OFFICE OF THE MUNICIPAL MANAGER
THABAZIMBI
LOCAL MUNICIPALITY | PLAASLIKE MUNISIPALITEIT | MASEPALA WA SELEGAE
Alle korrespondensie moet gerig word aan die Munisipale Bestuurder.
All correspondence must be directed to the Municipal Manager
Makwalo otlhe a lebiswe go Mookamedi wa Masepala

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THABAZIMBI LOCAL MUNICIPALITY 2020/2021

REVOCATION AND TARIFFS DETERMINATION
- WATER TARIFFS
- SANITATION TARIFFS
- ELECTRICITY TARIFFS
- REFUSE REMOVAL TARIFFS
- PROPERTY RATES TARIFF
- OTHER REVENUE TARIFF

PLEASE NOTE THAT ALL TARIFFS CONTAINED IN THIS DOCUMENT ARE EXCLUSIVE OF VAT.

A PROPOSED WAY FORWARD

Prepared for:	Prepared by:
Acounting Officer	Chief Financial Officer
Mr TG Ramagaga	Mr LG TLOUBATLA

Background
Thabazimbi Local Municipality is a WSA established under the Water Services Act, 108 of 1997. The main sources of potable water are:
1. Pienaars River
2. Crocodile River
3. Vaalkop Dam – Magalies Water Board

The main consumers of water are:
- Domestic consumers
- Small Industrial consumers

The municipality has a electricity distribution license issued by NERSA in terms of the Electricity Act, 1987 (Act No 41 of 1987).
- The license covers the following areas for distribution and retail:
  The main consumers of electricity within our area of jurisdiction are:
- Greater Northam RLC (Portion)
- Thabazimbi TLC (Whole)
- Warmbad-Pienaarsrivier RLC (Portion)
- Rooiberg

REVOCATION AND DETERMINATION OF TARIFFS FOR THE 2020/21 FINANCIAL YEAR
Notice should be given in terms of the provisions of the Local Government Municipal Finance Management Act 56/2003 as well as Chapter 4 of the Local Government Municipal Systems Act 32/2000, that the Thabazimbi Municipality will during the sitting of council adopt its annual budget, as well as the tariffs to be charged for municipal services. In relation to the 2020/21 budget, the municipal council also has to determine the municipal assessment rates to be charged on property i.t.o. section 17 of the Local Government Municipal Finance Management Act 56/2003. Tariffs for municipal services and assessment rates contained in this notice should be effective from 1 July 2020.

TARIFF DETERMINATION FOR 2020/21 FY
- Recovery of the cost of potable water (bulk) purchases from Magalies Water Board and Kumba Iron Ore.
- Recovery of overhead, operational and maintenance costs of distribution, including losses
- Capital (infrastructure) wear and tear
- Water infrastructure development
- Administration and service cost. i.e. inter-departmental charges, bad debts write off, etc
- Provide for the replacement, refurbishment and extension of water services works
- Provision of sustainable water supply
- Water quality monitoring
- Magalies Water Board proposed increment of 12%.
- Bulk Electricity supply increased by Nersa is 6.22% .
- Bulk Electricity purchased by the municipality increased by 6.9% .
- Depreciation
- Economic indicators
- Inflation target of 6% - Reasonable rates of inflation of the cost drivers (MFMP Budget circular 98)

THE LEGAL ENVIRONMENT
- The constitution, s27
- Municipal fiscal Powers and Functions Act, 2007
- LGMSA
- MFMA
- NT circulars: 23 Bulk resources for municipal services, 42 Funding a municipal budget
- Water services Act
- Norms and standards in respect of tariffs for water services in terms of section 10 (1) of the Water Services Act published as GN R652 in GG 22472 of 20 July 2001(norms and standards)
- That in terms of the stipulations of Section 75A of the Local Government: Municipal Systems Act, 2000 the charges for the undermentioned consumer services be determined as follows for the 2018/2019 financial year (VAT excluded)

	APPROVED TARIFFS 2019 / 2020	PROPOSED TARIFF 2020/2021	PROPOSED TARIFF 2020/2021
PROPERTY RATES			
8. (1) Subject to section 19, a municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of rateable property, determined in subsection (2) and (3), which must be determined according to the (a) use of the property; (b) permitted use of the property; or (c) a combination of (a) and (b).			
(2) A municipality must determine the following categories of rateable property in terms of subsection (1): Provided such property category exists within the municipal jurisdiction:			
A. Residential properties	0.0069	0.0073	NO REBATE
B. Industrial properties	0.0131	0.0133	NO REBATE
C. Business and Commercial properties	0.0117	0.0140	NO REBATE
D. Agricultural properties	0.0018	0.0019	55%
E. Mining properties	0.0363	0.0584	NO REBATE
F. Properties owned by an organ of state and used for public service purpose	-		
G. Public service infrastructure properties	-		0.0%
H. Properties owned by public benefit organisations and used for specified public benefit activities;	0.0073		30.0%
I. Properties used for multiple purposes	PER USE		NO REBATE
K. Agricultural properties use for eco-tourism and hunting / trading and rearing of game	0.0117	0.0124	NO REBATE
L. Residential properties (Vacant)	0.0146	0.0155	NO REBATE
M. Industrial properties (Vacant)	0.0146	0.0155	NO REBATE
N. Business and Commercial properties (Vacant)	0.0146	0.0155	NO REBATE
O. Agricultural properties (Vacant)	0.0146	0.0155	NO REBATE
P. Agricultural residential	0.0069	0.0073	30%
REDUCTION	R 15,000.00	R 15,000.00	

Amendment of section 1 of Act 6 of 2004, as amended by section 24 of Act 19 of 2008

1. Section 1 of the Local Government: Municipal Property Rates Act, 2004 (the principal Act), is hereby amended: (a) by the substitution for the definition of ''agricultural purpose'' of the following definition: 'agricultural [purpose] property' [in relation to the use of a means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of [a] the property for the purpose of eco-tourism or for the trading in or hunting of game;'';

"'mining property' means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002
(Act No. 28 of 2002);'';"

'multiple purposes', in relation to a property, means the use of a property for more than one purpose, subject to section 9;'';

'residential property' means a property included in a valuation roll in terms of section 48(2)(b) [as residential;] in respect of which the primary use or permitted use is for residential purposes without derogating from section 9;'

'ratio', in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;''; and

PRESCRIBED RATIOS	
Residential properties	1:01
Undeveloped vacant residential properties	1:02
Business and Commercial properties	1:02
Undeveloped vacant business and commercial properties	01:02.5
Industrial properties	01:02.5

The agricultural property ratio in the regulations takes into account the matter that are contained in the deleted subsection 3(4), therefore there is no further obligation on a municipality to give futher rebates, exemption or reduction over and above the prescribed ratio.

	APPROVED TARIFFS 2019 / 2020	PROPOSED TARIFF 2020/2021
2. CHARGES FOR WATER SUPPLY		
A. BASIC CHARGE		
A.1 A basic charge shall be payable per month by the owner where any erf, stand, lot or other area, with improvements, which is, or in the opinion of the Council can be connected to the main supply, whether water is consumed or not:		
Residential	R 39.76	R 42.15
Industrail	R 269.51	R 285.68
Buisness	R 269.51	R 285.68
Church	R 264.21	R 280.06
Educational	R 269.51	R 285.68
State owned	R 264.33	R 280.19
Municipality	R 264.33	R 280.19
A.2 A basic charge shall be payable per annum by the owner of any undeveloped erf, stand, and lot or other area, which is, or in the opinion of the Council can be connected to the main supply:	R 39.76	R 42.15
Borehole (Industrial)	R 5,035.12	R 5,337.22
Borehole (residential)	R 1,608.36	R 1,704.86
B. CHARGE FOR THE PROVISION OF WATER PER MONTH		
B.1 DOMESTIC (Convertional & Prepaid meters)		
Consumption 0KL to 6KL (free 6kl to all Indigent)		
Consumption 0KL to 10KL	R 20.78	R 22.03
Consumption 11KL to 30KL	R 23.30	R 24.70
Consumption 31KL to 51KL	R 26.09	R 27.65
Consumption 51KL to 80KL	R 29.20	R 30.96
Consumption above 80KL	R 32.72	R 34.69
B.2 Domestic consumers with no meter Minimum charge per household per month	R 198.29	R 210.19
B.3 AREA SUPPLIED GROUND WATER		
Consumption 0KL to 10KL	R 16.21	R 17.18
Consumption 11KL to 30KL	R 17.50	R 18.55
Consumption 31KL to 51KL	R 18.89	R 20.02
Consumption 51KL to 80KL	R 20.41	R 21.63
Consumption above 80KL	R 22.04	R 23.36
B.4 AGRICULTURAL DOMESTIC TOTAL		
Consumption 0KL to 10KL	R 20.78	R 22.03
Consumption 11KL to 30KL	R 23.30	R 24.70
Consumption 31KL to 51KL	R 26.09	R 27.65
Consumption 51KL to 80KL	R 29.20	R 30.96
Consumption above 80KL	R 32.72	R 34.69
B.5 INDUSTRIAL TOTAL		
Consumption 0KL to 10KL	R 21.44	R 22.72
Consumption 11KL to 30KL	R 24.03	R 25.47
Consumption 31KL to 51KL	R 26.90	R 28.52
Consumption 51KL to 80KL	R 30.12	R 31.93
Consumption above 81KL to 100KL	R 33.74	R 35.77
Consumption above 101KL	R 34.56	R 36.63
B.6 COMMERCIAL		
Consumption 0KL to 10KL	R 21.44	R 22.72
Consumption 11KL to 30KL	R 24.03	R 25.47
Consumption 31KL to 51KL	R 26.90	R 28.52
Consumption 51KL to 80KL	R 30.12	R 31.93
Consumption above 81KL to 100KL	R 33.74	R 35.77
Consumption above 101KL	R 34.56	R 36.63
B.7 INSTITUTIONAL: Church TOTAL		
Consumption 0KL to 10KL	R 20.78	R 22.03
Consumption 11KL to 30KL	R 23.30	R 24.70
Consumption 31KL to 51KL	R 26.09	R 27.65
Consumption 51KL to 80KL	R 29.20	R 30.96
Consumption above 80KL	R 32.72	R 34.69
B.8 INSTITUTIONAL: STATE OWNED PROPERTIES		
Consumption 0KL to 10KL	R 20.78	R 22.03
Consumption 11KL to 30KL	R 23.30	R 24.70
Consumption 31KL to 51KL	R 26.09	R 27.65
Consumption 51KL to 80KL	R 29.20	R 30.96
Consumption above 80KL	R 32.72	R 34.69
B.9 PUBLIC AND PRIVATE SCHOOLS		
Consumption 0KL to 10KL	R 20.78	R 22.03
Consumption 11KL to 30KL	R 23.30	R 24.70
Consumption 31KL to 51KL	R 26.09	R 27.65
Consumption 51KL to 80KL	R 29.20	R 30.96
Consumption above 81KL to 100KL	R 32.72	R 34.69
Consumption above 101KL	R 34.56	R 36.64