

# **KOU-KAMMA LOCAL MUNICIPALITY: CREDIT CONTROL and DEBT COLLECTION POLICY**



2016/17

**KOUKAMMA Local Municipality hereby makes the following policy in terms of section 98(1) of the Local Government: Municipal Systems Act no. 32 of 2000.**

**TO REGULATE CUSTOMER CARE MANAGEMENT, CREDIT CONTROL AND DEBT COLLECTION POLICIES**

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**KOUKAMMALOCAL MUNICIPALITY PRINCIPLES AND POLICY ON**  
**CREDIT CONTROL AND DEBT COLLECTION**

**1. PREAMBLE**

WHEREAS section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 (*the Constitution*) provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

AND WHEREAS section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

AND WHEREAS section 195 (1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including-

- The promotion of the efficient, economic and effective use of resources;
- The provision of services impartially, fairly, equitably and without bias; and
- The fact that people's needs must be responded to.

AND WHEREAS section 4 (1) (c) of the Local Government: Municipal Systems Act 33 of 2000 (*the Systems Act*) provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorized by national legislation, other taxes, levies and duties;

AND WHEREAS section 5 (1) (g), read with subsection (2) (b) of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give

members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, policies that give effect to the policy, Supervisory authority and Implementing authority, respectively.

### **1.2 Scope of the Policy**

- (a) This Policy applies to all administrations within the defined boundaries of the KOUKAMMA Local Municipality and all debtors of these administrations.
- (b) The Credit Control & Debt Collection policy as approved by Council has been enshrined in a Municipal policy in terms of the Local Government: Municipal System Act No. 32 of 2000 and such Policy will be binding on the public, officials and Councilors of the Local Municipality of KOUKAMMA and no interference in the process will be permitted.
- (c) The Policy is applicable until such time as it is reviewed and any revisions to the Policy approved by Council.
- (d) All acts performed in terms of the above approved Policy, will not be invalidated due to the timing differences between approval and promulgation.
- (e) All acts performed as mentioned in the previous paragraph will be ratified with the promulgation of the Municipal Policy.

## KOUKAMMA MUNICIPALITY

### CREDIT CONTROL AND DEBT MANAGEMENT POLICY

#### CHAPTER 1

##### **1.3 Objective of the Policy**

The objective of this policy is to:

- (a) Focus on all outstanding debt as raised on the debtor's account.
- (b) Provide for a common credit control, debt collection and indigent Policy throughout the KOUKAMMA Municipality.
- (c) Facilitate implementation of this Policy throughout the KOUKAMMA Local Municipality.
- (d) Promote a culture of good payment habits amongst KOUKAMMA Local Municipality debtors and instill a sense of responsibility towards the payment of municipal accounts and reduction of municipal debt.
- (e) To ensure that the Council of KOUKAMMA Local Municipality uses innovative, cost effective, efficient and appropriate methods to collect as much of the debt in the shortest possible time without any interference in the process: and
- (f) To ensure that KOUKAMMA Local Municipality effectively and efficiently deal with defaulters in accordance with the terms and conditions of this Policy.

#### DEFINITIONS

##### **1.4 Definitions**

For the purpose of this policy, any word or expressions to which meaning has been assigned in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) shall have the same meaning, words used in the masculine gender include the feminine and neuter, the singular includes the plural and vice versa and, unless the context otherwise, indicates:-

**"Account"** means any account or accounts rendered for municipal services that have been provided by the municipality or its duly authorized agent;

**"Act"** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time;

**"Actual consumption"** means the measured consumption by a customer of a municipal service;

**"agreement"** means a contractual relationship between the municipality and a customer that arises, either as a result of the municipality's approval of a written application for municipal services made in terms of paragraph 2 of this policy, including any subsequent variation that may be made to that agreement in conformity with this policy, or that is deemed to be an agreement by subparagraph (3) of that paragraph;

**"applicable charges"** means the rate (including assessment rates), charges, tariffs or subsidies determined by the council;

**"area of supply"** means any area within or partly within the area of jurisdiction of the municipality to which a service is provided;

**"arrears"** means any amount that is due, owing and payable by a customer in respect of a municipal service provided to such customer that has not been paid on or before the due date reflected on an account rendered in respect thereof ;

**"authorised agent"** means :

- (a) any person authorized by the council to perform any act, function or duty in terms of or to exercise any power under this policy;
- (b) any person to whom the council has delegated responsibilities, duties or obligations in respect of the provision of revenue collection services; or
- (c) any person appointed by the council, in a written contract, as a service provider for the provision of revenue collection services or a municipal service to customers on its behalf, to the extent authorized by that contract;

**"average consumption"** means the average consumption by a customer of a municipal service during a specific period, which consumption is calculated on the basis of consumption over the preceding or succeeding twelve months .

**"commercial customer"** means a customer other than a domestic customer and an indigent customer, including, but not limited to, a business or an industrial, governmental or an institutional customer;

**"connection"** means the point at which a customer gains access to municipal services;

**"customer"** means a person with whom the municipality has concluded or is deemed to have concluded an agreement for the provision of a municipal service;

**"council"** means the municipal council as referred to in section 157(1) of the Constitution of the Republic of South Africa Act, 1996;

**"defaulter"** means a customer who owes arrears to the municipality;

**"domestic customer"** means a customer who, primarily for residential purposes, occupies a dwelling, structure or premises;

**"due date"** means the date on which an amount payable in respect of an account becomes due, owing and payable by a customer, which date shall be not less than 21 days after the date on which the account has been sent to the customer concerned in any manner contemplated in paragraph 56;

**"emergency situation"** means a situation that would, if allowed to continue, pose a substantial risk, threat, impediment or danger to the present or future financial viability or sustainability of the municipality or to a specific municipal service;

**"estimated consumption"** means the consumption that a customer, whose consumption is not measured during a specific period, is deemed to have consumed and that is estimated by taking into account factors that are considered relevant by the municipality and which may include the consumption of municipal services by the totality of the users of a service within the area where the service is rendered by the municipality, at the appropriate level of service, for a specific time;

**"household"** means a family unit that is determined by the municipality to be traditional by taking into account the number of persons in the unit, the relationship between the members of a household, their ages and any other factor that the municipality considers to be relevant;

**"illegal connection"** means a connection to any system through which a municipal service is provided and that is not authorized or approved by the municipality;

**"incidental credit agreement"** as defined in the National Credit Act No. 34 of 2005 means an agreement, irrespective of its form, in terms of which an account was rendered for utility services that have been provided to a customer and a fee, charge or interest became payable when payment of the amount charged in terms of that account was not made on or before a date which is less than 20 business days before such fee, charge or interest was first levied;

**"indigent customer"** means a domestic customer who is qualified to be and who is registered with the municipality as an indigent in accordance with this policy;

**"infrastructure"** means the facilities, installations or devices required for the rendering of a municipal service or for the functioning of a community including but not limited to facilities, installation or devices relating to water, power, electricity, transport, sewerage, gas and waste disposal;

**"interest"** means interest as may be prescribed by the Minister of Justice in terms of paragraph 1 of the Prescribed Rate of Interest Act, 1975 (Act No. 55 of 1975) or in terms of the Municipal Property Rates Act or in terms of the National

Credit Act No. 34 of 2005 in the case of an incidental credit agreement, as may be applicable to any agreement concluded under this policy;

**"municipality"** means :

- (a) the Municipality of Koukamma, a local municipality established in terms of Section 12 of the Local Government: Municipal Structures Act No. 117 of 1998 and its successors-in-title; or
- (b) subject to the provisions of any other law and only if expressly or impliedly required or permitted by this policy, the municipal manager in respect of the performance of any function, or the exercise of any duty, obligation, or right in terms thereof or any other law; or
- (c) an authorized agent of the municipality;

**"municipal manager"** means the person appointed by the council as the municipal manager of the municipality in terms of section 54A of the Local Government: Municipal Systems Act No. 32 of 2000 and includes any person to whom the municipal manager has delegated a power, function or duty but only in respect of that delegated power, function or duty;

**"Municipal Property Rates Act"** means the Local Government: Municipal Property Rates Act No. 6 of 2004;

**"municipal services"** for purposes of this policy, means services provided by the municipality, including refuse removal, water supply, sanitation, electricity services and rates either collectively or singularly;

**"occupier"** includes any person who occupies any land, building, structure or premises or any part thereof without regard to the title under which he so occupies and includes any person who, for someone else's benefit, remuneration or reward, allows a lodger, tenant or any other person to use or occupy any land, building, structure, premises or any part thereof;

**"owner"** means:

- (a) the person in whose name the ownership of the premises is registered from time to time or his agent;
- (b) where the registered owner of the premises is insolvent or dead or, for any reason, lacks legal capacity or is under any form of legal disability that has the effect of preventing him from being able to perform a legal act on his own behalf, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or legal representative, as the case may be;

- (c) where the municipality is unable to determine the identity of the owner, a person who has a legal right in or the benefit of the use of any premises, building, or any part of a building;
- (d) where a lease has been entered into for a period of 30 (thirty) years or longer or for the natural life of the lessee or any other person mentioned in the lease or is renewable from time to time at the will of the lessee indefinitely or for a period or periods which, together with the first period of the lease, amounts to 30 years, the lessee or any other person to whom he has ceded his right, title and interest under the lease or any gratuitous successor to the lessee;
- (e) in relation to :
  - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986), the developer or the body corporate in respect of the common property, or
  - (ii) a section as defined in the Sectional Titles Act, 1986 (Act No 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person; or
  - (iii) a person occupying land under a register held by a tribal authority or in accordance with a sworn affidavit made by a tribal authority;

**"person"** means any person, whether natural or juristic, and includes but is not limited to any local government body or like authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

**"premises"** means any piece of land, the external surface boundaries of which are delineated on-

- (a) a general plan or diagram registered in terms of the Land Survey Act No. 9 of 1927 or in terms of the Deeds Registries Act No. 47 of 1937;
- (b) a sectional plan registered in terms of the Sectional Titles Act No. 95 of 1986; or
- (c) a register held by a tribal authority or in accordance with a sworn affidavit made by a tribal authority;

and, where the text so requires, includes any building, structure or the like erected on such land;

**"public notice"** means publication in the media including one or more of the following:

- (a) publication of a notice, in the official languages determined by the council:

- (i) in any local newspaper or newspapers circulating in the area of supply of the municipality;
  - (ii) in the newspaper or newspapers circulating in the area of supply of the municipality determined by the council as a newspaper of record; or
  - (iii) on the official website of the municipality;
  - (iv) by means of radio broadcasts covering the area of supply of the municipality;
- (b) displaying a notice in or at any premises, office, library or pay-point of either the municipality or of its authorized agent and to which the public has reasonable access; and
- (c) communication with customers through public meetings and ward committee meetings;

**"shared consumption"** means the consumption by a customer of a municipal service during a specific period and that is calculated by dividing the total metered consumption of that municipal service in the supply zone where the customer's premises are situated for the same period by the number of customers within the supply zone during that period;

**"subsidised service"** means :

- (a) a municipal service which is provided to a customer at an applicable rate which is less than the cost of actually providing the service and includes services provided to customers at no cost;
- (b) an area, as determined by the council, within which all customers are provided with services from the same bulk supply connection; and
- (c) the receipt, use or consumption of any municipal service which is not in terms of an agreement or authorized or approved by the municipality;

**"unauthorised service"** means the receipt, use or consumption of any municipal service which is not in terms of an agreement with or approved by the municipality.

**"utility"** as defined in the National Credit Act No. 34 of 2005, means the supply to the public of an essential-

- (a) commodity, such as electricity, water or gas; or
- (b) service, such as waste removal or access to sewage lines, telecommunication networks or any transportation infrastructure.

## **1.5 PRINCIPLES**

The principles of credit management in the municipality are: -

1. The administrative integrity of the municipality must be maintained at all times.
2. This policy must have the full support of Councilors.
3. Councilors must have full knowledge of the implementation and enforcement of the by- law.
4. The Mayor oversees and monitors the implementation and enforcement of this policy.
5. The Municipal Manager implements and enforces this policy.
6. The Municipal Manager may delegate the implementation and enforcement of this by- law to the Chief Financial Officer who may in turn delegate duties and responsibilities in terms of this policy to the Manager Income.
7. Consumers must be informed of the contents of this policy.
8. Consumers must apply for services from the municipality by the completion of the prescribed application form.
9. Consumers must receive regular and accurate accounts that indicate the basis for calculating the amounts due. The consumer is entitled to have the details of the account explained upon request.
10. Consumers must pay their accounts regularly by the due date.
11. Consumers are entitled to reasonable access to pay points and to a variety of reliable payment methods.
12. Consumers are entitled to an efficient, effective and reasonable response to appeals, and should not suffer any disadvantage during the processing of a reasonable appeal.
13. Debt collection action will be instituted promptly, consistently, and effectively without exception and with the intention of proceeding until the debt is collected.

14. It shall be the duty of all consumers to ensure that they have the correct information regarding all due amounts.

#### **1.6 SUPERVISORY AUTHORITY**

- (1) The Mayor oversees and monitors -
  - (a) The implementation and enforcement of the municipality's credit control and debt collection policy.
  - (b) The performance of the Municipal Manager in implementing the credit control and debt collection policy.
- (2) The Mayor shall at least once a year cause an evaluation or review of the credit control and debt collection policy to be performed, in order to improve the efficiency of the municipality's credit control and debt collection mechanisms, processes and procedures, as well as the implementation of this policy.
- (3) The Mayor shall submit a report to Council regarding the implementation of the credit control and debt collection policy at such intervals as Council may determine.

#### **1.7 IMPLEMENTING AUTHORITY**

- (1) The Municipal Manager:-
  - (a) Implements and enforces the credit control and debt collection policy.
  - (b) Is accountable to the Mayor for the enforcement of the policy and shall submit a report to the Mayor regarding the implementation and enforcement of the credit control and debt collection policy at such intervals as may be determined by Council.
  - (c) Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the municipality.

- (d) Where necessary make recommendations to the Mayor with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures.
  - (e) Establish effective communication between the municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that may affect account holders.
  - (f) Establish customer service centers, located in such communities as determined by the municipal manager.
  - (g) Convey to account holders information relating to the costs involved in service provision, and how funds received for the payment of services are utilised, and may where necessary employ the services of local media to convey such information.
- (2) The Municipal Manager may, in writing, delegate any of the powers entrusted or delegated to him or her in terms of Council's credit control and debt collection policy to the Chief Financial Officer.
- (3) A delegation in terms of subsection (2) -
- (a) Is subject to any limitations or conditions that the Municipal Manager may impose;
  - (b) May authorise the Chief Financial Officer in writing, to sub-delegate duties and responsibilities to the Manager Income.
  - (c) The delegation does not divest the Municipal Manager of the responsibility concerning the exercise of the delegated power.
  - (d) The Chief Financial Officer is accountable to the Municipal Manager for the implementation, enforcement and administration of this policy, and the general exercise of his powers in terms of this policy.
- (4) The Manager Income shall be accountable to the Chief Financial Officer for the sections of this policy delegated to the Manager Income in terms of the MFMA section 82.

## **CHAPTER 2**

### **MUNICIPAL SERVICES TO CUSTOMERS OTHER THAN INDIGENT CUSTOMERS**

#### **Part 1**

#### **Application for Municipal Services**

#### **2. Application for services**

- (1)** A customer wishing to qualify as an indigent customer must apply for the supply of a municipal service in the manner set out in chapter 4.
- (2)** Subject to subparagraph (3), no person shall receive or be provided with access to municipal services unless the municipality has approved an application for such services made on the prescribed form and has provided that person with the information referred to in subparagraph (4) and that person has paid the deposit referred to in paragraph (11).
- (3)** If, at the commencement of this policy or at any other time thereafter, municipal services are provided and received by a customer and no written agreement exists in respect of such services, it shall, until the customer complies with the provisions of subparagraph (2) be deemed that -
  - (a)** an agreement as envisaged by subparagraph (7) exists; and
  - (b)** the level of services rendered to that customer is at a level of services elected by him.
- (4)** When an application for the provision of municipal services is made to the municipality, it must inform the prospective customer:
  - (a)** of the levels of services that are available and the applicable tariffs or charges then current; and
  - (b)** if it be known, the future tariffs or charges, associated with each level of service; and
  - (c)** of the responsibilities of municipal customers to comply with the provisions of this policy, their agreement with the municipality and any other applicable law; and
  - (d)** that, in the event of an incidental credit agreement arising between the municipality and such customer as a result of the supply of a utility service to him, the municipality reserves the right to raise a charge or recover a prescribed fee or interest (which shall be clearly stated) in respect of an unpaid amount due in respect of an account rendered to such customer in respect of the relevant services; and

- (e) that the customer concerned, by making application for the provision of utility services by the municipality, thereby signifies that he has accepted the amount of such a fee, charge or interest, or the basis on which it may become payable;
- (5) The municipality is obliged only to provide a level of service specifically requested by a customer if the service is currently being provided and if the municipality has the resources and capacity to provide that level of service.
- (6) A customer may, at any time, apply for an alteration to the level of services that was elected in terms of an agreement, and, if he does so, the municipality may approve the application if it has the capacity and resources to provide the requested altered level of services subject to the condition that the customer concerned shall be liable for the cost of effecting the alteration and, if it be feasible to calculate the cost, to pay same before the alteration commences.
- (7) An application for services that has been submitted by a customer and approved by the municipality shall constitute a written agreement between the municipality and the customer concerned and such agreement shall take effect on the date referred to or stipulated in such agreement.
- (8) The municipality must take reasonable steps to attempt to ensure that an illiterate person who wishes to complete an application form for the provision of services understands that document as well as the consequences of entering into the consequent agreement, and must also advise him of the possibility of registering as an indigent customer.
- (9) The municipality, must, in addition to satisfying the requirements of subparagraph (8), assist an illiterate person in completing the application form.
- (10) Municipal services rendered to a customer are subject to the provisions of this policy, any other applicable policies and by-laws of the municipality and the conditions contained in the agreement.
- (11) The municipality may, subject to the provisions of any right to privacy and secrecy recognized by any law, undertakes an investigation into the credit worthiness of customers and may impose specific additional conditions, which are neither contained in this policy nor in the prescribed form, on that customer.
- (12) If the municipality:
  - (a) refuses an application for the provision of municipal services or a specific service or level of service;

(b) is unable to render municipal services or a specific service or level of service by the date requested by a customer; or

(c) is unable to render municipal services, a specific service or a specific level of service;

it must, within 7 (seven) days of refusing the application or of it becoming aware of its inability, inform the customer concerned of the refusal or its inability, as the case may be, and also furnish the reasons for such refusal or inability and, if it is able to do so, further inform such customer of the expected date when the relevant municipal services or a specific service, will be available or be made available to such customer.

(13) If the customer who makes application for the supply of municipal services is not the registered owner of the property to which the services will be supplied, the application form for the provision of such services shall be countersigned by the registered owner of the property concerned and such owner, by his signature on such form, shall be deemed to have accepted responsibility for the payment of all charges raised against the relevant property for services rendered in the event of the customer primarily responsible for payment of same defaulting in making payment to the municipality, provided that such registered owner shall, upon request, be entitled to receive copies of monthly accounts rendered to the aforementioned customer.

### **3. Special agreements for municipal services**

The municipality may enter into a special agreement with an applicant for the provision of municipal services:

(a) within the municipality's area of supply, if the services applied for requires the imposition of conditions not contained in the prescribed application form or this policy;

(b) which are subsidised services; and

(c) if the premises to receive such services are situated outside the municipality's area of supply and if the municipality having jurisdiction over such premises has no objection to such a special agreement, and, in such case, it shall be incumbent upon the customer concerned to advise the municipality having jurisdiction of such a special agreement.

### **4. Change in purpose for which municipal services are supplied**

Where the purpose for the supply of or the extent to which any municipal service is supplied is changed, the customer receiving such service must promptly advise the municipality of the change and enter into a new agreement with the municipality.

## **5. Termination of agreements for municipal services**

- (1)** A customer may terminate an agreement for the supply of municipal services by giving at least 21 (twenty-one) days written notice to the municipality of such termination.
- (2)** The municipality may terminate an agreement for the supply of municipal services by giving at least 21 (twenty-one) days' written notice to a customer where:
  - (a)** municipal services were not utilized by such customer for a consecutive period of 2 (two) months and without an arrangement, to the satisfaction of the municipality, having been made for the continuation of the agreement; or
  - (b)** premises have been vacated by the customer concerned and no arrangement for the continuation of the agreement has been made with the municipality provided that, in the event of the customer concerned not being the registered owner of the premise, a copy of the aforesaid notice shall also be served on such registered owner.
- (3)** A customer shall remain liable for all arrears and applicable charges that are payable for municipal services rendered prior to the termination of an agreement.

## **6. Property developments**

- (1)** A property developer must, as soon as an infrastructure is able to render a municipal service or services to an area which is the subject of development, adequately and promptly inform the municipality, within a reasonable time, of the nature and extent of the service or services to be provided and of the measuring devices that will be used.
- (2)** A property developer who fails to comply with the provisions of subparagraph (1) shall be liable for the payment of all the applicable charges that would have been payable by customers in respect of municipal services that have been used or consumed by such customers.

## **Part 2 Applicable Charges**

### **7. Applicable charges for municipal services**

- (1) All applicable charges payable in respect of municipal services, (including but not limited to the payment of connection charges, fixed charges or any additional charges) must be determined by the council in accordance with:
  - (a) its Tariffs Policy;
  - (b) its by-laws; and
  - (c) any regulations made in terms of national or provincial legislation.
  
- (2) Applicable charges may vary for different categories of customers, users of services, types and levels of services, quantities of services, infrastructural requirements and geographic areas.

### **8. Availability charges for municipal services**

The council may, in addition to the tariffs or charges prescribed for municipal services actually provided, levy a monthly fixed charge, an annual fixed charge or a single and final fixed charge where municipal services are available to premises, irrespective of whether or not the services are, or are not, used.

### **9. Subsidised services**

- (1) The council may implement subsidies, by public notice, to the extent to which it can afford to do so without detriment to the sustainability of municipal services that are being rendered by it within its area of jurisdiction, for what, in its opinion, is a basic level of service for a particular municipal service.
  
- (2) The council may, in implementing subsidies, differentiate between types of domestic customers, types and levels of services, quantities of services, geographical areas and socio-economic areas.
  
- (3) A public notice in terms of subparagraph (1) must contain at least the following details applicable to a specific subsidy:
  - (a) the domestic customers who will benefit from the relevant subsidy;
  - (b) the type, level and quantity of a municipal service that will be subsidised;
  - (c) the area within which the subsidy will apply;
  - (d) the rate (indicating the level of subsidy);
  - (e) the method of implementing the subsidy; and

- (f) any special terms and conditions that will apply to the subsidy.
- (4) If a domestic customer's consumption or use of a municipal service is:
  - (a) less than the portion of a service that has been subsidized, the unused portion will not accrue to such customer and will not entitle him to a payment or a rebate in respect of the unused portion; and
  - (b) in excess of the subsidized portion of the service, the customer concerned will be obliged to pay for the excess consumption at the applicable tariff levied in respect of such service.
- (5) A subsidy implemented in terms of subparagraph (1) may at any time, after reasonable public notice, be withdrawn or altered in the sole discretion of the council.
- (6) Commercial customers shall not qualify for subsidized services.
- (7) Subsidized services shall be funded from the portion of revenue that is raised nationally and allocated to the municipality and if such funding is insufficient, the services concerned may be funded from revenue raised by means of rates, fees and charges for municipal services as decided by the council.

#### **10. Recovery of additional costs**

The municipality may, in addition to any charge, tariff, levy or payment of any kind referred to in this policy, recover from a customer any reasonable costs incurred by it in implementing this policy, including but not limited to :

- (a) all legal costs, including attorney and client costs incurred in the recovery of arrears which shall be debited against such customer as arrears in his account; and
- (b) the costs incurred in demanding payment from such customer and for reminding him, by means of telephone, fax, e-mail, letter or otherwise that payment is due, provided that, in respect of an incidental credit agreement, default administration and collection charges may only be charged on condition that they do not exceed the applicable limit permissible in terms of the National Credit Act, No. 34 of 2005 in the event of the customer concerned defaulting on a payment obligation under such agreement and provided that proper notice in terms of this Act has been given.

### **Part 3 Payment**

#### **11. Payment of deposit**

- (1)** The council may require a customer to pay a deposit that has been determined by it and may determine that different deposits be paid by different categories of customers, users of services and debtors as well as for different services and standards of service.
- (2)** A deposit may not exceed 3 (three) times the monetary value (including rates and taxes derived from rendering the service) of any service for which a customer has applied.
- (3)** A service referred to in subparagraph (2) means a service that has been rendered to a customer's premises and the monthly monetary value of a service is calculated by taking the total monetary value of the 3 (three) most recent months of service that have been rendered to him and dividing it by 3 (three).
- (4)** The council may specify acceptable forms of deposits, which may include:
  - (a)** cash;
  - (b)** bank guaranteed cheques; and
  - (c)** bank guarantees.
- (5)** A deposit determined by the council must be paid by a customer when he applies for a municipal service and no service will be rendered until such deposit has been paid.
- (6)** The municipality may annually review a deposit paid in terms of subparagraph (5) and depending on the outcome of the review :
  - (a)** require that an additional amount of money be deposited by the customer if the deposit is less than the most recent deposit determined by the council; or
  - (b)** refund to the customer whatever amount of money that may be held by the municipality as a deposit which is in excess of the most recent deposit determined by the council.
- (7)** If a customer is in arrears, the municipality may require the customer to:
  - (a)** pay a deposit if that customer has not previously been required to pay a deposit, if the council has determined a deposit; and
  - (b)** pay an additional deposit where the deposit paid by that customer is less than the most recent deposit determined by the council.

- (8) A deposit, or any part of a deposit, is neither a payment nor a part payment of an account but if an account is in arrear, the deposit will be used in payment or part payment of the arrears.
- (9) No interest shall be payable by the municipality on any deposit or part of a deposit held by it.
- (10) A deposit is refundable to the customer on settlement of all arrears upon the termination of the agreement but if any arrears are still due, they will be deducted from such deposit.
- (11) A deposit shall be forfeited to the municipality if it has not been claimed by the customer who paid the deposit or the administrator/executor of his estate within 12 (twelve) months of the termination of the agreement.

## **12. Methods for determining amounts due and payable**

- (1) The municipality must endeavour to meter all municipal services that are capable of being metered, if it has the financial and human resources to do so and also to read all metered services on a regular basis, but if a service is not measured, the municipality may determine what is due and payable by a customer for municipal services by calculating the shared consumption or, if that is not possible, by means of an estimated consumption.
- (2) If a metered service cannot be read because of financial and human resource constraints or circumstances beyond the control of the municipality and the customer is charged for an average consumption, the account following a reading of the metered consumption must state the difference between the actual consumption and the average consumption, and reflect the resultant credit or debit adjustment.
- (3) Where, in the opinion of the municipality, it is not reasonably possible or cost effective to meter all customer connections nor to read all metered customer connections within a determined area, the municipality may determine the amount due and payable by a customer for municipal services in the manner set out in subparagraph (1).
- (4) Where water supply services are provided by a communal water services work, the amount that customers must pay for gaining access to and utilizing water from such communal water services work will be based on the shared or estimated consumption of water supplied to that water services work.
- (5) The municipality must inform customers about the method used in determining what is due and payable in respect of municipal services in their consumption or supply zones.

**13. Payment for municipal services provided**

- (1) A customer shall be responsible for the payment of all municipal services accounts rendered to him from the commencement date of the agreement until his accounts have been paid in full and the municipality shall be entitled to recover all payments due to it from the customer concerned.
- (2) If a customer uses a municipal service for a use other than that for which it is rendered by the municipality in terms of an agreement and if he is charged an amount lower than the applicable prescribed charge, the municipality may alter the amount so charged and recover from him the difference between the altered charge and the amount initially charged to him.
- (3) If amendments to the applicable charge become operative on a date between measurements and/or meter readings for the purpose of rendering an account for services rendered:
  - (a) it shall be deemed that the same quantity of municipal services was provided to the customer for each period of twenty-four hours during the interval between the measurements and/or meter readings as the case may be; and
  - (b) any fixed charge shall be calculated on a pro-rata basis in accordance with the charge that applied immediately before such amendment and such amended applicable charge.

**14. "Full and Final Settlement" of an amount**

- (1) Where an account is not settled in full, any lesser amount tendered to and accepted by the municipality shall not constitute a full and final settlement of such an account despite the fact that the payment was tendered in full and final settlement unless the municipal manager or his nominee or the manager of the municipality's authorized agent expressly accepts such payment in writing as being in full and final settlement of the amount reflected on the relevant account.

**15. Responsibility for payment of amounts due and payable**

- (1) Notwithstanding any other provision in this policy, an owner of premises shall be liable for the payment of any amount that is due and payable to the municipality by a customer who is a lessee or occupier of such premises to which municipal services have been provided for the preceding two years, if the municipality, after having taken reasonable steps to recover from such customer any amount due and payable by him, could not do so;
- (2) Subparagraph (1) must not be construed as absolving the municipality from its responsibility to collect outstanding amounts in respect of

municipal services provided to premises from the customer who has benefited therefrom nor for timeously informing the owner of the premises concerned that the occupying customer has defaulted in making payments due to the municipality in respect of rendered municipal services.

- (3) Despite subparagraph (1) but subject to any law governing prescription, the municipality may collect amounts owing to it for a period in excess of two years through due legal process.

#### **16. Dishonoured payments**

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

- (a) May debit the customer's account with the bank charges incurred in respect of dishonoured negotiable instruments;
- (b) Shall regard such an event as default on payment.

#### **17. Incentive schemes**

- (a) The council may, by resolution, approve incentive schemes to encourage prompt payment of charges for services rendered and to reward customers who pay their accounts regularly and on time.
- (b) The aforementioned incentive schemes may include the conclusion of a written agreement with the employer of a customer in terms of which such employer undertakes to deduct outstanding rates and service charges or to settle regular monthly accounts, through deductions from the relevant customer's salary or wages, in exchange for a monetary reward either by way of payment of a commission or the grant of a rebate on the charges owing by the employer concerned to the municipality in respect of services rendered to such employer.

#### **18. Pay points and payment methods**

- (1) A customer must pay his account at pay points specified by the municipality or by an approved agent of the municipality.
- (2) The municipality must inform customers of the location of specified pay-points and the identity of approved agents who may receive payments on its behalf in respect of services rendered to customers.
- (3) Subparagraphs (1) and (2) must not be construed as prohibiting a customer from paying amounts due to the municipality or its authorized agent by means of electronic payment methods provided that the date of receipt of a payment shall be the date such payment appears on or is reflected in the banking account of the municipality.

**Part 4**  
**Accounts and Billing**

**19. Accounts and Billing**

- (1)** Accounts must, be rendered monthly to customers at the customer's last recorded address.
- (2)** Where, in the opinion of the municipality it is not reasonably possible or cost effective to render accounts to customers who consume only subsidized services, the council may, notwithstanding subparagraph (1), decide not to render accounts to those customers.
- (3)** Failure by a customer to receive or accept an account does not relieve such customer of his/her obligation to pay any amount that may be due and payable by him/her to the municipality.
- (4)** The municipality must, if it is reasonably possible to do so, issue a duplicate account to a customer on request.
- (5)** Accounts must be paid not later than the last date for payment specified on such accounts.
- (6)** Accounts for municipal services must-
  - (a)** Reflect at least the-
    - (i)** Nature of the services rendered;
    - (ii)** Consumption of metered services or the average, shared or estimated consumption;
    - (iii)** Period in respect of which the account relates;
    - (iv)** Applicable charges;
    - (v)** Subsidies;
    - (vi)** Amount due to the municipality (excluding the value added tax payable);
    - (vii)** Value added tax;
    - (viii)** adjustment, if any, to metered consumption which has been previously estimated;
    - (ix)** Arrears;
    - (x)** Interest payable on any arrears;
    - (xi)** Final date for payment; and



or if the information requested relates to a period three years after the relevant customer's account has been closed.

**20. Consolidated debt**

- (1) If an account is rendered for more than one municipal service provided to a customer, the amount due and payable by the customer concerned will constitute a consolidated debt and any payment made by such customer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order:
  - (a) of interest
  - (b) of arrears; and
  - (c) of the current account;
- (2) A customer may not elect how an account is to be settled if it is either not paid in full or if the customer concerned owes the municipality arrear amounts.

**Part 5**  
**Queries, complaints and appeals**

**21. Queries or complaints in respect of accounts**

- (1) A customer may lodge a query, complaint or objection relating to the accuracy of any amount stated to be due and payable by him for a specific municipal service in an account that has been rendered to him.
- (2) A query, complaint or objection must be lodged with the municipality in writing before the due date of payment of the account.
- (3) The municipality must assist an illiterate or similarly disadvantaged customer in lodging a query, complaint or objection and must take reasonable steps to ensure that same is reflected correctly in writing.
- (4) A query, complaint or objection must be accompanied by a payment calculated by taking the average consumption by the customer of the service and subtracting the amount that has been questioned, complained about or objected to.
- (5) The municipality must record the query, complaint or objection and provide the customer with a reference number to identify such query, complaint or objection.
- (6) The municipality:

- (a) shall investigate or cause the query, complaint or objection to be investigated within 21 (twenty-one) days after the query, complaint or objection was registered; and
- (b) must inform the customer, in writing, of its finding within 21 (twenty-one) days after the query, complaint or objection was registered.

**22. Appeals against findings of municipality in respect of queries or complaints**

- (1) A customer may appeal in writing against a finding of the municipality in terms of paragraph 21(6).
- (2) An appeal in terms of subparagraph (1) must be made in writing and lodged with the municipal manager within 21 (twenty one) days after the customer became aware of the finding referred to in paragraph 21 (6) and must :
  - (a) set out the reasons for the appeal; and
  - (b) be accompanied by a deposit, as determined by the council, if the municipality requires a deposit to be made.
- (3) The municipality may, on appeal by a customer, instruct him to pay the full amount appealed against.
- (4) The customer is liable for all other amounts falling due and payable during the adjudication of the appeal.
- (5) An appeal must be decided by the municipality within 21 (twenty-one) days after it was lodged and the customer must be informed of the outcome of his appeal in writing, as soon as is reasonably possible.
- (6) If the municipality decides to reject the appeal, such customer must pay any amounts found to be due and payable in terms of this decision within 14 (fourteen) days of him being informed of the outcome of the appeal.
- (7) The municipality may condone the late lodging of appeals or other procedural irregularities.
- (8) If it is alleged in an appeal that a measuring device is inaccurate, the device must be subjected to a standard industry test as determined by the municipality in order to establish its accuracy and the customer must be informed of the estimated cost of such a test prior to such test being undertaken.
- (9) If the outcome of any test shows that a measuring device is:

- (a)** within a prescribed range of accuracy, the customer will be liable for the costs of the test and any other amounts outstanding and such costs will be debited to his account;
  - (b)** outside a prescribed range of accuracy, the municipality will be liable for the costs of such test and the customer must be informed of the amount of any credit to which he is entitled as a consequence of any inaccuracy.
- (10)** A deposit referred to in subparagraph (2)(b), shall be :
  - (a)** retained by the municipality if the measuring device is found not to be defective; or
  - (b)** refunded to the appellant to the extent that it exceeds the amount payable in respect of quantity determined in accordance with subparagraph 11 (b), if the measuring device is found in terms of that subparagraph to be defective.
- (11)** In addition to subparagraphs (9) and (10), the municipality must, if the measuring device is found defective:
  - (a)** repair the measuring device or install another device in good working order, without charge to the customer, unless the cost of doing so is recoverable from the customer in terms of this or any other policy of the municipality; and customers to be informed of the meter replacements.
  - (b)** determine the quantity of municipal services for which the customer will be charged in lieu of the quantity measured by the defective measuring device by taking as a basis for such determination and as the municipality may decide-
    - (i)** the quantity representing the average monthly consumption of the customer during the three months preceding the month in respect of which the measurement is disputed and adjusting that quantity in accordance with the degree of error found in the reading of the defective meter or measuring device;
    - (ii)** the average consumption of the customer during the succeeding three metered periods after the defective meter or measuring device has been repaired or replaced; or
    - (iii)** the consumption of services on the premises recorded for the corresponding period in the previous year.

- (12) The provisions of Section 62 of the Municipal Systems Act, No. 32 of 2000 shall, with the necessary changes, apply with regard to the consideration of appeals lodged in terms of this paragraph.

## **Part 6 Arrears**

### **23. Consolidated arrears**

If one account is rendered for more than one municipal service provided to a customer, all arrears due and payable by such customer will constitute a consolidated debt and any payment made by such customer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order:

- (a) Towards payment of interest;
- (b) Towards costs incurred in taking action against such customer in order to collect amounts due and payable by him to the municipality.;
- (c) Towards payment of arrears; and
- (d) Towards payment of the current account;

### **24. Arrears**

- (1) If a customer fails to pay the account on or before the due date, a final demand notice may be hand delivered or sent by registered post to the most recent recorded address of the customer within 2 (two) working days of the arrears having accrued.
- (2) A failure to deliver or to send a final demand notice within 2 (two) working days does not relieve a customer from paying arrears.
- (3) If a consumer is conducting business with the council and is in arrears with the municipal rates and service fees, the council has the right to recover the amount outstanding from the payment due to the customer.

### **25. Interest**

- (1) All outstanding accounts of a customer that are not paid by due date reflected on an account shall attract interest at a rate to be determined by resolution of the council or as may be authorized by applicable law.
- (2) No interest shall be payable on any outstanding accounts in respect of which an arrangement has been entered into by the municipality and a

customer for payment by way of installments, provided that the said arrangement is honoured.

- (3) For the purposes of this paragraph, interest shall be calculated for each month in respect of which an account remains unpaid, and a part of a month shall be deemed to be a complete month.
- (4) This paragraph does not preclude the municipality from exempting a customer from the payment of interest on an account rendered in respect of a utility or other continuous service as defined in the National Credit Act, 2005 with a view to obviating the existence of an incidental credit agreement as envisaged in this Act between the customer concerned and the municipality

## **26. Final Demand Notice**

- (1) Except in the case of an incidental credit agreement, the final demand notice referred to in paragraph 24 must contain the following statements:
  - (a) The amount in arrears and any interest payable;
  - (b) That the customer may conclude an agreement with the municipality for payment of the arrears in instalments within 7 (seven) working days of the date of the final demand notice;
  - (c) That if no such agreement is entered into within the stated period, that specified municipal services will be limited or disconnected in accordance with paragraph 27;
  - (d) That legal action may be instituted against such customer for the recovery of any amount which is 30 (thirty) and more days in arrears provided that the aforementioned days shall be calculated from the due date for payment of the amount concerned;
  - (e) That the account may be handed over to a debt collector for collection; and
  - (f) That proof of registration, as an indigent customer, in terms of this policy must be handed in at the offices of the municipality before the final date reflected on the final demand notice.
- (2) Where an incidental credit agreement is in existence between the customer and the municipality, the final demand notice shall state the amount in arrears (including accrued interest and charges levied by the municipality) and propose that the customer concerned refer such credit agreement to a debt counsellor, alternative dispute resolution agent, consumer court or ombud with jurisdiction, with the intent that the parties resolve any dispute under the agreement or develop and agree on a plan to bring the payments under the agreement up to date.

**27. Limitation or disconnection of municipal services**

- (1) The municipality may, immediately on the expiry of the 7 (seven) working day period allowed for payment in terms of the final demand notice, limit or disconnect the municipal services specified in subparagraph 26(1)(c) provided that the municipality shall adhere to the provision of section 4(3) of the Water Services Act, 1997 (Act No. 108 of 1997) and section 22(5) of the Electricity Regulation Act 2006 (Act No. 4 of 2006) and any regulations promulgated in terms of the aforesaid legislation.
- (2) The municipality may only limit a domestic customer's access to basic water supply services by:

  - (a) Reducing water pressure; or
  - (b) Limiting the availability of water to a specified period or periods during a day; or
  - (c) disconnecting in-house and yard connections and making an alternative water supply service available to the domestic consumer concerned, which alternative service may consist of a basic water supply service as prescribed by the Minister of Water Affairs and Forestry in terms of the Water Services Act, 1997 (Act No. 108 of 1997) or in terms of the council's applicable policy.
- (3) The costs associated with the limitation or disconnection of municipal services shall be at the cost of the customer and shall be included in the arrears amount due and payable by the relevant customer.

**28. Accounts 30 (thirty days) in arrears**

- (1) Where an account rendered to a customer remains outstanding for more than 30 (thirty) days, the municipality may, subject to subparagraph (2) :

  - (a) Institute legal action against such customer for the recovery of the arrears; or
  - (b) Cede the customer's account to a debt collector for collection.
- (2) A customer will be liable for recoverable administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit, as may be determined by the council from time to time.
- (3) Where a customer has referred an incidental credit agreement to a debt counselor, alternative dispute resolution agent, consumer court or embed with jurisdiction, with the intent that the parties resolve any dispute under the agreement or develop and agree on a plan to bring the payments under the agreement up to date, the municipality may conclude any agreement in this regard as may be in the interests of the municipality.

## **29. Use of attorneys/ Credit bureaus**

- (1) The Chief Financial Officer will, when a debtor falls in arrears, immediately commence the debt collection process against those debtors, which process could involve final demand letters, summonses, court trials, judgments, garnishee orders and /or sales in execution of property.
- (2) The Municipal Manager will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from the Chief financial Officer.
- (3) The Chief Financial Officer will establish procedures and code of conduct with outside parties, be they attorney, the courts, the sheriff and others and will require regular reports on progress from them.
- (4) Garnishee orders, in the case of employed debtors, are preferred to sale in execution, but both are a part of the Municipality armory of debt collection procedures.
- (5) All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.
- (6) All cost of this process is for the account of the debtor.
- (7) Individual debtor accounts are protected and are not the subject of public information. However the Municipal Manager may release debtor information to Credit Bureau. This release will be in writing, and this situation will be included in the Municipality's agreement with its customers.
- (8) Council will receive and consider reports on relevant matters, including cost effectiveness, of this process.
- (9) The Chief financial Officer may consider and approve the reversal of hand-overs of individual accounts to attorneys or debt collectors.
- (10) After a judgment request has been issued, no further arrangements can be made by the consumer unless there is full settlement or arrangement agreed to by the Chief Financial Officer.

## **30. Use of collection agents**

- (1) The Chief Financial Officer will consider the use of agents, and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate code of conduct, and the success of such agents and products will be both part of the agreement the Municipality might conclude with such agents or product vendors; and will be closely monitored by the Municipal Manager.

- (2) Customer will be informed of the powers and duties of such agents, and their responsibilities including their responsibility to observe agreed codes of conduct.
- (3) 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.

### **31. General**

- (1) No action taken in terms of this part because of non-payment will be suspended or withdrawn, unless the arrears, any interest, recoverable administration fees, additional charges, costs incurred in taking relevant action, any penalties and a higher deposit, have been paid in full or acceptable, enforceable arrangements have been made for payment by the customer concerned or in the circumstances envisaged in paragraph 28 (3).
- (2) The municipality will not be liable for any loss or damage suffered by a customer owing to municipal services having been limited or disconnected in terms of this policy.

### **32. Council Employees and councillors**

#### **(1) Councillor in arrears.**

A councillor may not be in arrears for the municipality for rates and services charged for a period longer than 3 (three) months and a municipality must deduct any outstanding amount from a councillor's salary after this period.

#### **(2) Staff members.**

A staff member of a municipality may not be in arrears to the municipality for rates and services charged for a period longer than 3 (three) months and a municipality must deduct any outstanding amount from a staff member's salary after this period.

## **Part 7**

### **Agreement for the payment of arrears in instalments**

### **33. Agreements**

- (1) The following agreements for the payment of arrears in instalments may be entered into:
  - (a) An acknowledgement of debt;
  - (b) A consent to judgment; or
  - (c) An emoluments attachment order.

- (2) Only a consumer with positive proof of identity or a person authorised, in writing, by that consumer, or, if a consumer is illiterate, a person authorised by such consumer personally in the presence of an official of the municipality appointed for this purpose, will be allowed to enter into an agreement for the payment of arrears to the municipality in instalments.
- (3) No customer will be allowed to enter into an agreement for the payment of arrears in instalments where that customer failed to honour a previous agreement for the payment of arrears in instalments, unless the municipality, in its sole discretion, permits the customer to do so.
- (4) A copy of the agreement must be made available to the customer.
  - (5) An agreement for the payment of arrears in instalments must not be entered into unless and until the customer concerned has paid his current account.

#### **34. Entering into agreement**

If a consumer cannot pay his/her municipal account, the municipality can enter into an extended payment term - the consumer must:

- (a) sign an admission of guilt;
- (b) sign permission to take judgment;
- (c) sign a stop-or debit order if he/she is in the employment of a company;
- (d) deliver proof of income on the prescribed form;
- (e) acknowledge that interest will be levied at the prescribed rate against the account;
- (f) pay the current portion of the account in cash;
- (g) sign an admission that should the agreement not be adhered to, no further arrangements will be possible and that the disconnection of water and electricity, as well as legal proceedings, will immediately be implemented;
- (h) accept liability for all costs; and
- (i) provide annually on 31 May new proof of income, which return, shall serve at the same time for purposes of indigent assistance.

## **2. Arrangements that can be made**

### **2.1 Household consumers according to monthly income:**

- (a) R 3 501 - R 5000 = 1% of monthly income as arrear instalment plus the costs of credit control actions plus monthly account;
- (b) R 5001 – R 7 500 = 2% of monthly income as arrear instalment plus the costs of credit control actions plus monthly account;
- (c) R 7 501 – R 10 000 = 3% of monthly income as arrear instalment plus costs of credit control actions plus monthly account;
- (d) R 10 000 and more = 5% of monthly income as arrear instalment plus the costs of credit control actions plus monthly account; and
- (e) Deposit to be increased to latest approved amount.

### **2.2 Businesses and Commercial:**

6 Months to pay off arrears plus cost of credit control plus current account  
– deposit to be increased to the equivalent of 4 (four) months consumption.

### **2.3 State departments**

No arrangement

### **2.4 Central and Provincial government**

- (a) 1<sup>st</sup> transgression in financial year:

- (i) final notice and legal action shall commence in terms of the Institution of Legal Proceedings against certain Organs of State Act No. 40 of 2002.

**34. Additional costs, partial settlement and instalments**

- (1) The costs associated with entering into agreements for the payment of arrears in instalments and the limitation or disconnection of municipal services in accordance with paragraph 27 shall be included in the arrears amount due and payable by the customer.
- (2) The municipality must, in determining the amount payable by the customer on entering into an agreement for the payment of arrears in instalments and the instalments payable in respect of any arrear amounts, take the following factors into account :
  - (a) The credit record of the customer;
  - (b) The amount in arrear;
  - (c) The level of consumption of municipal services;
  - (d) The level of service provided to the customer;
  - (e) Previous breaches of agreements (if there be any) for the payment of arrears in instalments; and
  - (f) Any other relevant factors.
- (3) If a customer, upon entering into an agreement for the payment of arrears in instalments, proves to the municipality that he is unable to pay the amount referred to in paragraph 30(5), the municipality may, after taking into account the factors referred to in subparagraph (2) :
  - (a) Extend its payment period to the end of the month in which the customer enters into the agreement; or
  - (b) Include the amount concerned in the amount payable in terms of the agreement.
- (4) The municipality may, after taking into account the factors referred to in subparagraph (2), require a customer to pay an additional amount on entering into an agreement for the payment of arrears, in addition to the current account, representing a percentage of the arrears amount in arrear.

- (5) The municipality may, when a customer enters into an agreement or any time thereafter -
- (a) Install a pre-payment meter; or
  - (b) Limit the municipal services provided to the relevant customer to basic municipal services.

### **35. Duration of agreements**

- (1) No agreement for the payment of arrears accumulated after 1 July 2012 shall provide for the payment of arrears over a period in excess of 24 (twenty-four) months.
- (2) The municipality may, in deciding on the duration of the agreement for the payment of arrears have regard to :
- (a) The credit record of the customer;
  - (b) The amount in arrear;
  - (c) The gross and net income of the customer;
  - (d) The level of consumption of municipal services;
  - (e) The level of service provided to the customer;
  - (f) Previous breaches of agreements for the payment of arrears in instalments; and
  - (g) Any other relevant factor.

### **36. Failure to honour agreements**

- (1) If a customer fails to comply with an agreement for the payment of arrears in instalments, the total of all outstanding amounts, including arrears, interest, administration fees, costs incurred in taking relevant action, penalties and a higher deposit, will be immediately due and payable without further notice or correspondence and the municipality may:
- (a) Limit or disconnect the municipal services specified in the final demand notice sent to the customer in accordance with paragraph 26;
  - (b) Institute legal action for the recovery of the arrears; and
  - (c) Hand the customer's account over to a debt collector or an attorney for collection.

### **37. Re-connection of services**

- (1) An agreement for payment of the arrears amount in instalments entered into after municipal services were limited or disconnected will not result in the services being restored until:
  - (a) the current account, the first instalment payable in terms of the agreement for payment of the arrears in instalments and all recoverable administration fees, costs incurred in taking relevant action, any penalties and a higher deposit, are paid in full; or
  - (b) a written appeal by the customer, on the ground of having made timeous and full payment of instalments and current amounts due and payable for a period of at least 6 (six) months, has been approved by the municipality.
- (2) In addition to any payments referred to in subparagraph (1), the customer must pay the standard re-connection fee, as determined by the municipality from time to time, prior to the re-connection of municipal services by the municipality.
- (3) Municipal services shall be restored within 7 (seven) working days after a customer has complied with the provisions of subparagraphs (1) and (2).

### **38. Tampered Meters**

- (1) Arrangement for the payment of the fine and connection fees in instalments for the replacement of tampered meters, only with the 1<sup>st</sup> offence this can be approved by the Chief Financial Officer or his/ her nominee.
- (2) On 2<sup>nd</sup> occurrence the offender must pay the full amount. NO arrangements will be allowed.
- (3) On 3<sup>rd</sup> occurrence the offender must pay the full amount. NO arrangements will be allowed and the offender will be prosecuted.

## **CHAPTER 3**

### **ASSESSMENT RATES**

### **39. Amount due for assessment rates**

- (1) The provisions of Chapter 2 apply to the recovery of assessment rates and assessment rates form part of a consolidated account and consolidated debt.

- (2)** All assessment rates are due and payable by the owners of rateable property by a fixed date as determined by the municipality or, failing such determination, in accordance with applicable law.
- (3)** **(a)** Joint owners of a property are, subject to paragraph (b), jointly and Severally liable for the amount due for rates on that property.

**(b)** The municipality must, in respect of agricultural property that is owned by more than one owner in undivided shares where the holding of such undivided shares was allowed before the commencement of the Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970), consider whether, in the particular circumstances, it would be more appropriate for it to-

  - (i)** hold any one of the joint owners in terms of paragraph (a) liable for all rates levied in respect of the agricultural property concerned; or
  - (ii)** Hold any joint owner only liable for that portion of the rates levied on the property that represents that joint owner's undivided share in the agricultural property concerned.
- (4)** A rate levied by the municipality on a sectional title unit is payable by the owner of that unit.
- (5)** Subject to section 92 of the Municipal Property Rates Act, the municipality may not recover the rate on a sectional title unit, or any part of such rate, from the body corporate controlling a sectional title scheme, except when the body corporate is the owner of any specific sectional title unit.
- (6)** The municipality may recover a rate-

  - (a)** On a monthly basis or less often as may be prescribed in terms of the Municipal Property Rates Act; or
  - (b)** Annually, as may be agreed to with the owner of the property.
- (7)** **(a)** If a rate is payable in a single amount annually, it must be paid on or before a date determined by the municipality.

**(b)** If a rate is payable in instalments, it must be paid on or before a date in each period determined by the municipality.
- (8)** Payment of a rate may be deferred by the municipality but only in special circumstances as set out in its Rates Policy.

- (9)** The municipality must furnish each person liable for the payment of a rate with a written account specifying-
- (a)** The amount due for rates payable;
  - (b)** The date on or before which the amount is payable;
  - (c)** How the amount was calculated;
  - (d)** The market value of the property;
  - (e)** if the property is subject to any compulsory phasing-in discount in terms of section 21 of the Municipal Property Rates Act, the amount of the discount; and
  - (f)** if the property is subject to any additional rate in terms of section 22 of the Municipal Property Rates Act, the amount due for additional rates.
- (10)** A person is liable for payment of a rate whether or not that person has received a written account in terms of subparagraph (9). If a person has not received a written account, that person must make the necessary inquiries from the municipality.
- (11)** If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined in terms of paragraph 26(2) of the Municipal Property Rates Act, No. 6 of 2004, the municipality may, subject to subparagraph (12) recover the amount in whole or in part from a tenant or occupier of such property, despite any contractual obligation to the contrary on the tenant or occupier concerned provided that the municipality may recover any such amount only after it has served a written notice on the tenant or occupier concerned.
- (12)** The amount which the municipality may recover from the tenant or occupier of a property in terms of subparagraph (11) is limited to the amount of the rent or other money due and payable, but not yet paid, by the tenant or occupier concerned to the owner of the relevant property.
- (13)** The tenant or occupier of a property must, on request by the municipality, furnish it with a written statement specifying all payments to be made by such tenant or occupier to the owner of a property for rent or other money payable on the property during a period determined by the municipality.
- (14)** The municipality may, despite the Estate Agents Affairs Act, 1976 (Act No. 112 of 1976), recover the amount due for rates on a property in whole or in part from the agent of the owner, if this is more convenient for the municipality.
- (15)** The municipality may recover the amount due for rates from the agent of the owner of the property in terms of subparagraph (14) only after it has served a written notice of such recovery on the agent concerned.

- (16) The amount the municipality may recover from the agent referred to in subparagraph (15) is limited to the amount of any rent or other money received by such agent on behalf of the owner concerned, less any commission due to such agent.
- (17) An agent must, on request by the municipality, furnish it with a written statement specifying all payments for rent on the property and any other money received by him on behalf of the owner concerned during a period determined by the municipality.

**40. Claim on rental for assessment rates in arrears**

The municipality may apply to a competent court for the attachment of any rent, due in respect of rateable property, in order to recover, in part or in full, any amount outstanding in respect of assessment rates for a period longer than three months after a date that has been fixed in terms of paragraph 35(2).

**41. Disposal of municipal property and payment of assessment rates**

- (1) The purchaser of municipal property is liable for the payment of assessment rates on such property calculated on a pro rata basis from the date of sale to date of registration of the property concerned in the name of the purchaser.
- (2) In the event of the municipality repossessing the property referred to in subparagraph (1), any amount outstanding and due in respect of assessment rates shall be recoverable from the purchaser thereof.

**42. Assessment rates payable on municipal property**

- (1) Subject to subparagraph (3), for the purpose of liability for assessment rates, the lessee of municipal property will be deemed to be the owner of the property for the duration of the lease.
- (2) The assessment rates payable by a lessee, despite being a payment in addition to rental, may be deemed to be rental and may be included in a claim for outstanding rental.
- (3) The council may resolve that the rental paid by a lessee shall be inclusive of rates in which event the provisions of subparagraphs (1) and (2) shall not apply

**CHAPTER 4**

**PROVISION OF MUNICIPAL SERVICES TO INDIGENT CUSTOMERS**

**43. Qualification for registration**

A domestic customer:

- (a) who has a household with a grossly monthly income from all of its members 18 years or older of less than an amount determined by the council from time to time; and
- (b) Who does not own more than one property; and
- (b) Who does not have any income from letting a property or part of a property, qualifies as an indigent person and, if he applies for registration, may, subject to the provisions of paragraph 43, 44 and 45 of this policy, be registered as being indigent.

#### **44. Application for registration**

- (1) A domestic customer wishing to qualify as an indigent customer must complete the prescribed application form.
- (2) Any application in terms of subparagraph (1) must be accompanied by:
  - (a) documentary evidence of the customer's income, such as a letter from an employer, a salary advice slip, a pension card, unemployment insurance fund card; or
  - (b) An affidavit declaring that he is unemployed and stating any income that he may have despite being unemployed; and
  - (c) The customer's latest municipal account, if there be one, and if it is in his possession; and
  - (d) A certified copy of his identity document; and
  - (e) the names and identity numbers of all occupants over the age of 18 years who are resident at or on the property in respect of which rates and service charges are payable to the municipality.
- (3) A customer applying for registration as an indigent customer shall be required to declare that all information provided in the application form and other documentation and information provided in connection with the application is true and correct.
- (4) The municipality shall counter-sign the application form and certify thereon that its content and the consequences arising from the approval of the application were explained to the relevant customer and that he indicated that he understood such explanation.

#### **45. Approval of application**

- (1) The municipality may, through its staff and ward councillors, verify the information provided by the customer concerned and may also, inter alia, visit and inspect the customer's premises for this purpose. The provisions of paragraph 60 apply to such an investigation.
- (2) An application received in accordance with paragraph 44 shall be considered by the municipality and the applicant must be advised by the municipality in writing within 14 (fourteen) working days of receipt thereof, whether or not it has been approved, and if it is not approved, the applicant must be given reasons for the refusal thereof.
- (3) The provisions of Part 5 of Chapter 2 shall, with the necessary changes, apply in respect of a customer who feels aggrieved by a decision of the municipality in terms of subparagraph (2).
- (4) An application shall be approved only for the period of the municipality's financial year and an application that has been approved during the course of a financial year shall be valid only for the remaining period of that financial year.

#### **46. Conditions**

The municipality may, on approval of an application or at any time thereafter:

- (a) Where electricity is supplied by the municipality, install a pre-payment electricity meter at the indigent customer's dwelling house; and
- (b) Limit the water supply services of an indigent customer to basic water supply services.

#### **47. Annual application**

- (1) An indigent customer must annually, before the end of the municipality's financial year, re-apply for re-registration as an indigent customer for the forthcoming financial year, failing which indigent assistance to him will cease automatically.
- (2) The provisions of paragraphs 43 and 44 shall apply to any application in terms of subparagraph (1).
- (3) An indigent customer shall have no expectation of being regarded as an indigent customer in any year that ensues or follows a year in which he was so registered and the municipality gives no guarantee or grounds for the expectation of a renewal.
- (4) The municipality shall inform the applicant in writing, within 14 (fourteen) working days after council approval whether or not such application has been approved,

and if such application has not been approved, the applicant must be given the reasons for the refusal thereof.

- (5) The provisions of Part 5 of Chapter 2 shall, with the necessary changes, apply in respect of a customer who feels aggrieved by a decision of the municipality in terms of subparagraph (4).

#### **48. Subsidised services for indigent customers**

- (1) Subject to principles of sustainability and affordability, the council may annually, as part of its budgetary process, determine the municipal services and levels of municipal services that will be subsidised in respect of indigent customers;
- (2) The municipality must give public notice of the determination made in terms of subparagraph (1).
- (3) Public notice in terms of subparagraph (2) must contain at least the following:
  - (a) The level or quantity of municipal service that will be subsidised;
  - (b) The level of subsidy;
  - (c) The method of calculating the subsidy; and
  - (d) Any special terms and conditions not provided for in this policy that will apply to the subsidy.
- (4) An indigent customer shall be liable for the payment of any municipal services rendered by the municipality or municipal services used or consumed in excess of the levels or quantities determined in subparagraph (1).
- (5) The provisions of Chapter 2 shall, with all necessary changes, apply to the amounts due and payable in terms of subparagraph (4).

#### **49. Funding for subsidized services**

The subsidized services referred to in paragraph 44 shall be funded from the portion of revenue raised nationally that is allocated to the municipality and if that funding is insufficient, the services concerned may be funded from revenue raised through rates, fees and charges in respect of municipal services.

#### **50. Existing arrears of indigent customers on approval of application**

- (1) Upon approval for registration as an indigent household consumer, the debtor's outstanding balance as at the date of approval is written off in full.

- (2) Any new arrears accumulated by the debtor (i.e. any amounts in excess of the indigent allowance for free basic services) whilst registered as an indigent consumer, will not qualify to be written off and must be dealt with strictly in accordance with the Municipality's Credit Control and Debt Collection Policy and the Indigent Consumer Policy
- (3) Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers will be suspended for the period that a customer remains registered as an indigent customer and interest shall not accumulate in respect of arrears during such a suspension.
- (3) Arrears suspended in terms of subparagraph (2) shall become due and payable by a customer in monthly instalments, to be determined by the municipality, on the de-registration of the customer concerned as an indigent customer in accordance with paragraph 48 and interest will be payable on accumulated arrears as at the date of de-registration.
- (5) This paragraph must be applied subject to and with due regard to the provisions of paragraph 118 of the Municipal Systems Act No. 32 of 2000 and, in the event of the municipality being unable to collect outstanding rates and service charges accrued in respect of a period preceding a period of two years from the date of an application for a clearance certificate from a customer, then the arrear amount concerned may, at the option of the municipality, either be written off or be recovered from the customer concerned through legal process.

## **51. Audits**

The municipality may, subject to the provisions of any right to privacy and secrecy recognized by any law, undertake regular random audits to-

- (a) Verify the information provided by indigent customers;
- (b) Record any changes in the circumstances of indigent customers; and
- (c) Make recommendations on the de-registration of indigent customers.

## **52. De-registration**

- (1) An indigent customer must immediately request de-registration by the municipality if his circumstances have changed to the extent that he no longer meet the qualifications set out in paragraph 43.
- (2) An indigent customer shall automatically be de-registered if an application in accordance with paragraph 43 is not made or if such application is not approved.
- (3) An indigent customer may at any time request de-registration.

- (4)** A municipality may de-register an indigent customer if :
- (a)** an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he no longer meets the qualifications set out in paragraph 43; or
  - (b)** The municipality reasonably suspects that a customer intentionally or negligently has provided false information in the application form or any other documentation and information in connection with the application.
- (5)** Prior to de-registering an indigent customer, a de-registration notice must be hand delivered or sent by registered post, to the most recent recorded address of the customer concerned.
- (6)** The de-registration notice must contain the following statements:
- (a)** That the municipality is considering de-registering the indigent customer and the reasons for such action;
  - (b)** That the customer may, within 7 (seven) working days' of the date of the de-registration notice, make representations to the municipality as to why he should not be de-registered;
  - (c)** That, if no such representations are made within the stated period, the customer concerned will be de-registered as an indigent consumer; and
  - (d)** that, upon de-registration, arrears payments due by him for all services rendered to him as an indigent customer, may be recovered by the municipality if the contemplated de-registration arose on the grounds that he provided false information or failed to comply with subparagraph (1).
- (7)** The municipality may, immediately on the expiry of the 7 (seven) working day period allowed for the making of representations referred to in subparagraph (6), deregister such indigent customer.
- (8)** Where an indigent customer is de-registered on the grounds of providing false information, the municipality may recover from him arrear amounts for all services rendered to him as an indigent customer, in addition to any other legal action it may take against him as a result of his action in providing such false information.
- (9)** If the indigent customer makes representations to the municipality within the specified period, the municipality must notify the customer in writing within 7 (seven) working days' after receipt of the representations of its decision to either proceed with de-registration or retain the indigent status of the customer.

- (10)** The provisions of Part 5 of Chapter 2 shall mutatis mutandis apply in respect of a customer who is aggrieved by de-registration in terms of subparagraph (4).

## **CHAPTER 5**

### **EMERGENCY SITUATIONS**

#### **53. Declaration of emergency situations**

- (1)** The council may, at any time, declare by public notice, that an emergency situation exists in a supply zone in respect of a municipal service, or more than one municipal service, if, in its opinion, a significant risk to the financial viability or sustainability of the municipality or the sustainable rendering of a specific municipal service to the community exists and that no other reasonable measures may be taken to avoid or limit the risk.
- (2)** A decision by the council in terms of subparagraph (1), shall only be taken after it has considered a report from the municipal manager on the following matters -
- (a)** All measures already taken to avoid or limit the risk;
  - (b)** An assessment of why the measures referred to in subparagraph (a) were unsuccessful;
  - (c)** Details of the proposed measures to be taken to avoid or limit the risk;
  - (d)** An assessment of the impact or potential impact of the proposed measures on individual customers within the relevant supply zone, including, but not limited to health and access to basic services;
  - (e)** Details of the educational and communication measures to be or that have been taken prior to the implementation of the proposed measures;
  - (f)** The duration of the proposed measures to be taken; and
  - (g)** Details of the reasonable measures to be taken to ensure equitable access by each household in the supply zone to the municipal service concerned.
- (2)** Public notice in terms of subparagraph (1) must contain at least the following details applicable to a specific emergency situation:
- (a)** The reasons for the proposed declaration;
  - (b)** The customers who and supply zone that will be affected by the proposed declaration;

- (c)** The type, level and quantity of municipal service that will be provided;
  - (d)** The duration of the declaration;
  - (e)** The method of implementing the declaration;
  - (f)** Specific measures or precautions to be taken by affected customers; and
  - (g)** Special relief that may be granted to individual consumers on application to the municipality.
- (3)** In the event of the declaration of a supply zone as an emergency area in accordance with subparagraphs (1) and (2), the municipal services to that supply zone may be limited to basic municipal services for a household as determined by the council from time to time, provided that, at no time, may the municipal services provided by the municipality to that supply zone be less than the collective quantity and quality of basic municipal services as determined by the council per households in that supply zone.
- (4)** The municipal manager must submit a monthly status report to the council that contains at least the following details:
  - (a)** Any improvement in the conditions that were reflected in the information on which the declaration was based;
  - (b)** the impact of the proposed measures on individual customers within the relevant supply zone, including, but not limited to, health and access to basic services implications; and
  - (c)** Special relief granted to individual customers.
- (5)** The council, must by public notice, cancel the declaration of an area as an emergency area:
  - (a)** if any of the information on which the declaration was based, improves to such an extent that the avoidance or limitation of the risk referred to in subparagraph (1) no longer warrants the area being retained as an emergency area;
  - (b)** If, in its opinion, undue hardship has been suffered by customers affected by the declaration; and
  - (c)** On the expiry of the period specified in subparagraphs (1) and (2).
- (6)** The municipal manager may request the council to declare a supply zone an emergency area after the ending of a declaration in terms of subparagraph (5), if in the municipal manager's opinion a new declaration is required.

- (7) The provisions of subparagraphs (1) to (4) apply to a request in terms of subparagraph (6).
- (8) The application of this paragraph shall have the affect of automatically amending the agreement relating to the provisions of services envisaged in paragraph 2 of this policy.

## **CHAPTER 6**

### **UNAUTHORIZED SERVICES**

#### **54. Unauthorized services**

- (1) No person may gain access to municipal services except in terms of an agreement entered into with the municipality for the rendering of those services.
- (2) The municipality may, irrespective of any other action it may take against a person in terms of this policy, by written notice order a person who is using unauthorized services to:
  - (a) Apply for such services in terms of paragraphs 1 and 2 of this policy; and
  - (b) undertake any work that may be necessary to ensure that the installation, by means of which access was gained, complies with the provisions of this or any other relevant policies and by-laws of the municipality or, if it is of the opinion that the situation is a matter of urgency, it may, without prior notice, prevent or rectify the non-compliance concerned and recover the cost from the responsible person.
- (3) A person who gains access to municipal services in a manner other than in terms of an agreement entered into with the municipality for the rendering of those services, shall be liable to pay for any services that he may have utilized or consumed in breach of this policy and any pertinent by-laws, notwithstanding any other action that may be taken against him by the municipality. Consumption and use will be estimated on the basis of the average consumption of services to the specific area within which the unauthorized connection was made.

#### **55. Interference with infrastructure for the provision of municipal services**

- (1) No person other than the municipality shall manage, operate or maintain infrastructure through which municipal services are provided.
- (2) No person other than the municipality shall effect a connection to infrastructure through which municipal services are provided.

- (3) No person shall intentionally or negligently damage, change or in any way interfere with infrastructure through which the municipality provides municipal services unless there is a lawful justification for intentionally doing so.
- (4) If a person contravenes subparagraph (1), the municipality may:
  - (a) By written notice require such person to cease or rectify the damage, change or interference at his own expense within a specified period; or
  - (b) If it is of the opinion that the situation is a matter of urgency and without prior notice, prevent or rectify the change, damage or interference and recover the cost of doing so from such person.

**56. Obstruction of access to infrastructure for the provision of municipal services**

- (1) No person shall prevent or restrict physical access to infrastructure through which municipal services are provided.
- (2) If a person contravenes subparagraph (1), the municipality may:
  - (a) By written notice require such person to restore such access at his own expense within a specified period; or
  - (b) If it is of the opinion that the situation is a matter of urgency, without prior notice, restore such access and recover the cost of doing so from the person concerned.

**57. Illegal re-connection**

- (1) A customer who, after his access to municipal services has been restricted or disconnected in terms of this policy or any applicable by-law, restores or reconnects to those services or who intentionally or negligently interferes with infrastructure through which municipal services are provided, shall be disconnected, after he has been given reasonable written notice of such disconnection.
- (2) A person who re-connects to municipal services in the circumstances referred to in subparagraph (1) shall be liable for to pay for any services that he may have utilized or consumed in breach of this policy, notwithstanding any other action that may be taken against him by the municipality.
- (3) Consumption will be estimated on the basis of the average consumption of services to the specific area within which the illegal reconnection was made.

**CHAPTER 7**

## **TENDERS FOR BUSINESS**

### **58. Tenders for business**

- (1)** The municipality may require any person reacting to a tender published by the municipality or intending to enter into a contract with the municipality for the provision of goods or services, to produce a certificate issued by the chief financial officer, stating that such person maintains regular payments on all of his accounts.
- (2)** Where a person fails to provide such certificate, the municipality may recover any outstanding amounts owed for rates or service charges, by way of deductions from all monies due and owing to such person and arising from a tender awarded to or contract concluded with the said person.
- (3)** In the application of this paragraph, the municipality shall interpret the provisions thereof so as to be consistent with the principles and contents of its supply chain management policy, as the case may be.

## **CHAPTER 8**

### **DOCUMENTATION**

### **59. Signing of notices and documents**

A notice or document that is required to be issued by the municipality in terms of this policy and which purports to be signed by an employee of the municipality shall, subject to paragraph 3 of the Law of Evidence Act, 1988 (Act No 45 of 1988), on its mere production, constitute prima facie evidence of it having been duly issued.

### **60. Notices and documents**

- (1)** Any notice or other document that is served on a person in terms of this policy, is regarded as having been served-
  - (a)** When it has been delivered to that person personally;
  - (b)** When it has been left at that person's place of residence or business in the Republic with a person apparently over the age of sixteen years;
  - (c)** When it has been posted by registered or certified mail to that person's last known residential or business address in the Republic and an

acknowledgement of the posting thereof from the postal service is obtained;

- (d) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) or (c); or
  - (e) If that person's address and agent or representative in the Republic is unknown, when it has been posted in a conspicuous place on the property or premises, if any, to which it relates.
- (2) When any notice or other document must be authorised or served on the owner, occupier or holder of any property or right in any property, it is sufficient if that person is described in the notice or other document as the owner, occupier or holder of the property or right in question, and it is not necessary to name that person.
  - (3) Any legal process is effectively and sufficiently served on the municipality when it is delivered to the municipal manager or a person in attendance at the municipal manager's office.
  - (4) Where compliance with a notice is required within a specified number of working days, that period shall commence on the date of service as defined in subparagraph (1).

#### **61. Authentication of documents**

Every order, notice or other document requiring authentication by the municipality shall be sufficiently authenticated, if signed by the municipal manager, or by a person duly authorized to do so on behalf of the municipality by resolution of the council, written agreement or by an authorizing policy.

#### **62. Prima facie evidence**

In legal proceedings by, or on behalf of the municipality, a certificate reflecting an amount purporting to be due and payable to the municipality, which is signed by the municipal manager, or by a suitably qualified employee of the municipality authorized by the municipal manager to so sign or the manager of the municipality's authorized agent, shall, subject to section 3 of the Law of Evidence Amendment Act, 1988 (Act No 45 of 1988), upon its mere production, constitute prima facie evidence of the indebtedness.

### **CHAPTER 9**

#### **GENERAL PROVISIONS**

#### **63. Provision of information**

- (1) An owner, occupier, customer or person within the area of supply of the municipality must, upon written request, provide the municipality with such information as it may reasonably require for the implementation or enforcement of this policy.
- (2) Any person who, in response to a written request referred to in subparagraph (1) supplies the municipality with incorrect and/or misleading information, shall be guilty of an offence as envisaged in Credit Control and Debt Management By-laws of the municipality.

#### **64. Power of entry and inspection**

- (1) The municipality may, through its authorized officials and agents, at all reasonable times and after having given reasonable written notice to the owner or occupier of premises of the intention to do so, enter upon and inspect any premises for any purpose connected with the implementation or enforcement of this policy.
- (2) Any entry and inspection must be conducted in conformity with the requirements of the Constitution of Republic of South Africa, 1996, and any other law and, in particular, with strict regard to decency and order, respect for a person's dignity, freedom and security and personal privacy.
- (3) An official referred to in subparagraph (1) may be accompanied by an interpreter and any other person reasonably required to assist him in conducting the inspection.
- (4) An official or agent of the municipality shall, upon request by an owner or occupier of premises referred to in subparagraph (1), produce proof of his identity.

#### **65. Exemption**

- (1) The council may, in writing exempt an owner, customer, any other person or category of owners, customers, ratepayers', users of services from complying with a provision of this policy, subject to such conditions it may impose, if it is of the opinion that the application or operation of that provision would be unreasonable: provided that the municipality shall not grant exemption from any provision of this policy, the effect of which may result in:
  - (a) the wastage or excessive consumption of municipal services;
  - (b) the evasion or avoidance of water restrictions;
  - (c) significant negative effects on public health, safety or the environment;
  - (d) the non-payment for services;
  - (e) any applicable law not being complied with.

- (2) The municipality may at any time after giving written notice of at least thirty days withdraw any exemption given in terms of subparagraph (1).

#### **66. Indemnification from liability**

Neither an employee of the municipality nor any person, body, organization or corporation acting on behalf of the municipality is liable for any damage arising from any omission or act done in good faith in the course of his duties.

#### **67. Availability of policy**

- (1) This policy shall be included in the municipality's Municipal Code.
- (2) The municipality shall take reasonable steps to inform customers of the contents of this policy.
- (3) A copy of this policy shall be available for inspection at the offices of the municipality at all reasonable times.
- (4) A copy of this policy or an extract thereof may be obtained from the municipality against payment of an amount as determined by the municipal council from time to time.

#### **68. Conflict of interpretation**

- (1) In the event of any conflict between this policy and any other related policy of the municipality, this policy will prevail.

#### **69. Short Title and Commencement**

This policy is called the Debt Collection and Credit Control Policy of the Koukamma Municipality and shall take effect from a date determined by resolution of the council.

### **70. PUBLICATION OF POLICY**

- (1) The Municipal Manager shall, within 14 days from the date of adoption of this Policy by the Council, by public note draw the attention of the public to its broad contents and method of application.

### **71. APPLICATION OF THE POLICY**

- (1) The Council reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying this Policy. The Council will on application of the credit control policy avoid discrimination as

forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution.

## **72. IMPLEMENTATION AND REVIEW OF THIS POLICY**

- (1) This policy shall be implemented once approved by Council.
- (2) In terms of section 17(1)(e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.