O.R. TAMBO
DISTRICT MUNICIPALITY

Draft Tariff Policy 2026-2027

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1. PREAMBLE/INTRODUCTION

1. In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.
2. In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

2. ACRONYMS AND ABBREVIATIONS

BCEA – Basic Conditions of Employment Act

CFO – Chief Financial Officer

COGTA – Corporative Government and Traditional Affairs

EFT – Electronic Funds Transfer

IDP – Integrated Development Plan

MBRR – Municipal Budget Reporting Regulations

MFMA – Municipal Finance Management Act, Act No. 56 of 2003

MSA – Municipal Systems Act, Act No.32 of 2000

MSTA – Municipal Structures Act

MTREF – Medium Term Revenue and Expenditure Framework

ORTDM – OR Tambo District Municipality

SALGA – South African Local Government Association

SARS – South African Revenue Services

SCM – Supply Chain Management

SDBIP - Service delivery and budget implementation plan

Wherein

3. DEFINITION OF TERMS

"Account" means an account rendered specifying charges for municipal services provided by the municipality, or any authorised and contracted service provider.

"Accounting officer" means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act.

"Annual budget" shall mean the budget approved by the municipal council for any particular financial year, and shall include any adjustments to such budget.

"Basic municipal services" shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service — if not provided — would endanger public health or safety or the environment.

"Business and commercial property" means a property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or

"Municipal manager" shall mean the person appointed in terms of Section 82 of the Municipal Structures Act, 1998.

"Municipal service" has the meaning assigned to it in terms of Section 1 of the Municipal Systems Act.

"Municipal tariff" shall mean a tariff for services which the municipality may set for the provision of a service to the local community, and may include a surcharge on such service. Tariffs for major services shall mean tariffs set for the supply and consumption or usage of water and sewerage, and minor tariffs shall mean al other tariffs, charges, fees, rentals or fines levied or imposed by the municipality in respect of other services supplied including services incidental to the provision of the major services.

"Owner" in relation to immovable property means -

(a) the person in whom is vested the legal title thereto provided that:-

i. if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curator ship by order of court or is a company being wound up or under judicial management, 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, shall be deemed to be the owner thereof;

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

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

(a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or

(b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, and which is situated within the area of jurisdiction of the municipality.

"Residential property" furthermore means improved property that: -

(a) is used predominantly (60% or more) 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 is used predominantly for residential purposes;

(c) is owned by a share-block company and is used predominantly for residential purposes;

(d) is a residence used for residential purposes situated on a property used for

educational purposes;

(e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Municipal Property Rates Act;

(f) are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;

Vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, have been specifically excluded from this property category;

"Sewerage charges" means service charges in respect of the provision of sewerage services.

“Schedule of tariffs” means a list of charges, prices and rates that are approved by Council for goods and services rendered by the municipality

"Tariff" means the scale of rates, taxes, duties, levies or other fees which may be imposed by the municipality in respect of immovable property or for municipal services provided.

"Tariff Policy" means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000 as amended.

"Water charges" means service charges in respect of the provision of water.

“Water management device” means water meters which, at once provide accurate data on water flow and water consumption levels, and can be programmed to control water use at household- or business-level

4. LEGAL/STATUTORY FRAMEWORK

1. This policy has been compiled in accordance with:-
   I. The Constitution of the Republic of South Africa, Act no 108 of 1996 as amended;
   II. Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended;
   III. Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003;

5. PURPOSE AND OBJECTIVES OF THE POLICY

1. The purpose of this tariff policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying tariffs by the OR Tambo District Municipality.
2. The Municipality should perform the procedures set out in this policy to ensure the effective planning and management of tariffs. In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

6. SCOPE/APPLICATION OF THE POLICY

1. Guiding Principles

1 This policy applies to all tariffs charged within the defined boundaries of OR Tambo District Municipality.

2. It is intended that this Policy document guides the annual setting (or revision) of tariffs, hence the Policy does not make specific tariff proposals, nor does it deal in any detail with the implementation of 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.
3. The Policy is applicable to all tariffs for water and sanitation services provided by the ORTDM
4. This Policy is also applicable to all Sundry Tariffs, as provided for in the Schedule of Tariffs of the ORTDM
5. Service tariffs imposed by the municipality shall be viewed as user charges and not as taxes, and therefore the ability to pay of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigent relief measures approved by the municipality from time to time).
6. The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
7. Tariffs for the two major services rendered by the municipality, namely Water and Sewerage shall as far as possible recover the expenses associated with

the rendering of each service concerned, and where feasible, generate a modest surplus as determined in each annual budget.

8. The tariff which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.
9. The municipality shall develop, approve and at least annually review an indigent support programme for the municipal area. This programme shall set cut clearly the municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
10. In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall however at all times be reasonable and shall be fully disclosed in each annual budget.
11. The municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be evident to all consumers or users of the service in question.
12. The municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all consumers and users affected by the tariff policy concerned.
13. The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
14. In the case of conventional metering systems for water, the consumption of such services shall be properly metered by the municipality and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.
15. In addition, the municipality shall levy monthly basic charges for water and sewer services. Generally, consumers of water and sewer shall therefore pay two charges:-
    I. A basic charge which is unrelated to the volume of consumption and is levied because of fixed costs such as salary of staff related to the

provision of the service, maintenance, capital costs and insurance of infra structure; and

II A consumption charge directly related to the consumption of the service in question. In adopting what is fundamentally a two-part tariff structure, namely a fixed basic charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

16. In the case where meters have not been installed the municipality will levy a flat rate, only for properties in Peri-urban.
17. In case of vacant stands, where the services are available but not connected, the municipality shall levy a monthly availability charge (which is levied because of fixed costs such as the capital and maintenance costs and insurance of infrastructure available for immediate connection), on application for services by the owner.
18. In considering the costing of its services, the municipality shall take due cognisance of the high capital cost of establishing and expanding such services; and of the resultant high fixed costs, as opposed to variable costs of operating these services.

2. Links to other Policies

I List all relevant Policies with links to the Policy;

3. Who uses the Policy

I. Councillors;
II. Staff;
III. Communities;

4. Who should be consulted upfront in respect of Policy changes

I. Council as a Policy formulator;
II. Staff as implementers of the Policy;
III. Communities if the Policy directly affects them; or

IV. National Treasury for oversight and funding

5. Implications of the Policy

I. Intended Consequences;
II. Unintended Consequences;

6. Who drives the Policy

I. Person to drive the Policy;
II. Office-Bearer to drive the Policy; or
III. Office to drive the Policy;

7. POLICY PROVISIONS/STATEMENTS

1. Financial factor

1) The primary purpose of tariff is to recover the actual costs of the rendering of particular service. If a service is rendered at a loss; cross subsidisation of such loss by another service will be necessary. This will place a burden on the tariff structure of the other service.

2) In order to determine the tariffs which must be charged for the supply of the two major services; the municipality shall identify all the costs of operation of the undertakings concerned including specifically the following:-

I. Cost of bulk purchases in the case of water.
II. Distribution costs.
III. Distribution losses in the case of water.
IV. Depreciation expenses.
V. Maintenance of infrastructure and other fixed assets.
VI. The cost of approved indigent relief measures.
VII. 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; and

2. Socio-economic factors

1) Although the determination of tariffs is in many instances politically orientated, it ought to be based on sound, transparent and objective principles at all times. In order to fully understand the influence of the socio-economic factors the various user categories and forms of subsidisation needs to be considered.

2) Users can be divided into the following categories:-

I. Users who are incapable to make any contribution towards the consumption of services and who are fully subsidised;

II. Users who are able to afford a partial contribution and who are partially subsidised only; and

III. Users who can afford the cost of the services in total.

3) It is important to identify these categories and to plan the tariff structures accordingly. Subsidies currently derived from two sources namely:

I. Contributions from National Government: National Government makes an annual contribution according to a formula, which is primarily based on information obtained from Statistics South Africa by means of census surveys. If this contribution is judiciously utilised it will subsidise all indigent households who qualify in terms of the Council policy.

II. Contributions from own funds: The Council can, if the contribution of National Government is insufficient, provide in its own operational budget for such support. Such action will in all probability result in increased tariffs for the larger users. Any subsidy must be made known publicly.

4) To make provision for subsidisation the tariff structure can be compiled as follow:

1.1.4.1. Totally free services (within limits and guide lines);

5) Lower tariffs for users who qualify in terms of particular guide lines, for example to recover the operational costs of the service only; and

6) Full tariff payable with a subsidy that is transferable from sources as mentioned above.

3. Minimum service levels

1) It is important that minimum service levels be determined in order to make an affordable tariff package available to all potential users.

4. Control

1) It is not possible to successfully compile a tariff structure without consideration of the stipulations of an effective credit control system. Income is provided for in the budget as if a 100% payment level will be maintained. It is therefore important to continuously ensure that users indeed pay punctually.
2) However, it is also a fact that there are users who are unable to pay. Tariffs must therefore provide access to a minimum level of basic services for all users. It should furthermore be supplemented with a practical policy for indigents. This will ensure the sustainable delivery of services. In addition, adequate provision should be made on an annual basis for bad debt/ working capital in accordance with current payment levels.

5. Package of services

1) The accounts for services must not be seen in isolation. It must- be considered jointly to determine the most affordable amount that the different users can pay as a total account. The basic costs of a service must first of all be recovered and then only can profits be manipulated to determine the most economic package for the user with dire allowance for future events in regard to a particular service.

6. Historical and future user patterns

1) It is important to keep accurate consumption statistics for the purpose of determining tariffs. Consumption determines tendencies, which ultimately have an influence on tariffs within a structure. Provision should be made in the process for growth and seasonal use, as well as for unforeseen events that may have an impact on tariffs.

7. User groups

1) Section 74(3) of the Systems Act allows for the differentiation between different categories of users, debtors, service providers, 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 the ORTDM is set out below. Each municipal service is not compelled to differentiate for tariff purposes, but where

it does; the differentiation must be consistent with the framework set out below, and a separate tariff must be applicable for each category that is defined. ORTDM users are traditionally divided into user groups as set out below:-

(a) Domestic (Residential);
(b) Businesses/ Commercial.
(c) Government.
(d) Schools;
(e) Municipal consumption.
(f) Churches.

2) A continuous effort should be made to group together those users who have more or less the same access to a specific service.

8. Free Basic Services

1) Free basic municipal services refers to those municipal services necessary to ensure an acceptable and reasonable quality of life and which service, if not provided, could endanger public health or safety or the environment.

2) In terms of the South African Constitution all consumers should have access to basic services. Currently, the free basic services provided to the domestic consumers within the OR Tambo District Municipality are as follows: -

I. 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.

II. The general threshold for indigent support is restricted to qualifying households with a combined income amount per month less or equal than an amount determined by Council.

III. The municipality recognises the following two levels of indigent support:

I. Free minimum water (6 kiloliters per month) for registered indigent household consumers whereof the extent is annually determined during the adoption of the operational budget.

II. Free sewer full level services for one toilet

III.

8. Proposed Tariff Structures For Various Services

1. Determination of tariff structure

It is essential that a compromise be reached between the following needs with the determination of a tariff structure: -

I. The need to reflect costs as accurately as possible in effectiveness:
II. The need to ensure equality and fairness between user groups;
III. The need for a practically implementable tariff;
IV. The need to use appropriate metering and provisioning technology;
V. The need for an understandable tariff; and
VI. The user's ability to pay.

2. Services for tariff structure.

Taking into consideration the abovementioned points the tariff structure for the following services is discussed:-

1) Water.

I. Water is a scarce commodity with little alternatives available (contrary to electricity). Tariff structures should therefore be aimed at the reduction of consumption. In order to cut consumption, an inclining block rate tariff structure with a basic fee is applied. In principle, the amount that users pay for water services should generally be in proportion to their use of water services. Tariffs must be set at levels that facilitate the sustainability of the service.

II. To calculate the tariff for water, the actual cost incurred in the supply of water to the community, has to be taken into consideration. The principle of basic charges as well as a kilolitre tariff for water is determined by the cost structure. This cost structure consists of the following components:-

   I. <u>Fixed costs:</u> It represents that portion of expenses that must be incurred irrespective of the fact whether or not any water has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of water, costs of capital and insurance that is payable in respect of the infra structure. These costs must be recovered whether any water is used or not. The costs are therefore recovered by means of a fixed levy/

per period (normally on a monthly basis) in order to ensure that these costs are covered.

II. Variable costs: It relates to the physical provision of water according to demand and must be financed by means of a unit tariff which is payable per kilolitre water consumed.

III. Profit taking: The tariff for the services are determined in such a way that a net trading surplus is realised.

III The following tariff structures should be used for the determination of tariffs:-

I. Single-leg water consumption for users with pre-paid meters;

II. Two-leg tariff consisting of a basic charge based on the size of the water connection and consumption for users with conventional meters; and

III. A flat rate for premises where no water meters are instated, only for properties in Peri-urban

IV. An availability fee will be charged on users and/or properties wherein accounts are opened on application by the owner and not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects and improve the property the debit will be adjusted pro-rata from the date of the connection.

V. Special tariff arrangements determined and approved by Council from time to time for specific developments.

2) Sewerage

I. Sewer service is a trading service and the tariff should be set to cover the cost incurred to deliver the service and yield an operating surplus.

II. The following tariff structures should be used for the determination of tariffs:

I. The tariff levied for waterborne sewerage systems is based on the number of toilets on the premises.

II. Customers who are not connected to the waterborne sewerage network but who can reasonably be connected shall pay an availability tariff, only

on application by the owner. Vacant stands in an area serviced through septic tanks will pay the basic tariff for septic tanks.

III. Special tariff arrangements determined and approved by Council from time to time for specific developments.

3) Water Tariff

Tariff increase for 2026/2027 will be :-

- Residential consumers – 8.4%
- Business consumers – 8.4%
- Government consumers - 8.4%

I. Residential consumers

I. Residential consumers are billed as follow:-

I A flat rates is payable on all properties where no water meters are installed.

II. An availability charge is payable on all properties wherein accounts are opened on application by the owner and where a connection to the water reticulation network is possible, but not in use.

III. A basic charge is payable on all properties wherein accounts are opened on application by the owner and that are connected to the water network based on the size of the water connection, regardless of whether any water is used.

IV. All registered indigent residential users receive 6k1 of water free of charge.

V. Consumers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage in the following blocks:-

- 0 to 6 kl.
- 7 to 10 kl
- 11 to 20 kl.
- 21 to 30 kl.

- 31 and above

II All other consumers

I. All other consumers are billed as follow:

I. An availability charge is payable on all properties wherein accounts are opened on application by the owner and where a connection to the water reticulation network is possible, but not in use.

II. A basic charge is payable on all installations, based on the size of the water connection.

III. Consumers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage in the following blocks:-

- 1 to 30 kl.
- 31 to 40 kl
- 41 to 50 kl.
- 51 kl and above.

III Water sundry tariffs

All other water related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

3) Sewerage Tariff

Tariff increase for 2026/2027 will be:-

- Residential consumers – 8.4%
- Business consumers – 8.4%
- Government consumers –8.4%

I Tariffs for Waterborne Sewerage Systems

I. A sewer availability charge is payable on all properties wherein accounts are opened on application by the owner and where a connection to the sewer network is possible, but not in use.

II. The Council charges a full level monthly fee per property based on the

number of toilets for all properties.

II Tariffs for Septic Tanks

I. A basic charge is payable on all installations.

II. The Council charges are a fixed fee per load of sewer removed.

III. An additional transport fee is charged per kilometre to consumers outside the main towns.

III Sewerage sundry tariffs

I. All other sewerage related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

4) Sundry Tariffs

All other services offered by the Council are charged at a tariff as determined by the Council annually during the budget process. Tariffs should at least cover the basic cost of these services.

4.1 INTEREST ON ARREARS

Fixed 10% interest will be charged on all accounts over 30 days

9. VAT

VAT is charged as per the existing national tax legislation on all consumptive tariffs and all miscellaneous tariffs as indicated in the schedules.

10. Availability charge

An availability charge shall apply to serviced vacant or undeveloped land for both the water and sanitation services excluding unproductive vacant land and for which accounts were applied for by the owners (e.g. public open space, private road).

11. Consumer deposit

A consumer deposit will be levied with the commencement of services to a consumer subject to the Credit Control and Debt Collection Policy of the municipality, to allow for unpaid bills that may arise later.

12. Charges for plumbing related work performed by ORTDM official on private property

The property owner is responsible to ensure that water is not abused this includes the identification of leaks that exist on the private property. The request for an official of the ORTDM to perform plumbing related investigation or work on private property will be charged at the appropriate tariff.

13. Unpaid Cheques Charges

The O R Tambo will raise a charge on the customer account with the applicable bank charge for any unpaid cheque returned by the bank.

14. Pensioners Rebate

The Pensioner rebate will only apply to owners turning 60 and above. Persons who turn 60 within the financial year can apply for a rebate before turning 60 but would only receive the rebate once they have turned the designated age. All applications must be done on the prescribed form and only original applications will be evaluated (no faxed or e-mailed documents will be accepted). All applications will be verified, and the applicants must allow the municipality at least two months for approval of the applications. The rebate will only be valid from month which in it has been approved. The rebate will not be retrospective in nature but will be in effect from the next billing period immediately preceding the approval. If an applicant is found to have provided fraudulent information about any material condition for registration for a rebate, such person shall be liable to repay the Municipality and the accounts will be adjusted with immediate effect of all relief received from the date of such fraudulent registration and may be charged criminally for the fraudulent submissions.

The rebate will be applicable to all service charges as follows:

INCOME	ALLOWED PERCENTAGE
R5000 -R6000	65%
R7000-R8000	55%
R9000 and more	45%

15. Underground Leakage Rebates On Water Accounts

1. Philosophy

I. The ORTDM should seek to address the problem of underground leaks or leaks otherwise not visible to the eye on private property in a caring and understanding manner by granting an “underground rebate” for *bona fide* claimants of such plumbing leaks, who have made appropriate application for a rebate, where the ORTDM should share the costs on an equal basis with the consumer.

II. Care needs to be taken to prevent the abuse of the rebate system by excluding leaks on plumbing to convenience fixtures such as irrigation systems, automatic filling systems to ponds, pools, and fountains and similar, where the possibility of the disconnection of those systems from

the primary erf plumbing would have prevented the water waste in the first instance.

III. The adjustment to the consumer account will be based on the difference between the consumption taken during the water leak period and the water consumption of the consumer for a period of 3 months after the water leak is repaired.

2. Plumbing leaks subject to the rebate system

I. Rebates shall only be granted in the case of leaks that are underground or not otherwise visible to the eye on the erf's primary plumbing which would normally be kept pressurised for normal activity requirements.

II. Rebates will apply to Domestic Customers, schools, churches, charities, homeless shelters, homes catering for the health of physically or mentally challenged individual's old aged homes as defined and vulnerable groups and will not apply to customers outside the jurisdiction municipality.

3. Time period over which the rebate will extend

I. It is considered reasonable that two months of actual metered high water consumption would be sufficient time to alert a consumer to the possibility of water leakage.

II. A further month is considered a reasonable time to have this leakage repaired.

III. Accordingly, the total period over which the rebate will extend is defined as the period covering the last three municipal bills based on actual Meter readings. (This period may be in excess of three months if bills are based on estimated consumption).

4. steps to prevent the abuse of the rebate system

I. All rebate claims will be subject to the production of a plumbing certificate by the claimant detailing the exact location of the leak on the property, the nature of the leak and the steps taken to repair the leak.

II. The ORTDM needs to inspect the plumbing after repair of leakages that are subject to rebate claims.

III. The Revenue Manager shall have delegated authority to grant rebates at the discretion of the ORTDM.

IV. With effect from 1 July 2018 each property owner shall be limited to one rebate claim (not including properties previously exhausting their maximum number of rebates). The granting of such rebate will be conditional to the owner applying for and paying the tariff for the installation of an activated water management device (at the cost of the owner) to reduce the risk of future water losses going undetected through private plumbing by the ORTDM.

V. Any deviation from the requirement to install activated water management device is subject to approval by the Revenue Manager (Condition applicable where water management device is available for the size of connection).

VI. All documentation concerning rebate claims shall be filed for audit scrutiny as and when required.

VII. Finally, the ORTDM reserves the right to delay the granting of a rebate in instances where the applicant's account reflects outstanding debt.

5. Frequency of tariff setting

All tariffs are determined on an annual basis, with due cognisance of adjustments between approved reduction levels necessitated by water restrictions.

6. Forfeiting of unused free basic allocations

Any free basic allocation not used by the end of each month / metering period / billing cycle will be forfeited.

7. Installation of Private Prepayment Sub-metering System

I. Installation of private sub-metering devices on private plumbing infrastructure have been standard procedure implemented by property owners / Body Corporates / Home Owners Association to administer the allocation of cost. In this regard, adherence must be given to the fact that property owners / Body Corporates / Home Owners Associations may not

charge the internal customers more than the water and sanitation tariffs approved by the ORTDM.

I. When prepayment sub-metering systems are installed by property owners / Body Corporates / Home Owners Associations, application needs to be made with the ORTDM to ensure that property owners / Body Corporates / Home Owners Associations ensure access to basic water.

II. The terms and conditions of such application shall be specified on the application form.

III. Any administrative cost recovered will be an agreement between the owner(s) and the service provider and may not form part of the tariff

8. INTERPRETATION OF THIS POLICY

- Municipal Manager has the authority to give a final interpretation of the policy when there is a dispute;

9. PERMANENT/TEMPORARY WAIVER OR SUSPENSION

- Council has authority to waiver the policy;
- Process of waiver will be as followes;
    - Waiver to be submitted by Municipal Manager to Executive Mayor
    - Executive Mayor to table the waiver in council for approval

10. POLICY APPROVAL

- Following are to be consulted before the adoption of the Policy
    - Councillors;
    - Management;
    - Staff;
- Council to adopt the Policy

11. COMPLIANCE, IMPLEMENTATION AND ENFORCEMENT

- Policy to be communicated through website, printed, radio and social media, public participation
- Municipal Manager to sign after its adoption;
- Policy to be reviewed annually
- Executive Mayor to monitor the implementation of the policy
- Violation of the Policy shall constitute an offence and may lead to disciplinary action;

12. AUTHENTICATION

- Date of adoption;
- Council Resolution Number;