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# **NYANDENI LOCAL MUNICIPALITY**

**2020/21**



## **TARIFF POLICY**



## 1. **Preamble**

Section 74 of the Local Government: Municipal Systems Act 32 of 2000 states that a Municipal Council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation.

The purpose of this policy is to ensure that the municipality determines cost reflective tariffs that are considerate of the economical status of Nyandeni Local Municipality.

## 2. **Objectives**

The objectives of this policy are:

- a) To determine the tariffs, rates, charges for levying rates for rateable properties within the municipality as well as for rendering rateable municipal services.
- b) To determine tariffs that facilitates financial sustainability of provision of basic services to the communities.
- c) To ensure that tariffs, fees, levies for the maintenance of municipal services are structured with due regard to the goals and objectives of the municipality.
- d) To ensure that the tariffs are uniformly and fairly applied throughout the municipal region
- e) To ensure that the amount individual users pay for services should generally be in proportion to their use of that service;
- f) that provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users

## 3. **Keeping Tariffs Affordable.**



- The Council is keenly aware of the financial situation of most residents within the municipal area. Therefore, the Council undertakes to keep tariffs at affordable levels.
- The Council is also aware that, due to historical reasons, many residents receive services at a level higher than what they can afford.
- Council will ensure that services are delivered at an appropriate level;
- Efficiency improvements are actively pursued across the Municipality's operations;
- A performance management system is introduced to ensure that plans that are devised are actually implemented, that resources are obtained as economically as possible, used efficiently and effectively and that appropriate service delivery mechanisms are used;

#### **4. General conditions**

- The tariffs for services and property rates will be reviewed at least once during every financial year;
- The increase of tariffs shall not exceed the limits stated by National Treasury in the MTERF budget preparation circular.
- Further, the tariff for a particular service must be calculated in such a way that all relevant costs are covered. This means that a tariff for a service must include at least the capital expenditure required and interest thereon, the cost of managing and operating the service and the cost of maintaining, repairing and replacing the physical assets used in its provision.
- The tariffs shall be published in the local newspaper together with the budget of the municipality as per the requirements of the Municipal Systems Act.



- The tariffs for Property Rates shall be published in the Provincial Gazette within 30 days after final approval of the budget by the Municipal Council.
  
- 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:
  - Hall hire charges
  - Pound fees
  - Refuse removal fees
  - Cemetery fees
  - Tender fees
  - Business license fees
  - Hawker fees
  - Special consent fees
  - Rezoning fees
  - Subdivision fees
  - Building plan fees
  - Fines for transgression of municipal laws
  - Libode eco park usage fees
  - Sports field usage fees

## 5. Review

This policy shall be reviewed annually to ensure compliance with the relevant legislation.