LEKWA-TEEMANE

LOCAL MUNICIPALITY

TARIFF POLICY

2025/26 FY

P R E A M B L E

(1) ***WHEREAS*** *in terms of the provisions of the Constitution of the Republic of South Africa, 1996 (hereinafter referred to as "the Constitution"), and section 75A(1) of the Local Government: Municipal Systems Act, Act 32 of 2000 (hereinafter referred to as "the Systems Act"), the Lekwa-Teemane Local Municipality (hereinafter referred to as "the Municipality"), is entitled to levy and recover fees, charges or tariffs in respect of any function or service of the Municipality;*

(2) ***AND WHEREAS*** *in terms of the provisions of section 74(1) of the Systems Act, and the provisions of section 62(1)(f)(i) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (hereinafter referred to as "the MFMA"), the Municipality must adopt a tariff policy on the levying of fees, charges or tariffs on municipal services provided by the Municipality itself or by way of service delivery agreements;*

(3) ***AND WHEREAS*** *this tariff policy reflects the principles referred to in terms of the provisions of section 74(2) of the Systems Act and addresses the matters referred to in terms of the provisions of section 74(3) of the same Act, as well as a schedule containing the municipal tariffs of the Municipality pertaining to the municipal services as set out in the tariff policy;*

(4) ***AND WHEREAS*** *the municipal tariffs, as set out in the schedule of municipal tariffs annexed to this tariff policy, must undergo annual revision and must be tabled together with the Multi-Year Annual Tabled Budget to the Council of the Municipality for consideration and approval thereof, subject to public participation and comments obtained, annually before the 31st of March of each year in terms of the provisions of section 17(3)(a)(ii) read with the provisions of section 22 of the MFMA;*

(5) ***AND WHEREAS*** *comments received from members of the public in terms of the public participation process in respect of the contents of the municipal tariffs have to be considered by the Municipality in terms of the provisions of section 23(1) of the MFMA, for the possible amendment thereof, annually in dealing with the annual financial budget before the 31st of May each year;*

(6) ***AND WHEREAS*** *the adopted municipal tariffs apply to the Multi-Year Annual Budget in respect of a specific year during which the income is based on such adopted municipal tariffs, read with the general tariff principles contained in the tariff policy;*

(7) ***AND WHEREAS*** *should any of the municipal tariffs or general principles contained in the schedule setting out the municipal tariffs or tariff policy be changed by a resolution of the Council of the Municipality; an Adjustment Budget must be prepared to reflect the consequent effect of such resolution;*

NOW THEREFORE, the Municipality adopts this policy, that has been drafted in compliance with the provisions of section 74 of the Systems Act, and which must be read within the context of Chapter 4 of the MFMA, and in as far as required, supplemented and amplified by this chapter of the MFMA.

THE LEKWA-TEEMANE LOCAL MUNICIPALITY:

TARIFF POLICY

CHAPTER 1

INTRODUCTORY PROVISIONS

CHAPTER 2

GENERAL PRINCIPLES

CHAPTER 3

TARIFF TYPES AND METHODS OF CALCULATION

CHAPTER 4

STRUCTURES FOR CERTAIN MUNICIPAL SERVICES AND SUNDRY TARIFFS

CHAPTER 5

MISCELLANEOUS PROVISIONS

CHAPTER 1

INTRODUCTORY PROVISIONS

1. DEFINITIONS

In this policy, except where the context otherwise indicates, or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder, and words and expressions to which a meaning has been assigned in terms of the provisions of the Systems Act, the MFMA, the Credit Control & Debt Collection Policy and By-law, as well as the Indigent Policy of the Municipality, will have a corresponding meaning assigned thereto in terms of such policies or by-laws. All headings are included for convenience only and shall not be used in the interpretation of any of the provisions of this policy.

"**Accommodation**" means a premises or building in an accommodation establishment, a room, dwelling / house or second dwelling unit, self-catering room, self-catering apartment or free standing building let to transient guests consisting of three or more lettable units;

"**Accommodation Establishments**" – consists of one or more of the following lettable types of accommodation, consisting of three or more lettable units –
(a) "Camping" is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping, for use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title share blocks or individual subdivision; and excludes resort accommodation or mobile homes;
(b) "Bed and Breakfast" is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residences elsewhere; provided that the primary use of the dwelling-house concerned shall remain for the living accommodation of a single family and where not

more than 3 guest rooms are provided;
(c) “Guest House” is defined by a dwelling-house with a maximum of 10 rooms or second dwelling which is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings, training sessions and conference facilities for resident guests;
(d) “Self-catering Accommodation” is defined by a house, cottage, chalet, bungalow, flat, studio, apartment, villa, or similar accommodation where facilities and equipment are provided for guests to cater for themselves. The facilities should be adequate to cater for the maximum advertised number of residents that the facility can accommodate; the accommodation is for non-permanent residents and transient guests;
(e) “Self-catering Apartments” is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen/kitchenette facility, and which may include other communal facilities for the use of non-permanent transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house;
(f) “Backpackers Accommodation” (accommodation and communal facilities in a building or free standing buildings for transient guests) is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such outbuildings as are normally used therewith and includes a building in which dormitories / rooms / beds are rented for residential purposes, youth hostel, and backpackers’ lodge; but does not include a hotel, dwelling house, second dwelling or group house;
(g) “Boarding House” a dwelling–house or second dwelling which is used for the purpose of supplying lodging with or without meals or self-catering to non-permanent / permanent residents for compensation; provided that the primary use of the dwelling-house shall remain for the living accommodation of a single family;

"Account" means an account rendered to a Customer specifying charges for municipal services provided by the Municipality or any authorised and contracted service provider in terms of a duly concluded service delivery agreement, and which account may include assessment rates and levies;

“**Accounting Officer**” means the municipal manager of the Municipality as envisaged in terms of Section 60 of the Municipal Finance Management Act;

“**Annual Budget**” shall mean the budget approved by the Council for any particular financial year, and shall include any adjustments to such budget;

“**Annually**” means once every Financial Year;

"**Arrangemen**t" means a written agreement entered into between the Municipality and the customer whereby specific repayment parameters are agreed to in relation to the settlement of such customer’s payable tariffs. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act;

"**Arrears**" means those rates and service charges that have not been paid by the due date and for which no arrangement has been made;

"**Authorised Representative**" means a person or representative legally appointed by the Municipality to act or to fulfill a duty on its behalf;

“**Basic charge**” also referred to as minimum charge, is the recovery of the distribution and billing-related costs, which include having a distribution system in place, plus the cost of the meter, servicing and reading the meter, mailing the bills and maintaining customer records;

“**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;

"**Billing Date**" means the date upon which the monthly statement is generated and debited to the customer's account;

“**Business and Commercial Property**” means –
(a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity;or
(b) property on which the administration of the business of private or public entities take place.

“**By-law**” shall mean the Tariff By-Law adopted and implemented by the Council in terms of section 75 of the Municipal Systems Act, and which shall be binding on the Municipality and on the persons and institutions to which it applies;

“**Calendar year**” shall mean 12 consecutive months of a financial year;
Commencing 1 July

“**Category**” –
(a) in relation to a property, means a category of properties determined in terms of section 8(2) of the Municipal Property Rates Act;
(b) in relation to the owners of property, means a category of owners determined in terms of section 15(2) of the Municipal Property Rates Act.

"**Chief Financial Officer**" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee;

“**CPI**” shall mean the Consumer Price Index (CPI) as determined and gazetted from time to time by Statistics South Africa;

"**Consolidated Account**" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality;

"**Council**" means the Municipal Council of the LTLM Local Municipality, a municipal council envisaged in terms of section 157 of the Constitution;

“Councillor” shall mean a member of the Council;

"**Credit Control**" means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services;

"**Custome**r" means the occupier of any premises or their authorised agent to which the Municipality has agreed to supply or is actually supplying municipal services to or, if no occupier can be identified or located, the registered owner of the premises. Reference to “Customer” for the purposes of this Tariff Policy shall include natural and juristic persons;

"**Day / Days**" means calendar days, inclusive of Saturdays, Sundays and public holidays;

"**Debt Collectors**" means an external person or entity appointed by the Municipality to collect monies due and payable to the Municipality, subject to the conditions contained herein;

“**Deeds Registries Act**” means the Deeds Registries Act 47 of 1937

"**Defaulter**" means any person who owes arrears to the Municipality;

"**Delivery Date**" shall mean the date on which the periodic account is delivered to the customer or 3 days after the date the account was posted, whichever is the first;

“**Domestic Customer or User**” of municipal services shall mean the person or household which municipal services are rendered in respect of “Residential Property” as defined below;

"**Due Date**" in relation to –

(a) rates due in respect of any immovable property, means:

- the date for payment indicated on the account or the 7th of each month in the case where rates are levied on a monthly basis; or

(b) should such day fall on a Saturday, Sunday or public holiday the due date will remain the 7th of the month.

“**Dwelling**” means a building, structure or place of shelter to live in or conduct business from;

"**Electricity Charges**" means service charges in respect of the provision of electricity;

“**Financial Year**” shall mean a year ending on 30 June;

"**Immovable Property**" also includes –

(a) an undivided share in immovable property, and

(b) any right in immovable property.

"**Implementing Authority**" means the Municipal Manager or his or her nominee, acting in terms of section 100 of the Local Government: Municipal Systems Act 32 of 2000;

"**Indigent Customer**" means the head of an indigent household:-

(a) who applied for and has been declared indigent in terms of Council's Indigent Support Policy for the provision of services by the Municipality; and
(b) who makes application for indigent support in terms of Municipality's Indigent Support Policy on behalf of all members of his or her household;

"**Indigent Support Policy**" means the Indigent Support Policy adopted by the Council;

"**Indigent Support Programme**" means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Support Policy;

"**Integrated Development Plan**" shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act;

"**Industrial Property**" – means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

"**Interest**" means the charge levied on Arrears, calculated as the prime rate, charged by the bank which holds the Municipality's primary bank account, plus two percent or such other percentage as may be determined by Council from time to time;

"**Local Community**" – in relation to the Municipality –
(a) means that body of persons comprising –

- the residents of the Municipality;
- the ratepayers of the Municipality as defined by the Municipal Systems Act;
- any civic organisations and non-governmental, private sector or labour organisations or bodies which are 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; and

(b) includes, more specifically, the poor and other deprived sections of such body of persons;

“**Market Value**” – in relation to a property, means the value of the property determined in accordance with section 46 of the Municipal Property Rates Act;

“**Month**” means one of twelve months of a calendar year;

"**Monthly Average Consumption**" means the monthly average consumption in respect of a property calculated on the basis of the average consumption over the preceding twelve months on the respective property or should it be a newly developed property a projected average consumption per month for a property in the Municipality having a similar sized development thereon;

“**Municipality**” or “**Municipal Area**” shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act 27 of 1998 as the municipal area pertaining to the Municipality;

“**the Municipality**” means LTLM Local Municipality;

“**Municipal Council**” shall mean the Municipal Council of LTLM Local Municipality as referred to in section 157 of the Constitution;

"**Municipal Finance Management Act**” or “MFMA” means the Local Government: Municipal Finance Management Act, 56 of 2003;

"**Municipal Pay Point**" means any municipal office in the area of jurisdiction of the Municipality designated by Council for such purposes, or any such other places as the Chief Financial Officer may from time to time designate;

"**Municipal Property Rates Act**” means the Local Government: Municipal Property Rates Act, 6 of 2004;

"**Municipal Manager**" means the Municipal Manager of the LTLM Local Municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council;

"**Municipal Service**" means a service that a Municipality in terms of its powers and functions provides or may provide for the benefit of the local community irrespective of whether – 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; or by engaging an external mechanism contemplated in section 76 of the Municipal Systems Act; and fees, charges or tariffs are levied in respect of such a service or not;

"**Municipal Systems Act**" means the Local Government: Municipal Systems Act, 32 of 2000 as amended from time to time;

"**Municipal Tariff**" or "Tariff" shall mean a tariff for services which the Municipality may set for the provision of a service to the local community, and may include a surcharge on such service. "Tariffs for major services" shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean all other tariffs, charges, fees, rentals or fines levied or imposed by the Municipality in respect of other services supplied including services incidental to the provision of the major services;

"**Occupier**" means any person who occupies, controls or resides on any premises, or any part of any premises without regard to the title under which he or she so occupies it;

"**Open Space**" - means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is zoned as open space;

"**Owner**" in relation to immovable property means –

(a) the person in whom is vested the legal title thereto provided that:-

(i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;

(ii) the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;

(b) if the owner is deceased or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;

(c) if the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property;

"**Person**" means, as the context indicates, a natural and juristic person, including any department of state, statutory bodies or foreign embassies;

"**Premises**" includes any piece of land, the external surface boundaries of which are delineated on:

(a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or

(b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, and which is situated within the area of jurisdiction of the Municipality.

"**Prescribed**" means prescribed by this policy and where applicable by Council or the Municipal Manager;

"**Prescribed debt**" means debt that becomes extinguished by prescription in terms of the Prescription Act 68 of 1969;

“**Private Open Space**” means land that is privately owned and used for practising of sport, play or leisure facilities or used as a botanical garden, cemetery or nature area and which is joined as Private Open Space;

“Privately Owned Townships Serviced by the Owner” – means single properties (group housing or single residential erven), situated in an area not ordinarily being serviced by the Municipality, divided through subdivision or township establishment in (ten or more) full-title stands and / or sectional title units and where all rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreation facilities, are installed at the full cost of the developer and are rendered and maintained by the residents, Home owners association or management companies / bodies of such estate;

“**Property**” – means immovable property registered under separate title in terms of the provisions of the Deeds Registries Act, in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person and includes unregistered land if the right of ownership can be determined;

“**Rateable Property**” shall mean property on which the Municipality may in terms of Section 2 of the Municipal Property Rates Act levy a rate, but excluding property fully excluded from the levying of rates in terms of Section 17 of that Act;

“**Ratepayer**” shall mean a person who is liable to the Municipality for the payment of (a) rates on property in the Municipality; (b) any other tax, duty or levy imposed by the Municipality; or (c) fees for services provided either by the Municipality or in terms of a service delivery agreement;

"**Rates**" means a municipal rate on property envisaged in section 229 (1) of the Constitution read with the Municipal Property Rates Act and the Local Government: Municipal Finance Management Act 56 of 2003;

“**Rebate**” in relation to a rate payable on a property, shall mean a discount granted in terms of Section 15 of the Municipal Property Rates Act on the amount of the rate payable on the property;

“Reduction” **-** in respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount;

"**Refuse Charges**" means service charges in respect of the collection and disposal of refuse;

"**Registered Owner**" means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act;

"Responsible Person" means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges;

“**Residential Property**” shall mean a property included in the valuation roll in terms of Section 48(2)(b) of the Municipal Property Rates Act, 2004 as residential and/or improved property that: -

(a) is used predominantly (60% or more) for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall Be regarded as one residential property for rate rebate or valuation reduction purposes, if still used dominantly for residential purposes;

(b) is a unit registered in terms of the Sectional Title Act, 95 of 1986, and is used predominantly for residential purposes;

(c) is owned by a share-block company and is used predominantly for residential purposes;

(d) is a residence used for residential purposes situated on a property used for educational purposes;

(e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Municipal Property Rates Act;

(f) are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;

(g) vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, have been specifically excluded from this property category;

"**Service Charges**" means the fees levied by the Municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this policy;

"**Service Delivery Agreement**" means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Municipal Systems Act;

"**Sewerage Charges**" means service charges in respect of the provision of sewerage collection and treatment of infrastructure;

"**Sundry Customer Accounts**" means accounts raised for miscellaneous charges for services provided by the Municipality or charges that were raised against a person as a result of an action by a person, and were raised in terms of Council's policies, bylaws and decisions;

"**Supervisory Authority**" means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Municipal Systems Act;

"**Surcharge**" means a charge raised on and above a normal Tariff based either on a percentage or a fixed amount which is imposed in accordance with the provisions of the Municipal Systems Act and any other applicable legislation;

"**Tariff Policy**" means a Tariff Policy adopted by the Council in terms of Section 74 of the Municipal Systems Act;

"**User"** means the owner or occupier of a property in respect of which municipal services are being provided by the Municipality or a service provider whether in terms of service delivery agreement.

“**Vacant Property**” – means any land without any improvements thereon;

"**Water Charges**" means service charges in respect of the provision of water whether by the Municipality or a service provider in terms of a service delivery agreement.

c/kWh CPIX IBT

2. AIM AND PURPOSE

The aim and purpose of this policy is:

2.1 Ensure the tariffs of the municipality conform to acceptable policy principles.

2.2 Ensure compliance with applicable legislation.

2.3 Provide guidance regarding tariff determination and proposals to be included in the annual budget

3. TITLE AND APPLICATION

(1) This policy is known as the Tariff Policy of the Municipality, and is applicable to the municipal area of Lekwa-Teemane Municipality.

(2) This policy revokes all previous policies, decisions and/or *ad hoc* clauses within any other policy, regarding the subject matter of this policy.

(3) This policy further applies to all fees, charges or tariffs in respect of any municipal services provided by the Municipality.

4. COMMENCEMENT AND VALIDITY

This policy shall come into force and effect upon the acceptance hereof by the Council of the Municipality by resolution, as contemplated in terms of the provisions of section 24(2)(c)(v) of the MFMA.

5. RESPONSIBLE AUTHORITY

The responsible authority for the adoption, publication and implementation of this policy is the Municipality, and when applicable the Council of the Municipality.

CHAPTER 2

GENERAL PRINCIPLES

6. EMPOWERMENT TO LEVY AND RECOVER FEES, CHARGES OR TARIFFS

(1) The Municipality is empowered in terms of section 75A(1) of the Systems Act to:

(a) levy and recover fees, charges or tariffs in respect of any function or service of the Municipality; and

(b) recover collection charges and interest on any outstanding amount.

7. TARIFF PRINCIPLES

7.1 The Municipality shall apply the following tariff principles as set out in section 74(2) of the Systems Act, to the levying of fees, charges or tariffs for municipal services:

(a) all consumers of municipal services shall be treated equitably in the determination, calculation and application of tariffs;

(b) the amount individual consumers pay for municipal services will generally be in proportion to their use/consumption of municipal services or based on the availability of the municipal services;

(c) indigent households shall have access to at least basic municipal 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 municipal services of for basic levels of municipal services; or

(iii) any other direct or indirect method of subsidisation of tariffs for indigent households;

(d) tariffs will reflect the costs reasonably associated with rendering the municipal service, including the costs to be recovered;

(e) tariffs will be set at levels that facilitate the financial sustainability of the municipal service, taking into account subsidisation from sources other than the municipal services concerned;

(f) provision can be made in appropriate circumstances for a surcharge on the tariff for municipal services;

(g) provision can be made for the promotion of local economic development through special tariffs for categories of commercial and industrial consumer;

(h) the economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives will be encouraged;

(i) the extent of subsidisation of tariffs for indigent households and other categories of consumers will be fully disclosed.

7.2 The municipality must ensure that its tariffs are uniformly and fairly applied throughout the municipal area.

7.3 Poor households will have access to basic services through the indigency relief as defined in the free basic services and indigent support policy.

7.4 Tariffs must be cost reflective associated with each service rendered to ensure financial sustainability of each service, taking into account subsidization to rates services except for economic services.

7.5 Provision may be made in appropriate circumstances for a surcharge on the tariff for a service. This will be necessary for major breakdowns in infrastructure and periods of drought when a restriction of usage is required.

7.6 The municipality may impose a penalty on the existing tariff structure or measures of discouraging service demand to prohibit exorbitant use in appropriate circumstances to encourage efficient and effective use of resources

8. CATEGORIES OF CONSUMERS

(1) The Municipality shall differentiate between different categories of consumers, as provided in section 74(3) of the Systems Act, as long as the differentiation does not amount to unfair discrimination. Such differentiation shall at all times be reasonable and is as follows:

(a) Residential/Domestic;

(b) Business/Commercial;

(c) Industrial/Bulk Customers;

(d) Agricultural;

(e) Institutional;

(f) Rural;

(g) Municipal;

(h) State owned or organ of state owned properties;

(i) Education; and

(j) Special Category for specific consumers as may be determined by the Municipality from time to time.

(2) A continuous effort should be made to group together those consumers who have more or less the same access to a specific municipal service.

(3) Different categories of residential or domestic consumers as well as for services may be defined based on the municipality indigent and free basic service policies and may include:

- formalized informal settlements / rural villages;
- pensioners;
- proclaimed informal settlements / rural villages;

(4) The following criteria may be used in defining different categories of services:

- type of service;
- category of consumer;
- level of consumption;
- type of connection; and
- time of use

(5) Certain categories of service may be restricted to certain categories of consumers

9. PROPORTIONING OF COSTS

(1) The Municipality must endeavour to render its municipal services cost effectively in order to ensure the best possible cost of municipal service delivery. The Municipality must further ensure that its fees, charges or tariffs shall be easily explainable and understood by all consumers affected by this policy.

(2) In the case of conventional metering systems for electricity and water, the Municipality shall properly meter the consumption as provided for in the Credit Control & Debt Collection Policy of the Municipality. The consumption charges levied on consumers shall be proportionate to the quantity of the municipal services which the consumer consumes, and subject to the provisions of the Credit Control & Debt Collection Policy of the Municipality. In addition, the Municipality shall be entitled to levy a monthly fixed charge for the municipal services concerned.

(3) In case of vacant stands, where the municipal services are available but not connected, the Municipality shall levy a monthly availability charge which is levied because of fixed costs such as the capital and maintenance costs and insurance on infrastructure available for connection to the Municipal services.

L

(4) The Municipality's tariffs for electricity service will be determined to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the Municipality of the associated peak demand charges from Eskom, will have to bear the costs associated with these peak demand charges. The Municipality shall be entitled to install demand meters to measure the maximum demand such consumers place on the electrical infrastructure grid during certain periods. These consumers shall therefore pay the relevant demand charge, as well as consumption charge directly related to their actual consumption of electricity during the relevant metering period.

10. PRINCIPLES FOR LEVYING AVAILABILITY CHARGES

(1) The Municipality is entitled to levy certain fixed tariffs for the mere fact that the provision of municipal services are available to a property, premises or consumer. This tariff is unrelated to the use of the municipal service or the quantity of such service consumed, and is solely based on the availability of the municipal services.

(2) In establishing the tariff for the availability of the municipal services the Municipality shall consider the costs associated with the provision, future provision, maintenance and future maintenance, as well as any other relevant factors impacting on and affecting the cost to the Municipality for the availing and rendering of the municipal services to property, premises or consumers. In considering the costing of its four major municipal services (water, electricity, sewerage services and refuse removal), the Municipality shall take due cognisance of the high capital cost of establishing and expanding such municipal services, and the resultant high fixed costs, as opposed to variable costs of operating these municipal services.

(3) The Municipality must plan the management, maintenance and expansion of the municipal services carefully in order to ensure that both current and reasonably expected future demands are adequately catered for, and that demand levels which fluctuate significantly over shorter periods are also met. This may mean that municipal services operate at less than full capacity at various periods, and the cost of such surplus capacity must also be covered in the tariffs which are annually established to be levied monthly.

(4) Owners of vacant stands will have to bear and contribute to these costs and are subject to such levy.

11. HISTORICAL AND FUTURE USER PATTERNS

It is important to keep accurate consumption statistics for the purpose of determining tariffs. Consumption determines tendencies, which ultimately have an influence on tariffs within a structure. Provision should be made in the process for growth and seasonal use, as well as for unforeseen events that may have an impact on tariffs.

12. CREDIT CONTROL AND INDIGENT SUPPORT

(1) It is not possible to successfully compile the tariff structure without consideration of the provisions of the Credit Control & Debit Collection Policy of the Municipality and in the setting of tariffs the Municipality will take the provisions of the Credit Control & Debit Collection Policy of the Municipality into account.

(2) Income is provided for in the budget of the Municipality as if a 100% payment level will be maintained. It is therefore important to continuously ensure that consumers pay promptly for municipal services. Non-payment has a direct effect in that provision for bad debt, in accordance with the current payment levels, must be provided for as expenditure in the budget. Adequate provision should be made on an annual basis for bad debt.

(3) However, it is a fact that there are consumers who are unable to pay for municipal services. The Municipality must therefore provide access to a minimum level of basic municipal services for all consumers in terms of this policy, which policy must be supplemented and amplified by the Indigent Policy of the Municipality. This will ensure the sustainable delivery of basic

municipal services to consumers who are Registered Indigents and who cannot pay for such basic municipal services.

(4) Free basic municipal services refer to those municipal services necessary to ensure an acceptable and reasonable quality of life and which municipal service, if not provided, could endanger public health or safety to the environment. It is one of the objects of the Municipality in terms of the provisions of the Constitution to provide same.

(5) The indigent support granted to Registered Indigents by the Municipality in terms of the Indigent Policy of the Municipality, must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

(6) Indigent support by the Municipality is restricted to qualifying indigent households with a combined income amount determined by the Municipality at the beginning of every financial year, available on application to Registered Indigents, and to be applicable for the duration of that particular financial year.

(7) The Municipality recognises the following categories of service charges to which indigent support may be applied:

(a) Electricity;

(b) Water;

(c) Refuse removal;

(d) Sewerage;

(e) Property rates; and

(f) Pauper burials.

CHAPTER 3

TARIFF TYPES AND METHODS OF CALCULATION

13. FEE, CHARGE OR TARIFF TYPE

(1) In setting the fees, charges or tariffs for municipal services, the Council of the Municipality must:

(a) accurately reflect costs to achieve economic efficiency;

(b) ensure equity and fairness between different types and categories of consumers;

(c) utilise appropriate metering and supporting technology; and

(d) be transparent.

(2) In determining the type of fee, charge or tariff applicable to the municipal service, the Council may make use of the following options, or a combination thereof:

(a) <u>Single tariff</u>:

This tariff shall consist of a fixed cost per unit consumed. All costs will therefore be recovered through unit charges at the level of breakeven consumption. Surpluses on trading services may be allowed subject to the approval of the Council.

(b) <u>Two part tariff</u>:

This tariff shall consist of two parts being the fixed cost per unit consumed and a monthly availability charge.

(c) <u>Three part tariff</u>:

This tariff shall consist of three parts being the fixed cost per unit consumed, a monthly availability charge as well as a capacity charge which relates to the capacity (breaker-capacity in the event of electricity) being avail to the consumer.

(d) Four part tariff:

This tariff shall consist of four parts being the fixed cost per unit consumed, a monthly availability charge, an access charge which relates to a fixed tariff levied for the capacity utilised or reserved and a demand charge which relates to the time when, and the extent of the demand for the municipal service is made.

(e) Inclining block tariff:

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase. The first step in the tariffs will be calculated at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the municipal services.

(f) Declining block tariff:

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

(g) Availability charges:

This tariff is payable based on the availability of the municipal services and irrespective of whether the municipal services are connected to a property, consumed or used. Once the Municipality provides a connection or the municipal services are consumed or used, the normal tariffs for the consumption will apply with the availability charge.

(h) Outside Municipal Area:

This tariff shall apply to consumers who do not reside within the municipal area of jurisdiction of the Municipality but are making use, on application to the Municipality, of certain municipal services.

(i) Special Tariffs:

This tariff shall be determined and approved by Council on application for specific developments and/or informal settlements

which may motivate or necessitate a special tariff, not provided for in the tariffs referred to above.

14. FACTORS TO BE CONSIDERED IN DETERMINATION OF A TARIFF

In determining a tariff the Municipality shall consider the following factors:

(1) Financial factors:

(a) The primary purpose of a tariff is to recover the costs to be recovered of a particular municipal service and to endeavour to avoid in as far as possible the cross subsidising of the municipal service.

(b) In order to determine the fees, charges or tariffs that must be charged for the supply of the four major municipal services (water, electricity, refuse removal and sewerage), the Municipality shall identify all the costs involved in the supply of the municipal service concerned (as costs to be recovered), including, the:

(i) cost of bulk purchases in the case of water and electricity;

(ii) distribution costs, including distribution losses in the case of water and electricity;

(iii) depreciation and finance charges;

(iv) maintenance of infrastructure and other fixed assets;

(v) cost of approved indigent support measures and cross subsidising of low consumption;

(vi) administration and municipal service costs, including:

- service charges from other departments delivering support services such as finance, corporate, human resource et cetera.

- reasonable overhead costs associated directly to each service.
- adequate contributions to provisions such as bad debts, leave, long service etc.

- all other general operating cost associated with the service concerned such as employee related cost, free basic services, contracted services et cetera.

- departmental consumption

(vii) intended surplus to be generated for the financial year, such surplus to be applied:

(aa) as an appropriation to capital reserves; and/or

(bb) generally in relief of rates.

(2) Socio-economic factors:

(a) The determination of tariffs ought to be based on sound, transparent and objective principles at all times. In order to fully understand the influence of the socio-economics factors the various consumer categories and forms of subsidisation need to be considered. Tariffs should also support local economic development initiatives aimed at maintaining and creating jobs or contribute to the economy of the municipal area.

(b) In addition to the different categories of consumers as set out above, the Municipality must also take care when determining tariffs to differentiate between the following categories of consumers:

(i) consumers who are incapable of making any contribution towards the consumption of municipal services and who require to be fully subsidised;

(ii) consumers who are able to afford a partial contribution and who require to be partially subsidised only; and

(iii) consumers who can afford the cost of the municipal services in total.

(c) In determining tariffs, the Municipality must take into account the fact that the provision of municipal services must be subsidised in certain instances and that subsidies are mainly derived from the following two sources:

(i) Contributions from National Government:

National Government makes an annual contribution, according to a formula, which is primarily based on information obtained from Statistics South Africa by means of census surveys. If this contribution is judiciously utilised it may subsidise all indigent households who quality in terms of the Indigent Policy of the Municipality.

(ii) Contributions from own funds:

The Council can, if the contribution of National Government is insufficient, provide in its own operational budget for such support. Such action will in all probability result in increased tariffs for the other categories of consumers. Any such subsidy must be made known publicly by means of the prescribed process for the adoption of the budget of the Municipality.

(d) To make provision for subsidisation, the Municipality will annually determine as part of the budget process:

(i) free basic municipal services (within limits and guidelines) as determined by the Municipality from time to time;

(ii) discounted tariffs for consumers who qualify in terms of particular guidelines, for example to recover the actual operational costs of the service only; and

(iii) full tariff payable with a subsidy that is transferable from sources as mentioned above.

(3) Minimum service levels:

It is important that minimum service levels be determined in order to calculate and develop an affordable tariff package to all potential users.

(4) It is essential that a compromise be reached between the following needs with regard to the determination of a tariff structure:

- The need to reflect costs as accurately as possible in order to achieve cost effectiveness;
- The need to ensure equality and fairness between user groups;
- The need for a practically implementable tariff;
- The need to use appropriate metering and provisioning technology; and
- The users ability to pay.

(5) Levying of rates and the levying of fees, charges or tariffs:

The levying of rates and the levying of fees, charges or tariffs for municipal services should not be viewed separately, but jointly in order to determine the most affordable tariff that the consumers can pay in total. The basic costs of municipal services must first of all be recovered and then only can surpluses be introduced to determine the most affordable tariff for the consumer with due allowance for any contingencies regarding a particular municipal service.

15. CALCULATION OF TARIFFS FOR MINOR MUNICIPAL SERVICES

(1) The Municipality shall standardise fees, charges or tariffs for all minor municipal services within its area of jurisdiction.

(2) All tariffs for minor services shall be approved by the Council of the Municipality 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 municipal 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 municipal service or amenity.

(3) All tariffs for minor services over which the Municipality has full control shall annually be adjusted, at least in line with the prevailing CPIX unless there are compelling reasons why such adjustments should not be effected.

(4) The under mentioned tariffs for minor services shall be determined by the Municipality by using one of the following methods:

- actual cost, plus a surcharge;
- subsidising from the income of other municipal services;
- servicing as penalty/discouraging measure.

(a) Minor municipal services tariffs:

(i) cemetery fees;

(ii) housing rental;

(iii) library fees, being:

- membership fees;
- fines;
- lost books;
- lost membership cards;

(iv) rental for utilising municipal property and municipal sports grounds;

(v) lease of municipal property;

(vi) building plan fees;

(vii) advertisement sign fees;

(viii) plastic bag sales;

(ix) refuse bin sale;

(x) cleaning of overgrown stands;

(xi) connection fees for major municipal services;

(xii) photocopies and faxes;

(xiii) clearance certificate memoranda;

(xiv) pound fees;

(xv) cleansing of sewerage blockages;

(xvi) electricity or water disconnection and reconnection fees;

(xvii) the provision of information or copies of records from the Municipality 's records

16. SERVICE- AND EXPENDITURE CLASSIFICATION AND COSTS ELEMENTS

(1) Municipal service classification

The Chief Financial Officer of the Municipality shall, subject to the guidelines of National Treasury and the Council, make provision for the following classification of municipal services.

(a) Trading Services or Economic Services:

Typically the consumption of trading services or economic services is measurable and can be apportioned to an individual consumer or user. These services are managed in a business-like manner. The tariffs for these services are determined in such a way that a netted trading surplus (profit) is realised. This surplus (profit) is used to subsidise the tariffs of the non-trading services referred to below. The following municipal services are trading services:

(i) electricity provision;

(ii) water provision;

(iii) sewerage;

(iv) refuse removal.

(b) Non-Trading Services or Community Services:

Non-trading services or community services are those municipal services the consumption of which cannot be determined, or accurately be determined, nor apportioned, or accurately be proportioned to individual consumers, or even if the consumption or use can be determined and apportioned to a consumer or user, the cost therefore will be so high that same will not be recoverable from the consumer or user, and thus needs to be subsidised. The tariff is

determined based on the availing of the municipal service rather than the use of the particular municipal service, however, a charge may be payable for using the municipal service, but the tariff is much lower than the real cost of providing the municipal service. The following municipal services are non-trading or community services:

(i) aerodrome;

(ii) building control;

(iii) management and maintenance of cemeteries;

(iv) child care facilities;

(v) control of public nuisances;

(vi) cemeteries;

(vii) fire fighting and emergency assistance;

(viii) fixed billboards and display of advertisements in public places;

(ix) health and clinics;

(x) libraries and museums;

(xi) licensing and control of undertakings that sell food to the public;

(xii) licensing of dogs;

(xiii) local amenities;

(xiv) local sport facilities;

(xv) local tourism;

(xvi) operating and management of municipal parks and recreation;

(xvii) municipal planning;

(xviii) municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to

administer functions specially assigned to them under the Constitution, or any other law;

(xix) municipal roads;

(xx) pounds;

(xxi) public places;

(xxii) proclaimed roads;

(xxiii) storm water management system in built-up areas;

(xxiv) street lighting;

(xxv) street trading;

(xxvi) trading regulations;

(xxvii) traffic.

(2) Expenditure classification

(a) The classification of expenditures into various expenditure groups by the Municipality is as follows:

(i) Salaries, wages and allowances;

(ii) Bulk purchases;

(iii) General expenditure;

(iv) Collection cost;

(v) Contracted services;

(vi) Grants and subsidies paid;

(vii) Repairs and maintenance;

(viii) Depreciation on assets and interest expense;

(ix) Contribution to fixed assets;

(x) Contribution to provision for bad debts;

(xi) Contribution to reserves.

(b) Gross expenditure = total (i) to (xi) above;

(c) Net expenditure = gross less internal charges;

(d) Surplus/deficit = income less net expenditure.

(3) Cost elements

The Municipality will use the cost elements, as set out regarding each of the specific municipal services below, to calculate the tariffs of the different municipal services. The predominant cost elements being:

(a) Fixed costs:

Fixed costs that consist of the capital cost (depreciation on assets and interest on external loans), and any other costs of a permanent nature as determined by the Municipality from time to time.

(b) Variable costs:

Variable costs include all other expenditure that has reference to the municipal services.

(c) Total cost:

Total cost is equal to the fixed costs plus variable cost.

CHAPTER 4

STRUCTURES FOR CERTAIN MUNICIPAL SERVICES AND SUNDRY TARIFFS

17. REQUISITES

When determining a tariff, the Municipality must strive to reach a compromise between the following requisites:

(a) the requisite to reflect costs as accurately as possible in order to achieve cost effectiveness and an appropriate recovery from consumers;

(b) the requisite to ensure equality and fairness between categories of consumers;

(c) the requisite for a practically implementable tariff;

(d) the requisite to use appropriate metering and provisioning technology;

(e) the requisite for an understandable tariff; and

(f) the requisite that the tariff must be affordable.

18. ELECTRICITY

(1) General principles regarding the calculation of the tariff for electricity:

(a) The guidelines and policies issued by NERSA, from time to time, will form the basis of calculating the Municipality’s tariffs for electricity.

(b) All tariff structures and tariffs must be approved by NERSA prior to application, determination and ultimate approval thereof by the Municipality and Council, as the case may be.

(c) The various categories of consumers shall be charged at the applicable tariffs, as set out in the Tariff Schedule and as approved by the Council of the Municipality in each annual budget.

(d) To calculate the tariff for electricity, the actual cost incurred in the supply of electricity to a consumer, has to be taken into consideration. The principle of an availability charge, as well as per unit tariff for electricity is determined by the cost elements. These cost elements consists of the following components, the application of which is always subject to the guidelines and policies of NERSA:

(i) Fixed costs:

It represents that portion of expenses that must be incurred irrespective of the fact whether or not any electricity has been sold. These costs must be recovered whether any electricity is consumed or not. These costs are therefore recovered by means of a fixed levy per period (normally as a monthly availability charge) in order to ensure that these fixed costs are covered.

(ii) Variable costs:

It relates to the physical provision of electricity according to consumption/demand and must be financed by means of a unit tariff which is payable per kWh/KVA electricity consumed.

(iii) Surplus:

The tariffs for these municipal services (normally Trading Services or Economical Services as referred to above) are determined in such a way that a netted trading surplus is realised.

(e) The following types of tariffs are applied and used in determining electricity tariffs, subject to the guidelines and policies of NERSA:

(i) Inclining block tariff (IBT) structure, as referred to above in Chapter 3 where a consumer's consumption is divided into blocks and each subsequent block have a higher energy rate (c/kWh).

(ii) Single tariff energy (all costs expressed in a single c/kWh charge).

(iii) Three part tariff for Residential and Business consumers (consisting of an availability charge, a capacity charge and a variable charge related to metred kWh consumption):

(aa) Variable charge i.e. energy rate (c/kWh) consumed;

(bb) Monthly availability charge (R/month);

(cc) Capacity (ampere/breaker) charge (R/month).

(iv) Four part tariff for Industrial/Bulk consumers (consisting of a monthly availability charge, access charge, demand charge and a variable charge related to meter kWh consumption):

(aa) variable charge i.e. energy rate (c/kWh) consumed;

(bb) monthly availability charge (R/month);

(cc) access charge (R/kVA);

(dd) demand charge (R/kVA).

(v) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or consumers and/or informal settlements.

(f) An availability charge will be charged to consumers and/or properties not connected to the electricity network, should it be available. This charge aims to recoup capital and maintenance costs of networks, as well as certain fixed administrative costs in respect of such properties. If the consumer connects and improve the property the debit will be adjusted pro-rata from the date of the connection and whether it is utilised or not.

(2) The amount of the tariffs so calculated will be set out and published in the Tariff Schedule, and shall be approved by the Council at the time of the approval of the annual budget of the Municipality.

(3) Public benefit organizations, non-governmental organizations, educational and cultural organizations approved in terms of section 30 of the Income Tax Act, Act 58 of 1962, read with items 1, 2 and 4 of the ninth schedule to the act, welfare organizations registered in terms of the National Welfare Act, Act 100 of 1978 and state assisted public schools or colleges will be charged a discounted tariff as determined with the annual budget according to the type of electricity connection

(4) Other bulk consumers will be charged a special tariff which is only available to specific consumers as approved by council resolution and are based on the Eskom megaflex tariff structure

(5) Street lights and traffic light consumption will be charged according to energy consumed per kilowatt hour as determined from time to time. This includes departmental levies and sport clubs

(6) A fixed available charge will be levied to all underdeveloped erven with access to the reticulation network per month or part thereof where no meter is installed yet

(7) The electricity tariff may include a surcharge subject to council approval.

(8) The electricity connection charge for all consumer categories will be the full cost of the electricity installation as determined from time to time

(9) Approved electricity tariffs will be implemented on the first of July of every financial year with the months billing cycle regardless the actual meter read period or average consumption as may be determined, i.e. an increased tariff will be applicable for a twelve (12) month period.

(10) The Municipality must on an annual basis conduct Cost of Supply Study, as NERSA will not approve any electricity tariffs without same.

19. WATER

(1) General principles regarding the calculation of the tariff for water:

(a) The Municipality shall align its fees, charges or tariffs with the prescribed norms and standards for tariffs to be regulated, from time to time, by the Minister of Water Affairs and Forestry and in terms of the provisions of section 10 of the Water Service Act, Act 108 of 1997.

(b) Tariffs for water shall be charged at the applicable tariff for various categories of consumers as set out in the Tariff Schedule and approved by the Council during the process of the adoption of the annual budget.

(c) Because water is a scarce national resource, the Municipality is committed to the prudent conservation of this resource. Tariff structures should therefore be aimed at the reduction of consumption of water, and to discourage excessive and wasteful usage.

(d) In principle, the amount that consumers pay for water services should be in proportion to their consumption of water services. Tariffs must be set at levels that facilitate the sustainability of the service.

(e) To calculate the tariff for water, the actual cost incurred in the supply of water to the consumer, has to be taken into consideration. The principle of an availability charge as well as a kilolitre tariff for water is determined by the basic cost structure.

(f) Similar to electricity, this cost elements for water consists of the following components:

(i) <u>Fixed costs</u>:

Representing that portion of expenses that must be incurred irrespective of the fact whether or not any water has been sold. These costs must be recovered whether any water is used or not.

(ii) Variable costs:

This component relates to the physical provision of water according to demand and must be financed by means of a unit tariff which is payable per kilolitre water consumed.

(iii) Profit taking:

The tariffs for these services are determined in such a way that a netted trading surplus is realised.

(g) The following tariff structures shall be applied and used for the determination of tariffs for water:

(i) Block tariff per unit consumed for consumers with pre-paid and conventional meters.

(ii) A fixed tariff per month for consumers with no meters, but who are connected to the water reticulation network.

(iii) An availability charge will be charged to consumers or properties not connected to the water network, should it be available. This charge aims to recoup capital and maintenance costs of networks, as well as certain fixed administrative costs in respect of such properties. If the consumer connects and improves the property the debit will be adjusted pro-rata from the date of the connection.

(iv) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or consumers and/or informal settlements.

(h) To calculate the tariff for water the Municipality must also take into account the minimum standard for basic water supply services, as prescribed in terms of regulation 3 of the Regulations Relating to Compulsory National Standards and Measures to Conserve Water,

Published under Government Notice R509 in Government Gazette No 22355 of 8 June 2001 and promulgated in terms of the Water Service Act, Act 108 of 1997, which are as follows:

(i) the provision of appropriate education in respect of effective water use; and

(ii) a minimum quantity of potable water of 25 (twenty five) litres per person per day or 6 (six) kilolitres per household per month:

(aa) at a minimum flow rate of not less than 10 (ten) litres per minute;

(bb) within 200 (two hundred) meters of a household

(cc) with an effectiveness such that no consumer is without supply for more than 7(seven) full days in any year

s

(2) The amount of the tariffs so calculated will be set out and published in the Tariff Schedule, and shall be approved by the Council at the time of the approval of the annual budget of the Municipality.

(3) WATER LEAK ADJUSTMENT

A water leak is where water is wasted through a crack or flow in water pipes that permits water to escape.

(a) The responsibilities of the consumer:

- The customer / homeowner is responsible for any consumption that occurred from the meter to his property as a result of any water leak.
- The customer/home owner must repair the water leak at his cost on his/her property.
- On discovery of any water leak the municipality must be informed.
- The customer/home owner should take immediate steps to stop the water supply and repair the leakage.

Should the water leak be before the meter point, residents must report the pipe burst to the relevant complaint centre.

(b) The responsibility of the municipality:

- Water leaks on the street or council property before the meter point.
- The municipality must immediately stop the water flow to limit the water loss and will be responsible to repair the pipe burst.
- The residents will be informed of the pipe bursts and estimate restoration time.

Subject to proof of a water leak the municipality will apply a water leak tariff as promulgated in the water tariffs over the period the water leak occurred or until the consumption on the property has normalized to a maximum period of three (3) months.

The adjustments to the account will be made once sufficient proof exists of the water leak.

Any request for water leak adjustment must be made within sixty (60) days of discovery or the leak is repaired whichever is the earliest.

Only one (1) water leak adjustment per annum per property will be allowed.

The adjustment to the account for water leaks will be adjusted for the portion more than the average usage per month over a six (6) month period.

No adjustments on water bills for water leaks will be made in the following instances:

- More than one occurrence per annum.
- The meter was tampered with in any way

20. REFUSE REMOVAL

(1) General principles regarding the calculation of the refuse removal tariff:

(a) Refuse removal is an economic or trading service and tariff calculations should be based on the actual cost incurred in delivering the service plus a surplus.

(b) A consumer who chooses to do his/her own refuse removal will still be liable for paying the applicable refuse removal tariff on the basis of the availability of the service.

(c) The tariff levied by the Municipality shall be based on the category of property as determined in the valuation roll and/or the category of the consumer, or a combination of both.

(d) The following tariff structures shall be used for the determination of tariffs:

(i) Residential (domestic customers) – maximum of one removal per week.

(ii) Flats / Town Houses / Duet Houses – maximum of one removal per week.

(iii) Business / Commercial / Industrial (Non – Bulk) – maximum of two removals per week.

(iv) Business / Commercial / Industrial (Bulk) – Individual arrangements.

(v) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or consumer and/or informal settlements.

(2) The amount of the tariffs so calculated will be set out and published in the Tariff Schedule, and shall be approved by the Council at the time of the approval of the annual budget of the Municipality.

21. SEWERAGE

(1) General principles regarding the calculation of the tariff for sewerage:

(a) Sewer service is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

(b) The following tariff structures shall be used for the determination of tariffs:

(i) The tariff levied for sewer charges is based on the category of the property as per the provisions of the Tariff Policy of the Municipality and/or a rate linked to the consumption of water by the property.

(ii) Special tariff arrangements determined and approved by Council from time to time for specific developments and/or consumers and/or informal settlements.

(c) To calculate the tariff for sewerage the Municipality must also take into account the minimum standard for basic sanitation services, as prescribed in terms of regulation 2 of the Regulations Relating to Compulsory National Standards and Measures to Conserve Water, Published under Government Notice R509 in Government Gazette No 22355 of 8 June 2001 and promulgated in terms of the Water Service Act, Act 108 of 1997, which are as follows:

(i) the provision of appropriate health and hygiene education; and

(ii) a toilet which is safe, reliable, environmentally sound, easy to keep clean, provides privacy and protection against the weather, well ventilated, keeps smells to a minimum and prevents the entry and exit of flies and other disease- carrying pests.

(2) The amount of the tariffs so calculated will be set out and published in the Tariff Schedule, and shall be approved by the Council at the time of the approval of the annual budget of the Municipality

22. PROPERTY RATES

(1) The rate levied by the Municipality will be a cent amount in the Rand based on the market value of the property and in accordance with the provisions of the Rates Policy and By-Law of the Municipality.

(2) In terms of the provisions of the MPRA the Municipality may levy different rates for different categories of rateable property. Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and by way of reductions and rebates as provided for in the Rates Policy and By-Law of the Municipality

(3) In terms of the provisions of section 17(1)(e) of the MFMA the Rates Policy and By-Law of the Municipality must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

(4) The various categories of ratepayers shall be charged at the applicable rates, as set out in the Tariff Schedule and as approved by the Council as part of each annual budget.

23. SUNDRY TARIFFS

(1) Various sundry tariffs are applied to recoup costs of sundry services to the public. All such tariffs are based on the actual cost of supply, but individual tariffs may be set at:

(a) subsidised levels;

(b) levels reflecting actual cost; or

(c) levels producing surpluses.

(2) The level at which the Municipality sets a sundry service tariff, takes into account factors such as:

(a) affordability;

(b) socio-economic circumstances;

(c) utilisation of amenities and resources;

(d) national and regional agreements and provisions; and

(e) any other factors influencing such decisions.

(3) Sundry tariffs and structures will be revised at least once a year, during the annual budget process.

24. INDIGENT SUPPORT

In terms of the Indigent Policy of the Municipality, the Municipality will provide indigent support to Registered Indigents. The qualification criteria, assistance procedures and the extent of the indigent support are all extensively dealt with in the Indigent Policy of the Municipality. The calculation of the subsidy and support to be provided to Registered Indigents is set out in **Schedule "A"** to this policy.

CHAPTER 5

MISCELLANEOUS PROVISIONS

25. THE CONTENTS OF THE TARIFF SCHEDULE

The Tariff Schedule may contain fees, charges or tariffs pertaining to matters which were not specifically dealt with or addressed in this policy, but which are calculated, established, determined, applied, levied or charged in terms of other legislation applicable to the Municipality, or in terms of other by-laws of the Municipality. Such fees, charges or tariffs are deemed to be levied or charged in terms of this policy and the general provisions contained in this policy regarding the levying or charging of fees, charges and tariffs apply *mutatis mutandis* thereto.

26. PUBLIC PARTICIPATION IN RELATION TO TARIFFS

(1) The purpose of publishing tariffs is to assist the Municipality to communicate transparent and understandable tariffs to the local community, and also to provide the opportunity to all members of the community to make comments on and inputs regarding the calculation and establishment of the said tariffs.

(2) In terms of the provisions of section 22 of the MFMA, the accounting officer of the Municipality must immediately after the annual budget is tabled in the Council, which may be no later than 90 (ninety) days before 1 July of each year, and in accordance with the provisions of chapter 4 of the Systems Act:

(a) make public the annual budget and the documents referred to in section 17(3) of the MFMA – such documents *inter alia* includes:

(i) the draft resolution imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and

(ii) any proposed amendments to the budget-related policies of the Municipality.

(b) invite the local community to submit representations in connection with the budget, which includes the tariffs as proposed by the Municipality for the next budget year.

(3) In terms of the provisions of section 21A of the Systems Act, all documents that must be made public by the Municipality, as referred to above, must be conveyed to the local community by:

(a) displaying the documents at the Municipality's head and satellite offices and libraries;

(b) displaying the documents on the Municipality's official website; and

(c) notify the local community of the place(s), including the website address, where detail particulars concerning the documents can be obtained.

(4) The Municipality shall also notify the local community in terms of the provisions of section 21 of the Systems Act of the abovementioned by publishing a notice in a newspaper, circulating in its area and determined by the Council as a newspaper of record. The said notice must:

(a) inform the local community that the annual budget is tabled in the Council;

(b) inform the local community that a copy of the annual budget is available for public inspection during office hours in the main administrative office of the Municipality and other specified places as determined by the Municipal Manager;

(c) invite the local community to submit written representations in connection with the budget, within 30 (thirty) days after the date on which the notice was displayed;

(d) inform the local community that any person who cannot write may come during office hours to the main administrative office of the Municipality or other specified places as determined by the Municipal Manager, where a staff member of the Municipality named in the invitation, will assist that person to transcribe that person's comments or representations; and

(e) inform the local community of the website address of the Municipality where detailed particulars concerning the budget documentation can be obtained.

(5) A copy of the above mentioned notice must also be displayed at the municipal offices and other specified places as determined by the Municipal Manger of the Municipality.

(6) The Municipality shall also, its resources permitting, seek, in terms of the provisions of section 21 of the Systems Act, to convey the information as contained in the notice, to the local community by means of radio broadcast covering the area of jurisdiction of the Municipality.

(7) In terms of the provisions of section 23 of the MFMA, the Council shall consider any views of the local community on the budget, as raised during the public participation process referred to above.

(8) Subsequent to the Council considering the views expressed by the community on the budget, the Council shall give the Mayor an opportunity to also respond to the submissions, and if necessary, to revise the budget and table amendments for consideration by the Council.

(9) The Council of the Municipality must at least 30 (thirty) days before the start of the budget year (i.e. 1 July of each year) consider approval of the annual budget.

(10) An annual budget must be approved by the Council, before the start of the budget year.

(11) An annual budget must be approved together with the adoption of resolutions as may be necessary, setting, *inter alia*, any municipal tariffs for the budget year, and approving any changes to the Municipality's budget- related policies. The municipal tariffs set will be contained in the Tariff Schedule.

(12) After the annual budget is approved by the adoption by the Council of the abovementioned resolutions with a supporting vote of a majority of its members, the Municipal Manager shall without delay:

(a) conspicuously display a copy of the resolution, imposing tax and setting any municipal tariffs as may be required for the budget year, for a period of at least 30 (thirty) days at the main administrative office of the Municipality, and at such other places within the area of jurisdiction of the Municipality to which the public has access as may be determined by the Municipal Manager;

(b) publish a notice, in a newspaper of general circulation within the area of jurisdiction of the Municipality, containing the following information:

(i) confirmation that the resolution, imposing municipal tax and setting any municipal tariffs as may be required for the budget year, has been passed by the Council;

(ii) that a copy of the abovementioned resolution is available for public inspection during office hours in the main

administrative office of the Municipality and other specified places as determined by the Municipal Manager; and

(iii) the date on which the levying of the fees, charges and tariffs will come into operation.

(c) seek to, its resources permitting, convey the information as contained in the notice, to the local community by means of radio broadcasts covering the area of jurisdiction of the Municipality.

27. REVISION AND PHASING IN OF FEES, CHARGES OR TARIFFS

(1) The Municipality must annually review the fees, charges or tariffs set out in the Tariff Schedule of the Municipality, which process will take place prior to the annual budget being tabled before the Council at the meeting of the Council to be held no later than 90 (ninety) days prior to the commencement of the financial year.

(2) Once the Council approved the fees, charges and tariffs at its meeting to be held no later than 30 (thirty) days prior to the commencement of the financial year, the Municipality may not, in terms of the provisions of section 28(6) of the MFMA, increase the fees, charges or tariffs during a financial year, except when required in terms of a financial recovery plan.

(3) Where the newly calculated fees, charges or tariffs differ substantially from the current tariffs, the Council may resolve to phase in the differences over a period of time.

(4) The Municipality may levy and charge the fees, charges and tariffs approved by Council when Council adopted the annual budget of the Municipality from the commencement of the financial year i.e. 1 July, unless Council has

resolved to phase the fees, charges and tariffs in over a period of time as referred to above.

28. CORRECTION OF TARIFFS (ACCOUNTS)

The municipality has an obligation to ensure that all revenue due is calculated and billed on a monthly basis whilst members of the community have the duty to pay promptly service fees, rates on properties, any other levies and duties imposed by the municipality

Section 75A of the Municipal System Act allows a municipality to levy and recover fees, charges or tariffs in respect of any function or service of the municipality.

From time to time it becomes necessary to make corrections to individual consumer accounts where a tariff was erroneously levied or not levied in terms of this policy.

These corrections have a budgetary and an accounting treatment implication. To ensure that these corrections are fair and transparent to both the municipality and the customer within the principles of this policy, corrections of tariffs, levies and any other charges erroneously levied may be corrected for a maximum period of three (3) years from the date of discovery except where otherwise prescribed by any other regulation or applicable law.

29. FREQUENCY OF TARIFF SETTING

All tariffs are determined on an annual basis and approved by council before the start of the financial year to which they are applicable.

30. INTEREST

Interest will be charged on all amounts outstanding for periods longer than thirty (30) days at a rate equal to 11%

Where acceptable arrangements were made in terms of the council’s credit control and debt collection policy and such amounts are transferred to a holding account no interest will be charged on the holding account as long as the repayment amount has been honoured, failing which the holding amount be transferred back to the current account and be subjected to an interest charge.

No interest will be levied on outstanding accounts in the previously predetermined areas to maintain and adhere to previous practice

31. VAT

VAT is charged as per the existing national legislation on all tariffs and all minor (sundry) tariffs as indicated in the approved resolution

32. REBATES

Rebates are allowed in accordance with the Tariff Schedule as determined by the Municipality annually and in terms of the Rates Policy and By-Law of the Municipality.

33. BY-LAWS

The principles contained in this policy will be given effect to and implemented by the Tariff By-Law of the Municipality, which By-Law shall be adopted in accordance with the provisions of section 13 of the Systems Act.

34. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES

- With the tabling of the annual budget in terms of the MFMA, Act 56 of 2003, the local community is invited to submit representations for council's consideration. Such invitations include the draft resolutions on taxes and tariffs proposed.

- After approval of the budget, the council will give notice of all tariffs approved at least thirty (30) days prior to the date that the tariffs become effective.

- A notice stating the council resolution, date on which the tariffs shall become operational will be advertised by the municipality.

- All tariffs approved must have been considered at the annual budget meeting

35. NEW TARIFFS

- Municipal tariffs may not be increased during a financial year except in the case of a financial recovery plan as per the MFMA.

- In the case a municipality needs to provide a new service for which no tariff was determined during a financial year the following process must be followed:

- A report to council to consider the proposed new tariff.

- Public participation process to invite the local community to make representations.

- Final approval by council of the tariff.

- Council give notice of the tariff at least thirty (30) days prior the date that the tariff will become effective

36. IMPLEMENTATION AND REVIEW OF THIS POLICY

(1) This policy shall be implemented once approved by Council as part of the budgetary policies of the Municipality, as referred to in the provisions of regulation 7 of the Municipal Budget & Reporting Regulations, 2008, and section 17(3)(e), section 21(1)(b)(ii)(bb), section 22(a)(i) and section 24(2)(c)(v) of the MFMA.

(2) In terms of the provisions of section 17(1)(e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

37. AVAILABILITY OF POLICY AND BY-LAWS

(1) A copy of this policy and the Tariff By-Law of the Municipality shall be included in the Municipality's Municipal Code as required by the provisions of section 15 of the Systems Act.

(2) The Municipality shall take all required legal steps to inform consumers, debtors, owners and occupiers of the content of this policy.

(3) A copy of this policy and the Tariff By-Law of the Municipality shall be available for inspection at the offices of the Municipality at all reasonable times.

(4) A copy of this policy and the Tariff By-Law of the Municipality may be obtained from the Municipality against payment of an amount as determined by the Council.

38. SHORT TITLE

This policy shall be called the Tariff Policy of the Lekwa-Teemane Local Municipality.

SCHEDULE "A"

THE CALCULATION OF THE INDIGENT SUPPORT SUBSIDY

(a) Where the total gross monthly income does not exceed R3 500.00 (two state pensions) per indigent household per month (as set out in the Indigent Policy), the services effected will be subsidised as follows:

(i)	Refuse for one household:	R95.75;
(ii)	Sewerage for one household:	R98.88;
(iii)	Basic water charge for one household:	R50.03;
(iv)	Basic electricity charge for one household:	R235.32;
(v)	Water consumption (free 12 Kilo litres):	R111.90;
(vi)	Electricity consumption (free 50kWh):	R34.91;
	Sub Total:	R626.79;
	VAT @14%:	R87.75;
	Grand Total of Subsidy:	R714.54.

(b) All Registered Indigents, registered in terms of the provisions of the Indigent Policy of the Municipality, shall be fully subsidised for the payment of property rates. The subsidy shall not be more than the applicable rate for that year, and will be applied for the duration of that particular financial year.

LTLM FINAL TARIFF POLICY

SCHEDULE "A"

DRAFT TARIFF SCHEDULE

MINOR MUNICIPAL SERVICES TARIFFS

NR	**SERVICE FOR WHICH TARIFF IS LEVIED**		**STANDARD RATE / FLAT RATE**
1.	CEMETERY FEES		
2.	HOUSING RENTAL		
3.	LIBRARY FEES, BEING		
	(a)	Membership Fees	
	(b)	Fines	
	(c)	Lost Books	
	(d)	Lost Membership Cards	
4.	RENTAL FOR UTILISING MUNICIPAL PROPERTY AND MUNICIPAL SPORTS GROUNDS		
5.	LEASE OF MUNICIPAL PROPERTY		
6.	BUILDING PLAN FEES		
7.	ADVERTISEMENT SIGN FEES		
8.	PLASTIC BAG SALES		
9.	REFUSE BIN SALE		
10.	CLEANING OF OVERGROWN STANDS		
11.	CONNECTION FEES FOR MAJOR MUNICIPAL SERVICES		
12.	PHOTOCOPIES AND FAXES		
13.	CLEARANCE CERTIFICATE MEMORANDA		
14.	POUND FEES		

LTLM FINAL TARIFF POLICY

15.	CLEANSING OF SEWERAGE BLOCKAGES	
16.	ELECTRICITY OR WATER DISCONNECTION AND RECONNECTION FEES	
17.	THE PROVISION OF INFORMATION OR COPIES OF RECORDS FROM THE MUNICIPALITY 'S RECORDS	

LTLM FINAL TARIFF POLICY

PROPERTY RATES

NR	SERVICE FOR WHICH TARIFF IS LEVIED		RATE EXPRESSED AS CENTS IN A RAND
1.	RESIDENTIAL PROPERTY		
	(i)	Residential property	
	(ii)	Vacant residential property	
2.	BUSINESS AND COMMERCIAL PROPERTY		
3.	INDUSTRIAL PROPERTY		
4.	MINING PROPERTY		
	(i)	Mining property	
	(ii)	Vacant land zoned for mining	
5.	PUBLIC SERVICE INFRASTRUCTURE PROPERTY AND PRIVATE SERVICE INFRASTRUCTURE PROPERTY:		
	Refers to property utilised to accommodate publicly or privately controlled infrastructure of the following kinds (sub categories):		
	(i)	national, provincial, municipal public roads or private roads;	
	(ii)	water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water or sewage pumps forming part of a water, waste water or sewer network serving the public;	
	(iii)	power stations, power sub-stations or power lines forming part of an electricity network;	
	(iv)	railway lines forming part of a national railway	

		network;		
	(v)	communication towers, masts, exchanges or lines forming part of a communication network;		
	(vi)	runways or aprons at the municipal airport of the Municipality;		
	(vii)	any other publicly controlled infrastructure as may be prescribed;		
	(viii)	rights of way, easements or servitudes in connection with infrastructure mentioned in sub-paragraphs (3)(e)(i) to (3)(e)(viii) above		
	(ix)	private owned towns; or		
	(x)	private open spaces;		
6.	MUNICIPAL PROPERTIES			
	(i)	Municipal property: not rateable:		
		(aa)	public service infrastructure owned by the Municipality, including Public Service Infrastructure Property And Private Service Infrastructure Property;	
		(bb)	waste-dump sites;	
		(cc)	municipal burial grounds and adjacent public open space within the burial ground precinct;	
		(dd)	property used for the provision of public parks and zoned as public open space and includes undeveloped municipal property which is for the purposes of this policy deemed to be public open space;	
		(ee)	property used for culture, sporting and recreational facilities other than property subject to a registered lease in terms of the Formalities	

LTLM FINAL TARIFF POLICY

			in respect of Leases of Land Act, Act 18 of 1969, in which case the area subject to the lease shall be separately rated; and	
		(ff)	municipal housing schemes.	
	(ii)	Municipal property: rateable:		
		(aa)	property leased to third parties in terms of a lease registered in terms of the Formalities In Respect of Leases of Land Act, Act 18 of 1969. Where property owned by the Municipality is leased to a third party, the rating thereof shall be the prevailing rating applied to the principle property; and	
		(bb)	municipal property used for purposes other than under “Municipal property: not rateable”.	
7.	AGRICULTURAL/FARMING PROPERTY			
		Agricultural Residential		
		Agricultural Business		
		Agricultural Industrial		
		Agricultural Game Farming		
8.	STATE-OWNED OR ORGAN OF STATE-OWNED PROPERTY (ALSO REFERRED TO AS “GOVERNMENT PROPERTY”)			
9.	SMALLHOLDINGS USED FOR			
	(i)	bona fide agricultural/farming purposes		
	(ii)	residential purposes		
	(iii)	mixed use		
	(iv)	industrial purposes		
	(v)	business and commercial purposes		

	(vi) any other purpose than those specified above	
10.	PROTECTED AREAS	
11.	PROPERTY USED FOR MULTIPLE PURPOSES	
12.	EDUCATIONAL	
13.	PUBLIC BENEFIT ORGANISATION PROPERTY	
14.	PROPERTY USED FOR RELIGIOUS PURPOSES	

LTLM FINAL TARIFF POLICY

ELECTRICITY TARIFFS

NR	SERVICE FOR WHICH TARIFF IS LEVIED		STANDARD RATE / FLAT RATE
1.	RESIDENTIAL (DOMESTIC) CONSUMERS		
	(a)	Consumers with Conventional Meters:	
	(b)	Consumers with Pre-Paid Facilities:	
2.	COMMERCIAL/BUSINESS CONSUMERS		
	(a)	Consumers with Conventional Meters	
	(b)	Consumers with Pre-Paid Facilities:	
3.	BULK CONSUMERS		
		Tariffs for these Consumers are calculated as follow	
4.	OTHER		
5.	REGISTERED INDIGENTS		
	(a)	Free 50kWh of electricity for Registered Indigents on the National grid.	
	(b)	R___________(R55.00 is proposed by the National Policy on Free Basic Alternative Energy) for Alternative Energy for Registered Indigents not on the National grid.	
6.	ELECTRICITY SUNDRY (If any)		
7.	PREPAID ELECTRICITY		
8.	RATIO OF COLLECTION OF ARREARS OR ON ACCOUNTS FROM ANY PAYMENT BEING MADE TO PURCHASE PREPAID SERVICES		70%

WATER TARIFFS

NR	SERVICE FOR WHICH TARIFF IS LEVIED		STANDARD RATE / FLAT RATE
1.	DOMESTIC CONSUMERS (NON METERED)		
2.	DOMESTIC/ACCOMMODATION ESTABLISHMENTS (METERED)		
3.	BUSINESS/COMMERCIAL/INDUSTRIAL		
4.	SPECIAL ARRANGEMENTS		
		(list if there are any)	
5.	WATER SUNDRY TARIFFS		
		(If any)	
6.	RATIO OF COLLECTION OF ARREARS OR ON ACCOUNTS FROM ANY PAYMENT BEING MADE TO PURCHASE PREPAID SERVICES.		70%

LTLM FINAL TARIFF POLICY

REFUSE TARIFFS

NR	SERVICE FOR WHICH TARIFF IS LEVIED			STANDARD RATE / FLAT RATE
1.	THE COUNCIL HAS DETERMINED THE FOLLOWING CATEGORIES FOR REFUSE REMOVAL:-			
	(a)	Residential (domestic) consumers:		
		(i)	Flats	
		(ii)	Town Houses / Duet Houses	
		(iii)	Accommodation Establishments	
	(b)	Business / Commercial / Industrial (Non-Bulk)		
	(c)	Business / Commercial / Industrial (Bulk)		
	(d)	Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.		
2.	REGISTERED INDIGENTS			
3.	SPECIAL ARRANGEMENTS			
		(List if there are any)		
4.	REFUSE REMOVAL SUNDRY TARIFFS			
		(If any)		

LTLM FINAL TARIFF POLICY

SEWER TARIFFS

NR	SERVICE FOR WHICH TARIFF IS LEVIED		STANDARD RATE / FLAT RATE
	Sewerage tariffs are based on market value of the property and calculated as follows:		
1.	DOMESTIC		
2.	DOMESTIC/ACCOMMODATION ESTABLISHMENTS		
3.	BUSINESS/COMMERCIAL/INDUSTRIAL		
4.	SPECIAL ARRANGEMENTS		
		Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.	
5.	ROAD HAULAGE		
		Sewerage being road hauled	
6.	FEES AND CHARGES IN RESPECT OF SERVICES ASSOCIATED WITH ON-SITE SANITATION SERVICES.		
7.	DISPOSAL OF SLUDGE, COMPOST AND MANURE.		
8.	SEWERAGE SUNDRY TARIFFS		
		(If any)	

NOTE: See the formula published by DWAF for the calculation of the additional charge for industrial effluent for the disposal of **high strength sewerage** to a waste water

treatment plant as set out below.

T	Extraordinary Treatment Cost to Consumer
Q	Waste water Volume discharged by consumer in kl
T	Unit Treatment cost of waste water in R/kl
COD	Total COD of water waste discharged by consumer in milligrams/litre and is inclusive of both the biodegradable and non-biodegradable portion of the COD
COD	Total COD of domestic waste water in milligrams per litre
P	Ortho-phosphate concentration of waste water discharged by consumer in milligrams per litre
P	Ortho-phosphate concentration of domestic waste water in milligrams phosphorus per litre
N	Ammonia concentration of waste water discharged by consumer in milli grams of nitrogen per litre
N	Ammonia concentration of domestic waste water in milligrams of nitrogen per litre
A	Portion of the costs directly related to COD
B	Portion of the costs directly related to the removal of phosphates
C	Portion of the costs directly related to the removal of nitrates

DIFFERENT TEMRS	VALUE
T	R0.82/
COD	600 mg/l
	10 mg/l
N	25 mg/l
A	0.6
B	0.25
C	0.15