

MATATIELE LOCAL MUNICIPALITY



MATATIELE
LOCAL MUNICIPALITY

CUSTOMER INCENTIVE SCHEME POLICY

NO 07 OF 2016/17
CR 945/30/05/16



DR. DCT NAKIN
MUNICIPAL MANAGER



CLLR. MM MBEDLA
MAYOR

Authority	Date
HOD Approval	16 MAY 2016
MM Approval	23 MAY 2016
Council Approval	30 MAY 2016
Date of next Review	MARCH 2017

Approval of Policy

Please note that the implementation of the policy contained in this document is subject to approval and signing off by all relevant Heads and/or Committees, including but not limited to:

- Municipal Manager; and
- Municipal Council.

INDEX

	<u>Page</u>
<u>PART 1</u> : OBJECTIVE	3
<u>PART 2</u> : INCENTIVES	3
<u>PART 3</u> : GUIDELINES	3
<u>PART 4</u> : QUALIFYING CRITERIA	4
<u>PART 5</u> : INTERNAL FUNDING	4
<u>PART 6</u> : INDIGENT SUPPORT SAVINGS	4

1. OBJECTIVE

The objective of the policy is to provide a framework for attracting industrial development to the municipal area by offering financial incentives.

2. INCENTIVES

The incentives to be offered will be reduced Property rates and Consumer tariffs applicable to properties utilised for new industrial development within the municipality's area of jurisdiction. The reduction in tariffs to be based on a discount offer in relation to additional jobs created by the industry.

3. GUIDELINES

Discounts be effected for new industry based on the following:

- 3.1. Calculated as a percentage of the number of persons employed against a base of 100;
- 3.2. Calculation of discount to be performed on a monthly basis;
- 3.3. Discount only be effected if substantiating proof of employment is submitted on a monthly basis which must include –
 - 3.3.1. A listing of all employees with Identity numbers, Municipal addresses and details of their monthly remuneration;
 - 3.3.2. A certified copy of the monthly return to the Department of Labour regarding Unemployment Insurance (as administered by SARS);
 - 3.3.3. A certificate from an accountant, regulatory body, to the extent that the employment details submitted is true and correct. Proof of proper registration of such accountant to be submitted prior to the issue of first confirmation certificate; and
 - 3.3.4. The discount to be applicable for a period not longer than five (5) years from date of first effect.

4. QUALIFYING CRITERIA

- 4.1. The business must be conducted on a property suitably zoned in terms of the Town Planning Scheme for the conduct of such enterprise;
- 4.2. The business must be a new development, and not the expansion of an existing enterprise or replacement thereof; and
- 4.3. All employees must receive at least the minimum wage as determined for the applicable industry and area in terms of the regulations in that respect.

5. INTERNAL FUNDING

A line item in the Local Economic Development section will provide the budget to finance the applicable discounts.

6. INDIGENT SUPPORT SAVINGS

A monthly review of the employee listings will be compared to the Register of Indigent persons by the Indigent Support persons by the Indigent Support Clerk, and removed from such register, and support, when employment is confirmed.