



NEW RATES AND TARIFFS FOR MUNICIPAL SERVICES

EFFECTIVE DATE 1 JULY 2013

Notice is hereby given to the rate payers and consumers in terms of section 13 of the Local Government: Municipal Systems Act 2000 that Lesedi Local Municipality has by special council resolution approved 2013/2014 Medium-Term Revenue and Expenditure Framework (MTREF) for levying a rate on a property and service charges. The tariffs were approved by Council on 31 May 2013 – Council resolution number LC.MC – 178/05/2013. It is important to note that electricity tariffs are subject to the approval of NERSA.

The special council resolution was publicised in the municipal website – www.lesedilm.gov.za and at the municipality's head and satellite offices and libraries a day after the approval of tariffs by Council.

| Municipal Services | Percentage Increase 01 July 2013 |
|--------------------|-------------------------------------|
| Property rates | 6% |
| Water | 12% |
| Electricity | 10% |
| Sewer/Sanitation | 14% |
| Refuse Removal | 7% |
| Other Services | Various% |

General factors that have been considered in determining the tariffs are as follows:

- ❖ Affordability
- ❖ Cost of bulk purchases of water and electricity
- ❖ Distribution costs;
- ❖ Distribution losses;
- ❖ Depreciation expenses (capital replacement reserve);
- ❖ Maintenance of infrastructure and fixed assets;
- ❖ The cost of approved indigent relief; and
- ❖ Overheads costs.

ASSESSMENT / PROPERTY RATES

Assessment rates of 6% in the rand on the market value of the property is raised in terms of the Rates Policy.

PROPERTY RATES SCHEDULE

Valuation Roll 2010-2014

**TARIFF 2012/2013 (0.0090145c) – 2013/2014 (0.0095554) in the rand
for property rates – zero rated.**

| <u>Categories</u> | <u>Ratio in relation to property</u> |
|---|---|
| Residential property | 1:1 |
| Business, commercial and industrial | 1:2 |
| Agricultural properties(Farms and Agricultural holdings) used for (a) Farming and agricultural purposes (b) Business and commercial purposes | 1: 0.25 1:2 |
| State owned properties | 1:2 |
| Privately owned towns serviced by the owners | 1:0.90 |
| Municipal properties | 1:0 |
| Public service infrastructure | 1:0 |
| State trust land | 1:0.25 |
| Protected areas | 1:0.25 |
| National monuments | 1:0.25 |
| Properties owned by public benefit organizations(part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962) | 1:0.25 |
| Exclusive use areas | Not ratable |
| Servitudes | 1:0.25 |
| Township title properties | 1:0.25 |
| Multiple use properties | According to use |
| Vacant land - Residential | 1:2 |
| Vacant land - Business & commercial + industrial | 1:3 |
| Vacant land (Private owned - Heidelberg kloof) | 1:1 |

PROPERTY RATES REBATES

| | <u>Municipal value</u> | <u>% Rebates</u> |
|---|---|---|
| <p><u>Residential and sectional title properties</u> All Residential and sectional title properties, is rebated by the amount of rates payable on the municipal value as indicated:</p> | <p>First R15000</p> <p>R15 001 to R100 000</p> | <p>Exempt [Section 17(h) of the Act].</p> <p>100%</p> |
| <p><u>Residential vacant land</u> All residential vacant land as defined in the Rates Policy be rebated by the amount of rates payable on the municipal value as indicated:</p> | <p>First R15000</p> <p>R15001 to R40 000</p> | <p>Exempt [Section 17(h) of the Act].</p> <p>100%</p> |
| <p><u>Public Benefit Organisation (PBO)</u> All Public benefit Organisation (PBO) properties as defined in the Rates Policy qualify for a 20% rebate. (This rebate is only applicable to rates payable.)</p> | | 20% |
| <p><u>State owned properties</u> All state owned properties as defined in the Rates Policy, qualify for a 20% rebate. All government properties are defined in schedule 1 & 3 of the Public finance Municipal Act.</p> | | 20% |
| <p><u>Special rebates</u> Special rebates to registered owners of residential properties who are senior citizens, disabled and/or medically unfit persons qualifying according to gross monthly household income of all persons normally residing on that property:</p> <p>Gross monthly household income</p> <p>R0 – R3000</p> <p>R3001 to R4500</p> <p>R4501 to R5000</p> <p>R5001 to R5500</p> <p>R5501 to R6000</p> | | <p>100%</p> <p>80%</p> <p>60%</p> <p>40%</p> <p>20%</p> |
| <p>Municipal properties</p> <p>Public Service Infrastructure</p> <p>The municipality will grant 10% rebate on a property value of R100 000 000 (hundred million) and above.</p> | <p>Exempt</p> <p>Exempt</p> <p>R100 million and above</p> | <p>100%</p> <p>100%</p> <p>10%</p> |

1. In terms of section 15 (1) (b) of the MPRA, the Council GRANTS deduction on the market value and rebates on the rates levied for 2013/2014 in respect of a residential properties.
2. In terms of section 17 (h) of the MPRA, read with Council's Property Rates Policy, the impermissible value of the market value of a residential properties be applied on the first R15 000 of the market value of rateable property contained in the valuation roll or supplementary valuation roll of the municipality and the impermissible value of the R15 001 to R100 000 of the market value for all residential and sectional title properties.
3. Senior citizens, disabled persons and or /medically unfit persons, who are registered owners of the residential properties will receive special rebates as stipulated in the table above.
4. The special rebate is only granted upon application and therefore all pensioners / senior citizens, disabled persons and or / medically unfit persons are reminded to submit their rebate application forms to Lesedi municipal offices - Assessment rates section. Please note that the special rebate is only applicable for 12 months, therefore pensioners who applied for the rebate for 2012/2013 financial year must re-apply for the new financial year (2013/2014). Please bring your certified ID copy and proof of income.

WATER TARIFFS

Council has to fund and recover operational costs to provide water to the community. The tariff increase of 12% is due to Rand Water's tariff increase as well as LLM's distribution cost increases. Free units of 6 kilolitre (kl) will be provided to the Indigent households only in terms of the Tariff Policy.

| <u>Water (excl VAT)</u> | | |
|---------------------------------------|----------------------|--------------------|
| <u>Description of tariff</u> | 13.6%increase | 12%increase |
| | 2012 / 2013 | 2013 / 2014 |
| Domestic Basic (without improvements) | R14.95 | R16.75 |
| approved indigents | | |
| 0 - 6 kl | FREE | FREE |
| 6.1 - 10 kl | R8.35 | R9.35 |
| 10.1 - 30 kl | R10.85 | R12.15 |
| 30.1 - 50 kl | R13.54 | R15.17 |
| 50.1 - 70 kl | R20.39 | R22.84 |
| 70 kl > | R22.07 | R24.72 |

| | | |
|--|--------|---------|
| other domestic usage | | |
| 0 - 10 kl | R8.35 | R9.35 |
| 10,1 - 30 kl | R10.85 | R12.15 |
| 30,1 - 50 kl | R13.54 | R15.17 |
| 50,1 - 70 kl | R20.39 | R22.84 |
| 70 > | R22.07 | R24.72 |
| Informal settlement | R10.00 | R11.20 |
| Flats | R11.62 | R13.01 |
| Hospital | R11.62 | R13.01 |
| Business | R11.62 | R13.01 |
| Industrial | R11.62 | R13.01 |
| All other users per kl | R11.62 | R13.01 |
| School, Churches, Sports clubs, Museum | R11.62 | R13.01 |
| Basic levy for more than one consumer on any piece of land | R18.73 | R20.97 |
| Basic domestic stands | R14.95 | R16.74 |
| Basic Vacant Domestic stands | R93.59 | R104.82 |
| Basic Business stands | R34.89 | R39.07 |
| Basic Industrial stands | R89.65 | R100.41 |
| Water leakages (confirm by Engineering department) | R11.62 | R13.01 |
| Temporary connections basic | R58.27 | R68.33 |

ELECTRICITY

The tariff increase for electricity is a result of the tariff increase by Eskom. Council has to fund and recover operational costs to provide electricity to the community. Free units of 50kWh will be provided to Indigent households only in terms of Indigent Policy.

Council approved electricity tariffs at 10% - **subject to the approval of NERSA.**

| Electricity (excl VAT) | | |
|-------------------------------------|--------------------|--------------------|
| Description of tariff | 20%increase | 10%increase |
| | 2012 2013 | 2013 2014 |
| Domestic | | |
| Basic charge (with improvements) | R 135.12 | R 148.63 |
| Basic charge (without improvements) | R 136.08 | R 143.37 |
| approved indigents | | |
| 0 - 50 kwh free | FREE | FREE |
| 51 - 350 kwh | R 0.86 | R 0.899 |
| 351 -600 kwh | R 1.18 | R 1.240 |
| 600 kwh > | R 1.39 | R 1.467 |
| Domestic other (prepaid) | | |

| | | |
|--|-------------|------------|
| 0- 50kwh | R 0.664 | R 0.730 |
| 51 - 350 kwh | R 0.86 | R 0.899 |
| 351 - 600 kwh | R 1.18 | R 1.240 |
| 600kwh > | R 1.39 | R 1.467 |
| Business | | |
| Basic charge | R 508.28 | R 535.70 |
| Usage per Kwh | R 1.16 | R 1.214 |
| High / Low volt consumers | | |
| < 100 Kwh | R 1.081 | R 1.189 |
| Basic charge | R 755.11 | R 830.62 |
| 101 - 4000 Kva per Kwh | R 0.6095 | R 0.6705 |
| Per Kva | R 146.17 | R 160.79 |
| Basic charge | R 943.89 | R 1 038.28 |
| > 4000 Kva per Kwh (0.3777) | R 0.4344 | R 0.4778 |
| Per Kva | R 145.54 | R 160.09 |
| Basic charge | R 1 1771.70 | R 1 948.87 |
| >6000Kva per kwh (new tariff) BAT (0.3561) | R 0.4095 | R 0.4505 |
| Per Kva BAT | R 177.59 | R 195.35 |
| Basic charge BAT | R 4 073.19 | R 4 480.51 |
| Churches, Sport clubs, Museums per | | |
| Usage per Kwh | R 1.0922 | R 1.2014 |
| Basic charge | R 135.12 | R 148.63 |
| Industrial stands basic charge without improvements | R 1 137.39 | R 1 251.13 |
| | | |
| School / Hostels | | |
| Per Kwh | R 1.0925 | R 1.202 |
| Basic charge | R 377.86 | R 415.65 |
| Farm lines | | |
| 0 - 1000 Kwh | R 1.00 | R 1.10 |
| > 1000 Kwh | R 0.74 | R 0.814 |
| Fixed charge (0-1000kWh < 50 Kva) | R 490.00 | R 539.00 |
| Energy charge | R 1.15 | R 1.27 |
| Fixed charge (>1000kwh > 50 Kva) | R 514.09 | R 565.50 |
| Energy charge | R 0.9315 | R 1.025 |
| Fixed charge (0 -1000kWh ,> 50 kva) | R 657.08 | R 722.79 |
| Energy charge | R 0.9315 | R 1.02 |
| Fixed charge (>1000kWh ,> 50kva) | R 685.64 | R 754.20 |
| Energy charge | R 0.97 | R 1.07 |
| Hospitals | | |
| 101 - 4000 Kva per Kwh | R 0.6095 | R0.6705 |
| Per Kva | R 146.17 | R160.79 |
| Basiccharge | R 943.00 | R1 037.30 |
| Casual Consumers | | |

| | | |
|-----------------------------|----------|---------|
| Per Kwh | R 1.23 | R1.353 |
| Fixed charge | R 322.00 | R354.20 |
| Basic elec kloof | R 172.38 | R189.62 |
| buss kloof special kwh rate | R 0.4025 | R0.443 |
| buss kloof special kva rate | R 116.93 | R128.62 |

SEWERAGE

The sewerage network must be **consistently** maintained to provide sustainable for health residents. The sewerage effluence cost at ERWAT increases yearly. The tariff increase of 14% is externally driven by ERWAT's costs. The maintenance of the sewerage networks is a very high priority.

| Sewerage (excl VAT) | | | | |
|--|----------------------|-------------|--------------------|-------------|
| Description of tariff | 8.5% increase | | 14%increase | |
| | 2012 | 2013 | 2013 | 2014 |
| Domestic Basic | | R25.72 | | R29.32 |
| 1 Sewer point | | R25.48 | | R29.05 |
| 2 or more sewer points | | R59.16 | | R67.44 |
| Flats and second unit on domestic stand | | R25.48 | | R29.05 |
| Hospital Basic | | R25.72 | | R29.32 |
| Hospital per sewer point | | R64.06 | | R73.03 |
| All other Basic | | R25.72 | | R29.32 |
| Business / Industrial / Schools each point | | R71.79 | | R81.84 |
| Departmental | | R59.81 | | R68.19 |
| Builders / Contractors | | R42.36 | | R48.29 |
| Informal settlement | | R17.75 | | R20.24 |

REFUSE REMOVAL

The expenditure of this section grows annually. The tariff increase of 7% is due to increases in transport costs (fuel price) and the informal settlements, who currently receive their services free of charge. None of the inhabitants in the informal settlements pay for their services.

| Refuse Removal (excl VAT) | | | | |
|----------------------------------|----------------------|-------------|-------------------|-------------|
| Description of tariff | 8.5% increase | | 7%increase | |
| | 2012 | 2013 | 2013 | 2014 |
| Domestic | | R84.27 | | R90.17 |
| Business / Industrial / Hospital | | R157.97 | | R169.02 |
| Flats | | R78.99 | | R84.52 |
| Departmental | | R78.92 | | R84.45 |
| Builders / Contractors | | R82.95 | | R88.76 |
| Informal sector | | R24.74 | | R26.47 |

| | | |
|---|---------|---------|
| Mass disposal at Transfer station p/ton | R224.34 | R240.05 |
| Mass Containers week days | R112.55 | R120.43 |
| Mass Containers weekends | R224.34 | R240.05 |
| Mass disposal at Platkop p/ton | R258.85 | R276.96 |

The special council resolution and budget related policies are available at the municipal offices – Heidelberg office, satellite offices and libraries for public inspection during office hours and is also available on municipality’s website.

For more information regarding the new rates and tariffs for municipal services, kindly contact the following officials:

Alida Van der Walt – (016) 340 - 4410

Sindiswa Zukani – (016) 340 - 4407

A MAKHANYA
MUNICIPAL MANAGER

c/o H.F Verwoed and Louw Street
PO BOX 201
HEIDELBERG
1438