

# Provincial Gazette

Free State Province



# Provinsiale Koerant

Provinsie Vrystaat

Published by Authority

Uitgegee op Gesag

NO. 146 FRIDAY, 12 FEBRUARY 2016	NO. 146 VRYDAG, 12 FEBRUARIE 2016
<p style="text-align: center;"><b>PROVINCIAL NOTICES</b></p> <p><b>193</b> Notice of Application For The Amendment of The Harrismith Town Planning Scheme, 1969 In Terms Of Section 28(1) Of The Spatial Planning And Land Use Management Act 6 Of 2013.....<b>2</b></p> <p><b>194</b> Notice of Application in Terms of Section 28 of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013): Rezoning of Erven 25633 to 25642, Sasolburg Extension 62 (ChemCity), District Parys .....<b>2</b></p> <p><b>195</b> By-Elections In Terms Of Section 25(4) Of The Local Government: Municipal Structures Act, 1998: Maluti-A-Phofung Local Municipality Ward 30.....<b>3</b></p> <p><b>196</b> Publication of the Public Notice for Inspection of the Valuation Roll: Maluti-A-Phofung Municipality.....<b>3</b></p> <p><b>197</b> Standard Rates By-Law: Maluti-A-Phofung Municipality.....<b>3</b></p> <p><b>198</b> Standard Credit Control By-Laws Maluti-A-Phofung Municipality.....<b>7</b></p> <p><b>199</b> Standard Tariffs By-Laws Maluti-A-Phofung Municipality.....<b>13</b></p>	<p style="text-align: center;"><b>PROVINSIALE KENNISGEWINGS</b></p> <p><b>193</b> Kennisgewing Van Aansoek Om Wysiging Van Die Harrismith Dorpsbeplanningskema, 1969 Ingevolge Artikel 28 ( 1) Van Die Ruimtelike Beplanning En Grondgebruikbestuur Wet 6 Van 2013.....<b>2</b></p> <p><b>194</b> Kennisgewing van Aansoek Ingevolge Artikel 28 van die Ruimtelike Beplanning en Grondgebruikbestuur Wet, 2013 (Wet 16 van 2013): Hersonerig van Erwe 25633 tot 25642, Sasolburg Uitbreiding 62 (ChemCity), Distrik Parys.....<b>3</b></p> <p><b>195</b> Tussenverkiesing Ingevolge Artikel 25(4) Van Die Wet Op PlaaslikeRegering: Munisipale Strukture, 1998: Maluti-A-Phofung Plaaslike Munisipaliteit Wyk 30.....<b>3</b></p>

**[PROVINCIAL NOTICE NO.193 OF 2015]**

**NOTICE OF APPLICATION FOR THE AMENDMENT OF THE HARRISMITH TOWN PLANNING SCHEME, 1969 IN TERMS OF SECTION 28(1) OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT 6 OF 2013.**

We, Emendo Inc. Town and Regional Planners, being the authorized agent of the owner of Erf 2319, Bergsig, Harrismith, hereby give notice in terms of section 28(1) of the Spatial Planning and Land Use Management act 6 of 2013, that we have applied to Maluti a Phofung Local Municipality for the amendment of the town planning scheme known as the Harrismith Town Planning Scheme, No. 5 of 1969 by the rezoning of the property described above, from "Residential 1" to "Residential "3" for the erection of 4 Dwelling Units.

Particulars of the application will lie for inspection during normal office hours at the office of the **Manager: Spatial Development and Planning, Maluti a Phofung Local Municipality Cnr Maremohoho and Matloung Streets, for a period of 28 days from 3<sup>rd</sup> February 2016.**

Objections to or representations in respect of the application must be lodged with or made in writing to the **Manager: Spatial Development and Planning, Maluti a Phofung Local Municipality Cnr Maremohoho and Matloung Streets, for a period of 28 days from 3<sup>rd</sup> February 2016.**

**Address of authorised agent: Tshiamo Molema  
Emendo Inc.Town and  
Regional Planners  
P O Box 5438  
Meyersdal, 1447  
Tel: 011 867 1160  
Fax: 011 867 6435**

**[PROVINSIALE KENNISGEWING NR 193 VAN 2015]**

**KENNISGEWING VAN AANSOEK OM WYSIGING VAN DIE HARRISMITH DORPSBEPLANNINGSKEMA, 1969 INGEVOLGE ARTIKEL 28 ( 1 ) VAN DIE RUIMTELIKE BEPLANNING EN GRONDGEBRUIKBESTUUR Wet 6 van 2013.**

Ons, Emendo Inc Stads en Streekbeplanners , synde die gemagtigde agent van die eienaar van Erf 2319 , Bergsig , Harrismith , gee hiermee ingevolge artikel 28 ( 1 ) van die Ruimtelike Beplanning en Grondgebruikbestuur Wet 6 van 2013 , dat die ons aansoek gedoen het om 'n Munisipaliteit Phofung Plaaslike Maluti vir die wysiging van die dorpsbeplanningskema bekend as die Harrismith Dorpsbeplanningskema, No. 5 van 1969 deur die hersonering van die eiendom hierbo beskryf , vanaf "Residensieel 1 " na "Residensieel " 3 " vir die oprigting van 4 wooneenhede.

Besonderhede van die aansoek le ter insae gedurende gewone kantoorure by die kantoor van die **Bestuurder: Ruimtelike Ontwikkeling en Beplanning, Maluti a Phofung Plaaslike Munisipaliteit Hoek Maremohoho en Matloung strate , vir 'n tydperk van 28 dae vanaf 3 Februarie 2016.**

Besware teen of vertoe ten opsigte van die aansoek moet sodanige besware of vertoe skriftelik aan die **Bestuurder: Ruimtelike Ontwikkeling en Beplanning, Maluti a Phofung Plaaslike Munisipaliteit Hoek Maremohoho en Matloung strate , vir 'n tydperk van 28 dae vanaf 3 Februarie 2016.**

**Adres van gemagtigde agent: Tshiamo Molema  
Emendo Inc Town and  
Regional Planners  
PO Box 5438  
Meyersdal, 1447  
Tel: 011 867 1160  
Fax: 011 867 6435**

**[PROVINCIAL NOTICE NO.194 OF 2015]**

**NOTICE OF APPLICATION IN TERMS OF SECTION 28 OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT 16 OF 2013)**

We, Welwyn Town & Regional Planners, being the authorised agent of the owners, hereby give notice in terms of Section 28 of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) that we have applied to the Metsimaholo Local Municipality for the rezoning of Erven 25633 to 25642, Sasolburg Extension 62 (ChemCity), District Parys, Free State Province, located midblock along Carbon Street, from "Services Reserves" to "Light Industry" and the simultaneous subdivision of the erven into 80 portions that will be consolidated with adjacent erven. Subdivided portions of Erf 25642 and Erven 25367 to 25372 will be added to 9<sup>th</sup> Avenue East. The purpose of the application is to add the unusable Erven 25633-25642 to existing light industrial properties. No services are placed or planned within these stands.

Particulars of the application will lie for inspection during normal office hours at the Town Planning Department, Room 205, Metsimaholo Civic Centre, Fichardt Street, Sasolburg, for a period of 30 days from 12 February 2016. Objections to or representations in respect of the

**[PROVINSIALE KENNISGEWING NR.194 VAN 2015]**

**KENNISGEWING VAN AANSOEK INGEVOLGE ARTIKEL 28 VAN DIE RUIMTELIKE BEPLANNING EN GRONDGEBRUIKBESTUUR WET, 2013 (WET 16 VAN 2013)**

Ons, Welwyn Stads- en Streekbeplanners, synde die gemagtigde agent van die eienaars, gee hiermee ingevolge Artikel 28 van die Ruimtelike Beplanning en Grondgebruikbestuur Wet, 2013 (Wet 16 Van 2013) kennis, dat ons by die Metsimaholo Plaaslike Munisipaliteit aansoek gedoen het vir die hersonering van Erwe 25633 tot 25642, Sasolburg Uitbreiding 62 (ChemCity), Distrik Parys, Vrystaat Provinsie, geleë midblok langs Carbonweg vanaf "Diensreserwes" na "Ligte Nywerheid" en die gelyktydige onderverdeling van die erwe in 80 gedeeltes wat gekonsolideer word met aangrensende erwe. Onderverdeelde gedeeltes van Erf 25642 en Erwe 25367 tot 25372 sal by 9de Laan Oos bygevoeg word. Die doel van die aansoek is om die onbruikbare gedeeltes van Erwe 25633-25642 te voeg by die bestaande ligte industriële eiendomme. Geen dienste is binne hierdie erwe geplaas of beplan nie.

Besonderhede van die aansoek lê ter insae gedurende gewone kantoorure by die kantoor van die Stadsbeplanningsdepartement, Kamer 205, Metsimaholo Burgersentrum, Fichardtstraat, Sasolburg, vir 'n tydperk van 30 dae vanaf 12 Februarie 2016. Besware teen of vertoeë

<p>application must be lodged with or made in writing to the Local Economic Development and Planning Department, P O Box 60, Sasolburg, 1947, before or on <b>14 March 2016</b>. Any person who cannot write may during office hours come to the address stated in the notice where a staff member of the municipality will assist those persons by transcribing their objections, comments or representations. A person who submits comments, objections or representations will be notified if a hearing will be held in respect of the application. <b>Contact details of applicant: Welwyn Town and Regional Planners, P.O. Box 6436, Vanderbijlpark, 1900, Tel: (016) 933 9293. Contact details of the representative of the owners: Joggie Malherbe, <a href="mailto:joggie.malherbe@sasol.com">joggie.malherbe@sasol.com</a>, Tel: 016 960 4084.</b></p>	<p>ten opsigte van die aansoek moet voor of op <b>14 Maart 2016</b> skriftelik tot die Plaaslike Ekonomiese Ontwikkeling en Beplannings Departement, Posbus 60, Sasolburg, 1947, ingedien of gerig word. Enige persoon wat nie kan skryf nie kan gedurende kantoore by die adres vermeld in die kennisgewing, gaan waar 'n personeelid van die munisipaliteit daardie persone sal help deur transkribering van hul besware, kommentaar of versoë. 'n Persoon wat kommentaar voorlê, beswaar maak of versoë rig sal in kennis gestel word as 'n verhoor gehou word ten opsigte van die aansoek. <b>Kontak besonderhede van applikant: Welwyn Stads - en Streekbeplanners, Posbus 6436, Vanderbijlpark, 1900, Tel: (016) 933 9293. Kontak besonderhede van die verteenwoordiger van die eienaars: Joggie Malherbe, <a href="mailto:joggie.malherbe@sasol.com">joggie.malherbe@sasol.com</a>, Tel: 016 960 4084</b></p>
<p><b>[PROVINCIAL NOTICE NO. 195 OF 2015]</b></p> <p><b>BY-ELECTIONS IN TERMS OF SECTION 25(4) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 1998: MALUTI-A-PHOFUNG LOCAL MUNICIPALITY WARD 30</b></p> <p>Under the powers vested in me by section 25(4) of the Local Municipal Structures Act, 1998 (Act No 117 of 1998), I, <b>Sarah Matawana Mlamleli</b>, Member of the Executive Council responsible for Local Government in the Free State Province and after consultation with the Electoral Commission, hereby call a by-election and set 16 March 2016 as the date for the by-election to be held in Ward 30 of the Maluti-a-Phofung Local Municipality.</p>	<p><b>[PROVINSIALE KENNISGEWING NR. 195 VAN 2015]</b></p> <p><b>TUSSENVERKIESING INGEVOLGE ARTIKEL 25(4) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE STRUKTURE, 1998: MALUTI-A-PHOFUNG PLAASLIKE MUNISIPALITEIT WYK 30</b></p> <p>Kragtens die bevoegdheid my verleen by artikel 25(4) van die Wet op Plaaslike Regering: Munisipale Strukture, 1998 (Wet No. 117 van 1998), skryf ek <b>Sarah Matawana Mlamleli</b>, Lid van die Plaaslike Regering in die Vrystaat Provinsie 'n tussenverkiesing uit en bepaal ek, na oorleg met die Verkiesingskommissie, 16 Maart 2016 as die dag en datum waarop die tussenverkiesing in Wyk 30 van die Plaaslike Munisipaliteit van Maluti-a-Phofung gehou moet word</p>

**[PROVINCIAL NOTICE NO.196 OF f2015]**

**MALUTI-A-PHOFUNG MUNICIPALITY  
PUBLICATION OF THE PUBLIC NOTICE FOR INSPECTION OF THE VALUATION ROLL**

Notice is hereby given in terms of section 49 (1) (a-c) of the Local Government: Municipal Property Rates Act, No .6 of 2004, that the valuation roll is open for public inspection from **19 February 2016 to 13 April 2016**.

The valuation roll can be inspected at the Municipal website ([www.map.fs.gov.za](http://www.map.fs.gov.za)) and the following venues:

1. Maluti-a-Phofung Offices: Phuthaditjhaba
2. Maluti-a-Phofung Municipality Offices: Kestell
3. Maluti-a-Phofung Municipality Offices: Harrismith (Town) and Intabazwe
4. Harrismith Library (Town and Intabazwe)
5. Tshiambe Library
6. Setsing Library
7. Kestell Library
8. Phuthaditjhaba children's Library
9. Charles Mopeli Stadium Offices

Any person who wishes to lodge an objection in respect of any matter in, or omitted from the roll must do so by filling the objection forms which are available at the above mentioned venues. For further enquires please contact Mr S.E Mazibuko at: 0587183842 or Miss B.M Mzima at: 058 718 3762.

**ADVOCATE M.R TSUPA  
MUNICIPAL MANAGER**

-----

[PROVINCIAL NOTICE NO. 197 OF 2015]

**MALUTI-A-PHOFUNG MUNICIPALITY  
STANDARD RATES BY-LAW**

**1. OBJECTIVE**

- 1.1 In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:
- 1.1.1 the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- 1.1.2 there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
- 1.1.3 revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and
- 1.1.4 it is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation, and which takes account of historical imbalances and the burden of rates on the poor.
- 1.2 In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act no. 6 of 2004 including any regulations promulgated in terms of that Act.

**POLICY PRINCIPLES**

Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.

As allowed for in the Property Rates Act, Act 6 of 2004, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in this policy. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.

In accordance with Property Rates Act, the rates policy for the municipality is based on the following principles:

- (a) **Equity**  
The municipality will treat all ratepayers with similar properties the same.
- (b) **Affordability**  
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.
- (c) **Sustainability**  
Rating of property will be implemented in a way that:
- i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality;
  - ii. Supports local, social and economic development; and
  - iii. Secures the economic sustainability of every category of ratepayer.
- (d) **Cost efficiency**  
Rates will be based on the market value of all rateable property and will be used to fund community and subsidized services after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage disposal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

**CATEGORIES OF PROPERTIES**

Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-

- a) Residential properties;
- b) Industrial properties;
- c) Business properties;
- d) Agricultural properties;
- e) Small Holdings;
- f) State owned properties;
- g) Municipal properties;
- h) Public service infrastructure referred to in the Act;
- i) Properties owned by Public Benefit Organizations;
- j) Churches;
- k) Educational;
- l) Privately Owned Towns;
- m) Vacant Stands.

In determining the category of a property, the municipality shall take into consideration the dominant use of the property, regardless the formal zoning of the property.

Properties used for multiple purposes shall be categorized and rated as provided for in section 9 of the Property Rates Act and in terms of this policy.

**DIFFERENTIAL RATING**

Criteria for differential rating on different categories of properties will be according to:-

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- (b) The promotion of local, social and economic development of the municipality.

Differential rating among the various property categories will be done by way of:-

- (a) setting different cent amount in the rand for each property category; and
- (b) by way of reductions and rebates as provided for in this policy document.

**REGISTER OF PROPERTIES**

The municipality shall compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.

**Part A** of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.

**Part B** of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:

- i. Exemption from rates in terms of section 15 of the Property Rates Act,
- ii. Rebate or reduction in terms of section 15,
- iii. Phasing-in of rates in terms of section 21, and
- iv. Exclusions as referred to in section 17 of the Municipal Property Rates Act.

The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality. The municipality will update Part A of the register during the supplementary valuation process.

Part B of the register will be updated on an annual basis as part of the implementation of the municipality’s annual budget.

**2. IMPOSITION OF RATES**

- 2.1 The council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rateable property as recorded in the municipality’s valuation roll and supplementary valuation roll. Rateable property shall include any rights registered against such property, with the exception of a mortgage bond.
- 2.2 The council pledges itself to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates, except when the approved integrated development plan of the municipality provides for a greater increase.
- 2.3 The council shall, in imposing the rate for each financial year, take proper cognizance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership, and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region
- 2.4 The council shall further, in imposing the rate for each financial year, strive to ensure that the aggregate budgeted revenues from property rates, less revenues forgone and less any contributions to the provision for bad debts, equal at least 25% (twenty five percent) of the municipality’s aggregate budgeted net revenues for the financial year concerned. By doing so, the municipality will ensure that its revenue base and the collectability of its revenues remain sound.

**3. EXEMPTIONS, REBATES AND REDUCTIONS ON RATES**

- 3.1 In imposing the rate in the rand for each annual operating budget component, the council shall grant the following exemptions, rebates and reductions to the categories of properties and categories of owners indicated below, but the council reserves the right to amend these exemptions, rebates and reductions if the circumstances of a particular annual budget so dictate.
- 3.2 In determining whether a property forms part of a particular category indicated below, the municipality shall have regard to the actual use to which the relevant property is put. In the case of vacant land not specifically included in any of the categories indicated below, the permitted use of the property shall determine into which category it falls.
- 3.2.1 Residential properties or properties of any category used for multiple purposes a rebate of R80 000 of the market value shall be granted where the residential component represents on average 95% for developed properties.
- 3.2.2 Industrial properties 95%
- 3.2.3 Business and commercial properties 95%
- 3.2.4 Farm properties: residential component 99%
- 3.2.5 Farm properties: business and commercial component 99%
- 3.2.6 Farm properties: agricultural component 99%
- 3.2.7 Farm properties: used for no purpose 99%

3.2.8	Smallholdings: residential component	98%
3.2.9	Smallholdings: business and commercial component	95%
3.2.10	Smallholdings: industrial component	95%
3.2.11	Smallholdings: agricultural component	99%
3.2.12	State-owned properties: residential	23%
3.2.13	State-owned properties: public service infrastructure	23%
3.2.14	State-owned properties: rural area and other	23%
3.2.15	Municipal properties: residential	100%
3.2.16	Municipal properties: public service infrastructure	100%
3.2.17	Municipal properties: other	100%
3.2.18	Formal and informal settlements: all properties with a rateable value above R80 000	
3.2.20	Communal land	none
3.2.21	State trust land	none
3.2.22	Protected areas	none
3.2.23	Properties on which national monuments are situated, and where no business or commercial activities are conducted in respect of such monuments	none
3.2.24	Properties on which national monuments are situated, but where business or commercial activities are conducted in respect of such monuments	100%
3.2.25	Properties owned by public benefit organisations and used to further the objectives of such organisations.	100% of the market value up to R200 000
3.2.26	Properties belonging to a land reform beneficiary or his or her heirs for the first 10 years after the registration of the title in the office of the Registrar of Deeds	100%
3.2.27	Property registered in the name of and used primarily as a place of worship by a religious community, including an official residence	100%

*NOTE: In addition to the foregoing, the first R80 000 of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of Section 17(1)(h) of the Property Rates Act.*

- 3.3 Municipal properties shall include properties owned by municipal entities. Properties used for multiple purposes, other than those referred to under residential properties above, shall be rated on the value assigned to each component, and shall receive the rebate applicable to such component. Where one component on average represents 90% or more of the property's actual use, such property shall be rated as though it were used for that use only.
- 3.4 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:
- 3.4.1 Property owners who are both the permanent occupants and the sole owners of the properties concerned and who are registered indigent in term of the municipality's indigency management policy will get 100% rebate of the rates based on the rateable value above R80 000
- 3.4.2 Property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned, and whose aggregate household income is proved not be exceeding R2 200-00 per month, such customers will be rebated 100% of the property value.
- 3.4.3 Owners of properties being developed for approved commercial or industrial usage 90% of the rates based on the rateable value until the development is completed, 95% of the rates based on the rateable value for the municipality's financial year or part thereof immediately following the completion of the development.
- 3.5 The council grants the above rebates in recognition of the following factors:
- 3.5.1 The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they produce.
- 3.5.2 The need to accommodate indigents and less affluent pensioners.
- 3.5.3 The services provided to the community by public service organisations.
- 3.5.4 The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities.
- 3.5.5 The need to preserve the cultural heritage of the local community.
- 3.5.6 The need to encourage the expansion of public service infrastructure.
- 3.5.7 The indispensable contribution which property developers (especially In regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development.
- 3.5.8 The requirements of the Property Rates Act no. 6 of 2004.

3.6 The municipal manager shall ensure that the revenues forgone in respect of the foregoing rebates are appropriately disclosed in each annual operating budget component and in the annual financial statements and annual report, and that such rebates are also clearly indicated on the rates accounts submitted to each property owner.

#### 4. FREQUENCIES OF PAYMENTS

4.1 Payments for rates shall be made monthly on or before the date specified in each monthly property rate account.

#### 5. CORRECTIONS OF ERRORS AND OMISSIONS

5.1 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll. In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

#### 6. FREQUENCIES OF VALUATIONS

6.1 The municipality shall prepare a new valuation roll at least **every 4 (four) years** and supplementary valuation rolls every 6 (six) months.

### [PROVINCIAL NOTICE NO.198 OF 2015]

#### MALUTI-A-PHOFUNG MUNICIPALITY STANDARD CREDIT CONTROL BY-LAWS

##### 1. OBJECTIVES

- To provide for credit control procedures and mechanisms and debt collection procedures and mechanisms; and
- To ensure that all money due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, are collected efficiently and promptly.

##### 2. EXPECTED FUTURE PAYMENTS LEVELS

In terms of the **annual** budgets approved by the council, and in accordance with commonly accepted best practice, this municipality **will strive for** payment **levels, in** respect of all **monies** legitimately **owed for services rendered**– that is, inclusive of the balance of the monthly accounts payable by registered indigents – are maintained at an annual average of at least 95%.

##### 3. RECONNECTION OR REINSTATEMENT OF TERMINATED OR RESTRICTED SERVICES

Services to defaulting accountholders terminated or restricted in terms of 3 above shall be reconnected or reinstated by the municipal manager only when all the following conditions have been met:

- the arrear account has been paid in full, including the interest raised on such account, or an acceptable arrangement has been made with the municipal manager for the payment of the arrear account, including the interest raised on such account;
- the charge(s) for the notice sent in terms of 3 and for the reconnection or reinstatement of the terminated or restricted service(s), as determined by the council from time to time, have been paid in full;
- a service contract has been entered into with the municipality, as contemplated in 10 below, and
- a cash deposit has been lodged with the municipal manager in compliance with 11, such deposit to be newly determined on the basis of currently prevailing consumption and usage of services in respect of the property concerned or, if insufficient data is available in regard to such consumption, of the currently prevailing consumption and usage of services in respect of a comparable property.
- In the case of consumers using prepaid meters, but who have fallen into arrears with the remainder of their obligations to the municipality, no prepaid purchases shall be accepted until the outstanding arrears have been settled or an acceptable arrangement made for the payment of the arrear account, as contemplated above: such arrangement may entail the limitation of the amount of prepaid services which may be purchased until the arrears or a sated percentage of the arrear has been settled.

##### 4. PERIOD FOR RECONNECTIONS OR REINSTATEMENT

The municipal manager shall reconnect or reinstate terminated or restricted services within 3 (three) working days after the date on which the conditions set out in 4 have been met, unless the municipal manager is unable to do so because of circumstances beyond the control of the municipality. In the latter event the municipal manager shall promptly inform the mayor of such circumstances and of any actions required to overcome the circumstances concerned.

##### 5. RESTRICTION OF SERVICES

If the municipal manager is of the opinion that the termination of services, in the case of a particular property in respect of which the account is in arrear, is not in the best interests of the community – specifically because of the potential engagement of the life of any person, whether resident in or outside the property concerned – the municipal manager may appropriately restrict rather than terminate

the services in question. In an instant where the lives of the Municipality's official is threatened when performing his/her duty, SAPS should be involved for escort.

#### 6. SERVICES NOT RECONNECTED OR REINSTATED AFTER FOUR WEEKS

If services have been terminated or restricted in the case of a property in respect of which the account is in arrear, and the account holder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the municipal manager for the payment of the arrear account, including the interest raised on such account, within a period of 28 (twenty eight) calendar days after the date of termination or restriction of the service(s) concerned, the municipal manager shall forthwith hand such account over for collection and such further action as is deemed necessary to the municipality's attorneys or any debt collection appointed by the council. Such further action shall include if necessary the sale in execution of such property to recover arrear property rates and service charges (if the account holder is also the owner of the property). All legal expenses incurred by the municipality shall be for the account of the defaulting account holder.

#### 7. ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

Allowing **accountholders who defaulted on their normal accounts** to make arrangements for the payment of **arrears** shall be at the discretion of the municipal manager or his/her delegate.

**Maximum period within which to pay an arrear account shall be determined by the municipal manager or his/her delegates**, together with the interest raised on such account, and it shall be a condition for the conclusion of any arrangement that the account holder is bound to pay every current municipal account in full and on time during the period over which such arrangement extends. An exception to this shall only be in circumstances where the council takes a different or exceptional decision at any particular time.

If an account holder breaches any material term of an arrangement, **such eventuality will constitute default on arrangement and will then be dealt with in terms of the provisions dealing with default on arrangements as stipulated in this policy.**

An account holder who has breached an **arrangement once**, shall not be allowed to make any further arrangements for the payment of arrear accounts, but shall **henceforth be handed over to the municipality's debt collectors for further action. If the user is a tenant the owner will be held responsible for payment of any outstanding amounts.**

#### 8. ALLOCATION OF PAYMENTS AND APPROPRIATION OF DEPOSITS

If an account holder pays only of any municipal account due, the municipal manager shall allocate such payment as follows

- firstly, to any unpaid charges levied by the municipality in respect of unacceptable cheques, notices, legal expenses, reconnections or reinstatements of services in respect of the account or property concerned, and deposit water and electricity.
- secondly, to any unpaid interest raised on the account;
- thirdly, to any unpaid Electricity charges;
- fourthly, to any unpaid Water charges;
- fifthly, to any unpaid Refuse charges;
- sixthly, to any unpaid sewerage charges, and
- lastly, to any unpaid Assessment Rates charge.

This sequence of allocation shall be followed notwithstanding any instructions to the contrary given by the account holder.

In the event of an account holder's defaulting on the payment of an arrear account, as contemplated in s 6, 8 and 9, the municipal manager shall forthwith appropriate as much of such deposit as is necessary to defray any costs incurred by the municipality and the arrear amount owing to the municipality in the same sequence that is applicable to the allocation of payments, as contemplated above.

#### 9. APPLICATION FOR SERVICES

In order for an account to be opened a service agreement shall be completed in full by the applicant giving particulars that can assist in determining the ability of the applicant to settle the debts as they become due and payable. (Income vs expenses, household members dependent on this income level, identity documents or registration numbers for non-natural persons etc).

An application for supply of service to any premises within the municipality's area of jurisdiction shall be made at least one working day prior to the services being required in order to allow for sufficient time for service activation.

The municipality shall verify through its billing system that the prospective account holder/owner/spouse does not have an outstanding account in respect of another property. Should there already be an arrear account, this account will have to be settled in full before a new account can be opened.

Where indications relating to indigent status are evident during the application process, the necessary documentation (proof of income, etc) should be attached to the application for services. The Municipal Manager or his/her delegate may override the deposits requirements where an applicant is proved to be indigent based on the criteria as stipulated in the Indigent Policy.

---



A basic (availability) charge per month shall be charged for undeveloped even/property, irrespective of their permitted or intended use. The services are sewerage, water and electricity.

### 9.1 Service Agreement

The service agreement shall set out the conditions on which services are provided and shall require the applicant to note the contents of the municipality's credit control and debt collection policy, a copy of which shall be provided to such applicant, as well as the provision of the Municipal Systems Act in regard to the municipality's right of access to property.

Where the applicant is not the owner of the property to which the services are to be provided, a valid lease agreement or duly signed letter from such owner indicating that the applicant is the lawful occupant of the property shall be attached to the service contract.

Current consumers and users of the municipality's services who have not entered in a service contract as envisaged above, must do so within 12 months from the date on which the by-laws to implement the present policy are published, and failure to do so shall be considered as a default equivalent to non-payment in terms this policy.

### 9.2 Payment of Deposits

Whenever a service agreement is entered into, the applicant shall lodge a deposit with the municipality. Such deposit to be determined as follows:

#### 9.2.1 Normal Households

- For application for connection for to a normal household for household consumption, an amount equal to an average of three months consumption, or – where no such information is available – one quarter of the aggregate monetary value of the relevant service(s) provided to a comparable property over the immediately preceding 12 (twelve) month period or fixed amount predetermined as per tariff list
- In instances where the calculated deposit in terms of the procedure as stipulated above, is less than the minimum deposit, then the prevailing minimum deposit as determined in terms of the tariffs policy shall apply.
- No guarantees shall be accepted as a deposit.

#### 9.2.2 Businesses and Other entities

- All businesses shall pay an amount equal to one third (1/3) of the aggregate monetary value of the relevant service(s) provided to the property over the immediately preceding 12 (twelve) month period, or – where no such information is available – one quarter of the aggregate monetary value of the relevant service(s) provided to a comparable property over the immediately preceding 12 (twelve) month period.
- In instances where the calculated deposit in terms of the procedure as stipulated above, is less than the minimum deposit, then the prevailing minimum deposit as determined in terms of the tariffs policy shall apply.
- No guarantees shall be accepted as a deposit.

## 10. METERING OF CONSUMPTION AND BILLING OF ACCOUNTS

For the purpose of calculating the amount due and payable for the quantity of services consumed, the municipality shall take meter readings on regular intervals, at least once a month.

The Municipal Manager or his/her delegate shall ensure that accurate up-to-date customer information is maintained at all times and ensure accurate monthly billing with the application of appropriate correct tariffs and service charges.

The Municipal Manager or his/her delegate shall also ensure the timely dispatch of accounts and that adequate provision is made for efficient operation of pay facilities at dedicated municipal pay points.

Although the municipality must render an account for the amount due by a debtor, failure thereof shall not relieve a debtor of the obligation to pay any amount due on account.

## 11. FURNISHING OF CONSUMER ACCOUNTS

The municipality shall furnish each account holder with a written account, which will specify:-

- the amount due and payable for services,
- the date on or before which the amount is payable,
- description of services charged, and where possible, how the amount was calculated,
- where applicable, interest charged and the rate of interest applied.
- 

An account holder remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality. Regardless of the deposit amount held on account, accountholders are at all times obliged to pay their accounts in full on a monthly basis.

---

The consumer account served by the municipality to the accountholder / consumer, shall automatically serve as a notice for demand of payment of the stipulated amount and on or before the date of such account, failure which the municipality shall be entitled to take further action for defaulting on payment without prior notice.

## 12. ACTIONS TO SECURE PAYMENTS OF ACCOUNTS

### ➤ Normal Actions – Ordinary Accounts

In order to secure payments of accounts, the Municipal Manager or his/her delegate shall ensure that billing and accounts are rendered timeous, monthly in a cycle of approximately thirty (30) days.

The Municipal Manager or his/her delegate shall ensure that the account holder pays all the amounts due as reflected in the municipal account, i.e metered services, assessment rates, levies, fines, interest, etc. on or before due date.

In a case where certain or some accounts were not paid by due date, the Municipal Manager or his/her delegate shall order for a provisional cut-off list and age analysis reports to be generated, and ensure that there's follow up with those account holders who are in arrears telephonically or in writing demanding payments.

Where the accounts remain unpaid after the final stipulated date as per follow-up arrangements, the Municipal Manager or his/her delegate shall order that a disconnection of services be initiated accordingly.

After disconnection, regular and random checks shall be performed by the meter reading officials on the premises where supply of services has been disconnected to identify if there were illegal re-connections or not.

With regard to registered indigents whose billed consumptions exceeds the amount of subsidy provided per service category, credit control and debt collection actions may be contemplated in terms of this policy, read in conjunction with the municipality's approved Indigent Policy.

### ➤ Punitive Actions – Normal Accounts

Where there are reported signs of illegal re-connection, the Municipal Manager or his/her delegate shall order for permanent disconnection / suspension of services to such premises and immediately hand over the account to the municipality's debt collectors for further action.

After a month of disconnection, and where the account remains unpaid, and irrespective of whether there are signs of illegal connection or not, the Municipal Manager or his/her delegate shall order for handing over of the account to the municipality's debt collectors for further action.

Where payments are made via the debt collectors, the Municipal Manager or his/her delegate shall ensure that such payments are received by the municipality at least two working days before the due date to enable the payment to be processed and reflect on the subsequent consumer account. However, the onus is on the debtor to ensure that such payment is reflected on the account.

On a monthly basis, the Municipal Manager or his/her delegate shall run reports of accounts where consumption exceeds deposit and run subsequent reports showing history of accounts for three consecutive months where consumption exceeded the amount of deposit and for all accounts which, the calculated three consecutive months' consumption exceed deposit, the Municipal Manager or his/her delegate shall order that an increase in deposit be considered and notify the consumer with regard to the additional deposit required accordingly.

## 13. DEFAULT ON ARRANGEMENTS

Should the debtor default on arrangements made, services shall be disconnected or restricted and the account will immediately be handed over to the municipality's debt collectors for further action.

In the case of consumers using prepaid meters, but who have fallen into arrears with the remainder of their obligations to the municipality, no prepaid purchases shall be accepted until the outstanding arrears have been settled or an acceptable arrangement made for the payment of the arrear account. Such arrangement may entail the limitation of the amount of prepaid services which may be purchased until the arrears or a stated percentage of the arrears have been settled.

## 14. CLOSED ACCOUNTS

In cases where sufficient evidence exist as a result of credit checks processes that there are a number of previous consumer accounts associated or connected to the same consumer, the municipality may:

- **Consolidate any separate accounts of debtors liable for payments to the municipality;**
- **Credit any payment by such a debtor against any account of that debtor, and**

Implement any of the debt collection and credit control measures provided for in this policy in relation to any arrears on any of the accounts of such a debtor.

---

In cases where a closed account remain unpaid a month after the final account has been dispatched to the forward address of the account holder, such account will forthwith be handed over to the municipality's debt collectors in terms of this policy for further action.

- 15. CREDIT CONTROL AND DEBT COLLECTION PROCEDURES FOR ASSESSMENT RATES, REFUSE, SEWERAGE AND SUNDRY DEBTORS AND OTHER UNMETERED SERVICES**  
Where consumers fail to pay their accounts by the due date of every month as indicated on the statement, the municipality may, without prior notice, take further action including handing over of the account to the municipality's debt collectors and the account may be listed at a credit bureaus.
- 16. QUERIES BY ACCOUNTHOLDER**  
In the event of an accountholder reasonably querying any items on the monthly municipal account, no action shall be taken against the accountholder as contemplated in 3 provided the accountholder has paid by due date an amount equal to the monthly average monetary value of the three most recent unqueried accounts in respect of the service under query, as well as all unqueried balances on such account, and provided further such query is made in writing by the accountholder or is recorded in writing by the municipal manager on behalf of the accountholder on or before the due date for the payment of the relevant account. Any query raised by an accountholder in the circumstances contemplated in 14 below shall not constitute a reasonable query for the purposes of the present paragraph.
- 17. UNRESOLVED ACCOUNTS QUERIES**  
Should an accountholder's query relating to an account remain unresolved or satisfactory progress being reported within a period of two (2) working days since the query was lodged, the accountholder will entitled to approach the manager / senior officer responsible for accounts section to follow up on the matter.
- Should the manager / senior officer responsible for accounts section be unable to resolve the query, then the accountholder will be entitled to escalate the query to the Chief Financial Officer for resolution.
- In any event, the accountholder must be notified of the progress of the query and be furnished with reasons as to any delay and be advised of any alternatives available which may assist to resolving the query.
- 18. INABILITY TO READ METERS**  
If the municipality is unable to read any meters on any property because the meter has been rendered inaccessible through any act or omission of the accountholder or owner of the property concerned, the municipal manager shall estimate the consumption of the service concerned by determining the monthly average of the metered consumption recorded on the three most recent accounts in respect of which meter readings were obtained, and thereafter bill the accountholder for the monetary value of such estimated consumption plus a provisional surcharge of 10% of such value for the first month in which the metered reading could not be obtained, escalating to 20% in the second month, 30% in the third month, and so on by 10 percentage point for each subsequent month, until the meter is again rendered accessible.
- The accountholder shall be liable for the initial payment of such surcharge(s) as though the surcharge were of the service charge concerned, but the municipal manager shall reverse such surcharge(s) against the first account for which a meter reading is again obtained.
- 19. DISHONoured AND OTHER UNACCEPTABLE CHEQUES**  
If an accountholder tenders a cheque which is subsequently dishonoured by or is found to be unacceptable to the accountholder's bankers, the municipal manager shall – in addition to taking the steps contemplated in this policy against defaulting accountholders – charge such accountholder the penalty charge for unacceptable cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality for purposes of determining the sequence of allocations and appropriations contemplated in 12.
- 19.1 (1) Notwithstanding the provisions of any other sections of these bylaws, the owner of premises shall be liable for the payment of any amounts due and payable to the municipality and its authorized representative, after taking reasonable measures to recover any amounts due and payable by the customer from the latter, could not recover failed to do so.
- 20. DELEGATION OF RESPONSIBILITIES BY MUNICIPAL MANAGER**  
The municipal manager, including any person acting in such capacity, shall be responsible to the council for the implementation of this policy and its attendant by-laws but – without in so doing being divested of such responsibility – may delegate in writing all or any of the duties and responsibilities referred to in these by-laws to any other official or officials of the municipality, and may from time to time in writing amend or withdraw such delegation(s)
-

**21. ROLE OF MUNICIPAL MANAGER**

Section 100 of the Municipal Systems Act 2000 clearly assigns the legal responsibility for implementing the credit control and debt collection policies and by-laws to the municipal manager.

In practice, however, the municipal manager will inevitably delegate some or many of the responsibilities specifically assigned to this office in the by-laws, as it will be administratively impossible for the municipal manager to perform the numerous other functions of this office as well as attend to frequently recurring administrative responsibilities.

However, such delegation does not absolve the municipal manager from final accountability in this regard, and the municipal manager will therefore have to ensure that a proper internal reporting structure is established and consistently implemented so that the day to day actions of and results from the credit control and debt collection programme are properly monitored and supervised.

It is also integral feature of the present policy that the municipal manager shall report monthly to the executive mayor and quarterly to the council on the actions taken in terms of the by-laws, and on the payment levels for the periods concerned. Such reports shall, as soon as practicably possible, provide the required information both in aggregate and by municipal ward.

In addition, such monthly report shall indicate any administrative shortcomings, the measures taken or recommended to address such shortcomings, and any action by councilors which could reasonably be interpreted as constituting interference in the application of the by-laws.

Notwithstanding all the foregoing references to the accountability of the municipal manager in regard to these by-laws, it is incumbent on all the officials of the municipality, certainly all those who are at management level, as well as more junior officials who are directly or indirectly involved with the community and the municipality's general customer relations, to promote and support both this credit control and debt collection policy and the application of the attendant by-laws.

The responsibilities of all officials include reporting to the municipal manager any evident breaches of these by-laws, whether by members of the community, other officials or councilors of the municipality.

**22. ROLE OF COUNCILORS**

Section 99 of the Systems Act 2000 places the important legal responsibility on the executive mayor or executive committee, as the case may be, of monitoring and supervising the application of the present policy and the attendant by-laws, and of reporting to the council on the extent and success of credit control actions.

The present policy further recommends that the municipality's ward committees be actively involved in implementing the credit control and debt collection programme, and should therefore receive monthly reports on the status of the municipal manager's credit control actions. The ward committees must also actively promote the present policy, and ensure at the same time that the municipality's customer relations are of a standard acceptable to the community.

In order to maintain the credibility of the municipality in the implementation of the present policy and the attendant by-laws, it is essential that councilors should lead by example. Councilors, by adopting this policy, therefore pledge, not only their unqualified support for the policy, but their commitment to ensuring that their own accounts will at no stage fall into arrears.

**23. INTEREST ON ARREARS AND OTHER PENALTY CHARGES**

Interest shall be charged on all arrear accounts at the prevailing overdraft rate offered by the municipality's bankers (at prime rate) If the municipality uses more than one banking institution it shall for purposes of determining the interest on arrear accounts apply the overdraft rate offered by the institution with which its primary bank account is placed.

Interest shall be calculated on a daily basis. For purposes of determining arrear amounts, all amounts unpaid including interest previously raised and penalty charges, but excluding value added tax, shall be taken into account.

In considering each annual budget the council shall review the adequacy of its interest charges, and shall determine the following for the financial year concerned:

- charges for disconnection or restriction of services
- charges for reconnection or reinstatement of services
- charges for notices of default
- penalty charges for illegal reconnection
- penalty charges for dishonored cheques

**24. INDIGENCY MANAGEMENT**

In regard to the payments expected from registered indigents, and the credit control and debt collection actions contemplated in respect of such residents, this policy must be read in conjunction with the municipality's approved policy on indigency management.

---

**25. UNCOLLECTABLE ARREARS**

The effective implementation of the present policy also implies a realistic review of the municipality's debtor's book at the conclusion of each financial year. The municipal manager shall as soon as possible after 30 June each year present to the council a report indicating the amount of the arrears which it is believed is uncollectible, together with the reasons for this conclusion.

The council shall then approve the write off of such arrears, if it is satisfied with the reasons provided.

**26. ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE PRESENT POLICY**

The council shall separately consider arrears which arose prior to the adoption of the present policy, and shall advise accountholders of their respective obligations in regard to such arrears. In determining such obligations, the council shall have regard to the quantum of such arrears, to the period over which the default occurred, and to whether the accountholder concerned has registered as an indigent in terms of the municipality's policy on indigency management. The council shall further consider an incentive scheme which will appropriately encourage accountholders to settle all or a stated percentage of these arrears.

**27. BY-LAWS TO BE ADOPTED**

By-laws shall be adopted to give effect to the council's credit control and debt collection policy.

These by-laws deal severely with defaulters, and their application requires a considerable degree of commitment from the municipal manager and his or her administration, as well as from the municipality's political structures.

For these by-laws to ensure the avoidance of financial misfortunes for the municipality, and to lead to sustained financial stability, their application will have to receive the constant attention of all the municipality's key role players and decision makers. If these by-laws are not constantly and consistently applied, from month to month and from year to year, the municipality's political and administrative credibility will be severely impaired, and it may not be able to avert financial collapse in the long run.

Although these by-laws envisage even the termination of basic services for defaulting accountholders this will not in itself –no matter how harsh it may seem to those councilors and officials who are disposed to greater leniency – prevent the accumulation of arrears. The monthly billing for property rates, sewerage charges and refuse removal fees will continue in respect of defaulting accountholders, even though their consumption of electricity and water may have been terminated or restricted. The termination or restriction of services must therefore be seen merely as a vital step in the credit control programme, and the commitment by the municipality to follow up such actions with the full force of the law at the municipality's disposal is an essential further step if the accumulation of debts is to be meaningfully curtailed.

The by-laws comply with the requirements of the Municipal Systems Act 2000, the Water Services Act 1997 and the Municipal Finance Management Act 2003.

The by-laws also deal with the determination and payment of consumer deposits, and in accordance with 11 of the present policy effectively differentiate in this respect between accountholders who are both the owners and occupiers of the fixed property concerned, on the one hand, and accountholders who are tenants of such properties, on the other. This differentiation is essential if the municipality wishes to protect its interests in so far as tenants are concerned, but in any event it is not believed that a degree of differentiation imposes an unreasonable financial burden on such tenants (effectively the deposit required from owners/occupiers represents three months average consumption whereas the deposit in the case of tenants represents four months consumption).

It is not proposed that accountholders who have currently not lodged deposits should be required to do so forthwith, but only within a two year period, but that accountholders who default at any future date should be immediately obliged both to sign proper service contracts and to lodge the deposits required in terms of both such contract and the by-laws.

**[PROVINCIAL NOTICE NO.199 OF 2015]**

**MALUTI-A-PHOFUNG MUNICIPALITY  
STANDARD TARIFFS BY-LAWS**

**1. OBJECTIVE**

To ensure that, in levying of fees for services provided, there is consistency in how the tariffs are applied throughout the municipality, the needs of the indigent, aged and disabled are taken into consideration; the municipal services remain financially sustainable, affordable and equitable; and to ensure that there is consideration of the impact that tariffs will have on local economic development.

**2. POLICY PRINCIPLES**

Service tariffs imposed by the local municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigency relief measures approved by the municipality from time to time)

In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.

Tariffs for the four major services rendered by the municipality, namely:

- a) Electricity
- b) Water
- c) Sewerage (waste water)
- d) Refuse removal (solid waste),

The municipality shall as far as possible recover the expenses associated with the rendering of each service concerned. The tariff which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.

The municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the foregoing services further generate **surplus as will be determined during annual budgeting process**. Such surpluses shall be applied in relief of property rates and for the partial financing of general services or for the future capital expansion of the service concerned, or both. The modesty of such surplus shall prevent the service tariffs concerned from being viewed as concealed taxes.

In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.

The municipality's **tariffs structure** shall be transparent, and the extent to which there is cross-subsidization between categories of consumers or users shall be evident to all consumers or users of the service in question.

The municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all consumers and users affected by the tariff policy concerned.

In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.

In addition, the municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each **category of consumers** as determined in accordance with the detailed policies set out below. Generally, consumers of water and electricity shall therefore pay two charges: one, relatively minor, which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and another directly related to the consumption of the service in question.

In adopting what is fundamentally a two-part tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

It is therefore accepted that part of the municipality's tariff policy for electricity services will be to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. To this end the municipality shall therefore install demand meters to measure the maximum demand of such consumers during certain periods. Such consumers shall therefore pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.

### 3. **TARIFF DETERMINATION PROCESS**

The council shall determine and review its tariffs during the process of annual budget preparation.

Proposed tariffs will be presented to the community during Council's consultation process about the budget.

The annual tariffs per service shall be compared to the activity based costing results, to view the profitability per service and level of cross subsidization. The goal should be to, where possible, provide a cost-reflective service charge

Immediately after the Council has determined or amended a tariff, the Municipal Manager or his/her delegate must cause a notice of tariffs to be conspicuously displayed at a place installed for this purpose at all the offices of the municipality as well as at such other places within the municipal area as she / he may determine.

The notice must state:

- a) The general purpose of the resolution,
-

- b) The date on which the determination or amendment comes into operation, which date may not be earlier than 30 days after the determination or amendment,
- c) The date on which the notice is displayed,
- d) That any person who desires to object to such determination or amendment must do so in writing within 14 days after the date on which the notice was displayed, and
- e) That any person who cannot write may come during office hours to a place where a staff member of the municipality named in the notice, will assist that person to transcribe her/his objection.
- f) If no objection is lodged within the period stated in the notice the determination or amendment will come into operation on the date determined by the Council.
- g) Where an objection is lodged, the Municipality will consider every objection.

The Council may, after it has considered all objections, confirm, amend, or withdraw the determination or amendment or may determine another tariff, on the date on which the determination or amendment will come into operation.

After the Council has considered the objections it will again give notice of the determination, amendment or date as determined above and will also publish it as determined by the Council.

Tariffs and levies proposed shall be passed by the council by majority vote of its members.

#### 4. FACTORS TO BE CONSIDERED FOR TARIFF INCREASE / ADJUSTMENT

The municipality shall consider increasing or adjusting tariffs annually during the budget process in terms of the guidelines issued by National Treasury.

The following elementary factors shall be taken into account for purpose of increasing/adjusting tariffs:

- Priorities of a municipality reflected in its Integrated Development Plan.
- Revenue needs of the municipality.
- Need for management of tariffs shocks.
- Affordability of tariffs to ratepayers.
- Increase in tariffs for property rates shall be based on the market value of the property for the, therefore note should be taken that as a result of increase in market value of property due to additions/improvements or capital appreciation during the year where tariffs are adjusted, the nominal value of increment in respect of such properties will be exponentially higher than the recommended increment.

#### 5. PRICING STRATEGY FOR MAJOR SERVICES

In order to determine the tariffs which must be charged for the supply of the four major services, the municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- a) Cost of bulk purchases in the case of water and electricity.
- b) Distribution costs.
- c) Distribution losses in the case of electricity and water.
- d) Depreciation expenses.
- e) Maintenance of infrastructure and other fixed assets.
- f) Administration and service costs, including:
  - service charges levied by other departments such as finance, human resources and legal services;
  - general overheads, such as the costs associated with the office of the municipal manager;
  - adequate contributions to the provisions for bad debts and obsolescence of stock;
  - all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area
  - The intended surplus to be generated for the financial year, such surplus to be applied as an appropriation to capital reserves; and/or generally in relief of rates and general services.

*All domestic electricity and water consumers of the municipality who are registered as indigents with the municipality shall receive the first 50kWh of electricity and free 6kl of water consumed per month. The municipality shall further consider relief in respect of the tariffs for sewerage and refuse removal for such registered indigents to the extent that the council deems such relief affordable in terms of each annual budget, but on the understanding that such relief shall be discounted 100% of the monthly amount billed for the service concerned.*

Because water is a scarce national resource, and this municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed. The tariff for domestic consumption shall be based on monthly consumption of up to 6 kl (for non-indigents), more than 6 kl but not more than 12 kl, more than 12 kl but not more than 25 kl, more than 25 kl but not more than 40 kl, and more than 40 kl. Tariffs for non-domestic consumption shall be based on a single charge per kl consumed, irrespective of the volume of consumption concerned.

Tariffs for pre-paid meters shall be the same as the ordinary consumption tariffs levied on the category of consumer concerned, but no availability charge shall be levied on properties where pre-paid meters have been installed. This distinction is made in recognition of the financial advantages which pre-paid metering entails for the services in question.

## 6. ELECTRICITY TARIFFS

The various categories of electricity consumers, as set out below, shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year or as soon as possible thereafter.

Categories of consumption and charges shall be as follows:

- a) With the single exception of registered indigents, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- b) The tariff for domestic consumption of electricity shall not exceed a **pre-determined limit** per kWh of the tariff applicable to other **categories of** consumers. All other **categories of** consumers, including businesses, industries and **government**, shall pay the same tariff per kWh.
- c) A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.
- d) All domestic electricity consumers of the municipality who are registered as indigents with the municipality shall receive free the first 50kWh (fifty) of electricity consumed per month.
- e) All commercial, industrial and other non-domestic properties shall additionally be billed a monthly basic charge per meter installed and, where applicable, a demand charge appropriate to their respective levels of consumption.
- f) The local municipality's departmental electricity consumption shall be charged at cost.

## 7. WATER TARIFFS

The categories of water consumers as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year.

Categories of consumption and charges shall be:

- a) All domestic water consumers registered as indigents with the municipality shall receive free the first 6 (six) kl of water consumed per month. Thereafter a stepped tariff per kl as determined by the council from time to time shall be applicable on metered water consumption, as set out in the annual tariff list.
- b) All other domestic consumers shall be charged for actual water consumption at a stepped tariff per kl as determined by the council from time to time, and as set out in Part 3 of this policy.
- c) The tariff applicable to domestic consumption of water shall not exceed **pre-determined limit** per kl of the tariff applicable to other **categories of** consumers. All other **categories of** consumers, including businesses, industries and **government**, shall pay the same single tariff per kl, irrespective of the volume of water consumed. A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.
- d) A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.

The local municipality's departmental water consumption shall be charged at cost.

## 8. REFUSE REMOVAL TARIFFS

The categories of refuse removal users as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year.

A separate fixed monthly refuse removal charge shall apply to each of the following categories of users, based on the costs of the service concerned:

- a) Domestic and other users (once weekly removal)
- b) Business and other users (twice weekly removal)
- c) Business and other users (thrice weekly removal)
- d) Business and other (bulk consumers).

Registered indigents may receive such rebate on this charge as the council deems affordable when approving each annual budget, but on the understanding that such rebate shall be in accordance with the approved Indigent Policy and at the annual tariffs of the monthly amount billed as a refuse removal charge.

Normal tariffs shall be charged to the local municipality's departments equal to the lowest (domestic) tariff.

---



**9. SEWERAGE TARIFFS**

The categories of sewerage users as set out below shall be charged per month at the applicable tariff as approved by the council in each annual budget.

Tariff adjustments will be effective from 1 July each year.

Categories of usage and charges shall be:

- a) A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.
- b) A fixed monthly charge based on the costs of the service shall be charged for bucket removal for domestic users.

Registered indigents may receive such rebate on this charge as the council deems affordable when approving each annual budget, but on the understanding that such rebate shall be in accordance with the approved Indigent Policy and at the annual tariffs of the monthly amount billed for sewerage.

A predetermined fixed monthly charge based on the approved tariffs for this service shall be charged for domestic users.

- a) A fixed monthly charge based on the costs of the service per sewer point/toilet shall be charged to all businesses, industries and **government properties**.
- b) A fixed monthly charge per sewer point/toilet shall be charged to the local municipality's departments equal to the lowest (domestic) tariff.
- c) An effluent fee shall further be payable by factories and other industrial users where the wastewater emanating from such users requires special purification measures by the municipality. Such fees shall be based on the toxic content of the wastewater concerned and the costs of the purification.

**10. MINOR TARIFFS**

All minor tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidized by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

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

The following services shall be considered as subsidized services, and the tariffs levied shall be in accordance with the approved annual tariffs set by council for these services:

- a) burials and cemeteries
- b) rentals for the use of municipal sports facilities

The following services shall be considered as community services, and no tariffs shall be levied for their use:

- a) municipal swimming pool
- b) municipal museum and art gallery
- c) disposal of garden refuse at the municipal tip site
- d) municipal reference library
- e) municipal lending library (except for fines set out below)
- f) municipal botanical garden, and all other parks and open spaces.

The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:

- a) Maintenance of graves and garden of remembrance (cremations)
- b) Housing rentals
- c) Rentals for the use of municipal halls and other premises (subject to the proviso set out below)
- d) Building plan fees
- e) Sales of plastic refuse bags
- f) Sales of refuse bins
- g) Cleaning of stands
- h) Electricity, water, sewerage: new connection fees
- i) Sales of livestock and plants
- j) Photostat copies and fees
- k) Clearance certificates.

---

Tariffs and charges for the following items shall be considered as regulatory or punitive, and shall be deemed as appropriate and shall be determined in each annual budget:

- a) fines for lost or overdue library books
- b) advertising sign fees
- c) pound fees
- d) electricity, water: disconnection and reconnection fees
- e) penalty and other charges imposed in terms of the approved policy on credit control and debt collection
- f) penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques.

Market-related rentals shall be levied for the lease of municipal properties.

In the case of rentals for the use of municipal halls and premises, if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the municipal manager may waive 50% of the applicable rental charge.

The municipal manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields, and in so determining shall be guided by the likelihood of the municipality's sustaining damages as a result of the use of the facilities concerned.

---

**PROVINCIAL GAZETTE**  
(Published every Friday)

All correspondence, advertisements, etc. must be addressed to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, Tel.: (051) 403 3139. Free Voucher copies of the Provincial Gazette or cuttings of advertisements are NOT supplied.

**Subscription Rates (payable in advance)**

The subscription fee for the Provincial Gazette (including all Extraordinary Provincial Gazettes) are as follows:

**SUBSCRIPTION: (POST)**

PRICE PER COPY	R 27.00
HALF-YEARLY	R 678.00
YEARLY	R 1 356.00

**SUBSCRIPTION: (OVER THE COUNTER / E-MAIL)**

PRICE PER COPY	R 19.00
HALF-YEARLY	R 470.00
YEARLY	R 940.00

Stamps are not accepted

**Closing time for acceptance of copy**

All advertisements must reach the Officer in Charge of the Provincial Gazette **not later than 16:00, three workings days** prior to the publication of the Gazette. Advertisements received after that time will be held over for publication in the issue of the following week, or if desired by the advertiser, will be inserted in the current issue as a "Late Advertisement". In such case the advertisement must be delivered to the Officer in Charge **not later than 08:00 on the Tuesday** preceding the publication of the Gazette and double rate will be charged for that advertisement.

A "Late Advertisement" will not be inserted as such without definite instructions from the advertiser.

**Advertisement Rates**

Notices required by Law to be inserted in the Provincial Gazette: **R29.50** per centimeter or portion thereof, single column.

Advertisement fees are payable in advance to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, 9300, Tel.: (051) 403 3139.

**NUMBERING OF PROVINCIAL GAZETTE**

You are hereby informed that the numbering of the Provincial Gazette /Tender Bulletin and notice numbers will from 2010 coincide with the relevant financial year. In other words, the chronological numbering starting from one will commence on or after 1 April of every year.

Printed and published by the Free State Provincial Government

**PROVINSIALE KOERANT**  
(Verskyn elke Vrydag)

Alle korrespondensie, advertensies, ens. moet aan die Beampte Belas met die Provinsiale Koerant, Posbus 517, Bloemfontein, Tel.: No. (051) 403 3139 geadresseer word. Gratis eksemplare van die Provinsiale Koerant of uitknipsels van advertensies word NIE verskaf nie.

**Intekengeld (vooruitbetaalbaar)**

Die intekengeld vir die Provinsiale Koerant (insluitend alle Buitengewone Provinsiale Koerante) is soos volg:

**INTEKENGELD: (POS)**

PRYS PER EKSEMPLAAR	R 27.00
HALFJAARLIKS	R 678.00
JAARLIKS	R 1 356.00

**INTEKENGELD: (OOR DIE TOONBANK / E-POS)**

PRYS PER EKSEMPLAAR	R 19.00
HALFJAARLIKS	R 470.00
JAARLIKS	R 940.00

Seëls word nie aanvaar nie.

**Sluitingstyd vir die Aanneme van Kopie**

Alle advertensies moet die Beampte Belas met die Provinsiale Koerant bereik **nie later nie as 16:00 drie werksdae** voordat die Koerant uitgegee word. Advertensies wat na daardie tyd ontvang word, word oorgehou vir publikasie in die uitgawe van die volgende week, of as die adverteerder dit verlang, sal dit in die Koerant wat op die pers is as 'n "Laat Advertensie" geplaas word. In sulke gevalle moet die advertensie aan die Beampte oorhandig word **nie later nie as 08:00 op die Dinsdag** voordat die Koerant gepubliseer word en dubbeltarief sal vir dié advertensie gevra word.

'n "Laat Advertensie" sal nie sonder definitiewe instruksies van die Adverteerder as sodanige geplaas word nie.

**Advertensietariewe**

Kennisgewings wat volgens Wet in die Provinsiale Koerant geplaas moet word: **R29.50** per sentimeter of deel daarvan, enkel-kolom.

Advertensiegelde is vooruitbetaalbaar aan die Beampte belas met die Provinsiale Koerant, Posbus 517, Bloemfontein 9300, Tel.: (051) 403 3139.

**NOMMERING VAN PROVINSIALE KOERANT**

U word hiermee in kennis gestel dat die nommering van die Provinsiale Koerant / Tender Bulletin en kennisgewingnummers vanaf 2010 met die betrokke boekjaar sal ooreenstem. Met ander woorde, die kronologiese nommering beginnende met een, sal op of na 1 April van elke jaar begin.

Gedruk en uitgegee deur die Vrystaatse Provinsiale Regering