to a network.

Midvaal Local Municipality 's departmental water consumption shall be charged at cost price.

Tariff adjustments will be effected from 1 July each year

## **REFUSE REMOVAL**

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:

Refuse tariffs includes the costs reasonably associated with the rendering of this service including the cost of capital, operating, maintenance, administration, replacement costs and loan charges.

- A separate fixed monthly refuse removal charge shall apply to each of the following categories of users:
  - a) Domestic
  - b) Business / Industrial
  - c) Flats
  - d) Midvaal Local Municipality's departments
  - e) Builders / Contractors
  - f) Mass removal
  - g) Other

Tariff adjustments will be effected from 1 July each year.

## **SEWERAGE**

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:

Sewerage tariffs includes the costs reasonably associated with the rendering of this service including the cost of capital, operating, maintenance, administration, replacement costs and loan charges.



## **BASIC CHARGES**

- The owner of every piece of land shall, when such piece of land has a frontage to any sewer of the Council or where such piece of land is or, in the opinion of the Council, can be connected to any such sewer, pay to the Council a basic charges per month as set out in the promulgation of tariffs.

## **ADDITIONAL CHARGES**

- In addition to the charges specified above, the applicable charges as set out in the determination of drainage by laws shall monthly be paid by the owner of any premises which are connected to the Council's sewerage system:

Tariff adjustments will be effected from 1 July each year.

## **GENERAL**

Uniform rates and tariffs structures shall apply throughout the Midvaal Municipal area for all types of services and residents.

The policy of Midvaal Local Municipality for electricity, water, refuse removal and sewerage shall be at least to recover all costs, and whenever appropriate to generate a surplus.

The determination of rates and service tariffs shall take into account provisions for bad debts. The bad debts provision for Midvaal Local Municipality must at all times be at least 50% of the total outstanding rates and service debtors as at 30 June of each year.

All minor tariffs shall be approved and implemented on an annual basis, and shall, when appropriate, be subsidised by the rate 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.