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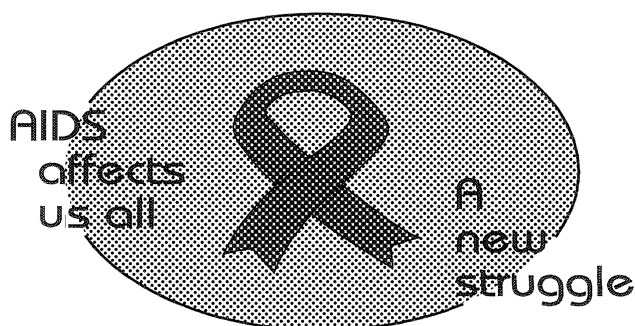
Vol. 22

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JUNIE

No. 2478

PART 1 OF 2

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Information

from Government Printing Works

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DO attach documents separately in your email to GPW. (In other words, your email should have an Adobe Form plus proof of payment – 2 separate attachments – where notice content is applicable, it should also be a 3rd separate attachment)

DO specify your requested publication date.

DO send us the electronic Adobe form. (There is no need to print and scan it).

DON'T submit request as a single PDF containing all other documents, i.e. form, proof of payment & notice content, it will be **FAILED** by our new system.

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Important!

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3.	No single line text fields should end with any punctuation, unless the last word is an abbreviation.	e.g. "Pty Ltd.", e.g. Do not end an address field, company name, etc. with a period (.) comma (,) etc.
4.	Multi line fields should not have additional hard returns at the end of lines or the field itself.	This causes unwanted line breaks in the final output, e.g. <ul style="list-style-type: none"> Do not type as: 43 Bloubokrand Street Putsonderwater 1923 Text should be entered as: 43 Bloubokrand Street, Putsonderwater, 1923
5.	Grid fields (Used for dates, ID Numbers, Telephone No., etc.)	<ul style="list-style-type: none"> Date fields are verified against format CCYY-MM-DD Time fields are verified against format HH:MM Telephone/Fax Numbers are not verified and allow for any of the following formats limited to 13 characters: including brackets, hyphens, and spaces <ul style="list-style-type: none"> 0123679089 (012) 3679089 (012)367-9089
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No.	Rule Description	Explanation/example
7.	Rich text fields (fields that allow for text formatting)	<ul style="list-style-type: none"> • Font type should remain as Arial • Font size should remain unchanged at 9pt • Line spacing should remain at the default of 1.0 • The following formatting is allowed: <ul style="list-style-type: none"> ○ Bold ○ Italic ○ Underline ○ Superscript ○ Subscript • Do not use tabs and bullets, or repeated spaces in lieu of tabs and indents • Text justification is allowed: <ul style="list-style-type: none"> ○ Left ○ Right ○ Center ○ Full • Do not use additional hard or soft returns at the end of line/paragraphs. The paragraph breaks are automatically applied by the output software <ul style="list-style-type: none"> ○ Allow the text to wrap automatically to the next line only use single hard return to indicate the next paragraph ○ Numbered lists are allowed, but no special formatting is applied. It maintains the standard paragraph styling of the gazette, i.e. first line is indented.
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LOCAL AUTHORITY NOTICE 58

MBOMBELA LOCAL MUNICIPALITY



ALIENATION, USE AND ACQUISITION OF IMMOVABLE PROPERTY BY-LAW

PREAMBLE

Mbombela Local Municipality in its exercise of its powers, duties and functions Council has the right to acquire, hold, enhance, lease and alienate Immovable Property. The inequitable spread of ownership of Immovable Property throughout the municipal area and the historical causes thereof are recognized, and Council acknowledges that it has a leading role to play in redressing these imbalances by ensuring that the Immovable Property assets under its control are dealt with in a manner that ensures the greatest possible benefit to the Municipality and the community that it serves.

WHEREAS Mbombela Local Municipality is the custodian of the Immovable Property of the Municipality and is responsible for the proper management and administration thereof;

WHEREAS Mbombela Local Municipality is required and committed to manage its Immovable Property in a fair, transparent and equitable manner; and

WHEREAS Mbombela Local Municipality realise that Immovable Property held by it, should be dealt with in a manner which will ensure the greatest benefit to the Municipality and the public in a sustainable manner;

AND IN ORDER TO-

- (a) make available economic opportunities in the municipality;
- (b) promote an efficient administration and good governance; and
- (c) create a culture of accountability, openness and transparency in its administration or in the exercise of its powers or the performance of its functions, by giving effect to the right to just administrative action,

NOW THEREFORE this policy provides, as follows:

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CHAPTER 1: INTERPRETATION, SCOPE, PURPOSE AND OBJECTIVES OF THE BY LAW

1. DEFINITIONS

The following words and abbreviations shall have the meaning ascribed hereunder unless the context indicates otherwise;

Abbreviations:

"CBO" –	Community based non-profit organization.
"DSP" –	Directly sellable property.
"HDI" –	Historically Disadvantaged Individual.
"MATR" –	The Municipal Assets Transfer Regulation R 878 of 22 August 2008".
"MLM" –	Mbombela Local Municipality.
"MSCMR"- 2005.	Municipal Supply Chain Management Regulation R868 of 30 May 2005.
"MFMA"-	Municipal Finance Management Act 56 of 2003.
"MICA"-	Municipal immovable capital assets.
"NGO" –	Non- governmental non-profit organization.
"PNEFS" –	Property not earmarked for sale.

Words:

“Acquisition” -	Obtain municipal ownership of, or rights to immovable property by means of purchase, donation, auction and lease.
“Alienation” –	Transfer of ownership of property by means of selling directly, or through a land availability agreement, Land swaps public auction, exchange or donation. Such alienation may be subject to suspensive, or resolute conditions as MLM , in its sole discretion, may stipulate.
“Bids on PNEFS”	bids from the public on property not zoned “residential, business, or industrial”, outside the normal bidding process required by the MSCMR , where MLM is not obliged to consider such bid, due to MLM ’s present zoning and use of the property.
“Cancellation” -	Termination of a contract due to breach, affluxion of time and/or by mutual agreement.
“Closed Auction”	The open process of alienating property at a specified date, time and place to the highest bidder from a selected group of persons.
“Closed Tender”	The open process of calling for bids on the alienation of specified immovable property to a specified group.
“Development Proposal	Written request for rights to buy/use a develop property.
“Directly sellable Property”(DSP)	Property in a proclaimed township, zoned residential, business, or industrial earmarked for sale to the public whether by open - or closed bid and thereafter on a first come, first serve basis and therefore excluded from the stipulations of section 14(2) (a) of the

MFMA, but excluding Property not earmarked for sale which is indeed Subject to section 14(2) (a).

“Donation”	Acquisition of immovable property at no fee.
“Expropriation”	as defined and in accordance with the Expropriation Act 63 of 1975 (To unilaterally acquire ownership of property by taking away the owner’s rights through a court order, if it is in the public interest).
“Exempted Capital Assets”	a capital asset which is transferred to another municipality, municipal entity or an organ of state in circumstances approved by National Treasury – See Chapter 3 of the MATR .
“First time property owner”	any South African citizen who has never acquired property ownership in his name, including shareholding or ownership in any form of registered company.
“Gender”	for the purpose of this policy, all gender will be addressed as ‘his’
“Historically Disadvantaged Individual”	a South African Citizen who, due to Apartheid had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1993 (Act no 200 of 1993) and, or who is a female or has disability.
“Land Availability Agreement”	Granting rights to a third party for the use or development of property, for a specified period, subject to such specifications and stipulation as MLM in its sole discretion deems suitable, with the proviso that if

ownership of stands is to be transferred, MLM shall at least recover the cost of the unimproved stand so as not to encounter a loss.

“Lease” An agreement by which the owner of property allows another party to use it for a specific use for a specified time in return for a specified amount of money.

“Legislation” Any proclaimed National, Provincial Act, regulation or Municipal by-Law, jurisprudence and rules of practice of South African Courts.

“Low Income Earners” People who earn a single or joint monthly income of not more than as determined from time to time by the National Department of Human Settlement (R 2501 – R3500, 00)

“Market Related Value” An amount for lease/sale/purchase not less than the valuation by a registered valuer appointed by MLM.

“Memorandum of Understanding” An agreement stipulating a working relationship to implement mutual objectives between parties.

“Middle Income Earners” People who earn a single or joint monthly income as determined by the National Policy from time to time (R3501, 00 – R 15 000, 00)

“Nominal Fee” A fee below the market value as determined by Council.

“Non exempted Capital Assets” property transferred by way of an ordinary commercial transaction between a municipality and any person other than a municipality,

municipal entity, or organ of state as defined in section 239 of the Constitution.

“Open/Public

Tender”

The open process of calling for bids from the general public on the alienation of specified property.

“Property”

Municipal immovable capital asset.

“Property not

Earmarked

for sale (PNEFS)”

Property in a proclaimed township, not earmarked for sale, not zoned “residential; business; commercial, or industrial” and therefore subject to Section 14(2) (a –b) of the **MFMA**, and road reserves.

“Public Auction”

The open process of alienating property in a proclaimed Township at a specified date, time and place to the highest bidder from the public at not less than its registered value and subject to such conditions as **MLM** may deem expedient.

“Public Private

Partnership” -

An agreement between a public entity and a private entity to establish a working relationship to implement mutual objectives.

“Road Reserve” -

A portion of land reserved for municipal services, pedestrian walkways and the widening of streets.

“Servitude”

The voluntarily or involuntarily acquisition of agreed and or registered rights over private property or a portion thereof.

“Transfer”

transaction.

Transfer of ownership of property as a result of sale or other

"Use"	granting of rights by MLM to use, control or manage property in accordance with Chapter 4 of the MATR, where Section 14 of the MFMA does not apply
"Zoning"	A land use right conferred by MLM on municipal immovable property in terms of an approved town planning scheme or land use management scheme including an amendment scheme.

2. SCOPE AND PURPOSE

- 2.1 The purpose of this Policy is to provide a framework for the management and disposal of the municipality's Immovable Property that are not needed to provide the minimum level of basic municipal services and that are surplus to the municipality's requirements.
- 2.2 The Municipality's Immovable Property shall be disposed of in the manner as provided for in this policy. The Property Management Department is responsible for the administration of this Policy, and shall in this regard, in consultation with the Supply Chain Management Unit of the municipality, be responsible for the administration of the competitive bidding process relating to the disposal and leasing of the Municipality's Immovable Property.
- 2.3 In compliance with the provisions of section 14(1) of the MFMA, the Municipality shall not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of an Immovable Property that is needed to provide the minimum level of basic municipal services.

3. OBJECTIVES

- 3.1 To provide a legal framework for the management of Council's immovable property in a manner that inter alia, brings redress, facilitates transformation and promotes BBEE through property ownership, control, management, development and use.
- 3.2 Standardize procedures for the alienation, use and acquisition of land by Mbombela Local Municipality (MLM);
- 3.3 To facilitate first time entry of previously disadvantaged individuals, particularly Blacks, women, youth and disabled individuals into the property market
- 3.4 Provide land for affordable housing development;

- 3.5 Provide access to land for the promotion of socio-economic empowerment opportunities;
- 3.6 Ensure that market related values most advantageous to MLM are charged for municipal immovable properties in the open market in view of sound financial planning and management, to ensure in terms of section 14(5) of the MFMA, that any transfer of ownership of a capital asset in terms of section 14(2) and 14(4) of the said Act is fair, equitable, transparent, competitive and consistent;
- 3.7 To ensure that Council realises that immovable property held by it, which is not envisaged for or already used for public purposes and/or in the public's interest, should be dealt with in a manner which will ensure the greatest benefit to the strategic objectives of Council.

CHAPTER 2: POLICY FRAMEWORK AND APPLICATION

4. LEGISLATIVE AND POLICY FRAMEWORK FOR THE MANAGEMENT OF THE MUNICIPALITY'S IMMOVABLE PROPERTY

4.1. The legislative framework for the management of the Municipality's Immovable Property is contained in a number of legislation, including but not limited to:

4.1.1 the Municipal Finance Management Act 2003 in particular section 14, which deals with disposal of capital assets (i.e. Immovable Property as defined herein);

4.1.2 the Municipal Asset Transfer Regulation 878 of 22 August 2008, which governs –

- a) the transfer and disposal of capital assets by municipalities and municipal entities; and
- b) the granting by municipalities and municipal entities of rights to lease, use, control or manage capital assets;

4.1.3 Municipal Supply Chain Management Regulation 868 of 30 May 2005.

4.1.4 Preferential Procurement Policy Framework Act 5 of 2000.

4.1.5 Local Government Ordinance 17 of 1939.

4.1.6 Broad Based Black Economic Empowerment Policy.

4.2. The objective of this Policy is to provide a practical framework for the management of the Municipality's Immovable Property.

4.3. This Policy must be read together with and in accordance with the Property Laws and all other laws which deal with Immovable Property.

5. APPLICATION OF THE POLICY

- 5.1. Section 14 of the MFMA and the MATR apply to capital assets, which are defined in the MATR to include Immovable Property, as well as certain movable assets. This Policy only applies to Immovable Property.
- 5.2. This Policy does not apply to:
 - 5.2.1. The municipality's housing stock *inter alia* housing on municipal Immovable Property and the transfer of that municipal Immovable Property for the poor to beneficiaries of such housing.
 - 5.2.2. Property owned by the Municipality which is subject to a Public Private Partnership.
- 5.3. In terms of section 40 of the Municipal Supply Chain Management Regulations, a Municipal Supply Chain Management policy must provide for an effective system for the disposal and letting of assets. For that purpose of immovable assets of the municipality, this policy must be seen as the disposal management policy of the municipality.
- 5.4. The by law shall apply to all persons, including legal entities, Councillors and officials of MLM.

CHAPTER 3: ALIENATION

5. Alienation

5.1. The alienation of Property is subject to.

- (a) Section 79(18) of the Local Government Ordinance 17 of 1939
read with
- (b) The MFMA;
- (c) The MATR and
- (d) should be fair, equitable, competitive and transparent

5.2 Property may be alienated through any of the following methods:

- 5.2.1 Sale
- 5.2.2 Land Availability Agreement
- 5.2.3 Land swap
- 5.2.4 Donation

5.3. Any member of the public, including a Councillor or official, may apply in writing to **MLM**, to buy a **DSP** or **PNEFS**.

Applications for **PNEFS** shall be treated as a bid outside the normal bidding process and therefore as an unsolicited bid.

Such unsolicited bid for a **PNEFS**, shall first be attended to by **MLM** as an Authorized Local Authority in accordance with Section 14(2) (a & b) of the **MFMA** to consider whether the property should be sold as an exception to the rule.

If **MLM** has decided that the property should not be sold in view of its present zoning and use by **MLM**, the Department of Property and Housing shall inform the applicant accordingly.

If **MLM** has decided in principle to make such property available for sale, it must then be closed in terms of section 68 of the Local Government Ordinance 1939, (Ordinance 17 of 1939).

If no substantive objections have been received and the property is closed as open space or park and has access to a road, it shall be made available to the general public, through competitive bidding in terms of section 14(5) read with Chapter 2 of the **MATR**, more specifically regulation 5; 7; 11, 12; 13 and 17.

6. GENERAL CONDITIONS OF SALE

6.1 All Property sold will be subject to the following conditions:

- 6.1.1 Residential development- should be finalized within a period of 24 months, Failure to develop fully in line with the approved building plan, **MLM** shall retake ownership of the erf, in which case the purchaser waives any claim with regard to improvements on the erf and grants **MLM** an irrevocable power of attorney and authority to enter upon a take ownership of the erf.
- 6.1.2. Township development should be finalized within a period of 36 months from the date of entering into an agreement with the prospective developer, failure to abide by the conditions of the service agreement, **MLM** will use its discretion to terminate the contract.
- 6.1.3. Commercial development – should be within 36 month from date of entering into a contract of sale, failure to develop within the specified period the property shall revert back to **MLM**.
- 6.1.4. Existing vacant undeveloped properties unkept, unmaintained and whether transferred in a title deed or not be maintained failure to do so Council shall attend to the maintenance thereof subject that costs

incurred be charged to the owner against the rates and taxes account.

6.1.5 The Tender document must be accompanied by a motivation of the proposed development on the property.

6.1.6. The proposed development motivation above must be accompanied by an artist's impression of the proposed development.

6.2 On written application **MLM** at its sole discretion may consider further extension of any of the periods mention under 4.1.1 to 4.1.5.

7. CATEGORIES AND EVALUATION OF PROPERTIES NOT EARMARKED FOR SALE.

7.1 CATEGORIES OF PNEFS

There are various categories of **PNEFS** which can be summarised as follows:-

- (a) A portion of a **PNEFS** without road access, adjacent to an existing property with the intension to sub-divide and consolidate the relevant portion of open space or park with the property of the applicant – Such **PNEFS**, if **MLM**, subject to sec. 14 of the **MFMA**, resolves to sell the said portion in terms of Chapter 2 of the **MATR**, may be sold to the applicant in terms of section 79(18) of the Local Government Ordinance 17 of 1939, or if **MLM** resolves to make it available for use in terms of Chapter 4, may be leased to the applicant.
- (b) A developable **PNEFS** with road access, without the necessary services, but which can be developed into a single separate property or more than one stand for either residential and / or business / commercial or industrial development – Such

applications shall not be entertained on an ad hoc basis, but be considered in terms of the annual decision by **MLM** on the Register for **PNEFS**.

- (c) Road reserves – property reserved specifically for municipal services, pedestrian walkways and the widening of streets

No road reserve, or portion thereof, shall be made available for:

- (i) sale, seeing that it has been earmarked for providing basic municipal services, unless the road, or portion thereof, has been permanently closed in terms of section 67 of the Local Government Ordinance 1939 – (Ordinance 17 of 1939).
- (ii) use, unless the road, or portion thereof, has been temporarily closed in terms of section 66 of the said Ordinance.

7.2 REGISTER OF PNEFS.

With regard to the above, MLM through the Department of Property and Housing, shall keep a register of all parks and open spaces, with full particulars of the topography; the position of the 1/100 year flood line, if applicable; present zoning and use in terms of the relevant Town Planning Scheme, with an aerial photograph and future town planning strategies in terms of the IDP/LUMS and SDF with regard to such parks, open spaces, and surrounding areas.

Such register of Open spaces and Parks shall be submitted **annual** to Council for a decision to be taken in terms of section 14(2) (a & b) of the **MFMA**, read with Chapter 2 of the **MATR**, more specifically regulation 5; 7; 11, 12; 13 and 17, whether any portion of such properties should be sold; for what purpose and at what price.

If **MLM**, subject to sec 14 of the **MFMA**, resolves in principle to sell any portion of such **PNEFS**, such property shall be alienated through open bidding.

7.3 PROCEDURE FOR THE EVALAUTION OF **PNEFS**

7.3.1 The property shall be valued in terms of section 79(18) of the Local Government Ordinance 17 of 1939, read with section 14 of the **MFMA**;

- (a) The in principle decision to alienate a portion of a park erf / open space shall be subject to section 14(2) of the **MFMA** and a clear decision that the said portion is no longer needed for the present and future use and development of the park or open space;
- (b) The permanent closure of the relevant portion of the open space, or park, shall be done in terms of section 68, read with section 67 of the Local Government Ordinance 17 of 1939 and such closing and the subsequent sub-division, consolidation and rezoning thereof shall be at the cost of the successful bidder.
- (c) The **PNEFS** sold by way of open bidding may not be resold until the property has been improved to ensure that no speculation with such property occurs;
- (d) Certain minimum improvement sizes shall be prescribed and reviewed annually for the various areas, to ensure that the envisaged development on properties alienated by **MLM**, does not have a detrimental effect on the surrounding areas;

- (e) Compliance with the above mentioned minimum improvement sizes with the breaking new ground principles be verified with the relevant provincial Department;
- (f) The above mentioned minimum improvement sizes as well as the time limit to develop the property within a period of two years and the fact that the cost for the closure, sub-division, rezoning and consolidation will be for the successful purchaser, be included in the deed of sale to be entered into with the successful bidder;

7.3.2 In the case where there are more than one application for a property with no access to roads, or portions thereof, a closed bid be entertained so as to avoid the cumbersome process of an unsolicited bid and a memorandum of understanding be signed with all applicants to jointly appoint the relevant Professionals with regard to the administrative procedures with regard to subdivision, rezoning and consolidation of the respective portions.

CHAPTER 4: GRANTING OF RIGHTS TO USE/LEASE

8. APPLICATION OF USE RIGHTS OVER MUNICIPAL IMMOVABLE PROPERTY

All applications for use of municipal property shall be attended to by Property Management Division, in terms of Chapter 4 of the **MATR**, if in the instance of **PNEFS MLM** has on submission of the Register for Open Spaces and Parks, resolved in principle to also make such property available for use.

If such property has not been made available for use in terms of **MLM's** review of **PNEFS**, the said department shall notify the applicant that his application cannot be considered in view of the present zoning of the property and/or the fact that **MLM** has decided not to make such property available for use.

8.1. Before an Immovable Property is declared as surplus, and earmarked for disposal or the awarding of rights, it must first be assessed for its most appropriate use.

8.2 The most appropriate use for a vacant developable is one which achieves an optimum balance between the following three key elements of sustainable development:

- (a) the protection of ecological processes and natural systems;
- (b) the optimum financial return to and economic development of the municipal area; and
- (c) the enhancement of the cultural, economic, physical and social wellbeing of people and communities.

8.3 The three elements of sustainability will apply to all vacant developable Immovable Properties, however their significance and the relationships between them will vary for individual Immovable Properties.

- 8.4 In determining the most appropriate use of vacant developable properties, regard should be given to:
- (a) Council priorities and initiatives;
 - (b) Spatial development framework(s);
 - (c) Sectorial studies/plans;
 - (d) Municipal Infrastructure Master Plans;
 - (e) Relevant legislation; and
 - (f) The views of interested and affected parties.

CHAPTER 5: SECTION C: ACQUISITION OF LAND FOR MUNICIPAL PURPOSES**9 Acquisition methods and its Applications**

MLM may acquire land, or a right in land from third parties in line with the vision of Mbombela Local Municipality through:

10.1.1 Outright Purchase

10.1.2 Expropriation

10.1.3 Lease

10.1.4 Land Availability

10.1.5 Donation

10.1.6 Servitude

9.1 Prior to arriving at a decision to acquire an Immovable Property the Municipal Manager is required to undertake a detailed assessment to ensure that:

- (a) the service delivery needs of the Municipality are best met by the proposed acquisition;
- (b) that broader government objectives are also considered; and
- (c) the expenditure of public funds is justified and are approved.
- (d) the planned acquisition is in line with the approved Spatial Development Framework(s)

9.2 The Municipal Manager must ensure land acquisitions associated with infrastructure projects are consistent with (where relevant) Regional Plans, State Infrastructure Plans, Municipal Infrastructure Master Plans, or other plans that cover a significant proportion of the municipal area. This is to ensure strategic landholdings contribute to a range of social, economic and environmental outcomes sought by Council, including the efficient, co-ordinated and timely provision of infrastructure.

9.3 In addition to the proposed acquisition being consistent with the objectives of planning policies and guidelines, the Municipal Manager need to consider other issues when undertaking the assessment, such as:

- (a) the reason why the preferred site or area best meets the Municipality's requirements;
- (b) source of funding and value for money;
- (d) alternative service delivery options;
- (e) method of acquisition;
- (g) valuation of property;
- (h) consultation with stakeholders;
- (i) availability of developable government/state property;
- (j) risks associated with proposed transaction; and
- (k) site constraints e.g. cultural and heritage issues and servitudes.

CHAPTER: 6 COMPENSATION FOR TRANSFER**10. COMPENSATION FOR TRANSFER OF NON- EXEMPTED MUNICIPAL PROPERTY**

All DSP shall be sold at valuation as determined by a professional Municipal valuer and /or Professional Registered External Valuer.

All PNEFS shall be sold at to the highest bidder in excess of the valuation as determined by a professional Municipal valuer and /or Professional Registered External Valuer.

A non-refundable administrative fee shall be charged on all PNEFS as determined annually by MLM. The cost with regard to the administration fee will be added to the purchase price.

If MLM on account of public interest, in particular in relation to the plight of the poor, intends to transfer a non-exempted capital asset for less than its fair market value, MLM must, when considering the proposed transfer, take into account –

- (i) the interests of the State and the local community;
- (ii) the strategic and economic interests of MLM, including the long-term effect of the decision on MLM;
- (iii) the constitutional rights and legal interests of all affected parties;
- (iv) whether the interests of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and

- (v) whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.

CHAPTER 7: MISCELLENEOUS**11. ILLEGAL OCCUPATION /UNLAWFULL USE OF COUNCIL PROPERTY**

- (a) Illegal occupation unlawful use will be handled in terms of the Prevention of Illegal Eviction from and unlawful Occupation of Land Act 19 of 1998;
- (b) In the event that Council intends to formalise the illegal occupation, alienation should be in line with the provision of this by- law and other applicable legislation.

12 MUNICIPAL IMMOVABLE PROPERTY REGISTER (MIPR)

As soon as possible after the approval of this policy Council must, as part of its strategic planning process, develop A Municipal Property Register.

- 17.1 The MLR is a computerized database that contains details of all municipal-owned Immovable Property.
- 17.2 The MLR database shall be electronically linked with the Geographical Information System of the Municipality to provide spatial information to complement the data stored in the MLR database.
- 17.3 As soon as the Municipal Immovable Property Register (MIPR) has been developed, all departments must record relevant details about their Master Infrastructure Plans and needs for Immovable Property in the MIPR
- 17.4 As a minimum requirement, sites for planned community infrastructure, municipal Infrastructure, housing projects, etc must be recorded on the MIPR.
- 17.5 All changes in the status of municipal-owned Immovable Properties must be recorded in the MIPR

13. OFFENCES

Anyone who contravenes any provision of this by- law shall be guilty of an offence and may be sentenced to a fine as approved by the local Magistrate.

14. OBJECTIONS AND COMPLAINTS

Persons aggrieved by decisions or actions taken in the implementation of this policy may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action to the Municipal Manager, or if the Municipal Manager is involved to the Executive Mayor.

Annexure A**CHAPTER 8: KEY PRINCIPLES AND GUIDELINES PERTAINING TO THE
ALIENATION BY COUNCIL OF IMMOVABLE PROPERTY****SECTION A: ALIENATION PRINCIPLES AND GUIDELINES****1. Authority to dispose of immovable property**

Council may in terms of Section 14 of the MFMA, read with the MATR, dispose of Immovable Property or Property rights in Immovable Property by way of sale, letting or registration of a servitude once it is satisfied that such Immovable Property or Property rights is not required to provide the minimum level of basic municipal services and once it has considered the fair market value thereof as well as the economic and community value to be received in exchange for such Immovable Property or Property right.

Core Principles

In terms of section 14(5) of the MFMA, a Disposal of Immovable Property by the Municipality must be fair, equitable, transparent, competitive and consistent with the Municipality's SCM Policy ("the Core Principles").

General Principles pertaining to the Alienation of Immovable Property

1. Unless otherwise provided for in this policy, the disposal of DSP and PNEFS Immovable Property shall be affected-
 - (a) by means of a process of public competition; and
 - (b) at market value except when the public interest or the plight of the poor demands otherwise.
2. All transaction for the disposal of Immovable Property must be considered in accordance with this policy and other applicable legislation.
3. Unless otherwise provided for in this policy, the alienation of viable immovable property shall be affected by means of a process of public competition.

4. Before alienating Immovable Property shall be satisfied that alienation is the appropriate methodology and that reasonable economic and social return cannot be derived whilst ownership of the Immovable Property or Property rights is retained by Council.
5. Unless otherwise provided for in this policy, vacant or improved immovable property and rights in immovable property shall be alienated at a fair market related value.
6. Council reserves the right to entertain unsolicited proposals for the development of DSP or developable Immovable Property purposes, with the provision that it is in line with Council's strategic objectives and more specifically that it favours the promotion of black ownership, entrepreneurship and community upliftment.
7. Council may grant occupation of its Immovable Property prior to the transfer thereof on condition that a suitable sale has been entered into, that the purchase price is paid in full or alternatively that an acceptable financial guarantee is provided to secure the purchase price, that occupational rent is payable at a rate specified by Council and further that Council is indemnified against any and all claims that may arise out of the occupation of the Immovable Property by the purchaser.
8. DSP or PNEFS immovable property may be let out-of-hand/first come first serve to social care users in exceptional cases where the Council is of the opinion that public competition would not serve a useful purpose or that it is in the interest of the community and the Council, where none of the conditions as set out in this policy provides for such exception and where they are not in conflict with any provision of the policy.
9. DSP and PNEFS (with road access) purchased from Council by a first time homeowner shall not, without Council's prior written consent, be resold within a period of 5 years of the date of transfer.

10. In the case of PNEFS where there are more than one application for a property with no access to roads, or portions thereof, a closed bid be entertained so as to avoid the cumbersome process of an unsolicited bid and a memorandum of understanding be signed with all applicants to jointly appoint the relevant Professionals with regard to the administrative procedures with regard to subdivision, rezoning and consolidation of the respective portions.
11. Immovable property may be alienated out-of-hand/at first come first serve to other spheres of government, local authorities or municipal entities in exceptional cases where the Council is of the opinion that public competition would not serve a useful purpose or that it is in the interest of the community and the Council, where none of the conditions as set out in this policy provides for such exception and where action is not in conflict with any provision of the policy.
12. Council will support every request by the Land Claims Commission and will endeavour to accommodate the wishes of the Land Claims Commission and undertake to minimise land acquisition costs, subject to the provisions of the Local Government: Municipal Finance Management Act No 56 of 2003, in the spirit of giving effect to the provisions of the Constitution of the Republic of South Africa.
13. Where DSP and PNEFS with road access immovable property is offered for sale by public competition, any Immovable property which remains unsold in such project may be sold out-of hand/first come first serve by Council at the upset price or higher, as long as it is satisfied that market prices are stable. The upset price must be determined in a way that correspondence with a fair market value and must include the recoverable development costs such as municipal services, advertising and survey costs. The upset price must be reviewed at least every six months.
14. In considering claims for acquisitive prescription, the requirement of the provision of satisfactory written proof shall be satisfied by the submission by the claimant of two legally attested affidavits sworn in in the presence of a state commissioner

stating that the claimant or predecessor-in-title have openly possessed the immovable property claimed for an uninterrupted period thirty years prior to the expiration of period of ten years contemplated by Section 1 of the Prescription (Local Authorities) Ordinance No 16 of 1964.

Annexure B**GENERAL PRINCIPLES AND GUIDELINES PERTAINING TO THE LETTING BY COUNCIL OF IMMOVABLE PROPERTY****SECTION B USE /GRANTING OF RIGHTS OF IMMOVABLE PROPERTY PRINCIPLES**

1. Council is permitted to let immovable property in its ownership on a long term or short term basis by way of direct negotiation or public tender.
2. Where possible, Council's Immovable Property should be managed as a sustainable resource by leveraging environmental, social and economic returns on such Immovable Property while Council retains ownership thereof.
3. Immovable Properties that have been let shall be inspected at reasonable time periods to ensure compliance with the terms and conditions of the agreement of lease.
4. Council reserves the right, where necessary, to resume Immovable Property let, or a portion thereof, and to cancel an existing lease in its entirety where such Immovable Property is required for operational purposes, in pursuance of Council's strategic objectives or in the interests of the community. In such an event the lessee shall be compensated for improvements established by him/her on a basis to be determined by an independent valuator, taking into account the remaining period of the lease agreement.
5. No application for a lease agreement shall be processed by the Property Management Unit unless the prescribed application fee as per tariff has been paid

nor shall any proposed lease be advertised unless the applicant has confirmed, in writing, that it will bear all costs involved in such transaction including- but not limited to- legal, survey, rezoning, sub-division, consolidations, advertisement, relocation or provision of services and, where applicable, a deposit as per prescribed rate to cover incidental costs has been paid should he/she becomes the successful lessee.

6. An owner of fixed Immovable Property who leases an adjoining municipal Immovable Property may be substituted by his successor in title for the duration of the remainder of the lease term on the same terms and conditions or additional terms and conditions as deemed necessary.
7. Lessees shall be liable for payment of rates and service charges, unless otherwise agreed upon.
8. Council reserves the right, where rentals charged are market related, to adjust such rental upward or downward in order to ensure that the rentals remain consistent with market trends applicable at the time in particular the escalation fee which must be reviewed in line with the Councils tariff policy.
9. Council reserves the right, where necessary, to resume immovable property let, or portion thereof, and to cancel and existing lease in its entirety where such immovable property is required for operational purposes, in pursuance of Council's strategic objectives or in the interests of the community.
10. Improvements to Council's immovable property established by the lessee and which Council wishes to retain shall revert to Council, free of compensation, at expiration or termination of the lease. Where such improvements are not required by the Council, these shall be removed by the lessee to the satisfaction of Council and all costs shall be borne by the lessee
11. Lease contracts with existing tenants of immovable properties may be renewed where Council is of the opinion that public competition would not serve a useful

purpose or that renewal is aligned with Council's strategic objectives and in the interest of the community

12. Out-of-hand/ on request letting of immovable property for outdoor seating to adjoining restaurant owners is permitted subject to statutory requirements being complied with a professional valuer shall determine the rental charged either at market related value or less than fair market value taking into consideration the circumstances surrounding the property in question.
13. Sports facilities and other amenities may be let out-of-hand/on request to Sports Boards, Sports Federations and other similar bodies operating on permanent basis shall be charged at less than fair market value and in accordance with Council's policies on sports facilities and public amenities. Community based bodies and nonprofessional sporting bodies not operating on permanent basis shall be charged the tariff rentals as approved by council from time to time. Professional sports bodies and bodies operating for profit shall be charged a fair market related rental based on the market value of the property to be leased. The market value is to be determined based on the most likely alternative use for the site.
14. Viable immovable property may be let out-of-hand/first come first serve in exceptional cases where the Council is of the opinion that public competition would not serve a useful purpose or that it is in the interest of the community and the Council, where none of the conditions as set out in this policy provides for such exception and where they are not in conflict with any provision of the policy.
15. Road reserves are not to be sold or let unless already encroached on, may be let by Council at market related value or less than fair value if reasons or circumstances prove to be reasonable for a less than fair market value.

Annexure C

KEY PRICIPLES AND GUIDELINES PERTAINING TO THE ALIENATION AND LETTING BY COUNCIL OF IMMOVABLE PROPERTY AND RIGHTS IN PROPERTY FOR SOCIAL CARE USES

1. Social care is defined as services provided by registered welfare, charitable, non-profit cultural and religious organisations and includes, but is not limited to, the following types of uses :-
 - a. Place of Worship to the degree and for that portion of a facility being used for spiritual gathering by, and social/pastoral/manse/welfare caring and support to Worshippers and the broader Community;
 - b. Child care facility insofar as it contributes to the functioning of a multi-use childcare facility and is operated on a non-profit basis;
 - c. Schools or centres – utilised as homes for the handicapped and disabled persons.
 - d. Non-profit rehabilitation centres;
 - e. Homes/centres for indigent, battered or destitute persons;
 - f. Organisations for the homeless and elderly;
 - g. Youth activity centres;

- h. Facilities for the accommodation, care and burial of animals; and Cemeteries, NPO funeral parlours and non-profit crematoria.
 - i. Retirement villages for that portion of the building or facility available to general public use at subsidised/nominal prices
- 2. Immovable property owned by Council may be alienated or let to social care users. Unless otherwise directed by Council, the purchase price payable shall be fixed at less than fair market value or nominal fee value subject to a suitable reversionary clause being registered against the title deed of the property.
- 3. Immovable property may be alienated or let out-of-hand to social care users in exceptional cases where the Council is of the opinion that public competition would not serve a useful purpose or that it is in the interest of the community and the Council, where none of the conditions as set out in this policy provides for such exception and where they are not in conflict with any provision of the policy.
- 4. Council reserves the right to entertain unsolicited bids for the purchase or lease of developable serviced property for social care uses with the proviso that it abides by Council's Strategic Objectives.
- 5. No application shall be processed unless the prescribed application fee as per tariff has been paid or be advertised unless the applicant has confirmed, in writing, that it will bear all costs where applicable, e.g. legal, survey, re-zoning, sub-division, consolidations, advertisements, relocation or provision of services, and/or a deposit as per prescribed tariff to cover incidental costs have been paid.
- 6. The following factors shall be considered relevant in the selection and allocation of immovable property to places of worship.
 - (a) The size of the congregation/membership;
 - (b) Availability of finance to acquire the site and develop same within one year;
 - (c) Whether or not such a denomination is already represented in the area;

- (d) Whether or not welfare type facilities/activities will be provided in addition to religious facilities;
- (e) Whether or not the congregation/membership is drawn from the area in which a site is being applied for;

Annexure D**KEY PRINCIPLES AND GUIDELINES PERTAINING TO THE LETTING BY COUNCIL OF IMMOVABLE PROPERTY****SECTION C: ACQUISITION OF LAND FOR MUNICIPAL PURPOSES PRINCIPLES****AUTHORITY TO ACQUIRE**

Council may acquire Immovable Property and rights in Immovable Property within or outside its municipal area by purchase, expropriation, exchange, donation, gift, lease or otherwise, subject to compliance with the procedures set out in this policy.;

Core principle

Council may expropriate Immovable Property in terms of the Expropriation Act (Act 63 of 1975), or any other applicable legislation from time to time, provided that such expropriation shall only be for public purposes or in the interest of the public.

GENERAL ACQUISITION PRINCIPLES

1. Council must ensure that decisions to acquire Immovable Property (land, property, buildings and land improvements) are based on sound business and planning principles which are fully in line with and compliant with:
 - (a) Council priorities and initiatives;
 - (b) Corporate and service plans;
 - (c) Council's IDP
2. The Property Management Division undertakes the acquisition in conjunction with the service departments (purchase or expropriation) of Immovable Property (land)

and rights in Immovable Property (servitudes) for municipal purposes on behalf of all the service departments.

3. It is the responsibility of a Service Department to timeously, by a predetermined date as specified by the Property Management Division, which time period shall be reasonable advice the Property Management Division of the Immovable Property or servitudes that are required in a particular financial year. The service department is required to furnish the Property Management Division with the full particulars of the Immovable Property or servitude(s) required. The particulars required must stipulate the erf or farm number if the entire erf or farm is required, or the co-ordinates and extent of the Immovable Property or servitude if a portion of a farm or erf or a servitude is required.
4. The Service Department is required to confirm that the acquisition is required for an approved municipal project and that funding has been approved on an approved budget for the payment of the purchase price and the costs that the Municipality will incur when transferring the Immovable Property or registering the Property right in the name of the Municipality in the Office of the Deeds Registry.
5. The municipality will purchase the Immovable Property or servitude at the market value of the Immovable Property or servitude as determined by a professional valuer or at such lesser amount as may be agreed to by the seller.
6. In the case of an expropriation the compensation payable for the Immovable Property or servitude shall be determined in accordance with prescripts of the legislation in terms of which the Immovable Property or servitude was expropriated.
7. Once the Immovable Property has been acquired, it will be reserved for the municipal purpose for which it was acquired and dealt with in accordance with the reservation procedures outlined above.

8. METHODS OF ACQUIRING IMMOVABLE PROPERTY

The Municipality may acquire Immovable Property by:-

8.1 Open/close bidding process

The Municipality usually acquire Immovable Property through the open/closing bidding process market place by either public auction or private sale.

8.2 Private treaty agreement (for site specific acquisition)

Private treaty contracts are suitable where the property has clear title or where clear title is reasonably achievable and the owner is willing to negotiate on reasonable terms.

8.3 Acquisition by expropriation

This method should only be used under circumstances where acquisition by agreement has been rejected as being unsuitable, or the Municipality has been unsuccessful in concluding an agreement with the owner and it can be shown that the Immovable Property required is site specific and essential.

8.4 Servitudes

The particulars of the servitude for municipal services must stipulate the erf or farm number if the entire erf or farm is required, or the co-ordinates and extent of the Immovable Property or servitude if a portion of a farm or erf or a servitude is required and the purposes required for.

Annexure E

KEY PRINCIPLES GUIDING THE DETERMINATION FOR COMPENSATION TO TRANSFER MUNICIPAL IMMOVABLE PROPERTIES

CRITERIA FOR DETERMINING COMPENSATION AND FAIR MARKET VALUES

INTRODUCTION

1. Immovable Property may be disposed of only at market-related prices, except when the plight of the poor or the public interest which impact on the economic and community value to be received by the Municipality demand otherwise.
2. If the Municipality, on account of the public interest, particularly in relation to the plight of the poor, intends to dispose of a Non-Exempted Immovable Property for less than market value it must take into account the following factors:
 - a. the interests of the State and the local community;
 - b. the strategic and economic interests of the municipality, including the long-term effect of the decision on the municipality;
 - c. the constitutional rights and legal interests of all affected parties;
 - d. whether the interests of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and
 - e. whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.
3. Subject to Council's decision in terms of Section 14 of the MFMA Determinations and an In Principle Approval in respect of a specific Disposal, the Municipality shall dispose of social care Immovable Properties at a less than fair market value subject to a suitable reversionary clause being registered against the title deed of the Immovable Property. In the event of the subject Immovable Property ceasing to be used for the purpose originally intended, reversionary rights are triggered and the Municipality reserves the right to demand compensation equal to the difference

between the actual purchase price and the current fair market value of the Immovable Property, or that the Immovable Property be transferred into the ownership of the Municipality at no cost to the Municipality.

4. If the Municipality appoints a private sector party or Organ of State through a competitive bidding process as the service provider of a Commercial Service, the compensation payable to the Municipality in respect of the Disposal of Immovable Property as an integral component of the performance of that Commercial Service to that service provider, shall reflect fair market value.
6. Less than market related value and nominal value must be avoided at all cost not unless of surrounding circumstances of the property and Council considered the interests of the State and the local community.

Annexure F**KEY PRINCIPLES AND GUIDELINES PERTAINING TO THE MANAGEMENT OF PUBLIC COMPETITION PROCESSES INVOLVING ALIENATION OR LETTING OF COUNCIL'S IMMOVABLE PROPERTY AND RIGHTS IN IMMOVABLE PROPERTY****1. Introduction:**

Council is permitted to alienate or let immovable property or rights in immovable property by means of direct sale, public tender, auction or donation once it is satisfied that such property or right is not required to provide the minimum level of basic Municipal services and once it has considered the fair market value thereof as well as the economic and community value to be received in exchange for such property or right. Unless otherwise provided for in this policy, the alienation or letting of viable immovable property shall be affected by means of a process of public competition.

This policy has, as an inherent and integral part of it, a focus to realise transformation in land ownership. This Policy will therefore also promote broad-based black economic empowerment (BBEE), to broaden the local and national tax base and contribute to the national imperatives of economic development, land reform and land restitution. Council may review this policy on time to time to determine whether it is still relevant.

The adjudication of public participation processes is based on a points system that is generally aligned with the Supply Chain Management Policies as envisaged by the Broad Based Black Economic Empowerment Act No.53 of 2003

2. Public competition methodology

In pursuance of the requirement of public competition, Council employs the following methods:

- Public Auction
- Outright Tender
- First Time Home Ownership Tender
- Qualified Tender or Proposal Call

2.1. Public Auction

DSP and PNEFS with road access immovable property may be alienated by public auction in exceptional cases where Council is of the opinion that it is in the interest of the community and the Council. The terms and conditions of each auction shall be determined on a project-by-project basis, appropriate to the specific characteristics and attributes of the immovable property, and to the Council's strategic objectives. Where the services of an auctioneer are utilised, the auctioneer's commission shall be payable by the successful bidder and shall not form part of the financial offer to Council.

2.2. Outright Tender

2.2.1 Principle

This method involves the call for purely financial offers for the immovable property offered for alienation.

2.2.2 Adjudication

Unless otherwise determined by Council, the awarding of tenders shall be adjudicated on a maximum One Hundred (100) points system set out as follows:

2.3. First Time Home Ownership Tender

2.3.1 Principle

The main objective of this method is the promotion of first time home ownership in previously disadvantaged communities. Natural persons who had never before owned immovable property, either directly or indirectly, but are financially able and otherwise qualified will be afforded preference in the adjudication of the tenders. This will apply solely to the disposal of single residential erven in areas and on sites considered to be suitable to meet this objective. The preference for first time home ownership will apply once only to any and all beneficiaries.

2.3.2 Adjudication

Unless otherwise determined by Council, the awarding of tenders shall be adjudicated a maximum One Hundred (100) points system set out as follows:

a) Price

Sixty (60) points maximum. The highest financial offer shall score Sixty (60) points with lower offers scoring proportionately in relation to the highest offer.

b) Economic Empowerment

Forty (40) points, which shall be measured and compiled as follows:

- i) Twenty (20) points
for Black People
- ii) Five (5) points for
Black Women
- iii) Ten (10) points for First
Time Home Ownership

- iv) Five (5) points for the
Disabled of all races

2.4 Qualified Tender or Proposal call

2.4.1 Principle

This method is an important mechanism for the alienation or letting of immovable property to assist in the achievement of strategic objectives of the Council and involves the development of strategic immovable property in terms of a predetermined package of rights with the desired nature of the development defined in considerable detail.

2.4.2 Process

a) The process involves the identification of the project, determination of development parameters, public participation, preparation of documentation, evaluation of the proposals submitted and the recommendation to Council in respect of awarding the tender or proposal call. In order to manage the process in a thorough and consistent manner two teams shall be constituted:

2.4.3 Adjudication

Unless otherwise determined by Council, the awarding of tenders of proposal calls shall be adjudicated on a maximum One Hundred (100) points system set out as follows:

a) Price

Thirty Five (35) points maximum. The highest financial offer shall score Thirty Five (35) points with lower offers scoring proportionately in relation to the highest offer.

b) Status

Twenty Five (25) points, which shall be measured and compiled as follows:

- a. Fifteen (15) points for black people and legal entities. Points for legal entities will be proportionately allocated according to the percentage ownership by black people
- b. Five (5) points for black women
- c. Five (5) points for the Disabled of all races

c) Economic and Social Empowerment

Ten (10) point's maximum, which shall be measured on:

- Local Job Creation,
- Community Upliftment Contribution,
- Social Housing,
- Community integration and
- Access to services and
- Environmental and Cultural benefits,
- All of which focusing especially on young people and women, particularly those from historically disadvantaged backgrounds.

d) Development concept

Thirty (30) points maximum, which shall be measured and adjudicated as per the provisions of clause 2.4.3 herein.

3. General:

3.1 In exceptional cases where the Council is of the opinion that it is in the interest of the Council, the community that it serves the Council's strategic Objectives, viable immovable property may be sold or let by other method/criteria than that set out in paragraph 2 above;

3.2 Failure by tenderers to complete the required sworn statements and submit same with the tender will lead to such tenderer not qualifying for the relevant criteria points.

LOCAL AUTHORITY NOTICE 59

MBOMBELA LOCAL MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION POLICY

MBOMBELA LOCAL MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

(Explanatory Note: This policy is applicable to Mbombela Local Municipality only. In terms of Section 80 of the Local Government: Municipal Systems Act, 32 of 2000, the Municipality may enter into service delivery agreements with service providers to provide municipal services to customers. In such instances the internal credit control and debt collection policies of those entities may differ from this policy, but shall always be subject to the promulgated Credit Control and Debt Collection By-Laws.)

1. Objectives

The objectives of the policy are to:

- (a) Provide a framework within which the municipal council can exercise its executive and legislative authority with regard to credit control and debt collection;
- (b) Ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interests of the community, residents and ratepayers and in a financially sustainable manner¹;
- (c) Outline the procedures that will ensure that the members of the local community is afforded the opportunity to contribute in the decision-making processes of the municipality and that they are informed of the decisions and affairs of the municipality;
- (d) Set realistic targets for debt collection;
- (e) Outline credit control and debt collection policy procedures and mechanisms; and
- (f) Provide a framework to link the municipal budget to
 - Indigent support; and
 - Tariff policies.

2. Principles

- (a) The administrative integrity of the municipality must be maintained at all costs. The democratically elected officials (councillors) are responsible for policy-making, while it is the responsibility of the municipal manager to execute these policies.
- (b) All customers must complete an official application form formally requesting the municipality to connect them to service supply lines.

¹ Section 96(a) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides that a municipality must collect all money that is due and payable to it subject to this Act and any other applicable legislation.

- (c) A copy of the application form, conditions of services and extracts of the relevant council's credit control and debt collection policy and by-laws must be handed to every customer on request.
- (d) Billing is to be accurate, timeous, and understandable and subject to the provisions of the National Credit Act, 2005.
- (e) The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- (f) The customer is entitled to an efficient, effective and reasonable response to complaints and appeals, and should suffer no disadvantage during the processing of a reasonable request or appeal.
- (g) Enforcement of payment must be prompt, consistent and effective.
- (h) Fraud/criminality will lead to loss of rights and heavy penalties and/or public prosecution.
- (i) Incentives and disincentives may be used in collection procedures.
- (j) The collection process will be efficient and cost-effective and all costs incurred by Council relating to the credit control and debt collection process shall be recovered from the customer.
- (k) Results will be regularly and efficiently reported.
- (l) Application forms will be used to categorise customers, to determine the amount of the deposit payable by the customer and whether the customer qualifies for indigent support, pre-payment or credit meters. Council may not unfairly discriminate amongst customers, and must at all times act fairly and objectively.
- (m) New applications for services will be subject to prescribed credit information and outstanding amounts may be transferred to a new account. All information furnished on the application form may be verified by Council with any or all data information institutions, credit information bureau and/or any financial institutions as may be deemed necessary by Council in determining the applicant's credit worthiness.
- (n) Where alternatives are available Council may provide reduced levels of service to manage the debt growth.
- (o) Customers may be referred to 3rd party debt collection agencies and may be placed on a national credit rating listing.
- (p) Interest charges will be levied on overdue accounts at the rate determined by Council from time to time, will be levied from the due date if not paid by the following due date and will be calculated for a full month(s) irrespective of when payment is made. The interest charged will appear in the following month's account.

- (q) As part of the arrangements made to repay debt the customer may be required to co-operate with any reasonable measures that might be required to reduce the level of use of consumptive services to affordable levels.
- (r) Although customer care and debt collection are inter-related issues, they should be performed by two separate divisions.
- (s) Indigent households will be identified and supported. Welfare is to be separated from tariff and credit control issues and will be supported by appropriate and affordable policies and practices. Indigent support will be introduced within council's financial ability.
- (t) Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.
- (u) Human dignity must be upheld at all times.
- (v) The policy must be implemented with equity, fairness and consistency.
- (w) Debts and arrangements to repay debts shall be treated holistically, but different repayment periods or methods may be determined for different types of service, customers or areas within the general rule that the repayment period should be in sympathy with the instalments that the customer can afford.

3. Duties, functions and responsibilities of role-players

3.1 Duties and functions of the Executive Mayor

- (a) To oversee and monitor the implementation and enforcement of this policy and by-laws enacted to give effect to the policy;¹
- (b) To monitor the performance of the Municipal Manager in implementing the policy and by-laws².
- (c) To, when necessary, review and evaluate the policy and by-laws in order to improve the efficiency of Council's credit control and debt collection procedures, mechanisms and processes³.
- (d) To report to Council⁴.

Section 99 of the Local Government: Municipal Systems Act, 2000 provides that the executive mayor must –

(a) Oversee and monitor –

¹ (i) The implementation and enforcement of the municipality's credit control and debt collection policy and any by-laws enacted in terms of section 98; and

² (ii) The performance of the municipal manager in implementing the policy and any by-laws.

³ (b) When necessary, evaluate or review the policy and any by-law, or the implementation of the policy or such by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures; and

⁴ (c) At such intervals as may be determined by the Council report to a meeting of the Council, except when the Council itself performs the duties mentioned in paragraph (a) and (b).

3.2 Duties and functions of the Municipal Manager (delegated to Revenue Management)

- (a) To implement good customer care management.
- (b) To implement council's credit control and debt collection policy.
- (c) To install and maintain an appropriate accounting system.
- (d) To bill customers.
- (e) To demand payment on due dates.
- (f) To raise penalties for defaults.
- (g) To appropriate payments received.
- (h) To collect outstanding debt.
- (i) To provide different payment methods.
- (j) To determine credit control measures.
- (k) To determine work procedures for public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
- (l) To appoint firm/s of attorneys or collection agents to assist with the execution of his/her duties, where necessary.
- (m) To set performance targets for staff.
- (n) To appoint staff to execute council's policy and by-laws in accordance with council's staff policy.
- (o) To delegate certain functions to senior managers.
- (p) To determine control procedures.
- (q) To report to the Finance Committee, who in return will report to the Executive Mayor.

3.3 Responsibilities of communities, ratepayers and residents

- (a) To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
- (b) To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality.
- (c) To observe the mechanisms and processes of the municipality in exercising their rights.
- (d) To allow municipal officials reasonable access to their property to execute municipal functions.
- (e) To comply with the by-laws and other legislation of the municipality.
- (f) To refrain from tampering with municipal services and property.

POLICY PRINCIPLES**4. Customer Care and Management ¹****4.1 Communication and feedback**

4.1.1 The municipality will, within its financial and administrative capacity, conduct an annual process of compiling its budget which will include:

- a) A First Budget Meeting, in January, wherein the Finance Committee will consider budget priorities, principles and a budget framework.
- b) A first round of public meetings will then be called, to invite at least the following: political parties; ratepayers and civic organisations; chambers of business and organised labour; the general public and other interested parties, at which the budget priorities, principles and framework will be outlined and debated.
- c) Need identification workshops will be conducted in all wards, the objects of which will be:
 - i) To identify all the needs of the wards that is legitimately in the area of responsibility of the council.
 - ii) To involve the community in prioritising these needs.
 - iii) To involve the community in Council's planning, and to provide the community with much basic information
 - iv) To inform the community of the levels of payment and non-payment in that ward, and to devise strategies in that regard.
- d) A council workshop, which will marry the results of the first budget meeting, the public meetings, and the need identification workshops with Council's Integrated Development Plan.
- e) Thereafter Council's draft Capital and Operating budgets, informed by the above processes, will go through Council's Mayoral committee for the creation of a draft budget.
- f) This draft budget, with tariff and rate implications, will then be presented to a second round of public meetings.
- g) Thereafter a final draft of the budget appears before Council for approval.

1. Section 95(a) of the Local Government: Municipal Systems Act, 2000 provides that a municipality must, within its financial and administrative capacity, establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for payments and the municipality.

- 4.1.2 Council's Credit Control and Debt Collection Policy and By-Laws will be available in English and any other official language, and will be made available upon specific request, and will also be available at Council's cash collection points.
- 4.1.3 Council will endeavour to distribute a regular newsletter, which will give prominence to customer care and debt issues.
- 4.1.4 Ward councillors will be required to hold regular ward meetings, at which customer care and debt issues will be given prominence.
- 4.1.5 The press will be encouraged to give prominence to Council's Customer Care and Debt issues, and will be invited to Council meetings where these are discussed.
- 4.1.6 Council aims to establish:
 - a) A central complaints/feedback office;
 - b) A centralized complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
 - c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and
 - d) A communication mechanism to give council feedback on service, debt and other issues of concern.

4.2 Service application and agreements

- 4.2.1 All customers of services will be required to sign an agreement governing the supply of, and cost of, municipal services. Owners may allow a tenant to sign a separate agreement with the municipality, which the municipality may accept. On default by a tenant, the owner is jointly and severally liable for payment. Owners must co-sign all service agreements with their tenants wherein owners shall bind themselves as sureties and co-principal debtors for the due fulfilment of the obligations of their tenants. It is the duty of owners to ensure that tenants are not in arrears with payments of their accounts. Council will, within financial and human resource constraints, endeavour to inform property owners regarding the performance of their tenants in terms of the service agreement.
- 4.2.2 Prior to signing these agreements, owners and or tenants will be entitled to receive the policy document of the Council on request.
- 4.2.3 New customers from other municipalities shall be required to submit the particulars of their previous municipal accounts and to agree in writing that any other municipality may indicate whether all amounts due in respect of municipal services, surcharges on fees, property rates and other municipal taxes, levies and duties at the customer's previous address have been paid.
- 4.2.4 On the signing of the agreement, owners and or tenants will receive a copy thereof.

- 4.2.5 The agreement will be referred to the Credit Control and Debt Collection sub-directorate for a full credit check on the customer, where after the customer will be categorised in accordance with its credit rating and the security deposit payable as set out in paragraph 4.3.
- 4.2.6 In the agreement, customers will acknowledge that the information supplied is correct and that they accept liability for all costs of collection, and interest and penalties, in the event of delayed payment. Owners must however give written consent before any extension of payment shall be granted to tenants.
- 4.2.7 Council may require that applications for services for businesses, including but not limited to, trusts, body corporate, companies, close corporations, partnerships and sole proprietors or any other juristic person must include the submission of a resolution delegating authority to the applicant and furnishing, if applicable, the business entity's registration number or IT number. It may also require that the names, addresses and all relevant contact particulars of all the business's directors or members or trustees or proprietors or partners be submitted with the resolution and, at the discretion of the Chief Financial Officer, at least one partner/member/director/trustee to bind him/herself in his/her personal capacity as surety and co-principle debtor for the due fulfilment of all of the business'/legal entity's obligations. The person, who signs the agreement on behalf of the business, shall warrant that he/she is duly authorised to do so, that the information supplied is true and correct and that the business is trading in solvent circumstances.
- 4.2.8 The relevant application form as approved by Council from time to time forms an integral part of this Policy insofar as the contents of such application form are not in conflict with any of the provisions of this policy.

4.3 Customer screening and securities

- 4.3.1 All applicants for municipal services may be checked for credit-worthiness including checking information from banks, credit bureau, local authorities, trade creditors, and employers and all information furnished by the customer may be verified by Council.
- 4.3.2 Security deposits either in cash or any other security acceptable to the municipality will be taken, and may vary according to the risk. The municipal Council shall from time to time determine the criteria for the categories in terms whereof customers shall be graded as well as the amount of the deposit payable in each category.
- 4.3.3 The Municipality can, in consultation with the community, increase deposits at any time and implement such increases over an agreed period.
- 4.3.4 Deposits can vary according to the credit-worthiness or legal category of the applicant.

- 4.3.5 The municipality will not pay any interest on deposits.
- 4.3.6 On the termination of the agreement the amount of the deposit less any outstanding amount due to the municipality will be refunded to the consumer.
- 4.3.7 In assessing the credit worthiness of a customer, the Municipality may not unfairly discriminate amongst customers, and the credit assessment must be fair and objective.

4.4 Accounts and billing¹

Customers will receive an understandable and accurate bill from the municipality, which bill will consolidate all service costs for that property.

- 4.4.1 Accounts will be produced in accordance with the meter reading cycle and due dates are linked to the statement date.
- 4.4.2 Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the municipality.
- 4.4.3 It is the customer's responsibility to ensure timeous payment in the event of accounts not received or received late.
- 4.4.4 It is the customer's responsibility to ensure that Council is immediately informed in writing of any change of address.
- 4.4.5 Settlement or due date is within 7 days of the beginning of each month.
- 4.4.6 The issuing of final demand by way of email or cell phone text message will also be accepted as a proper demand sent in terms of this policy
- 4.4.7 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account, even where a dispute exists.
- 4.4.8 Discretion in terms of negotiable amounts as per this policy is delegated to the Chief Financial Officer with the right to sub-delegate.
- 4.4.9 At all times the most financially beneficial arrangement to Council must be entered into whilst still retaining the principles of this policy.

Where any payment made to the municipality by negotiable instrument is later dishonoured by the bank, the municipality:

- (a) May recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer;

¹ Section 95 (d) of the Local Government: Municipal Systems Act, 2000 provides that a municipality must, within its financial and administrative capacity take reasonable steps to ensure that the consumption of services has to be measured through accurate and verifiable metering systems.

- (b) Shall regard such an event as default on payment;
- (c) May refuse to accept further cheques from the drawer or beneficiary;
- (d) May place the matter on the national adverse credit listing;
- (e) May institute legal action which may include criminal charges against the offender.

4.4.11 the municipality must, if administratively possible, issue a duplicate account to a customer on request, against payment of the prescribed fee.

4.4.12 when services are discontinued and the customer applies for services at a different address, Council reserves the right to transfer any outstanding amounts to a customer's new account.

4.5 Metering¹

4.5.1 The municipality will endeavor, within practical and financial limits, to provide meters to every paying client for all meter able services.

4.5.2 All meters will be read monthly, if at all possible. If the meter is not read monthly the council will average the consumption for the preceding three months.

4.5.3 Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.

4.5.4 Customers will be informed of meter replacements in writing.

4.5.5 If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the municipality or its authorised agent, and the customer is charged for an average consumption the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

4.6 Right of access to premises

4.6.1 The owner and or occupier of premises must give an authorised representative of the municipality access at all reasonable hours to the premises in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service².

4.6.2 The owner accepts the cost of relocating a meter if satisfactory access is not possible.

4.6.3 If a person contravenes 4.6.1 the municipality may:

¹ Section 95 (e) provides that a municipality must ensure that persons liable for payments receive regular and accurate accounts that indicate the basis for calculating the amount due.

² Section 101 provides that the occupier of premises in a municipality must give an authorised representative of the municipality access at all reasonable hours to the premises in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect stop or restrict the provision of any service.

- (a) By written notice require such person to restore access at his/her own expense within a specified period.
- (b) If it is the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

4.7 *Payment facilities and methods and stop orders and debit orders*

- 4.7.1 The municipality will operate and maintain suitable banking and cash facilities which facilities will be accessible to all users.
- 4.7.2 The municipality will, at its discretion, allocate all payments received and a customer who has overdue debt may not specify that the payment is for a specific portion of the account.
- 4.7.3 The municipality may, with the consent of a customer, approach an employer to deduct an agreed amount from the employee's weekly or monthly wages/salary to pay towards arrear municipal accounts.
- 4.7.4 The customer will acknowledge, in the customer agreement, that the use of customer agents in the transmission of payments to the municipality is at the risk of the customer – also for the transfer time of the payment – and the customer shall be liable for any additional bank costs which is levied, apart from the normal service charges connected to such a payment.

4.8 *Enquiries, appeals and service complaints*

- 4.8.1 If a customer is convinced that his or her account is inaccurate, he or she can lodge a written request with the municipality for recalculation of this account¹.
- 4.8.2 The customer must furnish full personal and/or business particulars, the relevant account number, direct contact number, addresses and any other relevant particulars required by Council.
- 4.8.3 In the interim the customer must pay the average of the last three months account where history of the account is available. Where no such history is available the customer is to pay an estimate provided by the municipality before payment due date until the matter is resolved.
- 4.8.4 The relevant department will give a written acknowledgement of receipt of the request, investigate the matter and inform the customer in writing of the outcome of the investigation and supply details thereof.
- 4.8.5 Any adjustments to the customer's account will be done within one month.

¹ Section 95 (f) of the Local Government: Municipal Systems Act, 2000 provides that a municipality must provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts.

- 4.8.6 Failure to make interim payment or payments will make the customer liable for disconnection.
- 4.8.7 After having been informed of Council's authorised official's decision, a customer may lodge an appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of notification of the decision. The municipal manager shall commence with the appeal within six weeks and shall decide the appeal within a reasonable period. His/her decision shall be final and will result in the immediate implementation of any credit control and debt collection measures provided for in this policy after the customer is provided with the outcome of the appeal. .
- 4.8.8 The same dispute/enquiry/complaint will not be reconsidered.
- 4.8.9 If the customer is not satisfied with the outcome of his/her appeal, he/she must first under protest pay the amount in dispute before redressing his/her action in a court of law. Notwithstanding anything to the contrary contained herein, the authorised official and/or municipal manager may not allow or cause to allow the debt referred to in the dispute to prescribe.
- 4.8.10 The payment of an amount may not be withheld as a result of a dispute and the Municipality may in such an event proceed with debt collection subject to the provisions of the National Credit Act, 2005.

4.9 *Business who tender to the Municipality*

- 4.9.1 The Procurement Policy and Tender Conditions are to include the following:
- i. When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the municipality a certificate stating that all relevant municipal accounts owing by the tenderer or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.
 - ii. A municipal account to mean any municipal service charge, tax or other fees, fines and penalties, due in terms of a contract or approved tariff or rate, which is outstanding after the due date normally appearing on the consolidated account or overdue in terms of the contract or any other due date that has passed.
 - iii. Tender conditions contain a condition allowing the municipality to deduct moneys owing to the municipality from contract payments in terms of a reasonable arrangement with the tenderer.

4.10 Incentives for prompt payment

- 4.10.1 The municipality may, to encourage payment, and to reward good payers consider from time to time incentives for the payment of accounts.
- 4.10.2 Such incentive schemes, if introduced, will be reflected in annual budgets as additional expenditure.
- 4.10.3 A 1% (one percent) rebate will be effected as per 4.10.1 above
- 4.10.4 The percentage rebate will be effected for all accounts paid by the 1st (first) of every month.
- 4.10.5 The account must not be in arrears in order to qualify for the percentage rebate.
- 4.10.6 Government accounts shall not qualify for the percentage rebate.

4.11 Customer assistance programmes

4.11.1 Water leakages

- 4.11.1.1 If the leakage is on the side of the customer the customer is responsible for the payment of the full account, subject to the municipality's water services by-laws.
- 4.11.1.2 The customer has the responsibility to control and monitor his/her consumption.

4.11.2 Rate rebates

- 4.11.2.1 Properties used exclusively for residential purposes may qualify for a rebated rate determined annually by Council.
- 4.11.2.2 A rate rebate may be granted to old-age pensioners or the receiver of a State disability grant as determined by Council from time to time. To qualify for the concession the following minimum criteria will apply in addition to the criteria as determined by Council in Council's tariff policy:
 - Application must be made each year and reach the Chief Financial Officer on or before 30 June.
 - The applicant must be the registered owner of the property, shall not sub-let any portion of the dwelling or take in boarders or have any employed children or family members living on the property.
 - The applicant should not own any other immovable property.
 - The property must be readily accessible to municipal staff for the purpose of carrying out of inspections.

4.11.3 Arrangements for settlements

- 4.11.3.1 Notwithstanding an arrangement between the municipality and a customer whereby the customer is allowed to pay arrear amounts in instalments, the municipality may restrict and/or discontinue services until such time as the arrear payments are paid in full.
- 4.11.3.2 If a customer cannot pay his/her account with the municipality then the municipality may enter into an extended term of payment with the customer. He/she must:
- i. Sign an acknowledgement of debt;
 - ii. Sign a consent to judgement in terms of Section 57 of the Magistrate's court Act 32 of 1944;
 - iii. Consent to a garnishee order/emolument order/stop order (if he or she is in employment);
 - iv. Acknowledge that interest will be charged at the prescribed rate and in the manner determined by Council from time to time and that the particulars of the customer will be listed with credit bureau;
 - v. Pay the current portion of the account in cash every month; and
 - vi. Sign an acknowledgement that, if the arrangements are being negotiated later defaulted on, the full outstanding balance will become due and payable, that no further arrangements will be possible and that the restriction and/or disconnection of water and/or electricity will continue as will legal proceedings.
- 4.11.3.2 Customers with electricity arrears must agree to the conversion to a prepayment meter upon request of Council, and when implemented the cost of which, together with the arrears total, will be paid off either by
- i. adding it to the arrears bill and repaying it over the agreed period; or
 - ii. adding it as a surcharge to the prepaid electricity cost, and repaying it with each purchase of electricity until the debt is liquidated.
- 4.11.3.3 Council reserves the right to raise the deposit/security requirement in accordance with paragraph 4.3 of customers who seek arrangements or who default in terms thereof.
- 4.11.3.4 The customer may be required to prove levels of income and must agree to a monthly payment towards arrears on his/her ability to pay or based on his total liquidity if Council so requires.
- 4.11.3.5 All negotiations with the customer should strive to result in an agreement that is sustainable and is most beneficial to Council.
- 4.11.3.6 Council may, in the sole discretion of the Chief Financial Officer or any other person authorised by him/her, refuse to allow any further arrangements should a customer default on any arrangement.

- 4.11.3.7 All arrangements shall be subject to periodic review.
- 4.11.3.8 Any arrangement for extension of payment shall be subject to the prior written consent by the owner.

4.11.4 Rates by instalments

- 4.11.4.1 Customers will be given the opportunity to pay the property rates account monthly in instalments, as determined by Council from time to time.

5. **Credit Control and Debt Collection**

5.1 ***Enforcement Mechanisms***

5.1.1 Water, electricity and other services¹

- 5.1.1.1 Accounts must be paid by the due date shown on the account. Customers who are in arrears with their municipal account will have their supply of electricity and water, and other municipal services, suspended, restricted or disconnected.
- 5.1.1.2 When the municipal account is not paid on the due date shown on the account and unless permission for a deferred payment has been granted, a written warning of possible disconnection if the account is not paid will be forwarded to the customer as soon as practically possible. The notice shall also contain a proposal by Council that the customer refer the account to a Debt Counsellor with the intent that the parties resolve any dispute under the agreement or develop and agree and to plan to bring the payments up to date. The customer will be deemed to have received the notice on the same day if delivered by hand, e-mail or fax, on the third day after date of posting if posted by ordinary mail and on the fourth day after date of posting if posted by registered mail.
- 5.1.1.3 If payment is not received by the due date as reflected in the notice, the supply will be disconnected without further notice.
- 5.1.1.4 A notice shall be left at the property advising that the supply has been disconnected, warning that all electric points should be considered live and that all water outlets should be closed. The notice must also advise that the supply will only be reconnected after the total balance of the amount specified in the notice, as well as the prescribed reconnection fee has been paid. The notice must also warn of the consequences of unauthorised reconnection.
- 5.1.1.5 Only the Chief Financial Officer shall have the authority to approve arrangements for delayed payment in terms of this policy, which authority may be delegated.

- 5.1.1.6 Businesses shall be required to pay all arrears and prescribed fees before services are restored.
- 5.1.1.7 Subject to Council's capacity at the time to restore such service, disconnected services will be restored within a reasonable period of time after the customer produces proof of payment of the required amount. Services will only be restored during the official business hours of Council, except in the case of an emergency (in the discretion of Council), when an additional after hours fee will be charged as prescribed by Council.
- 5.1.1.8 The onus is always on the customer to request reconnection and prove payment.
- 5.1.1.9 Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges.
- 5.1.1.10 Council reserves the right to disconnect the service of a tenant if the owners account is in arrears.
- 5.1.1.11 The cost of the restriction or disconnection, and the reconnection, will be determined by tariffs agreed by Council, and will be payable by the customer.
- 5.1.1.12 Should a customer default in terms of an arrangement, Council may refuse further extension of payment and the full outstanding amount due to Council will be payable. The full outstanding amount will be payable before services are reconnected.
- 5.1.1.13 Customers who make no further use of any services but still owe an amount are classified as inactive and who, after the rendering of a second inactive account to their latest known postal addresses, shall be handed over to the internal collections division. Should no payment be received in response to a letter of demand addressed to the above-mentioned address, the particulars of the customer and the fact of non-payment shall be listed with ITC, subject to the provisions of the National Credit Act, 2005. If the outstanding amount warrants it, further legal action may be instituted for recovery of the outstanding balance.
- 5.1.1.14 Credit control measures of employee accounts will be subjected to the Municipal Systems Act, Act 32 of (schedule 2 of section 10) payment of serves, wherein it states that a staff member of a municipality may not be in arrears to the municipality for rates and services charges for a period longer than three months, the municipality may deduct any outstanding amount from the staff members salary.

5.1.2 Rates

Annual Rates (and other annual levies)

- 5.1.2.1 If the account is not paid by the due date as displayed on the account a notice shall be issued showing the total amount owed to Council.

- 5.1.2.2 If the account is not settled or there is no response from the customer to make acceptable arrangements to repay the debt, summons shall be issued and the legal process followed.
- 5.1.2.3 In instances where the rates debt is in respect of Municipal property sold by suspensive sale agreement or in terms of a lease agreement, the collection thereof will be done in terms of the Deed of Sale or lease agreement or any subsequent applicable written agreement between Council and the customer.
- 5.1.2.4 During the process of debt collection, Council shall within reason give customers an opportunity to make arrangements for payment of arrear accounts without having to resort to sales in execution, which shall be utilized as a last resort. Council shall however not hesitate to proceed with sales in execution where no arrangements have been made or where alternatives provided by Council from time to time are not used.
- 5.1.2.5 Any debtor may be granted the opportunity of converting to paying rates monthly for the following financial year.

Monthly Rates

- 5.1.2.6 Interest will be charged on all overdue accounts at an interest rate that shall be determined by Council from time to time.
- 5.1.2.7 Customers can make application to the Council to pay current and future rates monthly, the approval of which is at the sole discretion of the Chief Financial Officer with the right to sub-delegate.
- 5.1.2.8 The monthly amount payable for current annual rates will be calculated to allow the total balance of such amount to be paid in equal instalments within the period determined by Council from time to time, but at least by the end of that financial year.
- 5.1.2.9 If a customer's account is in arrears for 30 days, a notice shall be delivered to the customer demanding payment of the arrear amount. The customer will be deemed to have received the notice on the same day if delivered by hand, e-mail or fax, on the third day after date of posting if posted by ordinary mail and on the fourth day after date of posting if posted by registered mail. Should the customer fail to pay the arrears by the due date stipulated in the notice, the full outstanding balance of the annual rates shall become due and payable and Council may institute legal action for the recovery thereof.
- 5.1.2.10 If the amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determine by Council from time to time, the municipality may recover the amount in whole or in part from a tenant or occupier of the property in terms of the provisions of s28 and s29 of the Municipal Property Rates Act No 6 of 2004

- 5.1.2.11 For amounts owing for property rates where a prepaid electricity meter is connected on the property; such amounts will be recovered from the purchase of prepaid electricity.
- 5.1.2.12 50% (Fifty percent) of the tendered amount for purchasing of prepaid electricity will be recovered for payment of property rates as per 5.1.2.11 above.
- 5.1.1.13 The other 50% will then be allocated for the purchase of prepaid electricity.

5.1.3 Sundry and housing accounts

- 5.1.3.1 A letter of demand shall be forwarded in respect of all accounts 30 days in arrears and should payment not be received by the due date, legal action may be instituted forthwith. The debtor will be deemed to have received the notice on the same day if delivered by hand, e-mail or fax, on the third day after date of posting if posted by ordinary mail and on the fourth day after date of posting if posted by registered mail.
- 5.1.3.3 Property purchased from Council by way of suspensive sale agreement shall be repossessed in terms of the written agreement, subject to the provisions of the National Credit Act, 2005.
- 5.1.3.4 Once a property has been repossessed, the debtor will not be eligible for reinstatement of the agreement or to purchase any other property from Council by way of suspensive sale agreement.

5.1.2 Interest on overdue accounts

- 5.1.2.1 Interest will be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation and as determined by Council from time to time.¹ Interest will be levied and capitalised monthly in arrears, on the monthly outstanding balance, from the due date, if not paid by the due date, and will be calculated for a full month(s) irrespective of when payment is made. The interest charged will appear on the following month's account.

5.1.3 Personal contact

- 5.1.3.1 Telephonic contact
- 5.1.3.2 Officials/agents calling on clients
- 5.1.3.2.1 Council will endeavour, within the constraints of affordability, to make personal or telephonic contact with arrear customers to encourage their payment, and to inform them of their arrears state, and their rights (if any) to conclude arrangements or to indigence subsidies, and other related matters, and will provide information on how and where to access such arrangements or subsidies.

¹ Section 97 (e) of the Local Government: Municipal Systems Act, 2000 provides that a credit control and debt collection policy must provide for interest on arrears, where appropriate.

- 5.1.3.2.2 The municipality shall maintain a schedule of customers with large amounts outstanding, the cut-off amount to be agreed by Council from time to time, and will maintain intensive contact with these customers.
- 5.1.3.2.3 Such contact is not a right for customers that customers enjoy – disconnection of services and other collection proceedings will continue in the absence of such contact for whatever reason.
- 5.1.4 Legal Process/Use of attorneys/Use of credit bureaus
 - 5.1.4.1 Council may, when any debtor is 90 days in arrears, commence legal process against that debtor, which process could involve final demands, summonses, judgments, garnishee and emolument attachment orders, financial enquiries and/or sales in execution of movable and immovable property, subject to the provisions of the National Credit Act, 2005.
 - 5.1.4.2 Council will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from outside parties, be they attorneys or any other collection agents appointed by council.
 - 5.1.4.3 Council will establish procedures and codes of conduct with these outside parties.
 - 5.1.4.4 All steps in the credit control procedure will be recorded for Council's records and for the information of the debtor.
 - 5.1.4.5 All costs of this process are for the account of the customer.
 - 5.1.4.6 Individual customer accounts are protected and are not the subject of public information. However Council may release debtor information to credit bureaus and other institutions lawfully entitled to such information. This release will be in writing and this situation will be included in Council's agreement with its customers.
 - 5.1.4.7 Council may consider the cost effectiveness of this process, and will receive reports on relevant matters, including cost effectiveness.
 - 5.1.4.8 Council may consider the use of agents, and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or product vendors; and will be closely monitored by Council
 - 5.1.4.9 Customers will be informed of the powers and duties of such agents and their responsibilities including their responsibility to observe agreed codes of conduct.
 - 5.1.4.10 any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will see the contract terminated.

- 5.1.4.11 only payment in full of the outstanding balance reflected on the account shall be deemed acceptable payment before a customer's particulars are removed from any adverse credit listing. In the case of default judgments entered into against customers, the customer shall at its own cost appoint an attorney to set aside the judgment, after payment of the full outstanding balance has been made to Council.

5.2 *Theft, tampering & fraud*

- 5.2.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, interfering or tampering with meters, reticulation network or any other supply equipment or committing any unauthorised service associated with the supply of municipal services, as well as theft and damage to Council property, will be prosecuted and/or liable for penalties as determined from time to time.¹
- 5.2.2 Council will immediately terminate the supply of services to a customer should such conduct as outlined above be detected.
- 5.2.3 The total bill owing, including penalties, assessment of unauthorised consumption, damages and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, becomes due and payable before any reconnection can be sanctioned.
- 5.2.4 Council will maintain monitoring systems and teams to detect and survey customers who are undertaking such illegal actions.
- 5.2.5 Council may distinguish in its penalties between cases of vandalism and cases of tampering.
- 5.2.6 Subsequent acts of tampering will lead to penalties and deposits increasing in quantum.
- 5.2.7 Council reserves the right to lay criminal charges and to take any other legal action against both vandals and thieves and any person that contravenes any of Council's By-Laws or any other applicable legislation.
- 5.2.8 Any person failing to provide information or providing false information to the municipality may face immediate disconnection/restriction of services.

5.3 *Cost of collection*

- 5.3.1 All costs and charges pertaining to the credit control processes as set out herein, interest, administration costs, all penalties, surcharges, damages, service

¹ Section 97 (h) of the Local Government: Municipal Systems Act, 2000 provides that a credit control and debt collection policy must provide for matters relating to unauthorised consumption of services theft and damages.

discontinuation and reconnection costs and all legal costs, fees and disbursements associated with credit control and debt collection are for the account of the customer and should reflect at least the actual cost of the particular action.

5.4 Irrecoverable debt

5.4.1 The Municipal Manager must ensure that all avenues are utilized to collect the municipality's debt.

5.4.2 There are some circumstances that allow for the valid termination of debt collection procedures:

- i. The insolvency or demise of the debtor, whose estate has insufficient funds;
- ii. A balance being too small to recover, for economic reasons considering the cost of recovery;
- iii. Prescription;
- iv. When the debtor relocates and three tracing agents are unable to trace the current whereabouts of the debtor;
- v. All reasonable notifications and cost effective legal avenues to recover the outstanding amount have been exhausted;
- vi. The amount outstanding is the residue after payment of a dividend in the Rand from an insolvent estate;
- vii. It is impossible to prove the debt outstanding;
- viii. The outstanding amount is due to an administrative error by Council or by Council Resolution, on good cause shown.

5.4.3 The municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the debt.

5.4.4 The schedules setting out particulars of the debt and the reasons for abandonment, together with a written request authorising the writing off of the indicated debt must be presented to:

- (i) The manager in charge of credit control and debt collection for debts at R1, 00 – R25 000, 00 per customer;
- (ii) The senior manager in charge of credit control and debt collection for debts at R25 000, 00 – R 75 000, 00 per customer;
- (iii) The chief financial officer for debts at R75 000, 00 – R150 000, 00 per customer;
- (iv) The municipal manager for debts at R150 000, 00 – R200 000, 00 per customer;

(v) The executive mayor for debts above R200 000, 00 per customer;

5.4.5 Notwithstanding the above, Council or its authorised officials will be under no obligation to write off any particular debt and will always have the sole discretion to do so.

5.5 Rates clearance

5.5.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all amounts due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for a clearance certificate have been fully paid, by withholding a rates clearance certificate.

5.5.2 In terms of Section 118(3) of the Act an amount due for municipal service fees, surcharge of fess, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with the amount is owing and enjoys preference over any bond registered against the property.

5.5.3 Accordingly, all such municipal debts shall be a charge upon the property, the subject thereof, and shall be payable by the owner of such property.

5.5.4 Transfer of outstanding debt on a closed account to the owners account(refer to section 118(3) of the Act

6. Performance Evaluation

6.1 Income Collection Targets

Council shall create targets that include:

- i. Reduction in present monthly increase in debtors in line with performance agreements determined by council.

6.2 Customer Service Targets

Council shall create targets that will include:

- i. Response time to customer queries.
- ii. Date of first account delivery to new customers.
- iii. Reconnection time lapses.
- iv. Meter reading cycles.

6.3 Administrative Performance

Council shall create targets that will include:

- i. Cost efficiency of debt collection.
- ii. Query rates.
- iii. Enforcement mechanism ratios.

- 6.4 Council will create a mechanism wherein these targets are assessed; Council's performance is evaluated and remedial steps taken.

7. Reporting to Council

- 7.1. The Chief Financial Officer shall report quarterly to the Municipal Manager in a suitable format to enable the municipal Manager to report to the Finance Committee, who will report to the Executive Mayor, who will report to Council. This report shall report on:

- i. Cash flow information for the capital and operating accounts, and combined situation, showing Council's actual performance against its cash flow budgets.
- ii. Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquires; default arrangements; growth or reduction of arrear debtors; ideally divided into areas, business (commerce and industry) domestic, state, institutional and other such divisions.
- iii. Performance of all areas against targets agreed to in item 6 of this policy document.
- iv. Council's ongoing income and expenditure statements, comparing both billed income and cash receipt income, against ongoing expenditure in both the capital and operating accounts.

- 7.2. If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realizable income levels.

8. Structures of the Financial Directorate

- 8.1. Council shall regularly receive a report from the Chief Financial Officer, if necessary after consultation with suitable consultants, on the manpower and systems requirements of the financial directorate which requirements take into account Council's agreed targets of customer care and management, and debt collection, and, after considering this report, Council will within reason vote such resources as are necessary

to ensure that the financial directorate has the staffing and structures to meet Council's targets in this regard or to outsource the service.

9. Indigent support policy

All Indigent related matters must be referred to the Council approved Indigent policy.

Annexure "A"

**MBOMBELA LOCAL MUNICIPALITY
APPLICATION FOR MUNICIPAL SERVICES**

**A. PLEASE RENDER/*DISCONTINUE THE FOLLOWING SERVICES ON(DATE)
(2 WORKING DAYS' NOTICE IS REQUIRED)**

WATER PROVISION			SEWERAGE (TOILET)		ELECTRICITY		REFUSE
Communal Standpipe	Yard Tap	House Connection	Pit Latrine (VIP)	Water Connection	Prepaid	Conventional meter	Removal

TYPE OF SUPPLY:

Domestic	Commercial	Industrial	Educational	State	Agricultural	Other
State whether any type of business activities to be conducted from residential address						YES NO

PHYSICAL ADDRESS:

TYPE OF BUILDING

House	Business	Flat	Complex	Sectional Title	Other
-------	----------	------	---------	-----------------	-------

B. PERSONAL INFORMATION OF APPLICANT/CUSTOMER

Trust/ Close Corporation/Company name :

Trust/ Close Corporation/Company registration no¹. :

Surname² : ID Number :

First names : Pension Number :

Physical Address :

Postal Address :

Employer :

Work Address :

Employee number :

Postal Code : Number of years at current address :

Tel. Work : Tel. Home:

Occupation : Cell No:

Marital Status : Bank Details:

Spouse Details: Branch

ID number : Account No

Cell No. : Do you wish to make use of :

Name of Employer : Debit order: YES/NO

Work Address : Stop order: YES/NO

Work Tel. No. : Vehicle Registration No:

(In/out community of property/Marital Status Contract /Divorced)

List of other accounts held : 1..... Account No.

2.....Account No.

¹ No application form will be considered unless copies of the relevant registration forms are attached.

² In the case of a juristic person, the full particulars of the duly authorised partner/director/member/trustee must be supplied, together with a resolution authorising such a person to conclude the agreement on behalf of the juristic person. In the case of a natural person, proof of identity, ownership, lease or agreement of sale must be attached.

3.....Account No.

Previous municipal accountAccount No.

Occupiers of stand other than family (rental, backyard lodgers, spaza shops, taxis, etc) :

Number of people residing on property Over 18: Under 18:

APPLYING FOR INDIGENT SUPPORT? YES ☐ NO ☐

Total income of household if applying for indigent support: (Include all sources of revenue of all the persons residing on the R.....

Method of account delivery: Fax ☐ Post ☐ E-mail ☐ E-mail address

Name and address of a family member and/or friend not residing at the same address: Tel. No.

If not the owner, to whom do you pay rent:

C. TO BE COMPLETED BY OWNER/AGENT/CARETAKER FOR LEASED PROPERTIES

Surname :	First Name :
Street Address :	ID NUMBER :
Name of Employer :	
Date :	Signature :

I confirm that the applicant has concluded a lease agreement in respect of the property as set out above and I understand that should the applicant fail to make payment in respect of the services as agreed, I will be the debtor of last resort and liable for payment of any outstanding balance due and owing to the municipality.

D. DECLARATION BY APPLICANT

I/we hereby declare that I/we agree to the conditions of supply of the mentioned services as laid down in the by-laws of the Municipality and any other laws that are applicable. I specifically acknowledge that I/we with my/our signature hereto, I/we warrant that the information supplied herein is correct, the application was completed in full at the time of signature thereof, that I/we am/are duly authorised to conclude this agreement, that I/we understand the full effect and meaning thereof and that, if this agreement is concluded on behalf of a business or a juristic person, I/we warrant that the business is trading in solvent circumstances.

I/we hereby indemnify and hold harmless the municipality, its principals, agents, contractors and successors in title against all claims, demands, damages, expenses and legal costs, however caused, arising from the supply, interruption or fluctuation of any services.

I/We hereby choose the street address/stand number specified above as domicilium citandi et executandi where I will accept any notices and legal processes to be served.

I/We received a duplicate of this application form and am/are aware of the applicable further conditions of supply set out in the annexure at the back of this form.

.....
CUSTOMER/APPLICANT

.....
ON BEHALF OF MUNICIPALITY

Name in print:

Name in print:

FOR OFFICE USE:

DEPOSIT RATING

A	B	C
---	---	---

DEPOSIT PAYABLE R.....

RECEIPT NO.

EXISTING ACCOUNT NO. _____ NEW ACCOUNT NO. _____

ELECTRICITY READINGS

1.	_____
2.	_____
3.	_____

WATER READINGS

1.	_____
2.	_____
3.	_____

DATA CAPTURER
FULL NAMES:

DATE:

Annexure "B"

INDIGENT SUPPORT APPLICATION FORM

1. Applicant : Name _____ 2. ID NO.: _____
3. Residential Address / Stand No.: _____
4. Postal Address : _____
5. Account Number : _____ 5. Outstanding Amount _____
6. Ward Number : _____ 7. Ward Councillor : _____
8. Is the Applicant : The Tenant : _____
The Registered Owner : _____
9. Employment of Pensioner :
Employers Name: _____
Address: _____
Pension : _____
Pension Number: _____
Self-Employed: _____
Monthly Income : (Yourself) R _____

- 10.(A) Number of income earning people staying in household
(A household is all the people who eat and sleep with you on this stand at least once per week, excluding domestic workers).

Person	Initial and Surname	Employed Yes/No	ID. No.	9. Name of Employer	Gross Monthly Income
1.					
2.					
3.					
4.					
5.					

11. Are there any tenants on the stand: YES: or No:
IF YES, monthly rental received from the tenants R _____
Other income not stated: R _____
TOTAL INCOME OF HOUSEHOLD: R _____

12. The following copies must be attached to this application:
- (a) Applicant's identity document
 - (b) Latest municipal account
 - (c) Documentary proof of total monthly income of the household
 - (d) A sworn affidavit to the effect that all information supplied is true and that income from all sources has been declared.

10. CERTIFICATION: WARD COUNCILLOR

This application is approved / not approved as indigent debtor and put forward for processing:

YES APPROVED AS AN INDIGENT:

NOT APPROVED AS AN INDIGENT:

SIGNATURE

WARD

DATE

AFFIDAVIT:

I, the undersigned:

hereby declare under oath as follows:

I am an adult male/female residing at _____

My current postal address is _____

I am duly authorised to make this affidavit and the contents hereof fall within my personal knowledge and are true and correct.

DEPONENT

I certify that before administering the oath, I asked the deponent the following questions and wrote down his/her answers in his/her presence:

- (a) Do you know and understand the contents of this declaration? _____
- (b) Do you have any objection to taking the prescribed oath? _____
- (c) Do you consider the prescribed oath to be binding on your conscience? _____

I certify that the deponent has acknowledge that he/she knows and understands the contents of the declaration, which was sworn before me, and the deponent's signature was placed thereon in my presence.

SIGNED AT _____ on this _____ day of _____

COMMISSIONER OF OATHS

RECOMMENDATION BY INSPECTING OFFICER :	
FULL NAMES OF INSPECTING OFFICER: _____	
SIGNATURE : INSPECTING OFFICER: _____	DATE : _____

DECISION BY INDIGENT COMMITTEE:

This applicant is approved as an indigent debtor:	YES:	NO:
---	------	-----

SIGNATURE : CFO _____

DATE _____

SIGNATURE MUNICIPAL MANAGER _____

DATE _____

(VORMS/evaluation)

LOCAL AUTHORITY NOTICE 60

MBOMBELA LOCAL MUNICIPALITY



INDIGENT POLICY

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1. Introduction

As a developmental institution, the municipality is committed in supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

The municipality must therefore at all times strive to fulfil the constitutional objectives as contemplated in Section 152 of the Constitution and to meet the criteria for a credible indigent policy as laid down in the Credible Indigent Policy Assessment Framework, 2008, provided by the Department of Local Government.

The successful implementation of this policy depends totally on affordability and the social analysis of the area as should be included in the municipality's Integrated Development Planning, with regard to affordability the foundation is laid in section 74 of the Municipal Systems Act, 2000, which stipulates that poor households must have access to basic service through tariffs that cover only the operating and maintenance costs.

The municipality therefore adopts an indigent support policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidisation of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence

2. Definitions

- (a) "Child headed household" means a household where both parents are deceased and where all occupants of property are children of the deceased and under the legal age to contract for services;
- (b) "Household" means a registered owner or tenant with or without children who reside on the same premises
- (c) "Indigent" means any household or category of households, including a child headed household, earning a combined gross income, as determined by the municipality annually in terms of a social and economic analysis of its area, as vested in the municipal policy, which qualifies for rebates or remissions, support or a services subsidy, provided that child support grant is not included when calculating such household income;
- (d) "Indigent Management System" an electronic management system applied by other municipalities for the smooth and efficient management of the register of indigent households;
- (e) "Municipality" means the list of municipal categories, established in terms of Section 12 of the Municipal structures Act 117 of 1998, and includes any political structure, political office bearer, councillor duly authorized agent or any employee acting in connection with this by-law virtue of a power vested in the municipal council.
- (f) "Programme officer" an official duly authorised by the municipality, or an employee of a services provider appointed by the municipality, who is responsible for the following;

- I. To ensure that applications for indigent support are received and assessed;
 - II. To ensure that applications are captured on the Indigent Management System.
 - III. To ensure that information on applications are verified and that regular audits are executed; and
 - IV. To authorise expenditure with regard to indigent support.
- (g) "Occupier" means the person who controls and resides on or control and otherwise uses immovable property provided that;
- I. The spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;
 - II. Where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;
- (h) "Indigent register" means the municipal list of indigent customers as per the municipal policy, which has to be updated on a monthly basis, designed to contain all the inputted data contained within completed indigent application forms which contains the following
- I. Indigent customer details
 - II. Socio-economic details
- In addition the indigent register is able to provide reports relating to, but not limited to the following:
- a. Indigent application exceptions
 - b. Skills reporting required for Local Economic Development opportunities, for indigent exit strategy purposes.
 - c. Socio economic reporting
- (i) "Owner" in relation to immovable property means:
- I. The person in whom is vested the legal title thereto provided that –
 - a. The lease of immovable property which is leased for a period of not less than fifty years, whether lease is registered or not, shall be deemed to be owner thereof, and
 - b. The occupier of immovable property occupied in terms of a service or right analogous thereto shall be deemed the owner thereof;
 - II. If the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as

the case may be;

- III. If the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- IV. If the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

(j) "Premises" includes any piece of land, the external surface boundaries of which are delineated on

- I. A general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937);
- II. A general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and situated within the jurisdiction of the municipality;

(k) "Rates" means any tax, duty or levy imposed on property by the Council;

3. Policy principles

In recognition of the abovementioned National Framework the municipality undertakes to Promote the following principles:

- a. To ensure that the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;
- b. To link this policy with the municipal Integrated Development Planning, Local Economic Development initiatives and poverty alleviation programmes;
- c. To promote an integrated approach to free basic service delivery; and
- d. To engage the community in the development and implementation of this policy;

4. Policy objectives

In support of the above principles the objective of this policy will be to ensure the following:

- a. The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- b. The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- c. Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and the indigent exit strategy;

- d. The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
- e. To ensure co-operative governance with other spheres of government; and
- f. To enhance the institutional and financial capacity of the municipality to implement the policy.

5. The legislative framework

This policy is designed and implemented within the framework of the following legislation:

- a. The Constitution of the Republic of South Africa, 1996;
- b. The Municipal Systems Act, 2000 (Act 32 of 2000);
- c. The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- d. The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- e. The Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- f. The Property Rates Act, 2004 (Act 6 of 2004).

6. Targeting of indigent households

For a household to qualify as an indigent, a household should comply with the following requirements:

- a. The applicant must be a resident of the municipality.
- b. The applicant must be eighteen (18) years of age and above.
- c. The total household joint gross income of all occupants or dependants in a single household must be less than two (2) old age state pension grant income.
- d. The applicant must be the owner or tenant who receives municipal services and is registered as an account holder on the municipal financial system, provided that the requirement of being registered as an account holder does not apply to households in informal settlements and rural areas where no accounts are rendered
- e. The applicant must have a single property (stand), the applicant cannot have two properties registered in his/her name in order to qualify.
- f. All households that are child headed, even if they are below eighteen (18) years of age can apply for the indigent support.
- g. The registered indigent must be either the owner or occupant (tenant) of the property concerned.
- h. Subsidies apply to households and not individuals

7. Sources of funding

- l. The council will have to provide funds annually on the budget for the subsidization of indigent households for rates, refuse removal and, electricity.

- II. The indigent subsidies will have to be financed from the equitable share contribution to the municipality obtained from National Treasury.
- III. Existing indigent arrears on rates, tariffs and services charges will be written off against the provision for bad debts.

8. Qualification criteria

- 8.1 An indigent application must be done on a specific council application form at service centers designated at their respective areas, the following documentary proof has to accompany the indigent application form:
 - (a) Applicant's identity document;
 - (b) Latest municipal or Eskom account and proof of ownership;
 - (c) Documentary proof of total monthly income of the household (e.g. UIF card, salary advice, or letter from an employer)
 - (d) A sworn affidavit to the effect that all information supplied is true and that income from all sources has been declared;
 - (e) In addition, a recommendation by a Ward Councilor.
- 8.2 The application forms will be processed and information provided will be assessed and screened by the Free Basic Services directorate within the council.
- 8.3 Programme officers will provide the verification, so as to visit the applicants to verify the correctness of the information provided on the application form.
- 8.4 The indigent directorate on recommendations by the Chief Financial Officer will approve or disapprove the submitted application form and also as per the indigent policy determine the subsidy amount granted.
- 8.5 Indigent household must re-apply for the indigent support every (12) months, though state Pensioners and disabled beneficiaries need not to re-apply for the support
- 8.6 The indigent register will be updated annually and the verification process is undertaken through the year for any change of circumstances.
- 8.7 The re-application for indigent support will not be approved if the consumers account for water and electricity exceeded the free basic services approved by the council is not paid up to date, according to the Credit Control and Debt Collection by-laws.
- 8.8 An indigent customer must immediately request de-registration if his/her circumstances have changed to the extent that he or she no longer complies with the requirements set out in the definition.
- 8.9 All applicants will be informed in writing about the outcome of their applications, and the validity of the assistance which also included the date of commencement and termination of the assistance.
- 8.10

9. Extent of indigent support

9.1 The Local Government Municipal Systems Act 32 of 2003; states that a municipality must ensure that all communities have access to at least minimal basic services, core objective of the free basic services programme is vested in section 152 of the South African Constitution which further states that 'local government has to ensure the provision of services is provided in a sustainable and efficient manner, henceforth all the indigent customers within the municipal jurisdiction will benefit from the free basic services subsidy.

9.2 The funding of the free basic services programme comes from the National Treasury in a form of a equitable share grant dispensed to municipalities and the National Department of Cooperative Government and Traditional Affairs is mandated to coordinate the free basic services programme, the National Department of Minerals and the National Department of Water Affairs serves as sector departments to municipalities

9.3 The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year. Within the abovementioned budgetary process, and in striving to create a situation where poor households will be granted access to a full social package, currently the municipality is providing the following basic services;

9.3.1 Water and Sanitation.

- a. Approved indigent registered household shall receive fully subsidised water and sanitation to a maximum of 6kl per month, including the basic charges for such supply, provided that;
- b. Where the consumption exceeds 6kl per month the municipality shall be entitled to restrict water supply to the property or to bill the excess consumption used at a normal rate.
- c. Where excessive consumption is partly due to leaking or poor plumbing, the municipality may install a yard connection to the outside of the dwelling and meter the consumption.

9.3.2. Electricity

- a. Approved Indigent registered household shall receive electricity fully subsidised to a maximum of 50 kWh per month, the free basic services subsidy is also applicable to registered indigent households in rural areas where Mbombela Local Municipality or Eskom is the supplier of electricity.
- b. Free Basic Electricity is being conducted every financial year, in all the thirty six (36) wards within the municipal jurisdiction, the free basic electricity registration process is conducted in order to maximize the provisioning of free basic electricity roll-out to all the qualifying indigent households.

9.3.3 Refuse Removal

- a) Approved indigent households are fully subsidised for refuse removal as provided for in the annual budget, depending on tariff changes annually and the council's resolution every financial year, Indigent customers are therefore expected to contribute on their accounts for payment

9.3.4 Property Rates

- a) Approved indigent households are fully subsidised for property rates as provided for in the municipal annual budget and subjected to the provisions of the Municipal Property Rates Act 2006.

9.3.5 Alternative Energy

- (a) Indigent households in informal settlements within the municipal jurisdiction where limited or no electricity is available, the municipality will make provisioning of alternative energy sources for lighting and cooking.
- (b) A ward will be identified as part of the pilot study, where stove and the gel will be provided for cooking purposes, the gel and the lighting jar will also be provided for lighting.

A service provider will be contracted to provide such services based on the performance management criteria and the terms of references developed by the municipality, the municipality will credit and monitor the roll-out of alternative energy.

- 9.4 Council will determine the amount of targeted subsidies on a yearly basis which may vary between categories of indigent consumers.
- 9.5 If an indigent consumer's consumption or use of municipal services is less than the subsidized service or free basic services, the unused portion may not be accrued by the customers and will not entitle the customers cash or a rebate in respect of the unused portion.
- 9.6 If an indigent consumer's consumption or use of a municipal services is in excess of subsidized services of free basic services (in excess of 6kl of water or 50Kwh of electricity) the customer will be obliged to pay for such excess consumption at the applicable normal rate.
- 9.7 Approved indigent households accounts will have the interest indicators flagged.
- 9.8 If technical assistance is needed to make current monthly consumption more affordable through the limited supply of services.
- 9.10 The applicant should agree to accept the limited level of services and agree to stay on the program for at least 12 months.

9.10 No referrals to external debt collectors.

- All approved beneficiaries for the indigent support automatically qualify for Free Basic Electricity whether on 20Amps or 60Amps supply.
- Alternative water supply (water tanks) will be provided to areas where there is no infrastructure within the Municipal jurisdiction.
- Funds are already allocated to the municipality to fund the implementation of free basic services and for the free basic alternative energy program through the equitable share grant disbursed by the National Treasury to municipalities.
- These funds are classified as free Basic Electricity/ Alternative Energy, where no electricity infrastructure exist, these funds must be channeled to fund free basic alternative energy, the municipality will supplement the free basic electricity grant from its own income in ensuring that indigent households receive the free basic alternative energy.
- The municipality will make provisioning of the alternative for cooking and lighting, to all the identified households where there are no immediate plans to electrify, including areas where energy poverty is prevalent.

10. Indigent households in retirement centres and old age homes

- 10.1 The onus will be on the Board of Trustees/Managing Agent (hereinafter referred to as the representative) to apply to the municipality, for indigent status to be granted in respect of water consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification. Indigent consumers living in retirement centres or old age homes are eligible to qualify for assistance and support in terms of this policy, subjected to the following rules and procedures
- 10.2 The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect of property rates related charges.
- 10.3 The representative will submit applications to the Chief Financial Officer.
- 10.4 The free basic services sub-directorate will verify all applications and he or she must notify:
- 10.4.1 The representative, whether an application was successful or not, with regard to the water consumption and electricity; and,
 - 10.4.2 The unit owner whether an application was successful or not, with regard to the property rates and other related charges;
 - 10.4.3 The Chief Financial Officer will credit the monthly municipal charges as;

10.4.3.1 Water account of the Retirement Centre or Old Age Home with water, electricity where the municipality serves as an electricity provider and sewerage charges, the amount of which will be calculated by dividing the total number of kilolitres of water consumed by the number of units in the complex, but up to a maximum of 200 litres of water per day for each unit that qualifies for assistance.

10.4.3.2 Rates and refuse charges account of the unit owner with the amount determined by the municipality.

10.5 The representative must, in respect of monthly water credits allowed under indigent support, ensure that such credits are off-set against the monthly levies of the relevant individual units; such representative also being required, once every six months, or at such intervals as may be determined by the municipality, to provide proof to the Chief Financial Officer that the monthly levies of poor households which qualify for assistance, have been adjusted by the amounts credited to the account of the Retirement Centre or Old age Home.

11. Communication procedures

11.1 Communication procedures and Free Basic Services Implementation strategy

11.1.1 The municipality has developed the draft free basic services communication and implementation strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy and implementation thereof.

11.1.2 Regular information dissemination and awareness campaigns will be undertaken and eliminate unrealistic expectations both in terms of qualifying for the free basic services subsidy as well as the services that will be rendered and the qualifying for subsidy as well as service delivery in general and methods of communication that will be used, but not be limited to;

11.1.2.1. Ward committees;

11.1.2.2. Traditional leaders, where applicable;

11.1.2.3. Community based organisations;

11.1.2.4. Local radio stations and newspapers;

11.1.2.5. Municipal accounts;

11.1.2.6. Izimbizo's and road shows; and

11.1.2.7. Jamborees where government and municipal officials are made available to assist residents with the following certified copies that must be attached;

- a. Identity document
- b. Pension grant receipt
- c. Affidavit

- d. Lease agreement form, etc.

12. Free Basic Services Registration and Institutional Arrangements

12.1 Intra-governmental relation with regard to Free Basic Services

- (a) The municipality has designated existing staff in all the municipal pay-points, and engage properly with the Community Development Workers who had been trained and familiar with the municipal by-laws and the government legislative framework that are in line with the South African Constitution Act 108 of 1996,
- (b) The free basic services registration process is being facilitated collectively with the public participation office and ward committees and the ward councillors.

12.2 Application/Registration

- (a) A person applying for indigent support must complete a formal indigent support application form approved by the municipality. Such forms will be available at approved registration municipal pay points provided by the municipality and shall be dealt with in terms of the policy guidelines.

12.3 Assessment & Screening of Applicants

- (a) Upon registration of an application, all information will be captured and verified by the free basic services sub directorate in terms of the procedures vested on the municipal indigent policy and on the indigent National indigent guideline provided by the National Department of Cooperative Government and Traditional Affairs.

12.4. Recommendation

- (a) Once the forms has been captured on the municipal indigent database and verification has been completed the Indigent Management System will generate a recommendation based on the information captured on the database and shall be dealt with in terms of the municipal indigent management system guideline.

12.5. Right of appeal

An applicant who is the registered household owner living within the municipal jurisdiction and therefore feels aggrieved by a decision taken in respect of his/her application may lodge an appeal in terms of section 62 of the Municipal System Act 32 of 2000.

13. Free basic services process management

13.1 Applications

With the exception of Property and Zonal Targeting the indigents, free basic services application forms should be completed in full with all the attachments mentioned on the form and then captured onto the indigent register and accounting system will be conducted accordingly against the budgeted amount for free basic services roll-out each financial year.

13.2 Validity period

- (a) The validity period of assistance will be for the duration that the applicant remain an indigent. Households, in terms of the audit and review process, will be subjected to scrutiny to determine any changes in status.
- (b) All the pensioners and disabled applicants will be carried over to the next financial year, hence no re-registration will be conducted to them, only unemployed, employed earning less than the two state pension grant income and the child headed families re-registration will be conducted, as their economical and living status is subjected to change from time to time.
- (c) Households may have to periodically re-apply, but this would be determined by the municipality from time to time.

13.3 Death of the Registered Applicant

In the event that the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met, as per the municipal indigent policy

13.4 Publication of Register of Indigent Households

The Indigent register after approval will be distributed to all the Municipal pay-points for public perusal

13.5 Arrears and excess usage of allocations

- (a) Upon registration as an indigent household, the arrears on the account of the applicant will be kept pending for a period of at least six months after which it may be written off, Interest may be calculated on the arrears as contemplated.
- (b) If the applicant exits from the indigent support programme within the six (6) months period the arrears will be re-introduced in the account and will be subject to the credit control and debt collection policy of the municipality;
- (c) Where an indigent household exceeds the water consumption level approved by the municipality, the supply may be restricted.

13.6 Termination of Indigent Support

Indigent Support will be terminated under the following circumstances:

- (a) Upon death of the account-holder or the head of the household where no accounts are rendered
- (b) At the end of the (12) twelve months cycle, except in the case of pensioners and disabled.
- (c) Upon sale of the property in respect of which support is granted.
- (d) When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded.
- (e) If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply;
 - 1. All arrears will become payable immediately;
 - 2. Stringent credit control measures will apply; and
 - 3. The applicant will not be eligible to apply for indigent support for a period of 2 years;
- (f) Upon death of the indigent, If the indigent had dependants the dependents will need to re-apply for the support as subsidies are not transferable
- (g) When the indigent disposes his /her property
- (H) When the indigent's circumstances change or the indigent criteria for approval changes to the extent that approval no longer applies

- (i) If the indigent fails to pay the account of his/her consumption or use of a municipal service in excess of the subsidized service or fails to honor any arrangements made by him/her for payment for outstanding accounts

13.7 Tampering charges

If the indigent tampers with the prepaid meter system, the following are tampering charges that are charged by the different service providers, these tariffs increase yearly and these services are as follows:

a. Water

First attempt: R1 037, 96

Second attempt: R1 658, 97

Third attempt: R2 596, 88

Fourth attempt: removal of the service connection, cost plus 10%

c. Electricity

First attempt: R1 035, 10

Second attempt: R1 656, 60

Third attempt: R2 591, 60

Fourth attempt: permanent disconnection of electricity supply.

d. Eskom

First attempt: R720, 20

Second attempt: R1 440, 40

Third attempt: Removal of the installation and the customer has to re-apply again.

e. Silulumanzi

First attempt: R1 193, 92

Second attempt: R 1 908, 25

Third attempt: Removal of the connection plus 10% cost of the services.

14. Audit and review

- (a) The municipality will conduct regular audits of the indigent register with regard to the information furnished by applicants, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of the applicant.
- (b) The frequency of such audits will depend on the institutional capacity of the

municipality to do so, It is proposed that at least monthly targeted audits and reviews are undertaken, with a completed review scheduled for at least every five (5) years.

15. Exit Program

The proposed exit of indigent's beneficiaries from the approved indigent register would be;

- (a) The continuous verification of the register
 - (b) The involvement of all stakeholders namely, Councilors, Community Development Workers and Ward Committee members
-
- (a) Members of households registered as indigent will be prepared to participate in exit programmes co-ordinated by the municipality in collaboration with other government departments, stakeholders involved, sector departments and the private sector.
 - (b) As part of its broader poverty reduction programme the municipality undertakes to provide for the participation and accommodation of indigent persons in its Local Economic Development initiatives and in the implementation of integrated development programmes where possible.
 - (c) Mbombela Local Municipality will promote exit from indigence by;
 - I. Identifying indigents for inclusion in public works projects;
 - II. Initiating local job creation projects such as cleansing operations, small infrastructure projects etc;
 - III. Facilitation of opportunities to enter the informal trade market;
 - IV. Facilitation of food security projects; and
 - V. Liaison with National and Provincial departments to include indigent customers in their public works programme.

16. Monitoring and reporting

- 16.1 The Chief Financial Officer will report quarterly to the Municipal Manager via the municipality's Service Delivery and Budget Implementation Plan to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on:

- 16.1.1 Number of indigent household's applications received;
- 16.1.2 Amount of subsidy allocated per benefit category;
- 16.1.3 Amount of debt accumulating and debt recovery information (number of customers; enquires; default arrangements; growth or diminishing of arrears debtors, ideally divided into wards, domestic, state Institution and other such divisions
- 16.1.4 Performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:
 - I. Number of applications for indigent support dealt with;
 - II. Time taken to process and finalise applications;
 - III. Site visits undertaken;
 - IV. Awareness initiatives; and
 - V. Exit initiatives.
 - VI. Changes in the registered status of indigents.

17. Capacity building

- 17.1 The municipality will ensure that all officials and councillors are appropriately capacitated in Free Basic Services in terms of the following key areas:
 - 17.1.1 Database management
 - 17.1.2 Demand and revenue management
 - 17.1.3 Policy and by-law implementation

LOCAL AUTHORITY NOTICE 61



MBOMBELA LOCAL MUNICIPALITY

MBOMBELA PROPERTY RATES BY-LAW

NOTICE

MBOMBELA PROPERTY RATES BY-LAW

In terms of section 13 of the Local Government: Municipal System Act no.32 of 2000 as amended; the Mbombela Local Municipal ("the municipality") hereby published the Property Rates By-laws set forth hereinafter, which have been made by the Municipality in terms of section 6 of the Local Government: Municipal Property Rates Act 6 of 2004.

PART ONE: PREAMBLE

Whereas:

- 1.1 It is enshrined in Section 229 of the Constitution (Act 108 Of 1996) that a municipality may impose rates on property within a regulatory framework.
- 1.2 The Municipal Property Rates Act, 2004 (Act no. 6 of 2004) (MPRA) provides the regulatory framework to which the municipality must comply with when imposing rates on the property, which includes but is not limited to:
 - 1.2.1 The adoption of a rates policy will be implemented and made effective by way of a Rates By-Law;
 - 1.2.2 Criteria for determination of categories of properties and differential rates for each category of properties;
 - 1.2.3 Criteria to be applied for granting rates relief measures;
 - 1.2.4 Levying of rates in sectional title schemes;
 - 1.2.5 Appointment of a municipal valuer for preparation of a general valuation roll and supplementary valuation roll(s).
- 1.3 In terms of section 4(1)(c)(ii) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), read with section 2 of the said Local Government Municipal Property Rates Act, the municipality has the right to finance the affairs of the municipality by imposing, inter-alia, rates on property. In terms of section 4(2) of the Local Government: Municipal Systems Act, 2000 (32 of 2000), council of a municipality, within the municipality's financial and administrative capacity and having regard to practical considerations, has the duty to-
 - (a) Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;
 - (b) Provide, without favour or prejudice, democratic and accountable government;
 - (c) Encourage the involvement of the local community;

- (d) Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;
 - (e) Consult the local community about-
 - (i) The level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider; and
 - (ii) The available options for service delivery.
 - (f) Give members of the local community equitable access to the municipal services to which they are entitled;
 - (g) Promote and undertake development in the municipality;
 - (h) Promote gender equity in the exercise of the municipality's executive and legislative authority;
 - (i) Promote a safe and healthy environment in the municipality;
 - (j) Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution; and
- 1.4 Further, a municipality must in the exercise of its executive and legislative authority respect the rights of citizens and those of other persons protected by the Bill of Rights.
- 1.5 In terms of section 62 of the Local Government: Municipal Finance Act, 2003 (Act 56 of 2003), the Municipal Manager must ensure that the municipality has and implements a rates policy embodied in a by-law as per section 6 of the said Local Government: Municipal Property Rates Act.

ARRANGEMENT OF THIS BY- LAW

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PART TWO: DEFINITIONS

All words and phrases in this by-law shall have the same meaning and interpretation as assigned in terms of the said Municipal Property Rates Act and for this purpose lists hereunder the definitions used in the Act to be mutatis mutandis applied in this by-law:

Unless the context indicates otherwise:

Act	Means the Local Government: Municipal Property Rates Act (Act 6 of 2004).
Child Headed Household	Means a household recognized as such in terms of section 137 of the Children's Amendment Act, 41 of 2007.
Actual Use	Means actual activities that are taking place on the property.
Agent	<p>In relation to the owner of a property, means a person appointed by the owner of the property:</p> <p>(a) to receive rental or other payments in respect of the property on behalf of the owner; or</p> <p>(b) To make payments in respect of the property on behalf of the owner.</p>
Agricultural purposes	In relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
Annually	Means once every financial year.
Category	<p>(a) In relation to property, means a category of properties determined in terms of Section 8 of the Act; and</p> <p>(b) In relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act;</p>
Community services	Means any services which the expenditure of rendering of such a service is financed from the revenue generated from property rates;
Date of valuation	Means the date determined by the Municipality in terms section 31(1); Means a person who qualifies to receive relief in terms of the Social Services Act. 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical
Disabled people	

	practitioner;
Disaster	Means a disaster within the meaning of the Disaster Management Act (57 of 2002); or any other serious adverse social or economic condition.
Effective date	<p>(a) In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1) of the Act; or</p> <p>(b) In relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of Section 78(2) (b) of the Act.</p>
Exclusion	In relation to a municipality's rating power, means a restriction of that power as provided for in Section 17 of the Act.
Exemption	In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act.
Financial year	Means the period starting from 1 July in each year to 30 June the following year.
Income Tax Act	Means the Income Tax Act, 1962 (Act No. 58 of 1962)
Indigent household	Means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality's indigent policy, shall include state pensioner, child-headed household, disabled people, household without income or with income that falls within a certain threshold and medical boarded people;
Illegal use	Where any person uses land or buildings or causes it to be used in conflict with the provisions of the town planning scheme in operation.
Land reform beneficiary	<p>In relation to a property, means a person who:</p> <p>(a) acquired the property through:</p> <p>(i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or</p>

(ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1944);

(b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or

(c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to Section 25(6) and (7) of the Constitution be enacted after this Act has taken effect.

Land Tenure right

Means an old order right or a new order right as defined in Section 1 of the Communal Land Rights Act, 2004.

Local community

In relation to a municipality:

(a) means that body of persons comprising:

(i) the residents of the municipality;

(ii) the ratepayers of the municipality;

(iii) any civic organisations and nongovernmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and

(iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and

(b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons.

Local Municipality

Means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in Section 155(1) of the Constitution as a category B municipality. Establish in terms of section 12 of the Municipal Structures Act No. 117 of 1998.

Market Value

In relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

Municipal Finance Management Act	Means the Local Government: Municipal Finance Management Act No. 56 of 2003;
Municipal Manager	Means a person appointed in terms of Section 82 of the Municipal Structures Act;
Newly rateable property	Means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding: <ul style="list-style-type: none"> (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and (b) A property identified by the Minister by notice in the Gazette where the phasing in of a rate is not justified.
Non-profit organization	Means any organization which is registered in terms of the Non- profit Organizations Act.
Occupier	In relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;
Organ of State	Means an organ of state as defined in Section 239 of the Constitution.
Owner	<ul style="list-style-type: none"> (a) In relation to a property referred to in paragraph (a) of the definition of property, means a person in whose name ownership of the property is registered in a register; (b) In relation to a right referred to in paragraph (b) of the definition of property, means a person in whose name the right is registered; (c) In relation to a land tenure right referred to in paragraph (c) of the definition of property , means a person in whose name the right is registered or to whom it was granted in terms of legislation; or (d) In relation to public service infrastructure referred to in paragraph (d) of the definition of property, means the

organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

- (i) A trustee, in the case of a property in a trust excluding state trust land;
- (ii) An executor or administrator, in the case of a property in a deceased estate;
- (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) A Judicial manager, in the case of a property in the estate of a person under judicial management;
- (v) A curator, in the case of a property in the estate of a person under curatorship;
- (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitudes; or
- (vii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
- (viii) A lessee in the case of property that is registered in the name of the municipality and is leases by it.

Permitted use

In relation to a property, means the limited purposes for which the property may be used in

terms of:

- a) any restrictions imposed by:
 - (i) a condition of title;

	<ul style="list-style-type: none"> (ii) a provision of a town planning or land use scheme; or b) any legislation applicable to any specific property or properties; or c) any alleviation of any such restrictions;
Person	Means natural and legal person including an organ of state.
Prescribe	Means prescribe by regulation in terms of section 83 of the Act
Privately owned township	Means single properties, situated in an area not ordinary being serviced by the municipality, divided through sub – divisions or township establishment units (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate or township.
Property	<p>Means:</p> <ul style="list-style-type: none"> a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property; c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or d) public service infrastructure;
Property Register	Means a register of properties referred to in Section 23 of the Act.
Protected area	Means an area that is or has to be listed in the register referred to in Section 10 of the Protected Areas Act.
Protected Areas Act	Means the National Environmental Management: Protected Areas Act, 2003

Publicly controlled

Means owned by or otherwise under the control of an organ of state, including:

- a) a public entity listed in the Public Finance Management Act, 1999 (Act No.1 of 1999);
- b) A municipality; or
- c) A municipal entity as defined in the Municipal Systems Act

Public Benefit Organization
Property

Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act

Public Service Infrastructure

Means publicly controlled infrastructure of the following kinds:

- a) National, provincial or other public roads on which goods , services or labour move across a municipal boundary;
- b) Water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- c) Power stations, power substations or power lines forming part of an electricity scheme serving the public.
- d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- e) railway lines forming part of a national railway system;
- f) Communication towers, masts, exchanges or lines forming part of a communication system serving the public;
- g) Runways or apron at national or provincial airports;

- h) Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- i) Any other publicly controlled infrastructure as may be prescribed; or
- j) Rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) and (i)

Rate Means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

Rateable property Means a property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act.

Rebate In relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property.

Reduction In relation to a rate payable on a property, means the lowering in terms of section 15 of the Act of the amount for which the property was valued and the rating of that property at the lower amount.

Register

- a) means to record in a register in terms of –
 - (i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
 - (ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and
- b) Includes any other formal act in terms of any other legislation to record :
 - (i) a right to use land for or in connection with mining purposes; or
 - (ii) a land tenure right;

Residential property	Means a property included in a valuation roll in terms of Section 48 (2) (b) of the Act as residential.
Sectional Titles Act	The Sectional Titles Act, 1986 (Act No. 95 of 1986)
Sectional Title Scheme	A scheme defined in Section 1 of the Sectional Titles Act;
Smallholding	Means a property recorded in the Deeds Registry Database as being an Erf and zoned for Agricultural usage in terms of an adopted Town Planning Scheme.
Sectional title unit	A unit defined in Section 1 of the Sectional Titles Act;
Small, very small and micro business	Means businesses as per the criteria set by the National Small Business Act No. 102 of 1996 schedule;
Special rating area	Means a geographic area within which property owners agree to pay for certain services supplementary to those supplied by the municipality. These services are financed by levying an additional rate, which is added to the rate in a rand of the property owners within the precinct;
Specified public benefit activity	An activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.
State Trust Land	Means land owned by the state: a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure; b) over which land tenure rights were registered or granted; or c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)
The Municipality	Means the Mbombela Local Municipality;

PART THREE: THE PURPOSE OF THIS BY-LAW

3. The purpose of this By-Law is to:

- 3.1 Comply with the provisions of the Municipal Property Rates Act, specifically with section 3 and 6 thereof;
- 3.2 Give effect to the principles outlined hereunder;
- 3.3 Ensure the equitable treatment of persons liable for rates;
- 3.4 Determine the methodology and to prescribe procedures for the implementation of the Act;
- 3.5 Determine criteria to be applied for the levying of differential rates for different categories of properties;
- 3.6 Determine or provide criteria for the determination of categories of properties and categories of owners of properties;
- 3.7 Determine criteria to be applied for granting exemptions, rebates and reductions;
- 3.8 Determine how the municipality's powers must be exercised in relation to multiple use properties;
- 3.9 Determine measures to promote local economic and social development; and
- 3.10 Identify which categories of properties the municipality has elected not to rate as provided for in section 7 of the Act.

PART FOUR: FUNDAMENTAL PRINCIPLES OF THIS BY-LAW

4. The principles of the By-Law are to ensure that:

- 4.1 The power of the municipality to impose rates on property within its area will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods, services, capital or labour as prescribed in terms of Section 229 of the Constitution of the Republic of South Africa;
- 4.2 All ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;
- 4.3 Property rates will be assessed on the market value of all rateable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account:
 - 4.3.1 Profits generated on trading and economic services; and
 - 4.3.2 The amounts required to finance exemptions, rebates and reductions of rates as approved by the municipal council from time to time;
- 4.4 Property rates will not be used to subsidize trading and economic services;
- 4.5 The rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
- 4.6 This By-Law and amendment thereof will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

PART FIVE: APPLICATION OF THIS BY-LAW

5.1 **IMPOSITION OF RATES**

- 5.1.1 The council shall as part of each annual operating budget cycle, impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include a property on which the municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levy of rates in terms of the Act.

- 5.1.2 The council pledges itself to limit the annual increase if financially viable of the rate in the rand in accordance with the National Treasury guidelines and/or the approved integrated development priorities.

PART SIX: EQUITABLE TREATMENT OF RATEPAYERS

- 6.1 This municipality is committed to treating all ratepayers on an equitable basis. "Equitable" does not necessarily mean "equal" treatment of ratepayers. The circumstances of each category of owner or category of property will be considered in a fair manner and within the limitations set out in the Act.
- 6.2 Any differentiation in the levying of rates must not constitute unfair discrimination.

PART SEVEN: DISCRETIONARY RESOLUTIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES

7. It is recorded that the Municipality has adopted the following resolutions:
- 7.1 To levy rates on all rateable property in its area of jurisdiction;
- 7.2 To determine the 2nd of July 2013 as the date of valuation for the valuation roll to be implemented on 1 July 2014;
- 7.3 To levy different cents in the rand for different categories of rateable property;
- 7.5 That the categories of properties for the purpose of differential rating are those specified in this By-Law document;
- 7.6 That the criteria for the categorization in terms of section 8(1) of the Act shall be actual use where a property is improved and vacant land shall be categorized according to the permitted use of the property.
- 7.7 In case of a property used for multiple-purposes the categories shall be determined according to the actual uses of the property;
- 7.8 To rate public service infrastructure (excluding municipal public service infrastructure) that is identifiable and to which a market value can be determined with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
- 7.9 In terms of section 7(2) (a) (i) of the Act, no rates will be levied on properties owned by the Mbombela Local Municipality, except where leased to a third party.

PART EIGHT: CATEGORIES OF PROPERTIES FOR DIFFERENTIAL RATING PURPOSES

- 8.1 For the purposes of differential rates, the following categories of rateable property have been determined, being:

8.1.1 Residential Property

Means improved property that:

- (a) Is used for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;
- (b) Is a unit registered in terms of the Sectional Title Act and used for residential purposes.

For the purpose of this rates policy, the following are excluded as residential purposes

Hotels
Guesthouses and Lodges
Time share units used for holiday purposes

8.1.2 Business Property

Means property that is used for business, commercial and industrial purposes.

8.1.3 Agricultural Property

Means a property used for bona fide agricultural purposes in which the property owner deriving his principal source of income from the produce of the land on such property. Agricultural/farming property not used for bona fide agricultural/farming purposes shall be rated according to the actual use thereof.

8.1.4 State or Government Property

Means property owned and used by the state excluding the kinds of publicly controlled infrastructure listed in the definition of Public Service Infrastructure.

8.1.5 Public Service Infrastructure

Means a property as defined by the Act.

8.1.6 Public Benefit Organization Property

Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act

8.1.7 Rural Communal Land

Means the residual portion of a rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

8.1.8 State Trust Land

Means land owned by the state:

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of a land tenure;
- (b) over which land tenure rights were registered or granted; and
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights.

8.1.9 Municipal property

In relation to property shall mean those properties owned & exclusively used by the municipality;

8.1.10 Places of Public Worship

means a property registered in the name of and used primarily as a place of 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 the services at that place of worship;

8.1.11 Protected area

Means an area that is, or has to be, listed in the register referred to in Section 10 of the Protected Areas Act.

8.1.12 Other property

Means any property determined by the Municipality which is not associated with any of the categories of property listed above.

- 8.2 Differential rating among the above determined categories of properties will be done by way of setting different rates in the rand for each property category.
- 8.3 The basis of categorization of properties for rating purposes does not permit any illegal usage of such properties.
- 8.4 The criteria for weighting the categories determined above, for the purpose of determining cent in a rand amount (rates tariff) for each category, must take account of the following :
- 8.4.1 The reliance or otherwise of the owners of specific categories of property on the type of services supplied by the Municipality;
 - 8.4.2 The strategic importance of a category of property with reference to the aims and objectives of the municipality and the Government of the Republic of South Africa as a whole (such as social, economic and developmental issues); and
 - 8.4.3 The nature of the category of property, including its sensitivity to rating (for example agricultural properties used for agricultural purposes).
- 8.5 The following principles and section 8.4 above shall be applied for the determination of the cents in the rand;
- 8.5.1 The activities that take place on business, commercial, industrial and government properties have been identified as the cost drivers for community services;
 - 8.5.2 The rate ratio between residential and the properties mentioned in 8.4.1 above shall be 1:2.5 to business;
 - 8.5.3 The rate ratio between residential and government property shall be 1:3.
 - 8.5.4 The rate ration between residential and properties categorized as other shall be 1:1.5;
 - 8.5.5 The rate ratio between residential and agricultural property shall be 1:0.25 as prescribed by the Act;
 - 8.5.6 The rate ratio between residential and public service infrastructure property shall be 1:0.25 as prescribed by the Act;
 - 8.5.7 The rate ratio between residential and public benefit organization property shall be 1:0.25 as prescribed by the Act; and
 - 8.5.8 The rate ratio between residential and Kruger National Property – Business shall be 1:2.5.

PART NINE: RELIEF MEASURES FOR PROPERTY OWNERS

- 9.1 The Municipality has considered the need and desire to grant relief to a specific category of owners of properties and owners of a specific category of properties with a view to providing for appropriate measures to alleviate the impact of the rates burden on them.
- 9.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this By-Law and granted in terms of section 15 of the Act to:
- 9.2.1 A specified category of properties; or
 - 9.2.2 A specified category of owners of property as provided for hereunder.

9.3 The municipality will not grant relief to the owners of property:

9.3.1 On an individual basis.

9.3.2 If the account is in arrears on the date of application.

9.4 The relief measures shall be granted as follows;

9.4.1 Category of specific owners

Part A: Rebates

(a) Indigent household	
Criteria	The owner should be registered in the indigent register in terms of the Indigent Policy of the municipality.
Rebate	The rebate on property rates shall be determined by the municipal council on annual basis during the budget process.
(b) Retired people	
Criteria	<ul style="list-style-type: none"> • Make application in writing in a prescribed form; • Own and permanently reside on the property; • Not own more than one property; • Be at least 60 years of age;
Rebate	A sliding scale rebate system on property rates account shall be determined by the municipal council on annual basis during the budget process.
(c) Owners of bed and breakfast, guest houses and lodges	
Qualification criteria	<ul style="list-style-type: none"> • Make application in writing in a prescribed form; • Own and utilise the property solely for B & B, Guest house and /or Lodge and owner occupied; • Turnover of more than R 350,000 Must not exceed 9 (nine) rooms available to guests • Proof of registration with the South African Grading Council; and • Be in a position to submit most recent annual financial statements.
Rebate	Additional rebates on property rates shall be determined by the municipal council on an annual basis during the budget process.
(d) Owner of a property in estates/ complexes	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form; • The cost of rendering and maintaining of internal community services should be incurred by residents or Home owners Associations • The property owner's account should be up to date.
Rebate	<ul style="list-style-type: none"> • A rebate on property rates account for owner of a property situated in unproclaimed area shall be determined by council on an annual basis during the budget process; and • A rebate on property rates account for owner of a property situated in proclaimed area where the municipality does not provide maintenance of the internal community services shall be determined by council on an annual basis during the budget process;
(e) Owner of properties in townships establishment (Private township developers/ Township owners)	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form; • Provide Service Level Agreement entered into with the municipality; • The full cost of infrastructural development of the township

	<p>should be incurred by the owner(s);</p> <ul style="list-style-type: none"> • The property owner's account should be up to date.
Rebate	<ul style="list-style-type: none"> • 100% rebates shall be granted as from proclamation date of the township and shall not exceed a period of twelve months; • Thereafter, a rebate of 75% year 1, 50% year 2 and 25% year 3 shall apply and/or terminated when a transfer to the third party takes place, whichever comes first. • Developers with existing Services agreement for Township development will be required to apply yearly for rebate and the application will be considered by a Property Rates Committee, consisting of the Accounting Officer and Chief Financial Officer or their nominees.
(f) Owner of a property in a formalized township within rural communal land	
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(g) Owners of properties within Kruger National Park	
	<ul style="list-style-type: none"> • Own properties within the Kruger National Park; • Property shall be used for any purposes other than nature reserves and national environmental management.
Rebate	The rebates shall be determined by the municipal council on an annual basis during the budget process.
(h) Owner of a smallholding property categorised as a residential property	
Qualification criteria	<ul style="list-style-type: none"> • The municipality should not be providing any of the community services
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(i) Properties Owned by Public Benefit Organisations, which includes;	
<ul style="list-style-type: none"> • Properties used for any specified public benefit activity listed in item 1 (Welfare and Humanitarian), item 2 (Health care), and item 4 (Education and Development) of part 1 of the Ninth Schedule to the Income Tax Act. • Any other properties that Council may deem to be owned and exclusively used for public benefit activities for the purpose of rebates. 	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form; • Provide proof of ownership of the property and registration as a Non-Profit Organization in terms of the Income Tax Act or registration as a Public Benefit Organization in terms of the Income Tax Act conducting one or more of the above specified public benefit activities listed in Part 1 of the 9th Schedule; • Submit an affidavit signed by the head of the organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the organization; • that no private pecuniary profit is made from the property; and that no rent is received by the applicant for any use of the property by other persons; and • Be in a position to submit audited annual financial statements.

Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
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9.4.2 Category of specific properties

Part A: Rebates

(a) Agricultural Properties	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form; • Proof of registration as a bona fide farmer from South African Revenue Services or if not taxed as a farmer provide proof that income generated in excess of 40% is derived from farming activities; • The property must be predominately utilised for bona fide farming purposes; • The application should clearly motivate how the farm contributes in terms of: <ul style="list-style-type: none"> - local economy; - provision of permanent residence or decent accommodation to the farm workers and their dependents; - provision of portable water and electricity to the dwellings of farm workers; and - provision of land for cemetery or educational or recreational purposes to the farm workers, children as well as for people from surrounding farms.
Rebate	The rebate on property rates shall be determined by the municipal council on annual basis during the budget process.
(b) State Trust and Rural Communal Property	
Rebate	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
(c) Affordability rebates – the rebate is unconditionally granted to assist the property owners to leverage the rates burden because of the current economic conditions.	
• Business, Commercial and Industrial Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
• Government Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
• Mining Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
• Residential Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.
• Other Property	The rebate on property rates shall be determined by the municipal council on an annual basis during the budget process.

(d) Public Benefit Organization with no source of income (Depending on Donations/ Grants)	May be granted up to 100% rebates subject to an application and approval by the Chief Financial Officer; and application shall be done on a prescribe form obtainable from the Municipal Offices.
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Part B – Exemptions

(a) Residential Property	<ul style="list-style-type: none"> The first R15 000.00 of the market value of the property is exempted from levying of rates in terms of section 17(1) (h) of the Act. The additional exemption on the market value to be exempted from levying of rates shall be determined by the municipal council on annual basis during the budget process.
(b) Public Services Infrastructure Property	<ul style="list-style-type: none"> The first 30% of the market value of the property is exempted from levying of rates in terms of section 17(1) (a) of the Act.
(c) Municipal Property	The property shall be 100% exempted from levying of rates
(d) Places of Worship, including an official residence registered in the name of the community	The property shall be 100% exempted from levying of rates.
(e) Other properties stated in terms of section 17(b), (c), (d), (e), (f) and (g) of the Act	The properties shall be 100% exempted from levying of rates

Part C: Reductions

(a) Properties Affected by a Disaster or other Serious Adverse Social or Economic Conditions					
Qualification criteria	<p>The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of property as contemplated in section 15 of the Act, where it is contended that the market value of the property is being affected by:</p> <table> <tr> <td>(a)</td><td>A disaster within the meaning of the Disaster Management Act (57 of 2002); or</td></tr> <tr> <td>(b)</td><td>Any other serious adverse social or economic conditions as may be defined and determined by the Council.</td></tr> </table>	(a)	A disaster within the meaning of the Disaster Management Act (57 of 2002); or	(b)	Any other serious adverse social or economic conditions as may be defined and determined by the Council.
(a)	A disaster within the meaning of the Disaster Management Act (57 of 2002); or				
(b)	Any other serious adverse social or economic conditions as may be defined and determined by the Council.				
Reduction Granted	<p>The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the municipal valuer.</p> <p>The resultant reduction in the quantum of the rates payable will be for the current financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year.</p> <p>Should the applicant consider that the conditions resulting in the granting of relief remain unaltered at the conclusion of the financial year in question, a further application may be lodged for the new financial year</p>				

PART TEN: MULTIPLE PURPOSE PROPERTIES

- 10.1 The municipality shall determine a method of assessing the value of multi-purpose properties applying the following;
 - 10.1.1 The valuation for all other multiple-purpose properties will be assessed according to the actual uses of the property according to value.
- 10.2 With regard to the Rural Communal property;
 - 10.2.1 It shall be considered as a multiple use property as a whole;
 - 10.2.2 That identifiable and rateable entities within the property (such as commercial leases and commercial and institutional in possession of permission to occupy) be identified, valued and rated individually, with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
 - 10.2.3 That the residual portion of the land be considered as the 'Residual' portion of the land for valuation, rating and rebate purposes and be exempted from the payment of rates as stipulated in section 9.4.2, Part B, subsection (c).

PART ELEVEN: COMMUNITY PARTICIPATION

- 11 The municipality has conducted public participation and consultation processes in accordance with Chapter 4 of the Municipal Systems Act No. 32 of 2000 and Chapter 2 of this Act.

PART TWELVE: RECOVERY AND PAYMENT OF RATES

- 12.1 An owner of a rateable property shall be liable for a property rates account;
- 12.2 Property rates shall be recovered on a monthly basis over a twelve months period in equal installments;
- 12.3 Owners of rateable properties liable for the payment of property rates account shall be furnished with a written municipal account on a monthly basis;
- 12.4 If a person has not received a written account, that person must take the necessary inquiries from the municipality.
- 12.5 Payment of property rates with a single amount on or before 31 December of each year, shall be allowed on condition that;
 - 12.4.1 The owner applies to the municipality in writing on a prescribed form for such deferment of the payment of the property rates account;
 - 12.4.2 The owner has more than ten (10) property rates accounts with the municipality;
 - 12.2.3 The application reaches the municipality before 30 June of each year; and
- 12.6 Interest on overdue property rates accounts shall not be levied until 31 December of each year in case of payment of property rates with a single amount for twelve months;
- 12.7 Rates in arrears shall be recovered from tenants and occupants of a property if the owner fails to pay the property rates account.
- 12.8 The Credit Control and Debt Collection By-Law shall apply in cases where the property rates accounts are in arrears.
- 12.9 The consolidation of property rates and services charge in one account and any appropriation of payments received shall be done by the municipality on a discretionary basis in accordance with the Credit Control and Debt Collection By-Law.
- 12.10 Interest on property rates in arrears shall be calculated and charged at prime rate which shall be applicable at 30 June plus one percent fixed over the twelve months period of the financial year.

PART THIRTEEN SPECIAL RATING AREA

13. The establishment of or applications for establishment of special rating area(s) in terms of its City Improvement Districts By-Law shall be considered by the municipality.

PART FOURTEEN: REVIEW OF THIS BY-LAW

14. The By-Law shall be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

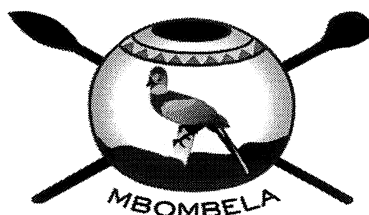
PART FIFTEEN: SHORT TITLE

15. This By-Law shall be known as Mbombela Property Rates By-Law.

PART SIXTEEN: IMPLEMENTATION OF THIS BY-LAW

16. This By-Law is the Rates By-law and shall be effective from 1 July 2014.

LOCAL AUTHORITY NOTICE 62



MBOMBELA LOCAL MUNICIPALITY

CHARGES FOR PROPERTY RATES FOR THE FINANACIAL YEAR 2015/16

Notice is hereby given in terms of Section 14 (1) of the Municipal Property Rates Act 6 of 2004, that the following rates applicable to all the rateable property in the municipal area of Mbombela Local Municipality appearing in the valuation rolls, have been determined by the Council by majority vote, under Item A (3) at a special council meeting held on 28 May 2015.

The copy of the resolution with regard to the charges for property rates shall be made available to all municipal offices, municipal libraries and also on the municipal website.

1. DEFINITIONS

"Act" means the Local Government: Municipal Property Rates Act, 2004 (No. 06 of 2004)

"By-Law" means the Mbombela Municipal Property Rates By-Law promulgated in terms of section 6 of the Act

"Municipality" means the Mbombela Local Municipality

2. THE FOLLOWING DETERMINATIONS SHALL COME INTO EFFECT FROM 01 JULY 2015

- 2.1 The general rate shall be **0.8390 cent in the Rand** before considering any applicable rate ratios in terms of part eight of the by-law.
- 2.2 The rate shall be based on the market value of all rateable categories of properties appearing on the general valuation roll and subsequent supplementary valuation rolls of the municipality.
- 2.3 In terms of section 8.4 of the By-Law the following rate ratios have been applied for determination of the cent in the Rand for the different categories of properties;

- (a) Residential Property to Residential Property the ratio shall be 1:1;
- (b) Residential Property to Agricultural Property the ratio shall be 1:0.25;
- (c) Residential Property to Business Property the ratio shall be 1:2.5;
- (d) Residential Property to Government Property the ratio shall be 1:3;
- (e) Residential Property to Public Service Infrastructure Property the ratio shall be 1:0.25;
- (f) Residential Property to Public Benefit Organization Property the ratio shall be 1:0.25
- (g) Residential Property to Other Property the ratio shall be 1:2.5.

- 2.4 The determination of rates for the different categories of properties before considering any applicable rebates shall be as follows;

- 2.4.1 A cent in the Rand of 0.8390 shall be applicable to a residential property;
- 2.4.2 A cent in the Rand of 0.2098 shall be applicable to an agricultural property;
- 2.4.3 A cent in the Rand of 2.0975 shall be applicable to a business property;
- 2.4.4 A cent in the Rand of 2.5170 shall be applicable to a government property;
- 2.4.5 A cent in the Rand of 0.2098 shall be applicable to a public service infrastructure property;
- 2.4.6 A cent in the Rand of 0.2098 shall be applicable to a public benefit organization property;
- 2.4.7 A cent in the Rand of 1.2585 shall be applicable to other property; and
- 2.4.8 A cent in the Rand of 0.8390 shall be applicable to a rural communal and state trust land.

3. THE FOLLOWING RELIEF MEASURES SHALL APPLY IN TERMS OF PART NINE OF THE BY-LAW ON CATEGORY OF SPECIFIC PROPERTIES

3.1 EXEMPTIONS

- 3.1.1 The first R80 000.00 of a market value of a residential property shall be exempted from levying of property rates;
- 3.1.2 The first 30% of a market of a public service infrastructure property shall be exempted from levying of property rates;
- 3.1.3 A municipal property shall be 100% exempted from levying of property rates;
- 3.1.4 A place of worship, including an official residence registered in the name of the community shall be 100% exempted from levying of property rates; and
- 3.1.5 Other properties stated in terms of section 17(b), (c), (d), (e), (f) and (g) of the Act shall be exempted from levying of property rates.

3.2 REBATES

- 3.2.1 In terms of criteria stipulated in section 9.4.2(a) of the By-Law the following conditional rebates shall apply to an agricultural property;
 - (a) A rebate of 7.5% shall apply if the farming activities contribute to the local economy;
 - (b) A rebate of 7.5% shall apply if the farmer provides permanent residence or decent accommodation to the farm workers and their dependents within the property
 - (c) A rebate of 7.5% shall apply if the farmer provides portable water and electricity to the dwellings of farm workers; and
 - (d) A rebate of 7.5% shall apply if the farmer provides land for cemetery or educational or recreational purposes to the farm workers within the property.
- 3.2.2 A rebate of 100% on property rates shall apply to state trust and rural communal property.
- 3.2.3 The following affordability rebates shall apply to different categories of properties;
 - (a) A rebate of 28% on property rates shall apply to a business property;
 - (b) A rebate of 30% on property rates shall apply to a residential property; and
 - (c) A rebate of 10% on a property rates shall apply to other property.

4. THE FOLLOWING REBATES SHALL APPLY IN TERMS OF PART NINE OF THE BY-LAW TO CATEGORY OF SPECIFIC OWNERS OF PROPERTIES

- 4.1 Indigent owners or household shall be granted a 100% rebate on their property rates account.
- 4.2 Retired people over the age of 60 years and with annual income exceeding the threshold value in terms of indigent policy shall be granted rebates on their property rates account as follows;

<u>Annual Income Threshold</u>			<u>% Rebate</u>
R0.00	-	R114 800	100%
R114 801	-	R143 500	75%
R143 501	-	R179 375	50%
More than R179 375			25%

- 4.3 A rebate of 35% shall be granted on property rates account of an owner of a bed and breakfast, guest houses and lodges of less than 9 rooms available for guest.
- 4.4 A rebate of 35% shall be granted on property rates account of an owner of a small and micro business.

- 4.5 A rebate of 25% shall be granted on property rates account to an owner of a property in a privately developed townships or estates or complexes situated in unproclaimed areas where the municipality does not provide any community services.
 - 4.6 A rebate of 10% shall be granted on property rates account to an owner of property in a privately developed townships or estates or complexes situated in proclaimed areas where the municipality does not maintain any of the community services.
 - 4.7 A rebate of 100% shall be granted on property rates account to an owner of a residential and small business property and that is situated in a proclaimed township surrounded by un-surveyed and un-registered properties (in rural communal and state trust land).
 - 4.8 A rebate of 100% shall be granted on property rates account to a property owned by a Public Benefit organization.
 - 4.9 A rebate of 10% shall be granted to owners of specific properties situated within an area demarcated as a City Improvement District in accordance with the City Improvement Districts By-Law.
5. The following category of owners are requested to apply for the rebates as stated above in terms of part nine of the rates by-law;
- 5.1 Retired people who are 60 years of age and above;
 - 5.2 Owners of bed and breakfast, guest houses and lodges;
 - 5.3 Owners of small, very small and micro businesses;
 - 5.4 Owners of privately developed townships, estates or complexes
 - 5.5 Owners of properties used for public benefit activities; and
 - 5.6 Owners of agricultural properties
6. The rate for the owners of specific properties situated within an area demarcated as a Special Rating Area (City Improvement District in terms of the City Improvement Districts By-Law) shall be determined in consultation with the Management Committee established or appointed by the owners of the properties.
7. The property rates are zero-rates from VAT in terms of Value Added Tax Act.
8. Interest on property rates in arrears shall be calculated and charged at prime lending rate as determined by the South African Reserve Bank which shall be applicable at 30 June 2015 plus one percent fixed over the twelve months period of the 2015/16 financial year.

N SEANEGO
MUNICIPAL MANAGER

Nelspruit Civic Centre
P O Box 45
NELSPRUIT
1200

CONTINUES ON PAGE 130—PART 2



THE PROVINCE OF MPUMALANGA
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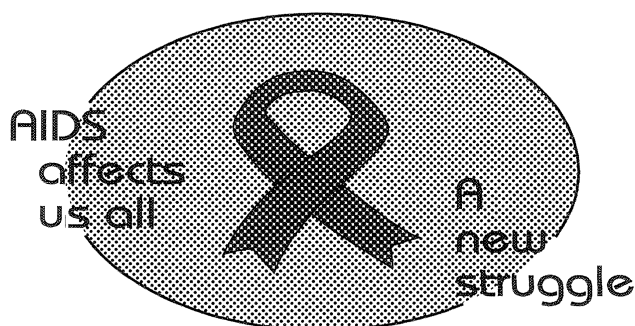
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No. 2478

PART 2 OF 2

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LOCAL AUTHORITY NOTICE 63

MBOMBELA LOCAL MUNICIPALITY



TARIFF POLICY & BY LAWS

CHAPTER 1

GENERAL TARIFF POLICY

1. LEGISLATIVE COMPLIANCE

1.1 The Municipal System Act 2000 requires that Council adopt a tariff Policy.

1.2 The general financial management functions covered in Section 62(f) of the Municipal Finance Management Act includes the implementation of a tariff policy.

1.3 Specific legislation applicable to each service has to been taken into consideration when determining this policy.

2. SCOPE OF THE POLICY

2.1 The policy document guides the annual settings of tariffs, hence the policy does not make specific tariff proposals, nor does it deal in any detail with the implementation of the specific tariff proposals. Details pertaining to specific levels and applications of the various tariffs are published in the Schedule of Tariffs, which must be read in conjunction with this policy.

2.2 The policy is applicable to all tariffs for electricity, water, sanitation and solid waste services provided by the municipality.

2.3 This policy is also applicable to all sundry tariffs, as provided for in the Schedule of Tariffs of the municipality.

3. OBJECTIVE

The objective of the tariff policy is to ensure that:

- 3.1 The tariffs approved during the Budget process by council to fund services must be consistent with this policy.
- 3.2 The municipal services are financially sustainable, affordable and equitable.
- 3.3 The needs of the poor households are taken into consideration.
- 3.4 There is consistency in how tariffs are applied throughout the municipality.
- 3.5 Tariffs are standardized, where possible, for the whole municipal area.

4. DEFINITIONS

All terms used in this policy, unless the context indicates otherwise, have the meaning ascribed to them in Local Government legislation or hereunder.

- 4.1 “Municipal Account” means a postulated current account based on median bills for water, electricity, sanitation, solid waste services and rates. Sundry charges and interest on debt are excluded.
- 4.2 “Provision for Free Basic Services” means a budget provision, funded from National Government transfers and Municipal rates to subsidize basic services.
- 4.3 “Rates and General Accounts” means a budget provision used to fund other municipal services excluding electricity, water, sanitation and solid waste services.

- 4.4 "Sundry Tariff" means a tariff set as a fixed rand amount.
- 4.5 "Consumption based Tariff" means a tariff set as rand amount per measurable unit of service.
- 4.6 "CPIX" means the consumer price index excluding mortgage costs as measured by STATSSA.

5. PRINCIPLES

- 5.1 Where a service is provided primarily for the benefit of an individual user and the actual service or consumption can be accurately measured, the cost of providing the service should be recovered from the individual by means of tariffs.
- 5.2 When a service connection is made a sundry tariff should be used and when a metered quantity of service is consumed a consumption based tariff should be used. Both tariffs must comply with this policy.
- 5.3 Some services, although provided primarily for the benefit of individual users and have important community benefits, particularly where these services cannot be accurately measured, the cost of the service should be recovered by combination of tariffs and rates. The provision of solid waste collection is such a service.
- 5.4 Where service is provided primarily for the benefit of the community and an individual's benefit cannot be accurately measured, the cost of providing the service should be recovered by means of rates. The rates must comply with the Municipal Property Rates Policy.

5.5 Poor households should have access to free basic services in line with the municipal Indigent Policy, taking into consideration the affordability constraints of the municipality.

6. APPLICATION OF TARIFF PRINCIPLES

Section 74(2) of the Municipal System Act 2000 sets out principles that must be reflected in the tariff policy. These principles are applied in the following manner:

- 6.1 Users will be treated equitably through differentiation for tariff purposes being limited to that set out in Section 7 of this policy.
- 6.2 Where appropriate and possible the amount individual users pay for services will generally be in proportion to their use of that service by using consumption based tariffs as defined in section 4 of the policy. This will be dependent on the service being able to provide discernable, universal and regular metering and reading.
- 6.3 Poor households as defined in the municipal indigent relief measures as contained in the Indigent Policy, from time to time, will have access to basic services through subsidized tariffs.
- 6.4 Tariffs will reflect the cost reasonably associated with rendering the service. The budgeted income and expenditure of the service, showing the contributions to rates and general accounts, support services recharges and contributions from the provision of Free Basic Services must be provided as part of the annual report on the revision of rates and tariffs.

6.5 Tariffs will be set at levels that facilitate the financial sustainability of the service, taking into account subsidization from sources other than the service concerned.

6.6 The economical, efficient and effective use of resources may be encouraged through the use of the incline block tariffs.

6.7 The promotion of local economic development through a special tariff for the categories of industrial users may be provided.

6.8 Where free basic services or services subsidized from the provision of free basic services to individual users, these will be shown on the monthly bill of those users. The extent of the annual subsidization to all subsidized users will be reported to council.

6.9 In addition, the amount that users pay for services, as measured through the municipal account, should generally be affordable for different categories of users and annual tariff increase should be benchmarked against inflation measure by CPIX.

7 DIFFERENTIATION FOR TARIFF PURPOSES

Section 74(3) of the Municipal Systems Act 2000 allows for the differentiation between different categories of users, debtors, services, service standards, geographical areas and other matters for tariff purposes as long as the differentiation does not amount to unfair discrimination. The nature and basis for differentiation for tariff purposes in Mbombela Local Municipality is set out in the categories defined, below.

7.1 Categories of users

The following are categories of users as defined for this Policy:

- (a) Residential,
- (b) Business, commercial and industrial,
- (c) Agricultural,
- (d) Government,
- (e) Public service infrastructure,
- (f) Public benefit organisation,
- (g) Mining,
- (h) Rural communal land/ or state owned,
- (i) Municipal,
- (j) Places of public worship,
- (k) Vacant land,
- (l) Educational,
- (m) Other properties

7.2 In addition to (7.1) sub-categories of residential or domestic users may be defined based on any one or more of the following criteria in a manner defined in the municipal free basic services policy.

- (a) Service consumption level
- (b) Payment levels
- (c) Household income
- (d) Type of connection or service

7.3 Categories for the standard of service

Different categories for standard of service may be defined for different users or services. They may be based on:

- (a) Access
- (b) Frequency
- (c) Quantity, quality and consumption level
- (d) Type of connection or service

CHAPTER 2

CALCULATION OF TARIFF FOR MAJOR SERVICES

In order to determine the tariffs which must be charged for the supply of the four major services, Mbombela Local Municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- (a) Cost of bulk purchases in the case of water and electricity.
- (b) Distribution costs.
- (c) Distribution losses in the case of electricity and water.
- (d) Depreciation expenses.
- (e) Maintenance of infrastructure and other fixed assets.
- (f) Administration and service costs, including:
 - i. service charges levied by other departments such as finance, human resources and legal services;
 - ii. reasonable general overheads, such as the costs associated with the office of the municipal manager;

- iii. adequate contributions to the provisions for bad debts and obsolescence of stock;
 - iv. all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area
- (g) The intended surplus to be generated for the financial year, such surplus to be applied:
- i. as an appropriation to capital services; and/or
 - ii. generally in relief of rates and general services
- (h) The cost of approved indigence relief measures.

The municipality shall provide at least the first 50kWh of electricity per month and the first 6kl of water and sewerage per month free of charge to consumers who have registered as indigents in terms of the municipality's indigent relief program.

The municipality shall further consider relief in respect of the tariff for refuse removal for such registered indigents to the extent that the council deemed such relief affordable in terms of each annual budget, but on the understanding that such relief shall not be less than a discount of 50% but not more than 100% on the monthly amount billed for the service concerned.

Water is a scarce national resource and this municipality is committed to the prudent conservation of such resources. The tariff levied for domestic consumption of water shall escalate according to the volume of water consumed. The implementation of this escalation will be determined and phased-in, according to affordability after consultation during the public participation process. An extra penalty can be charged by Council where it is deemed necessary to address critical water shortages. In setting the

consumption levels, tariffs and penalties, consideration shall be given to the current dam levels and anticipated rainfall during the current financial year.

CHAPTER 3

WATER

1. The categories of water consumers shall be charged at the current applicable two-part tariffs, namely fixed charge and consumption based tariff as approved by council in each annual budget.
2. The tariff adjustment shall be effective from the 1st of July each year.
3. Water Tariff structure and charges shall be:
 - i. A fixed availability fee shall be charged to all vacant unimproved stands where such a service is available or the services can be connected to the main supply.
 - ii. All domestic water consumers on improved stands may be charged a fixed charge. Thereafter a stepped tariff per kl as determined by the council from time to time shall be applicable on the metered water consumption.
 - iii. All business and industrial consumers may be charged a fixed charge and a stepped tariff per kilolitre consumed may be applied.
 - iv. Institutional consumers which include schools, institutions of higher learning, hospitals, government buildings, places of worship, sporting clubs and non-governmental organizations. These consumers may be

charged a fixed charge and a stepped tariff per kilolitre consumed may be applied.

- v. Metered domestic consumers registered as indigents shall receive the first six (6) kilolitres of water consumed free of charge. A stepped tariff per kilolitre shall apply on consumption exceeding the first six (6) free kilolitres and no fixed or basic charge shall apply on this category of consumers.
 - vi. As water is a very scarce resource in Mbombela Local Municipality, consumers can be restricted during dry seasons to use water to certain levels and a penalty fee shall be imposed if the consumer consumes more than the restricted levels.
 - vii. Consumer deposits shall be determined according to the municipality's Consumer Deposit Policy.
 - viii. Departmental water consumption shall be charged at cost.
4. Termination of services is to be done by letter, e-mail, fax or standard disconnection form. If this is not done then the disconnection date of the water supply may be taken as the date of termination or date on which a new connection is registered.
5. Customers connected to their private boreholes shall be charged the fixed availability charge.

CHAPTER 4

SANITATION

1. The categories of users shall be charged per the applicable two part tariff, namely basic charge and consumption charge, as approved by the council in each annual budget.
2. Tariff adjustments will be effective from 1 July each year.
3. Sanitation tariff structure and charges shall be:
 - i. A basic or availability charge shall be charged per month for every serviced stand. A serviced stand implies where such a service is available and the service can be connected to the main supply.
 - ii. On a full waterborne sewerage service, all consumers may be charged on a monthly basis a fixed and or a variable charge based on the consumption of water.
 - iii. Should water be supplied from a borehole or other supply and such supply is not metered by a municipal water meter, a fixed charge shall be charged.
 - iv. For suction tank and septic tank system, consumers shall be charged a tariff based on the number of kilolitres of sewerage waste removed.
4. Termination of services is to be done by letter, e-mail, fax or standard disconnection form. If this is not done then the disconnection date of the water supply may be taken as the date of termination or date on which a new water connection is registered.

CHAPTER 5

SOLID WASTE REMOVAL

- 1 The categories of solid waste consumers shall be charged at the current applicable fixed charge or volume based charge as approved by council in each annual budget.
- 2 Tariff adjustments shall be effective from 1 July each year.
- 3 The solid waste removal tariff structure shall be:
 - i. A fixed monthly charge or volume base charge.

CHAPTER 6

ELECTRICITY

1. The various categories of electricity consumers shall be charged at the applicable tariffs, and under such conditions as approved by the National Energy Regulator of South Africa (NERSA).
2. Tariff adjustments shall be effective from 1 July each year or as soon as possible thereafter.
3. The electricity tariff structure charges shall be:
 - i. Mbombela Local Municipality shall apply the following three standard tariff structures as recommended by the National Electricity Regulator.
 - (a) Domestic

This tariff is applicable for residential customers with a single phase connection of 60Amps or less with 230Volt supply or a three phase with 400Volt supply.
 - (b) Business and Commercial

Business and commercial customers with a connection of 80Amp or less, either single phase connection with 230Volts supply or three phase connection with 400Volts supply, may be charged a fixed and an energy charge. This includes domestic customers requiring a larger than 60Amp connection.

(c) Low tension/ High tension

This tariff is where the circuit breaker is more than 80Amps with three phase supply. The tariff shall consist of a fixed, energy, demand and network charge.

Where the customer uses more than 150 MWh per month, a time of use (TOU) tariff may be applied. This tariff shall consist of a fixed, multi energy, reactive energy, demand, and network charge, per Eskom's determined time periods and seasons.

- ii. With the single exception of registered indigents, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- iii. All domestic electricity consumers of the Mbombela Local Municipality who are registered as indigents with the municipality shall receive at least the first 50 (fifty) kWh electricity consumed, free per month.
- iv. All vacant unimproved properties that can be connected to the main supply shall be billed a basic charge per month.
- v. The consumer deposits shall be determined according the municipality's Consumer Deposit Policy.
- vi. Departmental electricity consumption shall be charged at cost. The cost is based on the cost of the previous financial year divided by the number of units sold.

4. Termination of services is to be done by letter, e-mail, fax or standard disconnection form. If this is not done, then the disconnection date of the water supply may be taken as the date of termination or date on which a new connection is registered.

CHAPTER 7

SUNDRY TARIFF

1. All sundry tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidized by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.
2. The following services shall be considered as subsidized services and an applicable tariff shall be paid for their intended use.
 - i. burials and cemeteries
 - ii. rentals for the use of municipal sports facilities
 - iii. municipal swimming pool
 - iv. municipal lending library
 - v. issuing of proof of residence
3. The following services shall be considered as community services, and no tariffs shall be levied for their use:
 - i. municipal art gallery
 - ii. disposal of garden refuse at the municipal dump site
 - iii. municipal reference library

- iv. municipal botanical garden, and all other parks and open spaces.
4. The following services shall be considered as **economic services**, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:
- i. maintenance of graves and garden of remembrance (cremations)
 - ii. housing rentals
 - iii. rentals for the use of municipal halls and other premises (subject to the proviso set out below)
 - iv. building plan fees
 - v. sales of plastic refuse bags
 - vi. sales of refuse bins
 - vii. cleaning of stands
 - viii. electricity, water, sewerage: new connection fees
 - ix. sales of livestock and plants
 - x. photostat copies and fees
 - xi. clearance certificates.
 - xii. valuation certificates
 - xiii. tender documents
 - xiv. stadium events fees.

5. The following charges and tariffs shall be considered as **regulatory or punitive**, and shall be determined as appropriate in each annual budget:
- i. fines for lost or overdue library books
 - ii. advertising sign fees
 - iii. pound fees
 - iv. electricity, water: disconnection and reconnection fees
 - v. penalty and other charges imposed in terms of the approved policy on credit control and debt collection
 - vi. penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques and unpaid debit orders.
6. Market-related rentals shall be levied for the lease of municipal properties.
7. In the case of rentals for the use of municipal halls and premises, if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the municipal manager may waive 50% of the applicable rental.
8. The municipal manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields and in so determining shall be guided by the likelihood of the Mbombela Local Municipality's sustaining damages as a result of the use of the facilities concerned.

IMPORTANT

Information

from Government Printing Works

Dear Valued Customers,

Government Printing Works has implemented rules for completing and submitting the electronic Adobe Forms when you, the customer, submits your notice request.

Please take note of these guidelines when completing your form.

GPW Business Rules

1. No hand written notices will be accepted for processing, this includes Adobe forms which have been completed by hand.
2. Notices can only be submitted in Adobe electronic form format to the email submission address submit.egazette@gpw.gov.za. This means that any notice submissions not on an Adobe electronic form that are submitted to this mailbox will be **rejected**. National or Provincial gazette notices, where the Z95 or Z95Prov must be an Adobe form but the notice content (body) will be an attachment.
3. Notices brought into GPW by "walk-in" customers on electronic media can only be submitted in Adobe electronic form format. This means that any notice submissions not on an Adobe electronic form that are submitted by the customer on electronic media will be **rejected**. National or Provincial gazette notices, where the Z95 or Z95Prov must be an Adobe form but the notice content (body) will be an attachment.
4. All customers who walk in to GPW that wish to submit a notice that is not on an electronic Adobe form will be routed to the Contact Centre where the customer will be taken through the completion of the form by a GPW representative. Where a customer walks into GPW with a stack of hard copy notices delivered by a messenger on behalf of a newspaper the messenger must be referred back to the sender as the submission does not adhere to the submission rules.
5. All notice submissions that do not comply with point 2 will be charged full price for the notice submission.
6. The current cut-off of all Gazette's remains unchanged for all channels. (Refer to the GPW website for submission deadlines – www.gpwonline.co.za)
7. Incorrectly completed forms and notices submitted in the wrong format will be rejected to the customer to be corrected and resubmitted. Assistance will be available through the Contact Centre should help be required when completing the forms. (012-748 6200 or email info.egazette@gpw.gov.za)
8. All re-submissions by customers will be subject to the above cut-off times.
9. All submissions and re-submissions that miss the cut-off will be rejected to the customer to be submitted with a new publication date.
10. Information on forms will be taken as the primary source of the notice to be published. Any instructions that are on the email body or covering letter that contradicts the notice form content will be ignored.

You are therefore advised that effective from **Monday, 18 May 2015** should you not comply with our new rules of engagement, all notice requests will be rejected by our new system.

Furthermore, the fax number **012- 748 6030** will also be **discontinued** from this date and customers will only be able to submit notice requests through the email address submit.egazette@gpw.gov.za.



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