

THEMBISILE HANI LOCAL MUNICIPALITY



TARIFF POLICY

2025/2026

TABLE OF CONTENTS

1.	Introduction	2
2.	Property Rates	2
3.	Water.....	3
4.	Refuse Removal	3
5.	Sewerage	4
6.	General	4

1. INTRODUCTION

1.1 A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government Municipal Systems Act, 2000 (Government Gazette No. 21776, dated 20 November 2000), such policy to cover, among others, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

1.2 The tariff policy for Thembisile Hani Local Municipality has been compiled taking into account, where applicable, the guidelines set out in Section 74.

2. PROPERTY RATES

2.1 All rateable property in the Thembisile Hani Local Municipality is to be valued at least once every four years.

2.2 The rate in the rand is to be uniform throughout the municipal area unless otherwise determined by the council.

2.3 Varying rebates on assessment rates will be applied to the following categories:

- a) Farms used for agricultural purposes
- b) Pensioners, who earn less than a determined amount, are at least 60 years of age, are registered owners of the said property and have submitted proof of income to the municipality under oath.
- c) Property located in a rural area used for residential purposes. Newly rateable property as determined by section 21 of the Municipal Property Rating Act

2.4 The rate in the rand, as well as the rebates, will be determined and approved by Council when the budget and tariffs are annually submitted for consideration.

2.5 The Councils Rating Policy shall determine properties or categories of property which shall be exempt from rates. The Rates Policy shall be reviewed by Council at least once annually.

3. WATER

The broad principles used in the determination of the water tariffs are:

- 3.1 Adequate water services are provided fairly to all consumers.
- 3.2 The tariffs for water services are cost reflective.
- 3.3 All domestic water consumers registered as indigents with the municipality will receive the water consumed per month free.
- 3.4 All other domestic water consumers will be charged per flat rate or as determined from time to time by council resolution.
- 3.5 Consumers with meters will pay a tariff per kiloliter respective of the volume of water consumed.
- 3.6 Where communal water supply (standpipes) is provided, the amount of water will be measured departmentally but no charge shall be levied to those consumers.
- 3.7 The water tariff may include surcharges subject to council's approval.
- 3.8 Water reconnection charges for all consumer categories other than domestic communal will be charged at the full costs of the installation as determined from time to time.
- 3.9 Penalties on existing tariffs may be introduced during periods of water restrictions to reduce water use to remain with sustainable limits. Separate penalties for water restrictions will be approved by council during these periods.
- 3.10 The municipal departmental water consumption will be charged at cost.
- 3.11 Raw water supplied by the municipality on request shall be charged per tariff structure as approved by council resolution.
- 3.12 Approved water tariffs will be implemented on the first of July of every financial year with the months billing cycle regardless the actual meter read period or average consumption as may be determined, i.e. an increased tariff will be applicable for a twelve (12) month period.

4. REFUSE REMOVAL

The refuse removal is an economic service which means that the total costs of the service must be recovered from the consumers. The categories of refuse users will pay a fixed charge per month as approved by council in the annual budget.

- 4.1 The following categories of refuse removal consumers shall be charged at the applicable tariffs, as approved by Council at least one month before implementation, when the budget is compiled:
 - a) Domestic
 - b) Business/Industrial
 - c) Thembisile Hani Local Municipality's departments
 - d) Builders/Contractors
- 4.2 A separate fixed monthly refuse removal charge shall apply per the approved Tariff Structure.
- 4.3 Tariff adjustments will be effected from 1 July each year.
- 4.4 All domestic consumers including formalized informal housing and proclaimed rural villages, registered as indigents with the municipality will received a hundred percent (100%) rebate for the fixed monthly charge
- 4.5 The council further reserves the right to levy, at a tariff determined charge, casual consumers for the removal of bulk refuse per Ma.
- 4.6 Non-residential consumers making use of the static compactor will be charged for additional removals.
- 4.7 Refuse removal intervals may be changed from time to time and are communicated per THLM communication norms and standards.
- 4.8 The approved refuse removal tariffs will be implemented on the first of July of every financial year with the months billing cycle, i.e. an increased tariff will be applicable for a twelve (12) month period.

5 SEWERAGE

- 5.1 Adequate sewer services are provided fairly to all consumers.
- 5.2 The tariffs for sewer services are cost reflective.
- 5.3 All domestic sewer consumers registered as indigents with the municipality will receive the sewer per month free.
- 5.4 All other domestic sewer consumers will be charged per flat rate or as determined from time to time by council resolution.
- 5.5 The sewer tariff may include surcharges subject to council's approval.
- 5.6 Water reconnection charges for all consumer categories other than domestic communal will be charged at the full costs of the installation as determined from time to time.
- 5.7 Sewer suction supplied by the municipality on request shall be charged per tariff structure as approved by council resolution.
- 5.8 Approved sewer services tariffs will be implemented on the first of July of every financial year with the months billing cycle regardless of the actual meter read period or average consumption as may be determined, i.e. an increased tariff will be applicable for a twelve (12) month period.

6 GENERAL

- 6.1 Uniform rates and tariffs structures shall apply throughout Thembisile Hani's municipal area for all types of services and residents.
- 6.2 The policy of Thembisile Hani Local Municipality for Water, Refuse Removal and Sewerage shall be at least to recover all costs, and whenever appropriate to generate a 10% surplus, or such lesser percentage determined when the budget is compiled and approved by the Council.
- 6.3 The determination of rates and service tariffs shall take into account provisions for bad debts.

6.4 All minor tariffs shall be approved and implemented on an annual basis, and shall, when appropriate, be subsidized by the rates account, particularly when the tariffs will prove uneconomical when charged at cost or when cost cannot accurately be determined or when the tariff is designed purely to regulate rather than finance the use of a particular service or amenity.

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

6.6 Operating surpluses generated through the application of any tariff for any service will form part of the general operating income of the council,

6.7 All operating surpluses will at year-end be consolidated and shall accrue to the general operating surplus of the council.

6.8 Interest will be charged on all amounts outstanding for periods longer than thirty (30) days at a rate determine by credit control and debt collection policy.

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

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

- a. A report to council to consider the proposed new tariff.
- b. Public participation process to invite the local community to make representations.
- c. Final approval by council of the tariff.
- d. Council give notice of the tariff at least thirty (30) days prior the date that the tariff will become effective.

6.11 All minor tariffs shall be standardized with the municipal region.

6.12 Minor tariffs includes, but is not limited to the following:

- a) Cemetery fees
- b) Housing rentals
- c) Library fees (e.g. membership, fines, lost books)
- d) Trading licenses
- e) Rental: Halls and Stadiums
- f) Application fees for town planning and related issues
- g) Rental Sport grounds
- h) Refuse removal: mass removal
- i) Illegal Dumping
- j) Refuse bin sales
- k) Clearance certificates
- l) Connection and disconnection fees
- m) Meter installation fees
- n) Other as determined by Tariff /structure

6.13 Where the imposition of fees, tariffs or fines are not expressly mentioned in the tariff policy document, council resolution or where applicable, the tariff determination of the relevant by-laws shall apply.

7 CORRECTION OF TARIFFS

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

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

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

7.4 These corrections have a budgetary and an accounting treatment implication. To ensure that these corrections are fair and transparent to both the municipality and the customer within the principles of this policy, corrections of tariffs, levies and any other charges erroneously levied may be corrected.

