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# TARIFFS POLICY

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**FINAL 2022-2023**

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## **PART 1: GENERAL INTRODUCTION AND OBJECTIVE**

- 1.1 A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.
- 1.2 The tariffs policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 (see part 9 of this policy).
- 1.3 In setting its annual tariffs the council shall at all times take due cognizance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

## **PART 2: GENERAL PRINCIPLES**

- 2.1 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 indigence relief measures approved by the municipality from time to time).
- 2.2 The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
- 2.3 Tariffs for the services rendered by the municipality, namely:
  - \* Rates
  - \* Refuse removal
  - \* Approval of building plans (Town Planning Tariffs)
  - \* And Other tariffs

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.

- 2.4 The municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the foregoing services further generate an operating surplus each financial year of 10% or such lesser percentage as the council of the municipality may determine at the time that the annual operating budget is approved. 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.
- 2.5 The municipality shall develop, approve and at least annually review an indigence support programme for the municipal area. This programme shall set out clearly the municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- 2.6 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.
- 2.7 The municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be evident to all consumers or users of the service in question.
- 2.8 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.
- 2.9 The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.

2.10 In addition, the municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with the detailed policies set out below

### PART 3: CALCULATION OF TARIFFS FOR SERVICES

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

- Administration and service costs, including:
- service charges levied by other departments such as finance, human resources and legal services;
- The cost of approved indigency relief measures.
- Collection costs
- Depreciation expenses; and
- Maintenance of infrastructure and other fixed assets.

### PART 4: PROPERTY RATES

4.1 Property rates will be charged in line with the Property Rates Policy and the following tariffs will be applicable on different categories:

Category of property	Cent amount in the Rand determined for the relevant property category
Residential property	0.007700 cent in a rand
Business, commercial and industrial properties	0.008700 cent in a rand
Industrial properties	0.008700 cent in a rand
Public Service Purposes	0.015400 cent in a rand
Agricultural property	0.001925 cent in a rand
Public service infrastructure property	0.001925 cent in a rand
Vacant Land	0.001925 cent in a rand
Protected Areas	Exempted
Public Benefit Organisation	Exempted
Place of Worship	Exempted
Rates Clearance certificate issue	R250

Tender documents will be charged at R650

## PART 5: REFUSE REMOVAL SERVICE

5.1 Refuse removal charges shall be charged at applicable tariffs as determined by council in each annual budget, according to the principles set out in 5.2 and 5.3 below.

5.2 Tariff adjustments shall be effective from 1 July each year.

5.3 Refuse removal charges shall be levied on the basis of the category as follows:

<b>1. Business Refuse:</b>	<b>Price</b>	<b>Monthly ( 4 x collection)</b>
<b>(i)Where refuse is accumulated for collection in approved receptacles:</b>		
-per bin/drum	R59.50 each	R238.00
-per 2.5 skip bin	R657.40 each	R2 629.60
<b>2. Schools, benevolent societies and institutions:</b>		
(i) Per bin/drum	R 41.80 each	R167.20
(ii) per 2.5 skip bin	R358.60 each	R1 434.40
<b>3. Garden, Hospitals or other bulky refuse from other than trade and manufacturing premises:</b>		
- Per bin/drum	R59.50 each	R238.00
- per 2.5 skip bin	R717.20 each	R2 868.80
<b>4. Domestic refuse (for an amount of services deemed necessary by the Council) in all areas</b>		
(i) Per dwelling house per month or part thereof	R179.30	R179.30
(ii) Per complex (regardless of number of units) per month or part thereof	R358.60	R358.60
<b>5. Clients collecting refuse with their own vehicles</b>		
(ii) Per load of tone/s or part thereof	R239 per load	R239.00

## PART 6: TOWN PLANNING AND LOCAL ECONOMIC DEVELOPMENT TARIFFS

6.1 Town planning tariffs are based on SPLUMA regulations

6.2 Tariff adjustments shall be effective from 1 July each year.

6.3 Town Planning charges shall be levied on the basis of the category as follows:

	TOWN PLANNING PROPOSED APPLICATION TARIFFS	Proposed Tariff Excl Vat	Proposed Tariff incl Vat
1	CATEGORY 1 APPLICATIONS ( MPT)		
1.1	Consideration for approval of subdivisions/consolidations	R2020.00	R2100.00
1.2	Township establishment: 0 – 20 erven Plus tariff per erf in addition to the first 20 erven.	R2020.00 + R50.50 PER ERF	R2100.00 + R52.50 PER ERF
1.3	Rezoning Applications	R2020	R2100.00
1.4	Special Consent	R2020.00	R2100.00
1.5	Removal of Restrictive Conditions of Title	R2020.00	R2100.00
1.6	Amendment or cancellation in whole or in part of a general plan.	R2020.00	R2100.00
1.7	Permanent Closure of Public Streets / Open Spaces – Administration Fee	R2020.00	R2100.00
1.8	Any consent or approval required in terms of a condition of title, a condition of establishment of a township or condition of an existing scheme or land use scheme.	R2020.00	R2100.00
2	CATEGORY 2 APPLICATIONS (AUTHORISED OFFICIAL)	R2020.00	R2100.00
2.1	Processing of Building Plans in terms of the NBR and Town Planning Clauses	R2020.00	R2100.00
2.2	Application for relaxation of building line in terms of Town Planning Clauses	R2020.00	R2100.00
2.3	Zoning certificate	R2020.00	R2100.00
2.4	Special Consent	R2020.00	R2100.00
2.5	Removal of Restrictive Conditions of Title	R2020.00	R2100.00
2.6	Amendment or cancellation in whole or in part of a general plan.	R2020.00	R2100.00
2.7	Encroachments – Administration Fee (excluding costs for any building line relaxation applications, possible leases, amendment of Title Deeds or fines)	R2020.00	R2100.00
2.8	Temporary Closure of Public Streets / Open Spaces – Administration Fee	R2020.00	R2100.00
2.9	Administration of SPLUMA Applications:		R2100.00
2.10	Land Development Applications / Development outside of scheme areas	R2020.00	R2100.00
2.11	Town Planning Applications – Advertisement Costs (if applicable)	R2020.00	R2100.00
3	OTHER TARIFFS AS PER SPECIFIC NEED (EXAMPLES: AUTHORISED OFFICIAL)		
3.1	Hearings		
3.2	Fines – as per SPLUMA Regulations		
3.3	Government Gazette notices (only in case where LM will publish)	R3030.00	R3150.00
3.4	Hard copy of SDF	R1515.00	R1575.00
3.5	Hard copy of Land Use Regulations	R303.00	R315.00
3.6	Printing costs:		
3.7	Customized product compilation fee (DVD / CD of e.g. SDF / LUS)	R202.00	R210.00
3.8	Extension of approval timeframes	R303.00	R315.00
3.9	Outdoor Advertising Bill boards	R3535.00	R3675.00
3.10	Temporary advertising signs: Banners for advertising functions or events	R30.30 per 24Hours	R31.30 per 24Hours
3.11	Posters/advertisements referring to political meetings on self-provided holders/ fixed to lamp posts	R30.30 per 24Hours	R31.30 per 24Hours
3.12	Erection of self-manufactured direction signs or advertisement boards	R 404.00 per annum	R420.00 per annum

**LOCAL ECONOMIC DEVELOPMENT TARIFFS**

PROGRAMME	PROJECT	VALUE	PERIOD
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Informal trading	Manguzi Market Rental	R300.00	Every month for a one year renewable contract
Informal trading	Informal Trading permit	R100,00	Once a year, renewable
Informal trading	Special permit	R230,00 R350,00	One to three days Once month
Business licensing	Business trading license	R230,00	Once on registration
Business licensing	Penalty for Late business license renewal	R50,00	Every month after expiry date of license
<b>DESCRIPTION OF OFFENCE</b>			<b>CHARGE FEES</b>
Trading without license			R1000.00
Hawking meal without license			R1000.00
Trading contrary to terms and conditions of license			R1000.00
Fail to produce a license on request by an authorized officer or inspector			R1000.00
Fail to comply with a condition imposed on license			R1000.00
Willfully disturb the proceedings of a licensing authority of committee of willfully threatens, hinders or obstruct a licensing authority and its staff or a member/officer in performance of his duties or the exercise of his power			R1000.00
Knowingly furnishes false or misleading information or make a statement which is false or misleading			R1000.00
Threatens or willfully hinders or obstructs an inspector or fails, refuse to comply with a lawful demand made by him			R1000.00
Willfully provide false or misleading information to a licensing authority, an appeal committee or any of its members			R1000.00

## PART 7: COMMUNITY SERVICES TARIFFS

### DISASTER MANAGEMENT TARIFFS

	<b>FIRE SERVICES</b>	Excluding VAT	Including VAT
1.	Attendance at fire in residential /non –profit premises	No charge	No charge
2.	Attendance at fire in commercial or industrial premises	R1000.00	R1150.00
3.	Attendance at private vehicle	R400.00	R445.00
4.	Attendance at good vehicle or other transportation	R1000.00	R1150.00
5.	Attendance at grass ,bush or rubbish	No charge	No charge
6.	Attendance at any grass, bush ,garden refuse or rubbish fire caused by malicious act or omission ,negligence or disregard of any law	R1000.00	R1150.00
7.	Attendance at any malicious false call caused by any malicious act or omission negligence or disregard of any law.	R2000.00	R2300.00
8.	Event management safety services /monitoring	R200.00 pp hour	R230,00 per person/per hour

### Hall Hire: R500.00

Awareness campaigns will be free if organized by government departments and other stakeholders which work with KZN271.

### Facilities Tariffs

No.	ITEM	TARIFFS
1.	Ordinary community hall (500sqm) 500seater	R500 + R500 refundable = R1000
2.	Medium multi-purpose community hall (1500sqm) to 1800 seater	R1500 + R500 refundable = R2000
3.	Large multi-purpose community hall (1500sqm) to 2500 seater	R2000 + R500 refundable = R2500
	<b>Stadium/Sport-fields</b>	
1.	Ordinary sport field	R300 + R200 refundable = R500
2.	Medium sport field	R500 + R200 refundable = R700
3.	Stadium	R1000 + R200 refundable = R1200

### TRAFFIC DEPARTMENT TAFRIFFS

Umhlabuyalingana Municipality will adopt tariffs as gazette by KZN Department of transport traffic services provided by the municipality.

### LIBRARY SERVICES TARIFFS

DESCRIPTION	AMOUNT
1. Copies :black and white	R0.50
Copies: color	R1.00
2. Printing: Leaners: black and white	R1.00
Adult's	R2.00
Printing: Color(Learners	R2.00
Printing: Color (Adult	R3.00
3. Laminating	R6.00
4. Overdue items	R1.00 per book per week: fines are determined by the system
5. Lost membership: Juveniles	R5.00
Adults	R10.00
6. Bookings- NGO'S	R250.00
7. Loss of books	It's based on the price of a book and it's deposited on DAC account.

### PART 8: MINOR TARIFFS

- 8.1 All minor tariffs shall be standardized within the municipal region.
- 8.2 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.
- 8.3 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.
- 8.4 The following services shall be considered as subsidized services, and the tariffs levied shall cover 50% or as near as possible to 50% of the annual operating expenses budgeted for the service concerned:
- rentals for the use of municipal sports facilities
- 8.5 The following services shall be considered as community services, and no tariffs shall be levied for their use: disposal of garden refuse at the municipal tip site
- municipal reference library
  - municipal lending library (except for fines set out below)
  - municipal botanical garden, and all other parks and open spaces.
- 8.6 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:
- Housing rentals
  - Rentals for the use of municipal halls
  - Market stalls
  - Sales of plastic refuse bags
  - Sales of refuse bins
  - Building plan fees
  - Cleaning of stands
  - Photostat copies and fees
  - Rates clearance certificates
  - Public toilet usage fee

- Office rentals
- Tender documents
- MPRA Valuation Reviews

8.7 Penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques.

- fines for lost or overdue library books
- advertising sign fees
- penalty and other charges imposed in terms of the approved policy on credit control and debt collection

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

8.9 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 up to 50% of the applicable rental.

8.10 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.

## **PART 9: LEGAL REQUIREMENTS**

### **LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000**

#### **PART 9.1 SECTION 74: TARIFF POLICY**

The council of a municipality must adopt and implement a tariff policy on the levying of fees for the services provided by the municipality itself or by way of service delivery agreements.

Such policy must comply with the provisions of the present Act and any other applicable legislation.

Such tariff policy must reflect at least the following principles:

- that users of municipal services must be treated equitably in the application of the municipality's tariffs;
- that the amount individual users pay for services must generally be in proportion to the use of such services;
- that poor households must have access to at least basic services through tariffs which cover only operating and maintenance costs, special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of services, or any other direct or indirect method of subsidisation of tariffs for poor households;
- that tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;
- that tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned;
- that provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
- that provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
- that the economic, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;
- that the extent of subsidisation of tariffs for poor households and other categories of users must be fully disclosed.

The tariff policy may differentiate in respect of services, service standards, service providers and other matters between different categories of users, debtors or geographical areas.

If the policy entails such differentiation, the municipality must ensure that this does not amount to unfair discrimination.

**PART 9.2 SECTION 73: GENERAL DUTY**

The municipality must give effect to the provisions of the Constitution, and in doing so give priority to the basic needs of the local community, promote the development of the local community, and ensure that all members of the local community have access to at least the minimum level of basic municipal services.

The services provided by the municipality must be: equitable and accessible; provided in a manner conducive to the prudent, economic, efficient and effective use of available resources, and the improvement of standards of quality over time; financially sustainable; environmentally sustainable; and regularly reviewed with a view to upgrading, extension and improvement.

**PART 9.3 SECTION 75: BY-LAWS TO GIVE EFFECT TO POLICY**

The council of the municipality must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.

Such by-laws may differentiate in respect of services, service standards, service providers and other matters between different categories of users, debtors or geographical areas, but in a manner which does not amount to unfair discrimination.