

SC22/03/2022

FINANCES: ANNUAL BUDGET 2022/2023 FINANCIAL YEAR

5/1/14 (A)

RESOLVED BY COUNCIL

1. **THAT** the draft annual budget for the 2022/2023 MTREF for the different votes be approved as set out by the following tables attached as **ANNEXURE A**, to the Agenda:
 - 1.1 Table A1: Budget summary
 - 1.2 Table A2: Budgeted financial performance
 - 1.3 Table A3: Budget financial performance (municipal vote)
 - 1.4 Table A4: Budget financial performance by revenue source and expenditure type
 - 1.5 Table A5: Budgeted capital expenditure by vote
 - 1.6 Table A6: Budgeted financial position
 - 1.7 Table A7: Budgeted cash flows
 - 1.8 Table A8: Cash backed reserves / accumulate surplus reconciliation
 - 1.9 Table A9: Asset management
 - 1.10 Table A10: Consolidated basic service delivery measurement
2. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000, interest be recovered on amounts outstanding for periods longer than thirty (30) days on all debtor accounts at a rate equal to the prime bank overdraft rate from the bank as applicable to the bank account of the Council from time to time.
3. **THAT**, in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000 and Section 24 of the Local Government Municipal Property Rates Act (MPRA), 6 of 2004, approves and adopts with effect from 1 July 2023 that property tax be levied on the market value of all rateable properties subject to the allowed rebates, exemptions and reductions as follows:

3.1		Category	Rate Applicable	
	3.1.1	Residential	0,0115	cent in the Rand
	3.1.2	Residential : vacant, including government owned	0,0174	cent in the Rand
	3.1.3	Illegal usage	0,0346	cent in the Rand
	3.1.4	Business and commercial	0,0346	cent in the Rand
	3.1.5	Business and commercial land owned by government	0,0144	cent in the Rand
	3.1.6	Industrial	0,0264	cent in the Rand
	3.1.7	Farms including agricultural small holdings not used for business commercial / industrial purposes	0,0018	cent in the Rand

3.1.8	Farms including agricultural small holdings used for eco-tourism / trading in or hunting of game	0,0018	cent in the Rand
3.1.9	Farms including agricultural small holdings used for business commercial / industrial purposes	0,0346	cent in the Rand
3.1.10	Mining	0,0289	cent in the Rand
3.1.11	Public benefits organisations	0,0028	cent in the Rand
3.1.12	Schools including government owned / school hostels	0,0144	cent in the Rand
3.1.13	Multiple used premises according to major use:		
	Residential	0,0115	cent in the Rand
	Commercial	0,0346	cent in the Rand
	Industrial	0,0264	cent in the Rand
	Mining	0,0289	cent in the Rand
3.1.14	Privately owned towns	0,0028	cent in the Rand
3.1.15	Privately owned roads / parks / sports grounds	0,0115	cent in the Rand
3.1.16	Pensioners rebate who qualify (residential only)		
	i) 100% rebate category	0,0000	cent in the Rand
	ii) 70% rebate category	0,0034	cent in the Rand
	iii) 50% rebate category	0,0058	cent in the Rand
	iv) 20% rebate category	0,0092	cent in the Rand
3.1.17	That owners of residential properties that are 80 years and older automatically receive a 100% rebate, provided that their current account is up to date.	0,0000	cent in the Rand

3.2 Rebates in recognition of Section 15(2) of Act 6 of 2004

3.2.1 **That** for all indigent households enlisted under the Council's indigent support and free basic services scheme property rates be fully discounted and the expenditure be recovered from the proportional equitable share payment to the Council by the South African National Treasury.

3.2.2 The following rebates be allowed on properties owned by pensioners, disability grantees and/or medically boarded based on their monthly income and which are categorized as residential subject to the conditions as stipulated in the property rates policy:

Qualifying applicants:

R 0 to R 3 780,00 100% rebate on applicable tariff
R 3 720,01 to R 7 560,00 70% rebate on applicable tariff

R 7 440,01 to R11 340,00 50% rebate on applicable tariff
R11 160,01 to R15 1200,00 20% rebate on applicable tariff

That owners of residential properties that are 80 years and older automatically receive a 100% rebate, provided that their current account is up to date.

3.2.3 **That** a developers rebate of 0,0094 cent in the rand be allowed for all property where a single property becomes divided (through subdivision or township establishment) into ten (10) or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost for a period of two (2) years from the date of registration of the subdivision or the proclamation of the township or for a shorter period until the newly created units are sold off or improved before expiry of the two (2) years period.

3.2.4 **That** the following rebates may be allowed for business property developments subject to the conditions as stipulated in the property rates policy.

For properties with a municipal valuation between R2-million to R5-million:

in the first year a rebate of 100%
in the second year a rebate of 75%
in the third year a rebate of 50%; and
in the fourth year the full property tax will be payable

For properties with a municipal valuation that exceeds R5-million:

in the first year a rebate of 100%
in the second year a rebate of 100%
in the third year a rebate of 50%; and
in the fourth year the full property tax will be payable
should the municipal valuation exceed an amount of R20-million the property rates be phased in as follows:

3.2.5 **That** a rebate of 0,0038 cent in the Rand be allowed for special industry.

3.3 A phasing-in discount granted in terms of Section 21 of MPRA, Act 6 of 2004

3.3.1 **That** property rates on all newly rated property that had not previously been assessed and rated according to any valuation roll or supplementary valuation roll that applied to any area of the municipality in terms of previous legislation be phased in as follows:

- in the first financial year a rebate of 75%;
- in the second financial year a rebate of 50% of the rate;
- in the third financial year a rebate of 25% of the rate; and
- in the fourth financial year the full property tax will be payable without any rebate.

3.4 Exemptions from payment of a rate levied

- 3.4.1 **That** in terms of Section 15(1)(a) of the MPRA, Act 6 of 2004 the following categories be exempted from payment of a rate levied on their property:
- 3.4.1.1 ratable property registered in the name of a welfare organization registered in terms of the National Welfare Act, Act 100 of 1978.
 - 3.4.1.2 ratable property owned by public benefits organizations and used for any specific public benefit activity as listed in item 1,2 and 4 of part 1 of the ninth schedule to the Income Tax Act.
 - 3.4.1.3 museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not as listed in Section 6(a) and (b) of the ninth schedule to the Income Tax Act.
 - 3.4.1.4 national monuments including ancillary business activities at national monuments as listed in Section 6(a) and (b) of the ninth schedule to the Income Tax Act.
 - 3.4.1.5 ratable property registered in the name of a trustee or trustees or any organization which is being maintained for the welfare of war veterans as defined in Section 1 of the Social Aid Act (House of Assembly), Act 37 of 1989 and their families.
 - 3.4.1.6 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport.
 - 3.4.1.7 ratable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organization which is in the opinion of the municipality similar or any ratable property let by the municipality to any such organization.
 - 3.4.1.8 ratable property registered in the name of a declared institution in terms of Cultural Institutions Act, Act 119 of 1998 as amended, promoting the cultural aims as defined in Section 6(a) and (b) of the ninth schedule of the Income Tax Act.
 - 3.4.1.9 properties as specified by Section 17(1) of the act.
 - a structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and
 - buildings, structures and equipment or machinery referred to in section 46(3) of the act.
 - 3.4.1.10 on mineral rights within the meaning of paragraph (b)

under “*property*” as per Section 1 of MPRA, Act 6 of 2004.

3.4.1.11 on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten (10) years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.

3.4.1.12 on the first R30 000,00 of the market value of the property assigned in the valuation roll of a municipality to a category determined by the municipality:

(i) for residential purposes including second dwellings and duets not subject to a sectional title scheme; or

(ii) for properties used for multiple purposes, provided one or more components of the property and which forms the major part of the property, are used for residential purposes.

3.4.1.13 on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

3.4.1.14 an additional rebate of R40 000,00 on the market value of residential properties with a market value less than R300 000,00.

3.4.1.15 on the first 30% of the market value of public service infrastructure.

3.4.1.16 on those parts of a special nature reserve, national park or national reserve with meaning of protected areas act, or a national botanical garden within the meaning of National Management Biodiversity Act, 2004 which are not developed or used for commercial business, or residential agricultural purposes.

3.5 **That** all property rates as per paragraphs 3.1.1 to 3.1.16 above be subjected to value added tax at a zero rate.

4. **THAT** the fees for drainage and sewerage as published under Notice 2/1985 in the provincial gazette on 31 July 1985, as amended and in terms of the stipulations of Section 75A of the Local Government Municipal Systems Act, 32 of 2000, be approved and adopted with effect from 1 July 2021 as follows:

4.1 **That** the departmental levy on sewerage be determined at R5,17 per kilolitre of measured sewerage water effluent.

4.2 **That** all levies for drainage and sewerage as per paragraph 4.3 below be subjected to value added tax at full rate.

4.3 To have the present tariffs replaced by the following structure:

4.3.1 Monthly levy for developed residential erven

- (a) with a total area of up to 995m² R160,57
- (b) with a total area exceeding 995m²
up to 1500m² R234,32
- (c) with a total area exceeding 1500m² R375,48

4.3.2 Monthly levy on flats

- Per residential unit R210,41
- 2nd dwelling (single property) R157,27

4.3.3 Monthly levy on all church erven R375,60

4.3.4 Business and Industries

R10,75 per kilolitre metered pure water consumption per month

4.3.5 All undeveloped erven in private possession with access to the reticulation

An availability levy of R76,51 per erf per month

4.3.6 Agricultural societies and sport clubs not accommodated at the central sports grounds

R9,18 per kilolitre of metered purified water consumption per month

4.3.7 Military basis, road camps and other similar properties

R10,75 per kilolitre of metered purified water consumption per month

4.3.8 Industries and businesses where a great extent of the water consumption as determined by Council is taken up in the final product per kilolitre of the metered purified water consumption per month:

- 0 - 2000 kiloliters R4,40 per kl
- 2000 - 5000 kiloliters R2,60 per kl
- Above 5000 kiloliters R1,31 per kl

4.3.9 Hospitals, nursing homes under welfare care, schools and school hostels, nursery schools and day schools

Monthly levies as follows:

(a) Hospitals

R378,42 for each three (3) beds or portion, continuously available and R378.42 for each ten (10) personnel or portion, residential or not.

- (b) Schools and school hostels (including nursery and day schools)

R109,24 for each twenty (25) persons or portion thereof.

- (c) Nursing and maternity homes and welfare organizations

As described by the National Welfare Act, 1978, and institutions controlled by welfare organizations.

R178,0 for each ten (10) persons or portion thereof

4.3.10 Vergeet-My-Nie / Rivier Park flats

R88,29 per flat per month

4.3.11 Formalized informal housing settlements with access to biological toilets per stand (unproclaimed township)

R64,10 per month

4.3.12 Proclaimed rural townships / villages with biological toilets per stand

R64,10 per month

- 4.4 That for all indigent consumers enlisted under the Council's indigent support and free basic services scheme with the inclusion of all dwellings in the formalized informal housing settlements, no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable to Council by the South African National Treasury.

- 4.5 For all pensioners who applied and were approved for a rebate on assessment rates based on their monthly income, the same rebate be allowed on their respective residential sewerage tariffs, except Vergeet-My-Nie / Rivier Park flats:

4.5.1 Pensioners who qualify (residential)

R 0	to	R 3 780,00	100% rebate on applicable tariff
R 3 780,01	to	R 7 560,00	70% rebate on applicable tariff
R 7 460,01	to	R11 340,00	50% rebate on applicable tariff
R11 340,01	to	R15 120,00	20% rebate on applicable tariff

- 4.6 That owners of residential properties that are 80 years and older automatically receive a 100% rebate, however in case of those whose accounts are arrears be written off.

- 5. **THAT** the fees for the removal of solid waste (refuse), whether the service is delivered or not, as published under Notice No. 3/1985 in the provincial gazette of 31 July 1985, as amended and in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, approves and adopts with effect from 1 July 2021 as follows:

- 5.1 **That** the fees for the removal of solid waste as per paragraphs 5.2 to 5.4 and 5.6 to 5.8 below be subjected to value added tax at the standard rate.

5.2 Tariff of charges

5.2.1 Occasional service

For a daily service per day per refuse bin R76,68

5.2.2 Housing refuse

Erven up to 995m² and erven exceeding 995m²

by substitution of the amount of R157,42 with R160,57 and R225,31 with R234,32

5.2.3 Indigent support when a second 240l bin is required indigent support will be removed on all services.

5.2.4 Flats

by substitution of the amount of R202,32 with R210,41

5.2.5 Businesses: 1,1m³ mass container

up to three (3) times per week by substitution of the amount of R2 771,53 with R2 882,39

up to six (6) times per week by of the amount of R5 521,67 with R5 742,54

5.2.6 Businesses: Skip 6m³

up to once per week by substitution of R10 010,22 with R10 410,63

up to three (3) times per week by substitution of R20 035,96 with R20 837,40

5.2.7 Second dwelling

by substitution of the amount of R145,54 with R151,22

5.2.8 Businesses: Bins 85ℓ

by substitution of the amount of R543,94 with R565,70

5.2.9 Businesses: 1,75m³ mass containers

by substitution of the amount of R7 069,51 with R7 352,29

5.2.10 collection of garden waste (Mhluzi Nasaret, Hlalamnandi, Middelburg Ext 24 and Rockdale) once a week new tariffs of R46,80 per month introduced.

5.2.11 Businesses: 240ℓ bins

up to three (3) times per week:

by substitution of the amount of R2 020 with R2 101,21

up to six (6) times per week:

by substitution of the amount of R2 771,53 with R2 882,39

- 5.3 **That** the tariff for removal of solid waste (refuse) from the Vergeet-My-Nie / Rivier Park flats be increased from R76,72 per flat to R79,79 per flat per month.
- 5.4 **That** the tariff for formalized informal housing settlements (unproclaimed townships) be increased from R79,05 per stand per month to R82,21 per stand per month.
- 5.5 **That** the communal use tariff of R79,05 per month be increased to R 82,21 per month where refuse is removed at a communal point.
- 5.6 **That** the departmental levy for removal of solid waste (refuse) be amended as follows:
- | | |
|--------------------|------------|
| per refuse bin | R 183,55 |
| per mass container | R 3 016,82 |
- 5.7 **That** the tariff for proclaimed rural villages be increased from R79,05 per stand per month to R82,21 per stand per month.
- 5.8 **That** the static compactor levy for removal of refuse be amended as follows:
- | | |
|----------------------------------|------------|
| up to 15m ³ per month | R13 051,48 |
| up to 11m ³ per month | R10 441,18 |
| up to 10m ³ per month | R 9 571,85 |
- 5.9 **That** additional static compactor removals more than four (4) times per month be amended as follows:
- | | |
|--|-----------|
| up to 15m ³ per month per removal | R3 261,89 |
| up to 11m ³ per month per removal | R2 610,00 |
| up to 10m ³ per month per removal | R2 392,40 |
- 5.10 **That** for all indigent consumers enlisted under the Council's indigent support and free basic services scheme of all dwellings in the formalized informal housing settlement no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable to Council by the South African National Treasury.
- 5.11 **That** for all pensioners who applied and were approved for a rebate on assessment rates based on their monthly income, the same rebate be allowed on their respective refuse levies, except for Vergeet-My-Nie and Rivier Park flats:

5.11.1 Pensioners who qualify (residential)

monthly income

R 0	to	R 3 780,00	100% rebate on applicable tariff
R 3 780,01	to	R 7 560,00	70% rebate on applicable tariff
R 7 560,01	to	R11 340,00	50% rebate on applicable tariff
R11 340,01	to	R15 120,00	20% rebate on applicable tariff

That owners of residential properties that are 80 years and older automatically receive a 100% rebate, provided that their current

account is up to date.

6. **THAT** the fees for water supply as published under Notice Number 31/1986 in the provincial gazette of 10 September 1986, as amended and in terms of section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, approves and adopts with effect from 1 July 2021 as follows:

6.1 **That** the fees for water supply as per paragraphs 6.2.1 to 6.2.7 below be subjected to value added tax at standard rate.

6.2 By replacing the present tariffs by the following tariff structure:

6.2.1 All residential, single flats, church sites and residential units in group housing complexes:

(a) Where working meters were installed for metered purified water consumptions per month:

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R11,20 per kl
Above ten (10) to forty (40) kiloliters	R15,10 per kl
Above forty (40) kiloliters	R16,07 per kl

(b) Erven without working water meters which are developed and occupied:

A monthly fixed levy of R116,10 per erf per month

(c) Water leak adjustment tariff R11,19

6.2.2 All undeveloped erven with access to the reticulation network

An availability levy of R65,79 per month

6.2.3 All businesses and industries, school and school hostel sites (including nursery schools and day schools)

All monthly metered consumption of purified water at R11,94 per kilolitre.

6.2.4 Supply of raw water in all cases

Per metered monthly consumption at R11,40 per kilolitre

6.2.5 Purified water outside Council's distribution areas

According to monthly metered consumption at R16,26 per kilolitre

6.2.6 That the levy for purified effluent be determined at R3,20 cent per kilolitre

6.2.7 Water restriction tariffs

Level 1 restriction (water source below 60%)

(a) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R11,20 per kl
Above ten (10) to forty (40) kiloliters	R19,63 per kl
Above forty (40) kiloliters	R20,89 per kl

- (b) Business and industries, school and school hostel sites (including schools and day schools)

All monthly metered consumption of purified water at R15,51 per kilolitre

Level 2 restriction (water source below 40%)

- (a) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R11,20 per kl
Above ten (10) to forty (40) kiloliters	R24,17 per kl
Above forty (40) kiloliters	R25,70 per kl

- (b) Business and industries, school and school hostel sites (including nursery and day schools)

All monthly metered consumption of purified water at R19,08 per kilolitre

Level 3 restriction (water source below 20%)

- (b) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R11,20 per kl
Above ten (10) to forty (40) kiloliters	R30,18 per kl
Above forty (40) kiloliters	R32,11 per kl

- (c) Business and industries, school and school hostel sites (including schools and day schools)

All monthly metered consumption of purified water at R23,85 per kilolitre

6.2.8 That the departmental levy for purified water be determined at R5,17 per kilolitre

- 6.3 **That** for all indigent residential households enlisted under the Council's indigent support and free basic services scheme an additional four (4) kiloliters besides the first six (6) kiloliters of monthly consumption to a total of 10 kiloliters of monthly consumption be supplied free of charge and the total cost of the consumption between six (6) and up to ten (10) kiloliters be recovered from the proportional equitable share payable to Council by the South African National Treasury.

7. **THAT** the electricity tariffs for the 2021/2022 financial year be approved in that the Determination of Fees for the Supply of Electricity, promulgated under Notice No. 38 of the Provincial Gazette of 26 January 1996, in terms of the stipulations of

section 75A of the Local Government Municipal Systems Act, of 2000, approves and adopts with effect from 1 July 2021 as follows:

- 7.1 That the fees levied for electricity as per paragraphs 7.1.1 to 7.1.9 and paragraphs 7.1.11 to 7.1.14 below be subjected to Value Added Tax at the standard rate.

ELECTRICITY					
Tariff Code	<i>average increase in revenue</i>	Category	Present 2020/2021	Proposed 2022/2023	Increase (subject to NERSA approval)
			Average (12%)	Average (8%)	
			Rate	Rate	
	Domestic residential indigent consumers				
	These tariffs are applicable to all residential indigent consumers with an ampere capacity limited to 20A per phase				
501	Energy charge (kWh)				
501	Block 1 – 50 kWh	c/kWh	121,77	131,51	
	Block 51 – 350 kWh	c/kWh	159,50	172,26	
	Free basic electricity to a maximum of 50 kWh per month applies to registered indigent consumers Where more than 350 kWh is consumed during a month, the same tariff will be applied as for other domestic residential consumers				
	Domestic residential consumers				
	These tariffs are available to all residential consumers with a single or three phase connection with an ampere capacity of up to 80A per phase. This tariff consists out of a fixed and energy charge. The tariff is based on the inclining block principle, that is, the more units used, the higher the rate becomes				
	A fixed charge whether electricity is consumed or not, per month or part				

	thereof per point of supply. The amount is charged once per month				
	Single phase	R	86,68	93,61	
	Three phase	R	116,98	126,34	
	Energy charge (Single Phase)				
504	Block 1 – 50 kWh	c/kWh	125,37	135,40	
504	Block 51 – 350 kWh	c/kWh	168,93	183,52	
504	Block 351 – 600 kWh	c/kWh	220,94	238,08	
504	Block > 600 kWh	c/kWh	248,93	267,98	
	Energy charge (Three phase)				
	Block 1 – 50 kWh	c/kWh	125,37	135,40	
	Block 51 – 350 kWh	c/kWh	169,93	183,52	
	Block 351 – 600 kWh	c/kWh	220,44	238,08	
	Block > 600 kWh	c/kWh	248,13	267,98	
	Domestic residential consumers (lifeline)				
	This is a new tariff structure and is available to all residential consumers with a single or three phase connection with an ampere capacity of up to				

	40A per phase with no fixed charge. This tariff consists only out of an energy charge and will suite low to medium consumption residential consumers. The tariff is based on the inclining principle, that is, the more units used, the higher the rate becomes				
502	Block 1 – 50 kWh	c/kWh	139,26	150,40	
502	Block 51 – 350 kWh	c/kWh	192,11	207,48	
502	Block 351 – 600 kWh	c/kWh	225,61	243,66	
502	Block > 600 kWh	c/kWh	250,31	270,33	
	Business, industrial & general consumers				
	These tariffs are applicable to all business, industrial and general consumers with a single and/or three phase connection with a capacity of up to 80A per phase				
	A capacity charge whether electricity is consumed or not, per ampere of supply capacity, per month, per point of supply or part thereof				
	Single phase	R	24,20	26,14	
	Three phase	R	72,65	78,46	
524	Energy charge	c/kWh	137,17	167,75	
	Business lifeline consumers				
	These tariffs are applicable to all business lifeline consumers with a single phase connection with a capacity of up to 40A per phase. This tariff has no capacity charge				
521	Energy charge kWh	c/kWh	232,05	250,61	
	Bulk consumers - low voltage three phase demand scale (Time of				

	Use)				
	These tariffs are applicable to all bulk consumers metered at low voltage with an annual average metered load with a capacity higher than 80A per phase				
	A fixed charge, whether electricity is consumed or not per point of supply (meter point)	R	2 818,85	3044,36	
	A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	67,54	72,94	
	A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	35,49	38,33	
	An active energy charge for all kWh consumers (kWh)				
	High demand season (June, July, August)				
597001	Peak	c/kWh	511,46	552,38	
597002	Standard	c/kWh	195,65	211,30	
597003	Off-peak	c/kWh	104,56	112,92	
	Low demand season (September to May)				
597001	Peak	c/kWh	215,49	232,73	
597002	Standard	c/kWh	132,16	142,73	
597003	Off-peak	c/kWh	92,47	99,87	
	Reactive energy charge (kVA)				
	High demand season (June – August)	c/kWh	32,34	34,93	
	Bulk consumers – 11 000 Volt three phase demand scale (Time of Use)				
	These tariffs are applicable to all bulk consumers metered at medium				

	voltage where electricity is supplied at 11 000 V				
	A fixed charge whether electricity is consumed or not, per point of supply (meter point)	R	4 703,13	5079,38	
	A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	64,35	69,50	
	A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	R	33,86	36,57	
	An active energy charge for all consumers (kWh)				
	High demand season (June, July, August)				
598001	Peak	c/kWh	456,39	492,90	
598002	Standard	c/kWh	182,19	196,77	
598003	Off-peak	c/kWh	97,48	105,28	
	Low demand season (September to May)				
598001	Peak	c/kWh	201,16	217,25	
598002	Standard	c/kWh	124,15	134,08	
598003	Off-peak	c/kWh	86,33	93,24	
	Reactive energy charge (kVA)				
	High demand season (June – August)	c/kWh	30,84	33,31	
	Other bulk consumers				
	This tariff is only available to specific consumers as approved by Council resolution due to special circumstances. The following charges will be payable				
	kWh peak - equal to Eskom megaflex tariff structure plus 10%				

	kWh standard - equal to Eskom megaflex tariff structure plus 10%				
	kWh off-peak - equal to Eskom megaflex tariff structure plus 3%				
	kVA r h - equal to Eskom megaflex tariff structure				
	Street light and traffic light consumption				
569	Energy charge kWh	c/kWh	220,84	238,51	
568	Illuminated advertisement signs	c/kWh	137,84	148,87	
	Departmental levies & sport clubs				
580	This tariff is applicable to all municipal buildings, levies and sport clubs. Where time of use meters are installed the applicable tariffs as per the time of use categories as determined will apply				
	Energy charge kWh	c/kWh	220,84	238,51	
	Other charges				
	This tariff is applicable to all undeveloped erven with access to the reticulation network				
	A fixed charge per month or part thereof	R	166,22	179,52	
	Schools & welfare organizations - low voltage three phase demand scale (Time of Use)				
	This is a new tariff structure and applicable to schools and welfare organizations metered at low voltage with an annual average metered load with a capacity higher than 80A per phase Schools and welfare organizations must meet the criteria as per the rates				

	policy to qualify for this tariff structure				
	A fixed charge, whether electricity is consumed or not per point of supply (meter point)	R	2 113,36	2282,43	
595005	A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	50,67	54,72	
	A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	26,67	28,80	
	An active energy charge for all kWh consumers (kWh)				
	High demand season (June, July, August)				
595001	Peak	c/kWh	383,55	414,23	
595002	Standard	c/kWh	146,63	158,36	
595003	Off-peak	c/kWh	78,46	84,74	
	Low demand season (September to May)				
595001	Peak	c/kWh	161,63	174,56	
595002	Standard	c/kWh	99,10	107,03	
595003	Off-peak	c/kWh	69,34	74,89	
	Reactive energy charge (kVA)				
	High demand season (June – August)		24,26	26,20	
	Schools & welfare organizations – 11 000 Volt three phase demand scale (Time of Use)				
	This is a new tariff structure and applicable to schools and welfare organizations metered at medium voltage where electricity is supplied at 11 000 V. Schools and welfare organizations must meet the criteria as per the				

	rates policy to qualify for this tariff structure.				
	A fixed charge whether electricity is consumed or not, per point of supply (meter point)	R	3 574,49	3860,45	
	A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	c/kWh	48,90	52,81	
	A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays		25,73	27,79	
	An active energy charge for all consumers (kWh)				
	High demand season (June, July, August)				
	Peak	c/kWh	346,85	374,60	
	Standard	c/kWh	138,49	149,57	
	Off-peak	c/kWh	74,06	79,98	
	Low demand season (September to May)				
596001	Peak	c/kWh	152,87	165,10	
596002	Standard	c/kWh	93,77	101,27	
596003	Off-peak	c/kWh	65,60	70,85	
	Reactive energy charge (kVA)				
	High demand season (June – August)	c/kWh	22,73	24,55	
	Schools & welfare organizations				
	This is a new tariff structure and applicable to all schools and welfare organizations with a single and/or three phase connection with a capacity of up to 80A per phase. Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure. This tariff has no capacity charge.				

	Energy charge kWh	c/kWh	174,73	188,71	
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Note:

For the purpose of time of use tariffs, the defined daily time of use period throughout the year are:

Peak hours:

- (i) Weekdays 07:01 – 10:00
18:01 – 20:00
- (i) Saturdays None
- (ii) Sundays None
- (iii) Sundays 00:00 – 24:00

Off-peak hours:

- (i) Weekdays 22:01 – 06:00
- (ii) Saturdays 12:01 – 18:00
20:01 – 07:00

Standard hours:

- (i) Weekdays 06:01 – 07:00
10:01 – 18:00
- (ii) Saturdays 07:01 – 12:00
18:01 – 20:00
- (iii) Sundays None

The Director Electrical Engineering Services may impose a specific minimum load requirement for qualification for time of use tariff scales

The Director Electrical Engineering Services may impose a specific minimum load requirement for qualification for time of use tariff scales.

8. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, the adjusted sundry tariffs, value added tax inclusive, as reflected in the comments of the various heads of departments under schedule 2 be approved and adopted for implementation with effect from 1 July 2022.
9. **THAT** a rate of R160,00 per day be approved for temporary workers limited to a maximum of three (3) months, unless otherwise specified in the personnel budget and/or human resources policies.
10. **THAT** the new personnel posts and the abolishment of posts as reflected under schedule 3 be approved to be implemented with effect from 1 July 2022.
11. **THAT** the following budget-related policies both new and as amended be approved and adopted for implementation from 1 July 2022:
 - 11.1 Inventory Policy (New)
 - 11.2 Free Basic Services and Indigent Policy.
12. **THAT** the following unchanged budget-related policies be noted and be approved and adopted for implementation from 1 July 2022:
 - 12.1 Asset Management
 - 12.2 Blacklisting Policy
 - 12.3 Budget Policy.

- 12.4 Budget Virement Policy.
 - 12.5 Cost Containment Policy.
 - 12.6 Credit Control and Debt Collection Policy.
 - 12.7 Free Basic Services and Indigent Policy.
 - 12.8 Impairment of Debtors and Write-off Policy.
 - 12.9 Pay Day Policy.
 - 12.10 Petty Cash Policy.
 - 12.11 Property Rates Policy.
 - 12.12 Supply Chain Management Policy.
 - 12.13 Tariff Policy.
 - 12.14 Travelling and Subsistence Policy.
 - 12.15 Unclaimed Deposits Policy.
 - 12.16 Borrowing Policy.
 - 12.17 Contractor Development Policy.
 - 12.18 Funding & Reserves Policy.
 - 12.19 Investment of Surplus Funds Policy.
 - 12.20 Methodology for the Impairment and Assessment of useful lives of Assets Policy.
 - 12.21 Methodology – Classification and treatment of Land Policy.
 - 12.22 Methodology – Impairment of receivables Policy.
 - 12.23 Short term Risk and Liabilities Policy.
13. **THAT** the following by-laws be approved by Council for Public Participation and adoption:
- 13.1 Credit Control By-Law
 - 13.2 Customer Care and Revenue Management By-Law
 - 13.3 Property Rates By-Law
 - 13.4 Tariff By-Law
14. **THAT** the measurable performance objectives for revenue from each source as per table A4 be approved and adopted for the 2022/2023 budget year.
15. **THAT** permission be granted to the Executive Director: Financial Services to submit the draft annual budget in both printed and electronic formats to National and Provincial Treasury and upload it on National Treasury portal.

16. **THAT** permission be granted to the Executive Director :Financial Services to place the annual draft budget on the municipal website within five (5) working days from approval.
17. **THAT** permission be granted to the Executive Director: Financial Services to make the annual budget and supporting documentation with Council resolution public in terms of Section 21(A) of the Municipal Systems Act, 32 of 2000 within ten (10) workings days after Council approval.
18. **THAT** an application for the approval of the electricity tariffs be submitted to NERSA.
19. **THAT** the Executive Director: Financial Services be requested to arrange a workshop for all Councillors regarding the budget on electricity tariffs structure (Block System), water tariffs and property rates tariffs.

SC22/03/2022

FINANCES: ANNUAL BUDGET 2022/2023 FINANCIAL YEAR

5/1/14 (A)

RESOLVED BY COUNCIL

1. **THAT** the draft annual budget for the 2022/2023 MTREF for the different votes be approved as set out by the following tables attached as **ANNEXURE A**, to the Agenda:
 - 1.1 Table A1: Budget summary
 - 1.2 Table A2: Budgeted financial performance
 - 1.3 Table A3: Budget financial performance (municipal vote)
 - 1.4 Table A4: Budget financial performance by revenue source and expenditure type
 - 1.5 Table A5: Budgeted capital expenditure by vote
 - 1.6 Table A6: Budgeted financial position
 - 1.7 Table A7: Budgeted cash flows
 - 1.8 Table A8: Cash backed reserves / accumulate surplus reconciliation
 - 1.9 Table A9: Asset management
 - 1.10 Table A10: Consolidated basic service delivery measurement
2. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000, interest be recovered on amounts outstanding for periods longer than thirty (30) days on all debtor accounts at a rate equal to the prime bank overdraft rate from the bank as applicable to the bank account of the Council from time to time.
3. **THAT**, in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000 and Section 24 of the Local Government Municipal Property Rates Act (MPRA), 6 of 2004, approves and adopts with effect from 1 July 2023 that property tax be levied on the market value of all rateable properties subject to the allowed rebates, exemptions and reductions as follows:

3.1		Category	Rate Applicable	
	3.1.1	Residential	0,0115	cent in the Rand
	3.1.2	Residential : vacant, including government owned	0,0174	cent in the Rand
	3.1.3	Illegal usage	0,0346	cent in the Rand
	3.1.4	Business and commercial	0,0346	cent in the Rand
	3.1.5	Business and commercial land owned by government	0,0144	cent in the Rand
	3.1.6	Industrial	0,0264	cent in the Rand
	3.1.7	Farms including agricultural small holdings not used for business commercial / industrial purposes	0,0018	cent in the Rand
	3.1.8	Farms including agricultural small holdings used for eco-tourism / trading in or hunting of game	0,0018	cent in the Rand
	3.1.9	Farms including agricultural small holdings used for business commercial / industrial purposes	0,0346	cent in the Rand
	3.1.10	Mining	0,0289	cent in the Rand
	3.1.11	Public benefits organisations	0,0028	cent in the Rand
	3.1.12	Schools including government owned / school hostels	0,0144	cent in the Rand
	3.1.13	Multiple used premises according to major use:		
		Residential	0,0115	cent in the Rand
		Commercial	0,0346	cent in the Rand
		Industrial	0,0264	cent in the Rand
		Mining	0,0289	cent in the Rand
	3.1.14	Privately owned towns	0,0028	cent in the Rand
	3.1.15	Privately owned roads / parks / sports grounds	0,0115	cent in the Rand
	3.1.16	Pensioners rebate who qualify (residential only)		
		i) 100% rebate category	0,0000	cent in the Rand
		ii) 70% rebate category	0,0034	cent in the Rand
		iii) 50% rebate category	0,0058	cent in the Rand
		iv) 20% rebate category	0,0092	cent in the Rand
	3.1.17	That owners of residential properties that are 80 years and older automatically receive a 100% rebate, provided that their current account is up to date.	0,0000	cent in the Rand

3.2 Rebates in recognition of Section 15(2) of Act 6 of 2004

3.2.1 **That** for all indigent households enlisted under the Council's indigent support and free basic services scheme property rates be fully discounted and the expenditure be recovered from the proportional equitable share payment to the Council by the South African National Treasury.

3.2.2 The following rebates be allowed on properties owned by pensioners, disability grantees and/or medically boarded based on their monthly income and which are categorized as residential subject to the conditions as stipulated in the property rates policy:

Qualifying applicants:

R 0	to	R 3 780,00	100% rebate on applicable tariff
R 3 720,01	to	R 7 560,00	70% rebate on applicable tariff
R 7 440,01	to	R11 340,00	50% rebate on applicable tariff
R11 160,01	to	R15 1200,00	20% rebate on applicable tariff

That owners of residential properties that are 80 years and older automatically receive a 100% rebate, provided that their current account is up to date.

3.2.3 **That** a developers rebate of 0,0094 cent in the rand be allowed for all property where a single property becomes divided (through subdivision or township establishment) into ten (10) or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost for a period of two (2) years from the date of registration of the subdivision or the proclamation of the township or for a shorter period until the newly created units are sold off or improved before expiry of the two (2) years period.

3.2.4 **That** the following rebates may be allowed for business property developments subject to the conditions as stipulated in the property rates policy.

For properties with a municipal valuation between R2-million to R5-million:

in the first year a rebate of 100%
in the second year a rebate of 75%
in the third year a rebate of 50%; and
in the fourth year the full property tax will be payable

For properties with a municipal valuation that exceeds R5-million:

in the first year a rebate of 100%
in the second year a rebate of 100%
in the third year a rebate of 50%; and
in the fourth year the full property tax will be payable
should the municipal valuation exceed an amount of R20-million the property rates be phased in as follows:

3.2.5 **That** a rebate of 0,0038 cent in the Rand be allowed for special industry.

3.3 A phasing-in discount granted in terms of Section 21 of MPRA, Act 6 of 2004

3.3.1 **That** property rates on all newly rated property that had not previously been assessed and rated according to any valuation roll or supplementary valuation roll that applied to any area of the municipality in terms of previous legislation be phased in as follows:

- in the first financial year a rebate of 75%;
- in the second financial year a rebate of 50% of the rate;
- in the third financial year a rebate of 25% of the rate; and
- in the fourth financial year the full property tax will be payable without any rebate.

3.4 Exemptions from payment of a rate levied

3.4.1 **That** in terms of Section 15(1)(a) of the MPRA, Act 6 of 2004 the following categories be exempted from payment of a rate levied on their property:

3.4.1.1 ratable property registered in the name of a welfare organization registered in terms of the National Welfare Act, Act 100 of 1978.

3.4.1.2 ratable property owned by public benefits organizations and used for any specific public benefit activity as listed in item 1,2 and 4 of part 1 of the ninth schedule to the Income Tax Act.

3.4.1.3 museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not as listed in Section 6(a) and (b) of the ninth schedule to the Income Tax Act.

3.4.1.4 national monuments including ancillary business activities at national monuments as listed in Section 6(a) and (b) of the ninth schedule to the Income Tax Act.

3.4.1.5 ratable property registered in the name of a trustee or trustees or any organization which is being maintained for the welfare of war veterans as defined in Section 1 of the Social Aid Act (House of Assembly), Act 37 of 1989 and their families.

3.4.1.6 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport.

3.4.1.7 ratable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organization which is in the opinion of the municipality similar or any ratable property let by the municipality to any such organization.

- 3.4.1.8 ratable property registered in the name of a declared institution in terms of Cultural Institutions Act, Act 119 of 1998 as amended, promoting the cultural aims as defined in Section 6(a) and (b) of the ninth schedule of the Income Tax Act.
- 3.4.1.9 properties as specified by Section 17(1) of the act.
- a structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and
 - buildings, structures and equipment or machinery referred to in section 46(3) of the act.
- 3.4.1.10 on mineral rights within the meaning of paragraph (b) under “*property*” as per Section 1 of MPRA, Act 6 of 2004.
- 3.4.1.11 on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten (10) years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- 3.4.1.12 on the first R30 000,00 of the market value of the property assigned in the valuation roll of a municipality to a category determined by the municipality:
- (i) for residential purposes including second dwellings and duets not subject to a sectional title scheme; or
 - (ii) for properties used for multiple purposes, provided one or more components of the property and which forms the major part of the property, are used for residential purposes.
- 3.4.1.13 on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.
- 3.4.1.15 an additional rebate of R40 000,00 on the market value of residential properties with a market value less than R300 000,00.
- 3.4.1.15 on the first 30% of the market value of public service infrastructure.
- 3.4.1.16 on those parts of a special nature reserve, national park or national reserve with meaning of protected areas act, or a national botanical garden within the meaning of National Management Biodiversity Act, 2004 which are not developed or used for commercial business, or residential

agricultural purposes.

- 3.5 **That** all property rates as per paragraphs 3.1.1 to 3.1.16 above be subjected to value added tax at a zero rate.
4. **THAT** the fees for drainage and sewerage as published under Notice 2/1985 in the provincial gazette on 31 July 1985, as amended and in terms of the stipulations of Section 75A of the Local Government Municipal Systems Act, 32 of 2000, be approved and adopted with effect from 1 July 2021 as follows:
- 4.1 **That** the departmental levy on sewerage be determined at R5,17 per kilolitre of measured sewerage water effluent.
- 4.2 **That** all levies for drainage and sewerage as per paragraph 4.3 below be subjected to value added tax at full rate.
- 4.3 To have the present tariffs replaced by the following structure:
- 4.3.1 Monthly levy for developed residential erven
- | | |
|---|---------|
| (a) with a total area of up to 995m ² | R160,57 |
| (b) with a total area exceeding 995m ²
up to 1500m ² | R234,32 |
| (c) with a total area exceeding 1500m ² | R375,48 |
- 4.3.2 Monthly levy on flats
- | | |
|--|---------|
| Per residential unit | R210,41 |
| 2 nd dwelling (single property) | R157,27 |
- 4.3.3 Monthly levy on all church erven R375,60
- 4.3.4 Business and Industries
- R10,75 per kilolitre metered pure water consumption per month
- 4.3.5 All undeveloped erven in private possession with access to the reticulation
- An availability levy of R76,51 per erf per month
- 4.3.6 Agricultural societies and sport clubs not accommodated at the central sports grounds
- R9,18 per kilolitre of metered purified water consumption per month
- 4.3.7 Military basis, road camps and other similar properties
- R10,75 per kilolitre of metered purified water consumption per month
- 4.3.8 Industries and businesses where a great extent of the water consumption as determined by Council is taken up in the final product per kilolitre of the metered purified water consumption per month:

0 - 2000 kiloliters	R4,40 per kl
2000 - 5000 kiloliters	R2,60 per kl
Above 5000 kiloliters	R1,31 per kl

4.3.9 Hospitals, nursing homes under welfare care, schools and school hostels, nursery schools and day schools

Monthly levies as follows:

(a) Hospitals

R378,42 for each three (3) beds or portion, continuously available and R378.42 for each ten (10) personnel or portion, residential or not.

(b) Schools and school hostels (including nursery and day schools)

R109,24 for each twenty (25) persons or portion thereof.

(c) Nursing and maternity homes and welfare organizations

As described by the National Welfare Act, 1978, and institutions controlled by welfare organizations.

R178,0 for each ten (10) persons or portion thereof

4.3.10 Vergeet-My-Nie / Rivier Park flats

R88,29 per flat per month

4.3.11 Formalized informal housing settlements with access to biological toilets per stand (unproclaimed township)

R64,10 per month

4.3.12 Proclaimed rural townships / villages with biological toilets per stand

R64,10 per month

4.4 That for all indigent consumers enlisted under the Council's indigent support and free basic services scheme with the inclusion of all dwellings in the formalized informal housing settlements, no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable to Council by the South African National Treasury.

4.5 For all pensioners who applied and were approved for a rebate on assessment rates based on their monthly income, the same rebate be allowed on their respective residential sewerage tariffs, except Vergeet-My-Nie / Rivier Park flats:

4.5.1 Pensioners who qualify (residential)

R 0	to	R 3 780,00	100% rebate on applicable tariff
R 3 780,01	to	R 7 560,00	70% rebate on applicable tariff
R 7 460,01	to	R11 340,00	50% rebate on applicable tariff

R11 340,01 to R15 120,00 20% rebate on applicable tariff

- 4.6 That owners of residential properties that are 80 years and older automatically receive a 100% rebate, however in case of those whose accounts are arrears be written off.
5. **THAT** the fees for the removal of solid waste (refuse), whether the service is delivered or not, as published under Notice No. 3/1985 in the provincial gazette of 31 July 1985, as amended and in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, approves and adopts with effect from 1 July 2021 as follows:
- 5.1 **That** the fees for the removal of solid waste as per paragraphs 5.2 to 5.4 and 5.6 to 5.8 below be subjected to value added tax at the standard rate.
- 5.2 Tariff of charges
- 5.2.1 Occasional service
For a daily service per day per refuse bin R76,68
- 5.2.2 Housing refuse
Erven up to 995m² and erven exceeding 995m²
by substitution of the amount of R157,42 with R160,57 and R225,31 with R234,32
- 5.2.3 Indigent support when a second 2401 bin is required indigent support will be removed on all services.
- 5.2.4 Flats
by substitution of the amount of R202,32 with R210,41
- 5.2.5 Businesses: 1,1m³ mass container
up to three (3) times per week by substitution of the amount of R2 771,53 with R2 882,39
up to six (6) times per week by of the amount of R5 521,67 with R5 742,54
- 5.2.6 Businesses: Skip 6m³
up to once per week by substitution of R10 010,22 with R10 410,63
up to three (3) times per week by substitution of R20 035,96 with R20 837,40
- 5.2.7 Second dwelling
by substitution of the amount of R145,54 with R151,22
- 5.2.8 Businesses: Bins 85ℓ
by substitution of the amount of R543,94 with R565,70

- 5.2.9 Businesses: 1,75m³ mass containers
by substitution of the amount of R7 069,51 with R7 352,29
- 5.2.10 collection of garden waste (Mhluzi Nasaret, Hlalamnandi, Middelburg Ext 24 and Rockdale) once a week new tariffs of R46,80 per month introduced.
- 5.2.11 Businesses: 240ℓ bins
up to three (3) times per week:
by substitution of the amount of R2 020 with R2 101,21
up to six (6) times per week:
by substitution of the amount of R2 771,53 with R2 882,39
- 5.3 **That** the tariff for removal of solid waste (refuse) from the Vergeet-My-Nie / Rivier Park flats be increased from R76,72 per flat to R79,79 per flat per month.
- 5.4 **That** the tariff for formalized informal housing settlements (unproclaimed townships) be increased from R79,05 per stand per month to R82,21 per stand per month.
- 5.5 **That** the communal use tariff of R79,05 per month be increased to R 82,21 per month where refuse is removed at a communal point.
- 5.6 **That** the departmental levy for removal of solid waste (refuse) be amended as follows:
- | | |
|--------------------|------------|
| per refuse bin | R 183,55 |
| per mass container | R 3 016,82 |
- 5.7 **That** the tariff for proclaimed rural villages be increased from R79,05 per stand per month to R82,21 per stand per month.
- 5.8 **That** the static compactor levy for removal of refuse be amended as follows:
- | | |
|----------------------------------|------------|
| up to 15m ³ per month | R13 051,48 |
| up to 11m ³ per month | R10 441,18 |
| up to 10m ³ per month | R 9 571,85 |
- 5.9 **That** additional static compactor removals more than four (4) times per month be amended as follows:
- | | |
|--|-----------|
| up to 15m ³ per month per removal | R3 261,89 |
| up to 11m ³ per month per removal | R2 610,00 |
| up to 10m ³ per month per removal | R2 392,40 |
- 5.10 **That** for all indigent consumers enlisted under the Council's indigent support and free basic services scheme of all dwellings in the formalized informal housing settlement no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable to Council by the South African National Treasury.

5.11 **That** for all pensioners who applied and were approved for a rebate on assessment rates based on their monthly income, the same rebate be allowed on their respective refuse levies, except for Vergeet-My-Nie and Rivier Park flats:

5.11.1 Pensioners who qualify (residential)

monthly income

R 0	to	R 3 780,00	100% rebate on applicable tariff
R 3 780,01	to	R 7 560,00	70% rebate on applicable tariff
R 7 560,01	to	R11 340,00	50% rebate on applicable tariff
R11 340,01	to	R15 120,00	20% rebate on applicable tariff

That owners of residential properties that are 80 years and older automatically receive a 100% rebate, provided that their current account is up to date.

6. **THAT** the fees for water supply as published under Notice Number 31/1986 in the provincial gazette of 10 September 1986, as amended and in terms of section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, approves and adopts with effect from 1 July 2021 as follows:

6.1 **That** the fees for water supply as per paragraphs 6.2.1 to 6.2.7 below be subjected to value added tax at standard rate.

6.2 By replacing the present tariffs by the following tariff structure:

6.2.1 All residential, single flats, church sites and residential units in group housing complexes:

(a) Where working meters were installed for metered purified water consumptions per month:

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R11,20 per kl
Above ten (10) to forty (40) kiloliters	R15,10 per kl
Above forty (40) kiloliters	R16,07 per kl

(b) Erven without working water meters which are developed and occupied:

A monthly fixed levy of R116,10 per erf per month

(c) Water leak adjustment tariff R11,19

6.2.2 All undeveloped erven with access to the reticulation network

An availability levy of R65,79 per month

6.2.3 All businesses and industries, school and school hostel sites (including nursery schools and day schools)

All monthly metered consumption of purified water at R11,94 per kilolitre.

6.2.4 Supply of raw water in all cases

Per metered monthly consumption at R11,40 per kilolitre

6.2.5 Purified water outside Council's distribution areas

According to monthly metered consumption at R16,26 per kilolitre

6.2.6 That the levy for purified effluent be determined at R3,20 cent per kilolitre

6.2.7 Water restriction tariffs

Level 1 restriction (water source below 60%)

(a) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R11,20 per kl
Above ten (10) to forty (40) kiloliters	R19,63 per kl
Above forty (40) kiloliters	R20,89 per kl

(b) Business and industries, school and school hostel sites (including schools and day schools)

All monthly metered consumption of purified water at R15,51 per kilolitre

Level 2 restriction (water source below 40%)

(a) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R11,20 per kl
Above ten (10) to forty (40) kiloliters	R24,17 per kl
Above forty (40) kiloliters	R25,70 per kl

(b) Business and industries, school and school hostel sites (including nursery and day schools)

All monthly metered consumption of purified water at R19,08 per kilolitre

Level 3 restriction (water source below 20%)

(b) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R11,20 per kl
Above ten (10) to forty (40) kiloliters	R30,18 per kl
Above forty (40) kiloliters	R32,11 per kl

(c) Business and industries, school and school hostel sites (including schools and day schools)

All monthly metered consumption of purified water at R23,85

per kilolitre

6.2.8 That the departmental levy for purified water be determined at R5,17 per kilolitre

6.3 **That** for all indigent residential households enlisted under the Council's indigent support and free basic services scheme an additional four (4) kiloliters besides the first six (6) kiloliters of monthly consumption to a total of 10 kiloliters of monthly consumption be supplied free of charge and the total cost of the consumption between six (6) and up to ten (10) kiloliters be recovered from the proportional equitable share payable to Council by the South African National Treasury.

7. **THAT** the electricity tariffs for the 2021/2022 financial year be approved in that the Determination of Fees for the Supply of Electricity, promulgated under Notice No. 38 of the Provincial Gazette of 26 January 1996, in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, of 2000, approves and adopts with effect from 1 July 2021 as follows:

- 7.1 That the fees levied for electricity as per paragraphs 7.1.1 to 7.1.9 and paragraphs 7.1.11 to 7.1.14 below be subjected to Value Added Tax at the standard rate.

ELECTRICITY					
Tariff Code	<i>average increase in revenue</i>	Category	Present 2020/2021	Proposed 2022/2023	Increase (subject to NERSA approval)
			Average (12%)	Average (8%)	
			Rate	Rate	
	Domestic residential indigent consumers				
	These tariffs are applicable to all residential indigent consumers with an ampere capacity limited to 20A per phase				
501	Energy charge (kWh)				
501	Block 1 – 50 kWh	c/kWh	121,77	131,51	
	Block 51 – 350 kWh	c/kWh	159,50	172,26	
	Free basic electricity to a maximum of 50 kWh per month applies to registered indigent consumers Where more than 350 kWh is consumed during a month, the same tariff will be applied as for other domestic residential consumers				
	Domestic residential consumers				
	These tariffs are available to all residential consumers with a single or three phase connection with an ampere capacity of up to 80A per phase. This tariff consists out of a fixed and energy charge. The tariff is based on the inclining block principle, that is, the more units used, the higher the rate becomes				
	A fixed charge whether electricity is consumed or not, per month or part				

	thereof per point of supply. The amount is charged once per month				
	Single phase	R	86,68	93,61	
	Three phase	R	116,98	126,34	
	Energy charge (Single Phase)				
504	Block 1 – 50 kWh	c/kWh	125,37	135,40	
504	Block 51 – 350 kWh	c/kWh	168,93	183,52	
504	Block 351 – 600 kWh	c/kWh	220,94	238,08	
504	Block > 600 kWh	c/kWh	248,93	267,98	
	Energy charge (Three phase)				
	Block 1 – 50 kWh	c/kWh	125,37	135,40	
	Block 51 – 350 kWh	c/kWh	169,93	183,52	
	Block 351 – 600 kWh	c/kWh	220,44	238,08	
	Block > 600 kWh	c/kWh	248,13	267,98	
	Domestic residential consumers (lifeline)				
	This is a new tariff structure and is available to all residential consumers with a single or three phase connection with an ampere capacity of up to				

	40A per phase with no fixed charge. This tariff consists only out of an energy charge and will suite low to medium consumption residential consumers. The tariff is based on the inclining principle, that is, the more units used, the higher the rate becomes				
502	Block 1 – 50 kWh	c/kWh	139,26	150,40	
502	Block 51 – 350 kWh	c/kWh	192,11	207,48	
502	Block 351 – 600 kWh	c/kWh	225,61	243,66	
502	Block > 600 kWh	c/kWh	250,31	270,33	
	Business, industrial & general consumers				
	These tariffs are applicable to all business, industrial and general consumers with a single and/or three phase connection with a capacity of up to 80A per phase				
	A capacity charge whether electricity is consumed or not, per ampere of supply capacity, per month, per point of supply or part thereof				
	Single phase	R	24,20	26,14	
	Three phase	R	72,65	78,46	
524	Energy charge	c/kWh	137,17	167,75	
	Business lifeline consumers				
	These tariffs are applicable to all business lifeline consumers with a single phase connection with a capacity of up to 40A per phase. This tariff has no capacity charge				
521	Energy charge kWh	c/kWh	232,05	250,61	
	Bulk consumers - low voltage three phase demand scale (Time of				

	Use)				
	These tariffs are applicable to all bulk consumers metered at low voltage with an annual average metered load with a capacity higher than 80A per phase				
	A fixed charge, whether electricity is consumed or not per point of supply (meter point)	R	2 818,85	3044,36	
	A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	67,54	72,94	
	A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	35,49	38,33	
	An active energy charge for all kWh consumers (kWh)				
	High demand season (June, July, August)				
597001	Peak	c/kWh	511,46	552,38	
597002	Standard	c/kWh	195,65	211,30	
597003	Off-peak	c/kWh	104,56	112,92	
	Low demand season (September to May)				
597001	Peak	c/kWh	215,49	232,73	
597002	Standard	c/kWh	132,16	142,73	
597003	Off-peak	c/kWh	92,47	99,87	
	Reactive energy charge (kVA)				
	High demand season (June – August)	c/kWh	32,34	34,93	
	Bulk consumers – 11 000 Volt three phase demand scale (Time of Use)				
	These tariffs are applicable to all bulk consumers metered at medium				

	voltage where electricity is supplied at 11 000 V				
	A fixed charge whether electricity is consumed or not, per point of supply (meter point)	R	4 703,13	5079,38	
	A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	64,35	69,50	
	A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	R	33,86	36,57	
	An active energy charge for all consumers (kWh)				
	High demand season (June, July, August)				
598001	Peak	c/kWh	456,39	492,90	
598002	Standard	c/kWh	182,19	196,77	
598003	Off-peak	c/kWh	97,48	105,28	
	Low demand season (September to May)				
598001	Peak	c/kWh	201,16	217,25	
598002	Standard	c/kWh	124,15	134,08	
598003	Off-peak	c/kWh	86,33	93,24	
	Reactive energy charge (kVA)				
	High demand season (June – August)	c/kWh	30,84	33,31	
	Other bulk consumers				
	This tariff is only available to specific consumers as approved by Council resolution due to special circumstances. The following charges will be payable				
	kWh peak - equal to Eskom megaflex tariff structure plus 10%				

	kWh standard - equal to Eskom megaflex tariff structure plus 10%				
	kWh off-peak - equal to Eskom megaflex tariff structure plus 3%				
	kVA r h - equal to Eskom megaflex tariff structure				
	Street light and traffic light consumption				
569	Energy charge kWh	c/kWh	220,84	238,51	
568	Illuminated advertisement signs	c/kWh	137,84	148,87	
	Departmental levies & sport clubs				
580	This tariff is applicable to all municipal buildings, levies and sport clubs. Where time of use meters are installed the applicable tariffs as per the time of use categories as determined will apply				
	Energy charge kWh	c/kWh	220,84	238,51	
	Other charges				
	This tariff is applicable to all undeveloped erven with access to the reticulation network				
	A fixed charge per month or part thereof	R	166,22	179,52	
	Schools & welfare organizations - low voltage three phase demand scale (Time of Use)				
	This is a new tariff structure and applicable to schools and welfare organizations metered at low voltage with an annual average metered load with a capacity higher than 80A per phase Schools and welfare organizations must meet the criteria as per the rates				

	policy to qualify for this tariff structure				
	A fixed charge, whether electricity is consumed or not per point of supply (meter point)	R	2 113,36	2282,43	
595005	A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	50,67	54,72	
	A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	R	26,67	28,80	
	An active energy charge for all kWh consumers (kWh)				
	High demand season (June, July, August)				
595001	Peak	c/kWh	383,55	414,23	
595002	Standard	c/kWh	146,63	158,36	
595003	Off-peak	c/kWh	78,46	84,74	
	Low demand season (September to May)				
595001	Peak	c/kWh	161,63	174,56	
595002	Standard	c/kWh	99,10	107,03	
595003	Off-peak	c/kWh	69,34	74,89	
	Reactive energy charge (kVA)				
	High demand season (June – August)		24,26	26,20	
	Schools & welfare organizations – 11 000 Volt three phase demand scale (Time of Use)				
	This is a new tariff structure and applicable to schools and welfare organizations metered at medium voltage where electricity is supplied at 11 000 V. Schools and welfare organizations must meet the criteria as per the				

	rates policy to qualify for this tariff structure.				
	A fixed charge whether electricity is consumed or not, per point of supply (meter point)	R	3 574,49	3860,45	
	A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	c/kWh	48,90	52,81	
	A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays		25,73	27,79	
	An active energy charge for all consumers (kWh)				
	High demand season (June, July, August)				
	Peak	c/kWh	346,85	374,60	
	Standard	c/kWh	138,49	149,57	
	Off-peak	c/kWh	74,06	79,98	
	Low demand season (September to May)				
596001	Peak	c/kWh	152,87	165,10	
596002	Standard	c/kWh	93,77	101,27	
596003	Off-peak	c/kWh	65,60	70,85	
	Reactive energy charge (kVA)				
	High demand season (June – August)	c/kWh	22,73	24,55	
	Schools & welfare organizations				
	This is a new tariff structure and applicable to all schools and welfare organizations with a single and/or three phase connection with a capacity of up to 80A per phase. Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure. This tariff has no capacity charge.				

	Energy charge kWh	c/kWh	174,73	188,71	
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Note:

For the purpose of time of use tariffs, the defined daily time of use period throughout the year are:

Peak hours:

(ii)	Weekdays	07:01 – 10:00 18:01 – 20:00
(iii)	Saturdays	None
(iv)	Sundays	None
(iii)	Sundays	00:00 – 24:00

Off-peak hours:

(i)	Weekdays	22:01 – 06:00
(ii)	Saturdays	12:01 – 18:00 20:01 – 07:00

Standard hours:

(iv)	Weekdays	06:01 – 07:00 10:01 – 18:00
(v)	Saturdays	07:01 – 12:00 18:01 – 20:00
(vi)	Sundays	None

The Director Electrical Engineering Services may impose a specific minimum load requirement for qualification for time of use tariff scales

The Director Electrical Engineering Services may impose a specific minimum load requirement for qualification for time of use tariff scales.

8. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, the adjusted sundry tariffs, value added tax inclusive, as reflected in the comments of the various heads of departments under schedule 2 be approved and adopted for implementation with effect from 1 July 2022.
9. **THAT** a rate of R160,00 per day be approved for temporary workers limited to a maximum of three (3) months, unless otherwise specified in the personnel budget and/or human resources policies.
10. **THAT** the new personnel posts and the abolishment of posts as reflected under schedule 3 be approved to be implemented with effect from 1 July 2022.
11. **THAT** the following budget-related policies both new and as amended be approved and adopted for implementation from 1 July 2022:
 - 11.1 Inventory Policy (New)
 - 11.2 Free Basic Services and Indigent Policy.
12. **THAT** the following unchanged budget-related policies be noted and be approved and adopted for implementation from 1 July 2022:
 - 12.1 Asset Management
 - 12.2 Blacklisting Policy
 - 12.3 Budget Policy.

- 12.4 Budget Virement Policy.
 - 12.5 Cost Containment Policy.
 - 12.6 Credit Control and Debt Collection Policy.
 - 12.7 Free Basic Services and Indigent Policy.
 - 12.8 Impairment of Debtors and Write-off Policy.
 - 12.9 Pay Day Policy.
 - 12.10 Petty Cash Policy.
 - 12.11 Property Rates Policy.
 - 12.12 Supply Chain Management Policy.
 - 12.13 Tariff Policy.
 - 12.14 Travelling and Subsistence Policy.
 - 12.15 Unclaimed Deposits Policy.
 - 12.16 Borrowing Policy.
 - 12.17 Contractor Development Policy.
 - 12.18 Funding & Reserves Policy.
 - 12.19 Investment of Surplus Funds Policy.
 - 12.20 Methodology for the Impairment and Assessment of useful lives of Assets Policy.
 - 12.21 Methodology – Classification and treatment of Land Policy.
 - 12.22 Methodology – Impairment of receivables Policy.
 - 12.23 Short term Risk and Liabilities Policy.
13. **THAT** the following by-laws be approved by Council for Public Participation and adoption:
- 13.1 Credit Control By-Law
 - 13.2 Customer Care and Revenue Management By-Law
 - 13.3 Property Rates By-Law
 - 13.4 Tariff By-Law
14. **THAT** the measurable performance objectives for revenue from each source as per table A4 be approved and adopted for the 2022/2023 budget year.
15. **THAT** permission be granted to the Executive Director: Financial Services to submit the draft annual budget in both printed and electronic formats to National and Provincial Treasury and upload it on National Treasury portal.

16. **THAT** permission be granted to the Executive Director :Financial Services to place the annual draft budget on the municipal website within five (5) working days from approval.
17. **THAT** permission be granted to the Executive Director: Financial Services to make the annual budget and supporting documentation with Council resolution public in terms of Section 21(A) of the Municipal Systems Act, 32 of 2000 within ten (10) workings days after Council approval.
18. **THAT** an application for the approval of the electricity tariffs be submitted to NERSA.
19. **THAT** the Executive Director: Financial Services be requested to arrange a workshop for all Councillors regarding the budget on electricity tariffs structure (Block System), water tariffs and property rates tariffs.