

# **DANNHAUSER MUNICIPALITY**



**DRAFT TARIFFS POLICY FOR  
2025/26**

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## 1. DEFINITIONS

**“Basic municipal services”** mean a municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment.

**“Council”** refers to the Dannhauser municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to this policy.

**“Indigent”** means any household which is responsible for the payment of services and rates, earning less than R5000.00 who qualify, according to the policy, for rebates/remissions or a services subsidy. Examples hereof include pensioners, the unemployed, the temporary employed and child-headed families who are unable to fully meet their obligations for municipal services consumed and property taxes on their monthly accounts.

**“Municipal area”** means the area in respect of which the Dannhauser municipality has executive and legislative authority as determined by the constitution and the National legislation and demarcated in terms of the Demarcation Act (Act 27 of 1998).

**“Poor households”** mean those households in the municipal area that cannot afford to pay either the entire tariff charge for the municipal services, or part of it.

**“Tariff policy”** means a policy on, the levying of fees, rates or taxes for the municipal services provided by the municipality itself, which complies with the Municipal Systems Act, 2000.

## **2. OBJECTIVES**

2.1 Rates and Tariffs represent the charges levied by Council on owners and consumers for the utilization of services provided by the Municipality and are raised in order to fund these services. Tariffs are calculated dependent upon the nature of the service being provided. They may be set in such a manner so as to recover the full cost of the service being provided or recover a part of those costs, or to bring about a surplus that can be utilized to subsidize other non-economical services.

2.2 The Objectives of the policy are:

2.2.1 To ensure that rates and tariffs of the Municipality comply with the legislation prevailing at the time of implementation.

2.2.2 To ensure that Municipal services are financially sustainable, affordable and equitable.

2.2.3 To ensure there is consistency in how the rates and tariffs are applied throughout the Municipality.

2.2.4 To ensure that the needs of the indigent are taken into account.

2.2.5 To ensure that the policy is in line with the principles outlined in section 74 of Municipal Systems Act, 2000 (Act No. 32 of 2000).

## **3. PRINCIPLES OF THE TARIFFS POLICY**

3.1 The underlying principles, which should at least be taken into account when formulating a tariff policy, are contained in Section 74 (2) of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

3.2 The Municipality shall ensure that its tariffs are uniformly and fairly applied throughout the Municipal region.

3.3 Tariffs for the major services rendered by the Municipality, namely

3.3.1 Rates

### 3.3.2 Refuse Removal (Solid waste).

3.4 Tariffs must be set at a level to facilitate financial sustainability of the service, taking into account subsidization from sources other than the service concerned.

3.5 The Municipality's tariff policy 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.

3.6 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.

3.7 The Municipality is to ensure that its tariffs shall be easily explainable and translated into languages which all consumers and users affected by the tariff policy concerned can understand.

3.8 The Municipality may differentiate between different categories of users and consumers in regard to the rates and tariffs that it levies. Such differentiation shall, however, at all times be reasonable and shall not result in unfair discrimination and shall be fully disclosed in each annual budget.

3.9 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.

3.10 In the case of registered indigents, the ability of the relevant consumers or users of the services to which such tariffs relate shall be considered. This shall be in accordance with indigency relief measures approved by the Municipality from time to time.

3.11 The Municipality shall develop, approve and at least annually review an indigency 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.

#### **4. CATEGORIES OF CONSUMERS**

4.1 Separate tariff structure may be imposed for the following categories of consumers:

4.1.1 Domestic consumers

4.1.2 Commercial consumers

4.1.3 Industrial consumers

4.1.4 Agricultural consumers

4.1.5 Consumers with whom special agreements were made

4.1.6 Consumers in certain geographical areas

4.1.7 Sport and recreation facilities

4.1.8 Educational institution

4.1.9 Public benefit organizations and such like institutions

#### **5. CALCULATION OF TARIFFS FOR SERVICES**

5.1 In order to determine the tariffs that must be charged for the supply of the services, the Municipality shall consider all the costs of operation of the services, including the following:

5.1.1 Depreciation expenses.

5.1.2 Maintenance of infrastructure and other fixed assets.

5.1.3 Administration and service costs, including:

a) Reasonable general expenses.

b) Adequate contributions to the provisions for bad debts.

c) All other ordinary operating expenses associated with the services.

5.1.4 The intended surplus to be generated for the financial year, such surplus to be applied:

a) As an appropriation to capital reserves

b) General in relief of rates and general services.

5.2. The municipality will increase all tariffs by 4.4% with effect from 1 July 2025.

## **6. LEVYING OF RATES**

6.1 The Municipality shall levy rates on all rateable property within its area, provided that it may, by resolution, grant exemptions from, rebates on or reductions in, rates levied in terms of its applicable rates policy or in terms of a national framework prescribed under the Act.

6.2 In levying rates on property the Municipality is not obliged to levy rates on properties of which it is the owner, or public service infrastructure, or on properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices.

## **REFUSE REMOVAL TARIFFS.**

7.1 Adjustments to tariffs shall be effective from 1 July each year or as soon as possible thereafter.

7.2 Refuse removal charges shall be charged monthly to the consumer according to the category applicable, based on the frequency of the service rendered.

7.3 Registered indigents may receive such discount on this charge as the council deems affordable when approving each annual budget,

but on the understanding that such discount shall not be less than 50% of the monthly amount billed as a refuse removal charge.

- 7.4 The Municipality's use of the refuse removal service shall be charged at the relevant tariff applicable to business consumers.

## **8. MINOR TARIFFS**

- 8.1 All minor tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidised 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.

- 8.2 The following services shall be considered as subsidised 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:

8.2.1 Burials and cemeteries

8.2.2 Rentals for the use of Municipal facilities

- 8.3 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.

- 8.4 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) rentals for the use of Municipal halls and other premises
- c) building plan fees
- d) Photostat copies and fees
- e) Clearance certificates.
- f) Municipal Sports Ground

8.5 The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget: a) fines for lost or overdue library books

- b) advertising sign fees
- c) pound fees
- d) penalty and other charges imposed in terms of the approved policy on credit control and debt collection

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

8.7 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.

8.8 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.

8.9 The deposit paid by the consumer for putting an advert in the municipality property will be forfeited if the client does not remove it after 5 days of the closing date for the advert.

8.10 cancellation of halls will only be accepted 3 days before the date of bookings, failure to do that will result to a penalty of 50% being charged and the hall hire payment will be forfeited.

- 8.11. A vacant land situated in Dannhauser, Hattingspruit and Durnacol that are underdeveloped for a period exceeding 24 months will be penalized at the rate of vacant land rates if its market value is under R 50 0000 and 5% of the rateable value if the market value is above R 50 000.

## **9. BY-LAWS**

In order to implement different categories of service tariffs mentioned above, the Municipality must adopt bylaws that are in line with this Policy and any other applicable Policies of the Municipality.

## **10. POLICY ADOPTION**

This policy has been considered and approved by the Council of **Dannhauser Municipality** on this day..... of ..... 2025 and will be implemented as from 1 July 2025.