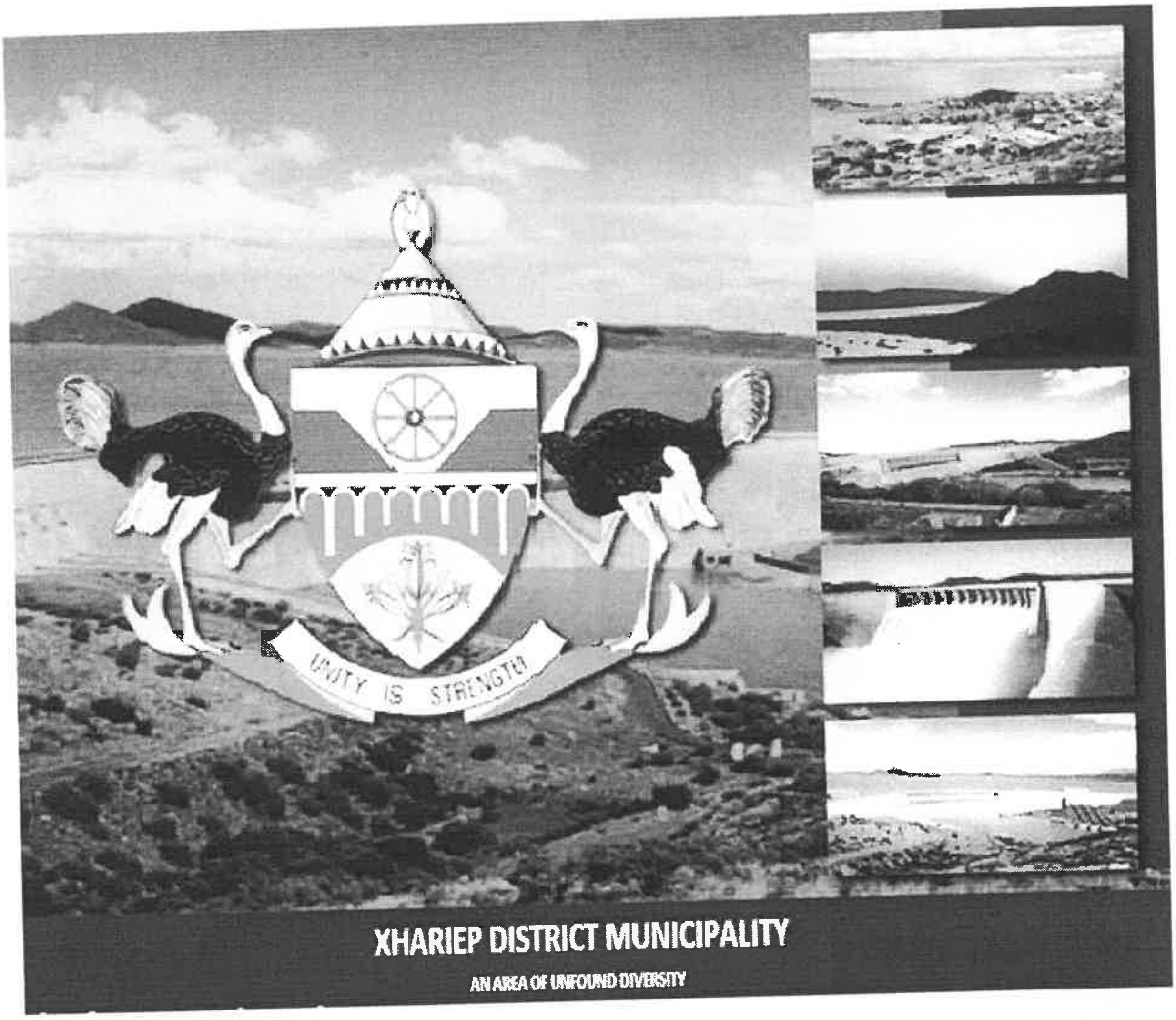


XHARIEP DISTRICT MUNICIPALITY TARIFF POLICY FOR THE 2026/27 FINANCIAL YEAR.

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003.

NATIONAL HEALTH ACT, 2003.

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## 1. INTRODUCTION

A tariff policy must be compiled, adopted and implemented in terms of the current legislation. This Policy will provide for the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. In setting its annual tariffs the Council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, the impact which its own tariffs may have on local economic development.

## 2. LEGISLATION

The municipality's **tariff policy** has been compiled in alignment with relevant legislative guidelines to ensure fairness, transparency, and financial sustainability. Specifically:

- The policy takes into account the provisions of **Section 74 of the Local Government: Municipal Systems Amendment Act, No. 44 of 2003**, which sets out the principles for tariff setting, including equity, affordability, cost-reflection, and the promotion of local economic development.
- In terms of **Environmental Health**, the **National Health Act, 2003** provides the legislative framework under which environmental health services are rendered. This includes functions such as waste management, water quality monitoring, vector control, and surveillance of premises, which are essential to public health protection.
- Furthermore, the **Local Government: Municipal Property Rates Act** guides how municipalities may levy property rates. These rates can include components related to environmental service costs, enabling municipalities to recover expenditure related to maintaining public health standards and environmental sustainability.

## 3. OBJECTIVES

The objective of the tariff policy is to ensure the following:

- The tariffs of the Municipality conform to acceptable policy principles;
- Municipal services are financially sustainable;
- There is certainty in the Council, of how the tariffs will be determined;
- Tariffs of the Municipality comply with the applicable legislation; and
- The Municipal procedures and practices are uniform and guided by a policy.

## 4. POLICY PRINCIPLES

The Municipality's tariff policy will reflect the following principles:

- Tariffs imposed by the district 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 district municipality from time to time).

- Users of municipal services should be treated equitably in the application of tariffs;
- The amount individual users pay for services should generally be in proportion to their use of that service;
- Tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;
- 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. A service is financially sustainable when it is provided in a manner that would ensure its financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing and replacing the physical assets used in its provision;
- Provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
- Provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users; and
- The economical, efficient and effective use of resources and other appropriate environmental objectives must be encouraged.

The extent of subsidisation of tariffs should be fully disclosed.

## 5. NEED FOR A TARIFF POLICY

In terms of Section 74 of the Municipal Systems Act the Council must adopt and implement a Tariff Policy that complies with the provisions of any applicable legislation on the levying of fees for Municipal services provided by or on its behalf. The Tariff Policy may differentiate between different categories of users, debtors, service provider's employees, services, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination. Section 75 of the Act requires that the Council adopt by-laws to give effect to the implementation and enforcement of its Tariff Policy. Such by-laws may differentiate between different categories of users, debtors, service providers, employees, service, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.

### 5.1 Revenue Adequacy and Certainty

The Municipality must have access to adequate sources of revenue to enable it to carry out its functions. The Municipality must:

- Fully utilise the available sources of revenue to meet its development objectives; and
- Be reasonably certain of its revenue to allow for realistic planning.

### 5.2 Sustainability

Financial sustainability requires that the Municipality must ensure that its budget balances. This means that the Municipality must ensure that:

- Services are provided at affordable levels; and
- It is able to recover the costs of service delivery.

The Municipality realises that no aid will be provided to it if it exceeds its budget or fails to establish proper financial management controls. Councillors will set realistic budgets. The current legislation requires that all budgets be fully and adequately funded. There must be sufficient income and resources to cover all budgeted spending.

### 5.3 Effective and Efficient usage of Resources

Resources are scarce and must be used in the best possible way to reap the maximum benefit for the community. However, there are no mechanisms available to ensure that the Municipality's decisions will ensure effective allocation of resources. It is therefore important that the community provide the necessary checks and balances. They can do this by participating in the budget process. In addition, performance audits should be carried out by the office of the Auditor-General or outsourced to a private firm.

### 5.4 Accountability, Transparency and Good Governance

The Municipality must be accountable to the community for the use of its resources. Councillors must be able to:

- Justify their expenditure decisions; and
- Explain why and how the revenue necessary to sustain expenditure, is raised.

Budgeting and the financial affairs of the Municipality must be open to public scrutiny, in accordance with Section 22 of the Municipal Finance Management Act No 53 of 2003. The community should be part of the decision-making process about how revenue is raised and spent. Community participation in budgeting should include those groups in the community, such as women, who face particular constraints in participating. It must also include a capacity-building component to ensure that people understand the prioritisation process (why resources are allocated to one area rather than another).

## 6. MINOR TARIFFS

All minor tariffs shall be standardized within the Municipal region. They shall be approved by the Council in each annual budget, and shall, when deemed appropriate by the council, be subsidized by 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 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:

- Rentals for the use of Municipal halls, Kitchen and Braai Area;
- Rentals for the use of Office Space and Parking Spaces /Lots;
- Sale of tender documents
- Environmental Health tariffs.

The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:

- Penalty and other charges imposed in terms of the approved policy on credit control and debt collection.
- 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 up to 100% of the applicable rental or an applicable subsidy to its Local Municipalities.

The Municipal Manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of Municipal halls and premises, 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.

## 7. CATEGORIES OF USERS

The tariff structure of the Xhariep District Municipality will make provision for the following categories of users:

- Government Departments;
- Local Municipalities;
- Special arrangements for users not falling in any of the above-mentioned categories.

## 8. TARIFF CHARGES

Applicable tariff charges for Long term Contractual Lease Agreements as prescribed by the Municipality from time to time and on regular intervals will increase by 10% of the amount stated in the contract entered into with the lessee.

8.1 Rentals for the use of Municipal halls, Kitchen and Braai Area;

- Auditorium to be rented at **R500** per day
- Side hall rental will be **R350** per day
- Kitchen rental per day will be **R400**
- Braai area will be rented at **R250** to be used only if the user has rented the Auditorium or Side Hall

8.2 Tariff charges for sale a of tender documents

- R30 000.00 to R200 000.00 – **( R 100)** a document
- R200 000.00 to R1000 000.00 - **( R 600)** a document
- R1000 000.00 Above – **( R 800)** a document

**8.3 Tariff rentals for the use of Office Space**

- Office Space be charged at **R105.00** per square meter.

**8.4 Rentals for the use of Parking Spaces /Lots**

The following monthly tariffs apply for the rental of designated parking spaces under the jurisdiction of the municipality:

| **Parking type** | **XDM Employees** | **Other occupants** |
|---|---|---|
| Parking bay with paving | R150.00 per month | |
| Lockable parking | R180.00 per month | |
| Planning parking covered with no paving | R105 per month | |
| Municipality Garage | R210 per month | |

Parking fees for XDM employees are capped at a fixed rate. The Parking fees for all other occupants are expected to increase by 5% annually.

**8.5 Environmental Health tariffs**

| **Certificate of Acceptability (FCD Act)** | **XDM Approved tariff (R)** |
|---|---|
| New application Informal. Hawkers, soup kitchens, catering | 120 |
| New application Formal. Restaurants, supermarkets, abattoirs, butcheries, guest houses, old age homes, meat process | 300 |
| New Application. Government premises, Hospitals, ECDs, Old age homes schools, prisons and holding cells | 100 |
| Tuck shops (High risk) | 300 |
| Issuing Fee (Formal) | 500 |

| | |
|---|---|
| Issuing Fee (Informal) incl. Soup kitchen/luncheon clubs/hawkers/vendors | 200 |
| Issuing fee: Tuckshops/Spaza Shops (High Risk) | 700 |
| Review Fee for all | 200 |
| Issuing Fee- Transportation of food/meat | 200 |
| Issuing Fee- Storage of food/meat | 200 |
| Re-application (Formal premises) | 500 |
| Re-application (Informal premises) | 200 |
| Re-issue of certificates | 200 |
| Request for re-inspection | 300 |
| Condemnation of foodstuffs | 150 per hour |
| Application for selling of foodstuffs during public events or catering | 300 |
| Illegal transportation of food (without a COA) | 1500 |
| Illegal transportation of Milk (without a COA) | 1500 |
| Trading without COA (Formal) | 1500 |
| Trading without COA(Informal) | 500 |
| Selling of unsafe foodstuffs (use-by, sell-by and expired) | 2000 |
| Inspection for liquor license applications | 300 |
| Illegal slaughtering of meat (except where covered by the Meat Safety Act 40 of 2000) | 1500 |
| | |
| **Health Certificates (NHA)** | |
| Application for ECD | 120 |
| Issuing Fee- ECD (Formal) | 500 |
| Issuing Fee- ECD (Informal) | 300 |
| Issuing Fee- Day care centre/Child care centre | 300 |
| Issuing Fee- Orphanage homes | 300 |
| Issuing Fee- Old age homes | 500 |
| Issuing fee-Accommodation establishments | 500 |
| Issuing Fee-Beauty salons | 300 |
| Issuing fee-Initiation Schools | 500 |
| Review Fee | 150 |
| Renewal (excl. Initiation) | 200 |
| Re-Issue of certificate | 200 |
| Request for re-inspection | 200 |
| | |
| **Certificate of Competence (NHA)** | |
| Application fee- All | 300 |

| | |
|---|---|
| Issuing fee- Funeral Parlour | 500 |
| Review Fee-All | 200 |
| Re-Inspection-All | 200 |
| Re-application | 500 |
| Issuing Fee- Government Mortuaries | 200 |
| Exhumation and re-burial of human remains | 100 per hour |
| Fine for non-compliance | 1500 |
| Operating without a COC | 1500 |
| **Vector Control (NHA)** | |
| Vector control per occurrence | 300 |
| | |
| **Environmental Pollution Control (NHA)** | |
| Wastewater spillages (Individuals/household) | 200 |
| Wastewater spillages (Industry) | 500 |
| Noise control- Commercial | 300 |
| Noise Control- Residential | 200 |

## 9. RESPONSIBILITY/ACCOUNTABILITY

The Council or designates of the Council have the overall responsibility of laying down the Tariff Policy. The Municipal Finance Management Act defines the responsibility of the Municipal manager as ensuring that the Tariff Policy be in place and that it is effectively implemented.

## 10. SHORT TITLE AND COMMENCEMENT

This document is called the Municipal Tariff Policy and takes effect from 1 July 2026.