

PROVINCIAL NOTICE

[NO. 206 OF 2011]

**NOTICE IN TERMS OF SECTION 14(2)(a)(i) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000:  
PUBLICATION: STANDARD TARIFF POLICY BY-LAW.**

I, M.G Qabathe, Member of the Executive Council responsible for Cooperative Governance, Traditional Affairs and Human Settlement in the Free State Province, after consulting the Minister of Cooperative Governance and Traditional Affairs and the South African Local Government Association: Free State, do hereby in terms of section 14(2)(a)(i) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), make standard by-laws as set out in the Schedule.

**SCHEDULE**

**Tariff Policy By-law**

**Definitions**

1. In the interpretation of these by-laws, the singular includes the plural and vice versa and the following words and expressions have the meanings assigned to them hereunder, unless such meanings are the context indicate otherwise -  
"Council" means the Council of the Municipality referred to in the Municipal Structures Act, 1998 (Act No. 117 of 1998).  
"Cost to be recovered" means the cost of purchasing, the cost of changing the product to the delivered, capital cost, administrative and support systems cost.  
"Domestic consumers" means in regard to the electricity services, includes private dwelling houses, residential flats and hostels if provided with a separate meter.  
"Bulk consumers" means in regard to the electricity service, exclude domestic consumers and relates to any consumer whose electricity demand exceeds 100 KVA per month for an uninterrupted period of 12 months.  
"Commercial and general consumers" means in regard to the electricity service, excludes domestic consumers and relates to any consumer whose maximum electricity demand is less than 100 KVA per month for a period of 12 months.  
"Municipality" means the Local Municipality established in terms of Section 12 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorised agent thereof or any employee thereof acting in connection with these by-laws by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;  
"Off-peak supply" means an electricity supply on written request to bulk consumers during off peak hours or contributed to the Council's maximum demand whichever is the greatest.  
"Temporary consumers" includes builders, carnivals, fairs, amusement parks and any consumer of a temporary nature.

**Cost of Services to be recovered**

2. (1) Council must levy charges for the delivery of services.  
(2) The levied charges must recover the cost to deliver the following services -
  - (a) Electricity;
  - (b) Refuse removal;
  - (c) Sanitation or Sewerage, or
  - (d) Water.

**Surpluses obtained**

3. The Council may obtain surpluses on the following services -
  - (a) 10% on Electricity and Water;
  - (b) 10 % on Sanitation or Sewerage and Refuse Removal.

**Services co-funded by property tax**

4. (1) Council may charge regularity tariffs to recover cost to deliver the following services:-
  - (a) Libraries;
  - (b) Cemeteries;
  - (c) Nature Reserves;
  - (d) Pleasure Resorts;
  - (e) Fire Services;
  - (f) Information Services.
- (2) Council may adjust the service charges annually with the Consumer Price Index on 1 July each year.

#### Electricity Services

5. (1) Council may provide the number of units of electricity free to indigent households as determined in its indigent policy.
- (2) Council may charge basic tariffs differentiated amongst various consumers.
- (3) Council may charge the following tariffs -
  - (a) Availability charges based on consumption, type of stands and nature of consumers.
  - (b) Consumption charges per KWH-
    - (i) Domestic Consumers;
    - (ii) Commercial and General Consumers;
    - (iii) Bulk Consumers;
    - (iv) Temporary Consumers;
    - (v) Selected bulk Consumers (up to 7% surcharge is applicable).
  - (c) Consumption charges (per KVA demand) -
    - (i) Bulk Consumers;
    - (ii) Off-peak hours;
    - (iii) Selective bulk consumer (a surcharge of 7% is applicable).
  - (d) Special charges -
    - (i) Test of meter;
    - (ii) Special reading;
    - (iii) Connection fees.
  - (e) VAT is not included in the tariffs and must and be added.
- (4) Council may lower business tariffs in line with National Electricity Regular policy and incentive schemes of Council.
- (5) All electrical supplies must be metered.

#### Refuse Removal

6. (1) Council subsidises refuse removal to the indigent households as determined in the indigent policy.
- (2) Council may charge the following rates -
  - (a) Refuse removals from private dwellings, hospitals, churches, boarding houses, sport clubs, charitable institutions: once a week per bin.
  - (b) Block of flats: per flat, three times per week
  - (c) Removal from business premises, offices, industrial premises and government institutions: per bin, five times per week
  - (d) Compacted refuse: per removal -
    - (i) Per 0.084 m<sup>3</sup>
    - (ii) Per container unit per m<sup>3</sup>
  - (e) Per mass container -
    - (i) 1,1 m<sup>3</sup> capacity
    - (ii) 5,5 m<sup>3</sup> capacity
    - (iii) 4 m<sup>3</sup> capacity
    - (iv) 750 litre capacity
    - (v) 600 litre capacity
    - (vi) 1,75 m<sup>3</sup> capacity
  - (f) Medical waste: per removal
  - (g) Renting of mass containers -
    - (i) 5,5 m<sup>3</sup> per week
    - (ii) 5,5 m<sup>3</sup> per month

- (iii) 1,75 m<sup>3</sup>; 1,1 m<sup>3</sup>; 0,75 m<sup>3</sup> and 0,6 m<sup>3</sup>: per month
- (iv) 3 m<sup>3</sup> and 3 m<sup>3</sup>: per month
- (h) Vacuum tank services -
  - (i) Special removals
  - (ii) Garden refuse
  - (iii) Building rubble or bulk refuse
- (i) Removal of dead animals.
- (j) Cleaning premises of long grass, weeds, shrubs and accumulation of refuse.
- (k) Rending cleansing services out of town.
- (l) Sale of plastic bags.
- (m) All other services for which provision has not been made.
- (n) VAT is not included and should be added.

#### Sanitation or Sewerage

- 7. (1) Council may grant a subsidy for the indigents as defined in the Indigent Policy.
- (2) Council must apply the principle of equality for this service.
- (3) Council may charge the following tariffs:
  - (a) Application fees (building plans);
  - (b) Usage charges (operational charges) differentially;
  - (c) Availability charges -
    - (i) Based on size of land;
    - (ii) Special usage.
  - (d) Work charges -
    - (i) Sealing openings;
    - (ii) Re-openings sealed;
    - (iii) Removing blockages;
    - (iv) Alterations to gullies;
    - (v) Connection to sewer;
  - (e) VAT is not included and must be added.

#### Water Services

- 8. (1) Council may provide the water free to indigent households as determined in its indigent policy.
- (2) Council may charge the following tariffs:
  - (a) Availability charges;
  - (b) Consumption charges -
    - (i) Metered supply
      - (aa) A sliding scale will be applicable to domestic consumers and will be as follows:
        - 0-6 KL;
        - 7-10 KL;
        - 11-40 KL;
        - Above 40 KL.
      - (bb) With water restrictions an increased tariff may be charged on the following sliding scale:
        - 0-6 KL;
        - 7-10 KL;
        - 11-40 KL;
        - 41-100 KL;
        - Above 100 KL.
  - (c) Metered supply -
    - (i) With water restrictions the sliding scale will be the same as mentioned in sub section (2)(b)(i)(aa).
  - (d) Metered supply: Businesses and industries
    - (i) The Council may charge a uniform tariff per KL for businesses and industries.
  - (e) Charges for connections to the main.
  - (f) Charges for connection of water supply.

- (g) Sundry charges -
  - (i) Testing of metres;
  - (ii) Special readings;
  - (iii) Any other services not mentioned;
- (h) Filling of a swimming pool.

#### **Property tax**

- 9. (1) A subsidy is granted to indigent persons as defined in the indigent Policy. Council may charge property tax on the site value only.
- (2) The different entities are charged differently on their respective valuation rolls.
- (3) Council must compile a valuation roll for the whole area so that the whole area will be charged uniformly.
- (4) Council may allow discounts on the category Grand-in -Aid to registered welfare organisations, welfare organisations which performs charitable work institution for veterans, amateur sport grounds, Boy Scouts or similar organisations and institutions defined in the Cultural Institutions Act, 1998 (Act No. 119 of 1998).
- (5) Council may place a priority on property tax for collection of revenue not exceeding 25% of the budgeted revenue.

#### **Repeal of By-Laws**

- 10. Any by-laws relating to Tariff Policies adopted by the municipality or any municipality now comprising an administrative unit of the Municipality is repealed from the date of promulgation of these by-laws.

#### **Short Title**

- 11. These By -laws are called the Tariff Policy By-law, 2011.