

**COMMITTEE FOR SPATIAL INFORMATION**

**(in terms of the Spatial Data Infrastructure Act, 2003 (Act No. 54 of 2003))**

**POLICY ON PRICING OF SPATIAL INFORMATION PRODUCTS AND  
SERVICES**

**CSI Policy No.: 0001**

## **Policy on Pricing of Spatial Information Products and Services**

### **1. Policy Statement**

Guidelines for the pricing for the provision of spatial information products and services by public sector organisations to users.

### **2. Purpose**

- 2.1 The purpose of this policy is to ensure that informed decisions can be made regarding the pricing of spatial information in the public sector and that there is consistency in the application of the pricing policy within the public sector.
- 2.2 The Committee on Spatial Information (CSI) has an important role in coordinating the framework data, maps, systems and standards required to maximise the usefulness of spatial data/information collected by all levels of government in South Africa and indeed by the private sector. Properly carried out, this mandate would lead to consistent, compatible and interoperable data sets.
- 2.3 The current pricing and licensing practices of the various public sector organisations has prevented this from occurring with the result that almost all municipalities, most provincial and even State departments spend some level of resources to develop duplicate spatial information. These existing modes of operating are based on the previous emphasis on cost recovery, user-pay principle etc, equating the percentage of “cost recovery” to “value of service delivered to the public”. Today, service delivery in itself is the aim and the reason for the existence of the public sector organisations.
- 2.4 The ability to pay must not be used as an effective barrier to deny access to services to a user or user group. In essence, the pricing policy of the public sector must provide for equitable, universal access.

### **3. Scope**

- 3.1 This policy covers all spatial data and spatial information provided by public sector organisations. This includes all data custodians and all other public sector organisations providing spatial data and spatial information products and services, whether as a primary or a secondary provider.
- 3.2 The policy deals with spatial information products and services which are regarded as generally available from the organisation and those which the organisation customises, on specific request, for the client and which are not generally available (also referred to as value-added products and services).

### **4. Objective**

The objectives of the policy are to:

- a) Promote transparency in the public sector by removing cost of information as a barrier;
- b) Ensure access to spatial information products and services on the grounds of affordability;
- c) Promote consistency across the public sector with respect to manner for the pricing for spatial information products and services;
- d) Promote the *Batho Pele* principle of providing value for money to users;
- e) Encouraging job creation and economic activity through entrepreneurial utilization of affordable spatial information from public sector sources.

### **5. Legislative and Regulatory Framework**

Constitution of the Republic of South Africa.

Spatial Data Infrastructure Act, 2003 (Act No. 54 of 2003) and the Regulations framed there-under.

Promotion of Access to Information Act, 2000 (Act No 2 of 2000).

Other legislation specific to the mandate of the public sector organisation(s).

## 6. Policy Details

### 6.1 Key principles:

- Promote the principles of open data and universal access to data, particularly that held by public sector organisations;
- Compulsory for data custodians;
- Spatial information collected and maintained by public sector organisations, funded from the fiscus, are a public good;
- Affordability of accessing spatial information;
- Consistency across public organisations in the pricing of spatial information;
- Spatial information must not be regarded by public sector organisations as a source of income.

6.2 There are two distinct categories of spatial information products and services provided by public sector organisations. Firstly, it is those products which are regarded as generally available from the organisation. These are usually listed in the organisation's manual of records prepared in terms of section 14 of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) and revised annually. The second category would consist of products and services which the organisation customises, on specific request, for the client and which are not generally available (also referred to as value-added products and services).

### 6.3 For the case of generally available products and services:

6.3.1 The principles guiding the policy on the pricing of such products and services need to be consistent with the provisions of the Promotion of Access to Information Act, 2000, basically charging the user what it costs the organisation to make the information available to the client in the requested format. This main principle is referred to as Cost of Fulfilling User Request (**COFUR**). The products and services of a data custodian for which public funding is provided, is regarded as generally available spatial information products and services for the purposes of this policy.

6.3.2 The "COFUR" principle is to be used in the public sector to determine prices for generally available spatial information products and services (also referred to as standard products). For the purposes of this policy document, COFUR means that the

pricing structure for spatial information is based on recovering the costs for the materials used for the copy (medium, printing), preparing for dispatch, postage and packaging.

- 6.3.3 When requested to do so, the public sector organisations must provide the method used, including all cost elements and unit costs, to determine the prices of products and services.
  - 6.3.4 A public sector organisation may provide spatial information products and services at a price less than the COFUR price.
  - 6.3.5 It needs to be kept in mind that the cost to the organisation to make a staff member and workstation available at a public counter or other service centre is regarded as one of the functions of the organisation, i.e. service delivery. Thus these services are fully funded by moneys allocated to the organisation by Parliament or from statutory rates and taxes, and need not be “recovered” from the users that happen to come to the counter – these costs should therefore not be included as part of COFUR.
  - 6.3.6 The Minister may, upon receiving a motivated request and on recommendation of the CSI, exempt partially or in full a public sector organisation from the COFUR pricing.
  - 6.3.7 The new price structure will encourage small business and non-traditional users of spatial information to become involved in the spatial information industry, especially in the field of value-added services.
  - 6.3.8 In terms of Act 2 of 2000, the State (in general) is not excluded from paying charges determined under this policy.
- 6.4 For the case of special products and services (value-added products and services):
- 6.4.1 Products and services falling into this category are not generally available and are generally of use only for a specific client. The client who requests such services from the organisation needs to be made aware that any costs incurred by the organisation in the provision of the requested special product or service will be to the client’s account.
  - 6.4.2 The pricing would generally be determined in the terms and conditions of a service level agreement or contract between the client and the organisation, or through the fees of office or rates provided for in terms of legislation.
  - 6.4.3 When a product is prepared for a client in terms of this case and then subsequently a new client requests the same product then the further provision of the product must be

in accordance with the COFUR principle and not charged for in full. Should the previously prepared product require an adaption for the new client then only the cost of such adaption must be charged for and not the full price.

- 6.4.4 The following cost items could be used to determine the cost of the product or service:
- a) Human resources – total cost of employment, and not only salary, as apportioned to the product or service;
  - b) Materials consumed;
  - c) Equipment use (including ICT systems) – capital, maintenance and running cost;
  - d) Apportionment of infrastructure (direct and overhead) - including electricity and water;
  - e) Communication, including ICT networks and internet usage;
  - f) Transport;
  - g) Accommodation;
  - h) Rates and taxes, if applicable;
  - i) Incidental costs.

Note that the cost of the generally available spatial information must not be included in this costing.

- 6.5 No royalty fee will be payable on standard products/services or records where the price of the product is based on the COFUR price principle.

## **7. Roles and Responsibilities**

- 7.1 The Sub-committee is responsible for drafting policies to be submitted to the CSI.
- 7.2 The CSI recommends the policy to the Minister, and upon approval from the Minister, publishes it in the Government Gazette.
- 7.3 The policy comes into effect thirty (30) calendar days after publication.
- 7.4 The Sub-committee reviews the policy annually, and where applicable, recommends amendments to the CSI.
- 7.5 The policy is binding on all parties referred to in the SDI Act.

## **8. Monitoring, Evaluation and Review**

- 8.1 The Department will undertake the monitoring of the adherence to the policy. The Department will submit a report on its findings, at least once per annum, to the CSI.
- 8.2 Adherence to the policy will be done a various means, including undertaking audits and inspections. Upon request to do so, any organisation, being the subject of adherence monitoring, must provide within a reasonable period of time any documentary evidence requested of it for the purpose indicated.
- 8.3 The CSI, assisted by the Department, should from time to time evaluate the efficacy and effectiveness of the policy. Due regard must be had for the purpose and objective of the policy, as well as the state of readiness for implementation of the policy by affected parties.

## **9. Definitions and Abbreviations**

All terms in this policy are consistent with their meaning in the SDI Act and the Regulations framed there-under. More specifically:

“Spatial information product” means spatial information prepared in a manner ready for dissemination to users either in digital or hard copy form and includes a map.

“Spatial information service” means a service provided in which spatial information is used to meet the need of a user.

“SDI Act” means the Spatial Data Infrastructure Act, 2003 (Act No. 54 of 2003), as amended.

“Minister” means the Minister for Rural Development and Land Reform.

“CSI” means the Committee for Spatial Information, established in terms of section 5 of the SDI Act.

“Sub-committee” means the Sub-committee for Policy and Legislation, created by the CSI in terms of section 10 of the SDI Act.

“Department” means the Department of Rural Development and Land Reform.

“ICT” means information and communication technology.

## 10. Amendment

No.	Amendment	Date

## 11. Associated Documents

*Batho Pele* Principles of the public sector.

Development and Review of CSI Policy Process Documentation