



CREDIT CONTROL AND DEBT COLLECTION POLICY



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Credit Control and Debt Collection Policy

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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 and manage 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 authorised 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, by-laws that give effect to the policy, Supervisory authority and Implementing authority, respectively.

2. ACRONYMS AND ABBREVIATIONS

BCEA – Basic Conditions of Employment Act

CFO – Chief Financial Officer

COGTA – Corporative Government and Traditional Affairs

EFT – Electronic Funds Transfer

IDP – Integrated Development Plan

MBRR – Municipal Budget Reporting Regulations

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

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

MSTA – Municipal Structures Act

MTREF – Medium Term Revenue and Expenditure Framework

ORTDM – OR Tambo District Municipality

SALGA – South African Local Government Association

SARS – South African Revenue Services

SCM – Supply Chain Management

SDBIP - Service delivery and budget implementation plan

3. DEFINITION OF TERMS

IN This policy any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, has that meaning, unless the context, indicates otherwise-

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

"Administration of Estates Act" means the Administration of Estates Act, 66 of 1965;

"Advanced collection" means any estimated amount that will be collected as a security for any debt, inclusive of any estimated debt, that may accumulate against the property for a period up to 120 days from the date of issuing a section 118 certificate in terms of the Systems Act;

"Arrangement" means a written agreement entered into between the municipality and the customer where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act.

"Arrears" means those service charges that have not been paid by the due date and for which no arrangement has been made.

"Authorised representative" means a person or instance legally appointed by the municipality to act or to fulfil a duty on its behalf.

"Basic sanitation" means the prescribed minimum standard of services necessary for the safe, hygienic and adequate collection, removal, disposal or purification of human excreta, domestic waste-water and sewage from households, including informal households;

"Basic water supply" means the prescribed minimum standard of water supply services necessary for the reliable supply of a sufficient quantity and quality of water to households, including informal households, to support life and personal hygiene;

"Billing date" means the date upon which the monthly statement is generated and debited to the customer's account.

"Business premises" means premises utilised for purposes other than residential and excludes the following: -

- (a) hospitals, clinics and institutions for mentally ill persons which are not operated for gain;
- (b) museums, art galleries and libraries which are registered in the names of private persons and are open to the public, whether admission fees are charged or not;
- (c) sports grounds used for the purpose of amateur sports and any social activities which are connected with such sports;
- (d) any property registered in the name of an institution or organisation which, in the opinion of the municipality performs charitable work;
- (e) any property utilised for bona fide church or religious purposes.

"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the municipality, or his or her nominee.

“Child-headed household” means a household where all the occupants of a residential property are younger than 18 years old. A child-headed household is a household consisting only of children;

"Consolidated account" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the municipality.

“Consumer” means any end user who receives water and sanitation services from a water services institution, including an end user in an informal settlement;

“Consumer installation” means a pipeline; fitting or apparatus installed or used by a consumer to gain access to water services and includes a meter attached to such pipeline, fitting or apparatus;

"Council" means the Council of the OR Tambo Municipality.

"Credit control" means all the functions relating to the collection of monies owed by the users of municipal services.

"Customer" means the owner of the premises. Where the premises are leased out for a period of 15 years or more by a government or commercial entity, the occupant will be deemed to be the customer.

"Day/Days" means calendar days, inclusive of Saturdays, Sundays and public holidays.

"Defaulter" means any person who owes arrears to the municipality.

"Delivery date" shall mean the date on which the periodic account is delivered to the consumer or 3 days after the date the account was posted, whichever is the first.

“Dispute” means a dispute as referred to in section 102 (2) of the Systems Act.

"Due date" in relation to service charges due in respect of any immovable property, means the date for payment indicated on the account, provided that should such day fall on a Saturday, Sunday or public holiday the due date shall be the next working day. **"Immovable property"** includes -

- (a) an undivided share in immovable property, and
- (b) any right in immovable property.

"Implementing authority" means the Municipal Manager or his or her nominee, acting in terms of section 100 of the Local Government: Municipal Systems Act No. 32 of 2000.

“income” means the cash received by the municipality

"Incentive Scheme" is an initiative by the municipality to encourage prompt payment of debt by introducing discounts and thus reducing the debt book of the municipality.

"Indigent debtor" means: -

1. the head of an indigent household: -
 - a. who applied for and has been declared indigent in terms of Council's Indigent Support Policy for the provision of services from the municipality; and
 - b. who makes application for indigent support in terms of Council's Indigent Support Policy on behalf of all members of his or her household;
2. orphaned minor children duly represented by their legal and/or de facto guardians.

"Indigent Support Policy" means the Indigent Support Policy adopted by the Council of the municipality.

"indigent relief" means the applicable indigent relief as determined by Council from time to time;

"Insolvency Act" means the Insolvency Act, No. 24 of 1936;

"Integrated Water Leaks Repair Strategy" means the OR Tambo District Municipality: Integrated Water Leaks Repair Strategy;

"Interest" means the charge levied on arrears, calculated at the prime rate, charged by the bank which holds the municipality's primary bank account, plus one percent or such other percentage as may be determined by Council from time to time.

"Manager Revenue" Means the official of the municipality responsible for the collection of monies owed to the municipality and/or any other official to whom he/she has delegated duties and responsibilities in terms of this policy.

"meter" means any device which measures any demand or quantity of water passing through such meter as further defined in the Tariff Policy of the OR Tambo District Municipality;

"Month" means a calendar month.

"Monthly average consumption" means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding or succeeding three months in the event of consumption for that property to be less than twelve months then the number of months of consumption applicable.

"Municipality" means the Municipal Council of the OR Tambo Municipality or any duly authorised Committee, political office bearer or official.

"Municipal pay point" means any municipal office in the area of jurisdiction of the municipality designated by Council for such purposes, or any such other places as the Chief Financial Officer may from time to time designate.

"Municipal Manager" means the Municipal Manager of the OR Tambo municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council.

"Municipal services" means services provided either by the municipality, or by an external agent on behalf of the municipality in terms of a service delivery agreement.

"Occupier" in relation to the customer means, the lessee of premises that have been leased out for a term of 15 years or longer by a government or commercial entity.

"Owner" in relation to immovable property means -

- (1) the person in whom is vested the legal title thereto provided that-
 - a. the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;
 - b. the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;
- (2) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;
- (3) if the owner is absent from the Republic or if his address is unknown to the municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or
 - a. if the municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property.

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

- (1) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or
- (2) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, and which is situated within the area of jurisdiction of the municipality.
- (3) A register held by a tribal authority.

"Peri-urban" relates to the un-surveyed areas immediately surrounding urban nodes and have access to municipal services.

"Person" means a natural and juristic person, including any department of state, statutory bodies or foreign embassies.

“Prepayment meter” means any meter that can be programmed to allow the flow of a pre-purchased amount of water supplied through a water meter;

"Prescribed" means prescribed by this policy and where applicable by Council or the Municipal Manager.

"Registered owner" means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, no. 47 of 1937.

"Responsible person" means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges.

“Residential debtors” means debtors as defined in this policy who utilize property for residential purposes and who may qualify for and who may receive free water, as determined by Council from time to time;

"Service charges" means the fees levied by the municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this policy.

"Service delivery agreement" means an agreement between the municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000.

"Supervisory authority" means the Executive Mayor of the municipality or his or her nominee, acting in terms of Section 99 of the Municipal Systems Act 32 of 2000.

"Tariff" means the scale of levies or other fees which may be imposed by the municipality for municipal services provided.

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

“Third party debt collector” means any person or juristic person that collects debt on behalf of the Council;

"User" means the owner or occupier of a property in respect of which municipal services are being rendered.

“Water management device” means a water management device as defined in the Tariff Policy of the OR Tambo District Municipality.

4. LEGAL/STATUTORY FRAMEWORK

Cite all pieces of legislation and Policies relevant to the developed Policy;

5. PURPOSE AND OBJECTIVES OF THE POLICY

The objective of this policy is to:

- I. Focus on all outstanding debt as raised on the debtor's account.
- II. Provide for a common credit control, debt collection and indigent Policy throughout the OR Tambo Municipality.
- III. To outline the parameters, criteria and procedures within which arrear debts of the participants to the scheme is written off in exchange for prompt a timeous payment of future accounts rendered by the municipality.
- IV. Facilitate implementation of this Policy throughout the OR Tambo District Municipality.
- V. Promote a culture of good payment habits amongst OR Tambo District Municipality debtors and instil a sense of responsibility towards the payment of municipal accounts and reduction of municipal debt.
- VI. To provide a framework for the liquidation of long outstanding debts deemed impaired.
- VII. To improve the financial resources available to the Municipality to deliver on its constitutional mandate.
- VIII. To ensure that the Council of OR Tambo District 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.
- IX. To ensure that ORT effectively and efficiently deal with defaulters in accordance with the terms and conditions of this Policy and provide a framework for the rehabilitation of delinquent debtors.
- X. To promote socio-economic cohesion.

6. SCOPE/APPLICATION OF THE POLICY

6.1 GUIDING PRINCIPLES

1. This policy takes into account the following principles and guidelines:
 - I. Human dignity must be upheld at all times;
 - II. this policy must be implemented in accordance with equity, fairness and consistency;
 - III. every reasonable effort should be made to ensure that details related to the debt and the account of the debtor are correct at all times;
 - IV. the Municipal Manager may treat any debt, and arrangements to repay arrears holistically, but different repayment periods or methods may be determined for service consumed, debtors or areas within the general

- rule that the repayment period should take into consideration the financial capacity of the debtor;
- V. the implementation of this policy is based on sound business practices and any other applicable legislation, including but not limited to the Electronic Communications and Transactions Act No. 25 of 2002;
 - VI. new applications for services will be subject to prescribed credit information and outstanding amounts may be transferred to the new account. All information furnished on the application form may be verified by the ORTDM with any or all data information institutions, credit information bureaux and any financial institutions as may be deemed necessary by the ORTDM in determining the applicant's credit worthiness or for any other reason as determined by the Municipal Manager. The ORTDM reserves its rights to share bad payment behaviour in a responsible manner with the aforesaid institutions, should it become necessary to do so, as determined from time to time.
 - VII. where alternatives are available the ORTDM may provide reduced levels of service to manage the debt growth;
 - VIII. debtors may be referred to a third party debt collector and may be placed on the National Credit Rating List;
 - IX. if an account is not paid by the due date (30 after bill date), interest is charged. Interest will be raised, by the Municipal Manager, on capital based on a full month and part of a month must be deemed to be a full month; or
 - unless specifically provided for in other agreements; and
 - interest will be suspended on exempted accounts as provided for by this policy, properties that form part of the Integrated Water Leaks Repair Strategy, or as determined by Council from time to time, until the leaks have been repaired, where relevant, install a water management device or a prepayment water meter at the property until the applicable debt is written off.
 - X. for purposes of an arrangement a debtor may be required to cooperate with any reasonable measures that might be required to reduce their level of use of consumable services to affordable levels;
 - XI. the terms and conditions as contained in any prescribed form or document utilised in implementing this policy, forms part of this policy and are incorporated therein as specifically stated;
 - XII. the suspension of any debt management action, when interrupted for whatever reason, shall, where practical, continue from the previous action taken;
 - XIII. service of documents and processes may be in accordance with section 115 of Systems Act;
 - XIV. all legal costs, including attorney-and-own-client costs incurred in the recovery of arrears, shall be levied against the debtor's account;

where a company, close corporation, trust in terms of the Trust Property Control Act No. 57 of 1988, home owner's association or a body corporate in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), is indebted to this Council, the

liability for such arrears may, in terms of any legislation or court order, be extended to the directors, members or trustees thereof jointly and severally;

6.2 LINKS TO OTHER POLICIES

Other policies that are linked are

- I. Tariff Policy
- II. Indigent Policy

6.3 WHO USES THE POLICY

- I. Councilors;
- II. Staff;
- III. Communities;

6.4 WHO SHOULD BE CONSULTED UPFRONT IN RESPECT OF POLICY CHANGES

- I. Council as a Policy formulator;
- II. Management as implementers of the Policy;
- III. Communities if the Policy directly affects them; or
- IV. Cogta

6.5 IMPLICATIONS OF THE POLICY

- I. Intended Consequences;
- II. Unintended Consequences;

6.6 WHO DRIVES THE POLICY

6.6.1 SUPERVISORY AUTHORITY

- I. The Executive Mayor oversees and monitors -
 - I. The implementation and enforcement of the municipality's credit control and debt collection policy and any by-laws enacted in terms of Section 98 of the Municipal Systems Act
 - II. The performance of the Municipal Manager in implementing the credit control and debt collection policy and any by-laws enacted in terms of Section 98 of the Municipal Systems Act.
- II. The Executive 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.

- III. The Executive 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.

6.6.2 IMPLEMENTING AUTHORITY

1. The Municipal Manager: -

- I. Implements and enforces the credit control and debt collection policy.
- II. Is accountable to the Executive Mayor for the enforcement of the policy and shall submit a report to the Executive Mayor regarding the implementation and enforcement of the credit control and debt collection policy at such intervals as may be determined by Council.
- III. Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the municipality.
- IV. Where necessary make recommendations to the Executive Mayor with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures.
- V. 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.
- VI. Establish customer service centres, located in such communities as determined by the municipal manager.
- VII. Convey to account holder's 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) -

- I. Is subject to any limitations or conditions that the Municipal Manager may impose;
- II. May authorise the Chief Financial Officer in writing, to sub-delegate duties and responsibilities to the Manager Revenue.

The delegation does not divest the Municipal Manager of the responsibility concerning the exercise of the delegated power. 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.

7. POLICY PROVISIONS/STATEMENTS

7.1 EMPLOYER DEDUCTIONS

Whenever an agreement is concluded with an employer the ORTDM may pay a commission to the employer, the amount of which will be determined from time to time.

7.2 COUNCILLOR AND MUNICIPAL STAFF ARREARS

1. Staff arrears will be dealt with in terms of item 10 of Schedule 2 to the Systems Act, and in terms of any procedures, method or actions referred to in this policy. Notwithstanding any other procedure, method or action that may be taken in terms of this policy, the Municipal Manager shall deduct any outstanding amount from such staff members' salary or remuneration after the 3 (three) month period referred to in item 10 of Schedule 2 to the Systems Act, has elapsed; or
 - I. notwithstanding sub-item 5 (1) the Municipal Manager shall deduct any outstanding amount from such staff members' salary or remuneration after a period of not less than 2 (two) months from the due date thereof.
2. In accordance with Schedule 1, item 12A of the Systems Act, a Councillor of the ORTDM may not be more than 3 (three) months in arrears for municipal service fees, levied by the ORTDM. Notwithstanding any other procedure, method or action that may be taken in terms of this policy, the Municipal Manager shall deduct any outstanding amount from such Councillor's remuneration after this 3 (three) month period has elapsed; or
 - I. Notwithstanding sub-item 6 (2) the Municipal Manager shall deduct any outstanding amount from such Councillor's remuneration after a period of not more than 2 (two) months from the due date thereof.
3. At the sole discretion of the Municipal Manager and after complying with sub-items (1) and (2), deduct any amount owing to this Municipality by any Councillor or staff member from such Councillor's or staff member's remuneration or salary and where the remuneration is a bonus month, before such bonus is paid the Council has to ensure that 50% of the arranged arrears are paid in full.
4. The Municipal Manager shall deduct, by agreement, from any councillor's or staff member's remuneration or salary any amount pertaining to arrears accrued at a property where they are residing even if they are not the property owners, this applies to where the registered owner is the: -
 - I. Spouse;
 - II. Parent or parent- in-laws;
 - III. Children; and any
 - IV. Blood related family member.

7.3 CREDIT CONTROL

1. All new applications for the provision of a service must be subject to the payment of a deposit based on the applicant's municipal payment record with a minimum deposit as per the Tariff Policy subject to the application of the municipalities other policies; or
 - I. the Municipal Manager may waive the requirements for a deposit where a prepayment water meter or water management device have been installed; or
 - II. at any other time as determined by the Municipal Manager.
2. Any adjustment to the basic deposit will be determined by the debtor's municipal payment record, as read with the Tariff Policy; any deposit no longer required by the Municipal Manager may be credited to the debtor's account.
3. The applicant may be required to undergo a full credit check in an endeavour to trace all debt inclusive of municipality debt owed by the applicant. This will require the provision of, inter alia, acceptable means of identification and if applicable, the binding lease agreement, title deed and other relevant supporting documentation as required by the Municipality from time to time. The relevant application form as approved by the Municipality from time to time forms an integral part of this policy insofar as the contents of such application form are not in conflict with any of the provisions of this policy.
4. Application for services for businesses, including but not limited to, trusts, companies, close corporations, partnerships, sole proprietors and government institutions should be approved subject to the provisions of sub-items (1) to (3) above. The application must include the submission of a resolution delegating authority to the applicant and furnishing, if applicable, the business entity's registration number or Trust Reference Number with the Master of the High Court. The names, addresses and all relevant contact particulars of all the business's directors or members or trustees or proprietors or partners must be submitted with the resolution. The relevant application form as approved by the Municipality from time to time forms an integral part of this policy insofar as the contents of such application form are not in conflict with any of the provisions of this policy.
5. The Municipality shall not conduct any business activity with or provide any services to any persons who are in arrears with municipality accounts except as provided for in legislation or policy and as determined by the Municipality from time to time, nor will any refunds of credits or any payments for services rendered be made to any debtor or any debtor's nominee or service provider who is in arrears with their Municipality account.

7.4 UNSATISFACTORY LEVELS OF INDEBTEDNESS

1. If the level of indebtedness in a particular ward or part of the Municipality exceeds the level of the acceptable norm as determined in the Municipality's budget guidelines, the supervisory authority (Executive Mayor) must, without delay, advise the Councillor for that ward or part.
2. The Councillor concerned: -

Must without delay convene a meeting of the ward committee, if there is one, or convene a public meeting and report the matter to the committee or meeting for discussion and advice; and may make any appropriate recommendations to the supervisory authority.

7.5 APPLICATION FOR THE PROVISION OF MUNICIPAL SERVICES

1. A consumer who requires the provision of municipal services must apply for the service from the municipality.
2. (i) The application for the provision of municipal services must be made by the registered owner of an immovable property.
(ii) The municipality may open an account for a customer based solely on information extracted from the Deeds Website.
(iii) Consumer deposits for accounts opened according to provision (ii) above will automatically be deducted by the system when a payment towards the property is made.
3. The municipality will not entertain an application for the provision of municipal services from a tenant of a property, or any other person who is not the owner of the property.
4. The only exception to 3 above is that individuals and businesses with lease agreements to lease properties of not less than 30 years (that includes the service account) from the municipality and government departments will be allowed to open an account in the name of the lessee of the property
5. The municipality will only bill on bulk meters where there are bulk and individual meters linked to the bulk.
6. An agent may with a proxy open an account in the name of the owner.
7. The agreement with the municipality must make provision for the following: -
 - I. An undertaking by the owner that he or she will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on an attorney / client basis;
 - II. An acknowledgement by the owner that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account; and
 - III. That the onus will be on the owner to ensure that he or she is in possession of an account before the due date.
 - IV. An undertaking by the municipality that it shall do everything in its power to deliver accounts timeously.
8. The application for the provision of municipal services shall be made at least ten (10) days prior to the date on which the services are required to be connected.
9. On receipt of the application for provision of municipal services, the municipality will cause the reading of metered services linked to the property to be taken on the working day preceding the date of occupation.
10. The first account for services will be rendered after the first meter reading cycle to be billed following the date of signing the service agreement.

11. No new account will be opened for the new owner of any property, unless the agreement is signed by the new owner and information for opening a new account may be based on the data extracted from a certified General Valuation Roll or subsequent Supplementary Valuation Rolls.
12. All outstanding debt must be paid before a new account can be opened.
13. When a property is being transferred, the system will calculate an amount payable equivalent to three (3) month's consumptions in order to allow the transfer process to be completed without the property accumulating debt.
 - (i) In the event the system is not available, manual calculations will be done and the owner remains liable for any understated amount resulting from such manual calculation.
 - (ii) In the event the manual calculation results in an overstated amount, such consumer's account will be credited with the overstated amount.
14. The municipality may open a new account as soon as the property is registered.

7.6 DEPOSITS AND GUARANTEES

1. On application for the provision of municipal services the consumer deposit prescribed by council shall be paid. Consumer deposits that are outstanding will be deducted automatically by the system when a payment towards the property is made.
2. A guarantee in lieu of a deposit will be accepted on application for the provision of municipal services by a business in terms of the prevailing conditions determined by the Municipal Manager at the time of the application.
3. Existing consumers moving to a new address are required to pay the prescribed consumer deposit on application for the provision of municipal services at the new address.
4. The minimum deposit payable is determined annually by Council and is contained in the tariff book produced annually.
5. The consumer deposit paid on application for the provision of municipal services must be reviewed annually and may be increased or decreased upon written notice to consumers. The deposit will be the equivalent of one month's charge for all municipal services supplied, however this may be increased if it is determined that the consumer is a credit risk.
6. On termination of the supply of services the amount of the deposit less any payment due to the municipality will be refunded to an account holder, provided that payments due are less than the deposit paid, and that the account holder has provided a forwarding address.
7. If the chief financial officer intends increasing the minimum deposit payable by the owner, then he or she shall, in the aforesaid notice, state full reasons for the increase, and allow the owner an opportunity to make written representations in this regard.
8. An aggrieved owner may, within a period of 21 (twenty-one) days of having been notified of an increase in the minimum deposit payable, lodge an appeal against the decision of the chief financial officer with the municipal manager.

9. The municipal manager shall, in his or her capacity as the appeal authority, consider the appeal, and confirm, vary or revoke the decision of the chief financial officer, within a reasonable period.
10. The chief financial officer may, in respect of business premises, accept an irrevocable bank guarantee in lieu of a deposit.

7.7 ACCOUNTS AND BILLING

1. The municipality shall provide all customers with a monthly consolidated account for municipal service rendered, which account shall be generated on a monthly basis in cycles of approximately thirty (30) days.
2. Accounts are produced on a monthly basis in cycles of approximately 30 days.
3. All accounts rendered by the municipality shall be payable on the due date.
4. Account balances which remain unpaid after the due date shall attract interest on arrears, irrespective of the reasons for non-payment.
5. All accounts are payable as above regardless of the fact that the customer has not received the account, the onus being on the customer to obtain a copy of the account before the due date.

7.8 SEWER CHARGES

1. Sewer charges charged monthly are billed on the monthly accounts and the due date for the payment of the charges is as indicated on the accounts.
2. The tariffs to calculate the sewer charges are determined annually and approved by the Council and are contained in the tariff book produced by the municipality.
3. Effluent levy will be payable by all bulk water users.
4. The tariff determined by the municipality from time to time will be applicable.

7.9 WATER CHARGES

1. The provisions of this policy, in respect of the supply of water to a customer, shall constitute the payment conditions of the municipality as water services authority and water services provider, contemplated in sections 4 and 21 of the Water Services Act No. 108 of 1997.
2. Service charges in respect of water shall be determined in accordance with metered consumption.
3. Monthly accounts shall be rendered for water consumption and the customer shall effect payment thereof by the due date.
4. The tariffs to calculate the water charges are determined annually, approved by Council and contained in the tariff book prepared and kept by the municipality.

7.10 SUNDRY DEBTOR ACCOUNTS

1. Sundry debtor accounts may be rendered by the municipality from time to time.
2. Any sundry debtor account shall be included in the monthly consolidated account produced by the municipality.

7.11 FINAL ACCOUNTS

1. Upon receipt of a customer's application for the termination of municipal services, the municipality shall –
 - I. take final readings within 48 hours in respect of metered municipal services;
 - II. prepare and render a final account;
 - III. make provision for outstanding debt on clearance certificate;
 - IV. appropriate the consumer deposit for the reduction or settlement of any outstanding amount owed by the customer; and
 - V. return the consumer deposit to the customer in the event that no amount is owed to the municipality effective from the first (1st) of July 2024.
 - VI. All consumer deposits preceding the first of July 2024 will be recognised as revenue by the municipality unless claimed by the consumer.

7.12 METERING OF MUNICIPAL SERVICES

1. The municipality may introduce various metering equipment and may encourage consumers to convert to a system which is preferred by the Council when Council considers this to be beneficial to its functioning and operations.
2. Water consumption is measured with water meters.
3. The following applies to the reading of water: -
 - I. Water meters are read at in cycles of approximately 30 days.
 - II. If for any reason the water meters cannot be read, the municipality will render an account based on estimated consumption.
 - III. The account based on estimated consumption, not longer than three months, will be adjusted in the subsequent account based on the actual consumption.
 - IV. Should circumstances of any nature prevent meter readers from accessing the water meters, the municipality will enforce estimated consumption until it is conducive to resume normal services.
 - V. The consumer is responsible to ensure access to metering equipment for the purpose of obtaining meter readings for billing purposes.
 - VI. If any calculation, reading or metering error is discovered in respect of any account rendered to a consumer-
 - i. the error shall be corrected in the subsequent account,

- ii. any such correction shall only apply in respect of an account for a period of three years preceding the date on which the error in the account was discovered,
 - iii. the correction shall be based on the tariffs applicable during the period; and
 - iv. the application of this section shall not prevent a consumer from claiming overpayment for any longer period where the consumer is able to prove the claim in a court of law.
- 4. In event of a water meter being damaged, it will be the responsibility of the municipality to repair or replace the water meter.
- 5. Should the consumer request the consumption to be metered on a prepaid meter, the municipality will consider the request and upon further analysis, convert the consumption to be prepaid:
 - I. By installing the prepaid meter on the premises
 - II. Consumer to clear first the outstanding balance before the conversion is undertaken.

7.13 PAYMENT OF ACCOUNTS

- 1. All accounts rendered by the municipality are due and payable on the due date.
- 2. All payments, whether made by cash, electronic payments or payments made through agents must be receipted by the municipality by the close of business on the due date. Only a bank guaranteed cheque will be accepted as payment of an account for any service charges made by ORTDM during the transfer or sale of property.
- 3. Accounts rendered by the municipality can be paid at any municipal cashier office and any other pay point as determined by the Municipal Manager from time to time.
- 4. The payment methods and facilities supported by the municipality can be used to make payments on accounts.
- 5. Incentive schemes as determined by the municipality, will be introduced from time to time.
- 6. Payments received in respect of service charges will be allocated by the municipality entirely within its discretion, on the account of the debtor.
- 7. Part payment received on an account shall be allocated firstly to reduce any penalty charges that may have accrued on the account.
- 8. An official receipt issued by the municipality will be the only proof of payments made.

7.14 INTEREST ON ARREAR DEBT

- 1. Account balances which remain unpaid after the due date shall attract interest irrespective of the reason for non-payment.
- 2. The following categories of arrear debt shall not attract interest on arrears:
 - I. Indigent debt.
 - II. Closed accounts.

- III. Deceased estates.
 - IV. Insolvent estates.
 - V. Debtors under administration (administration portion only).
 - VI. 30 days after billing.
- 3. Interest on arrear debt shall be calculated for each month for which such payment remains unpaid and part of a month shall be deemed to be a month.
 - 4. No interest shall be charged on any outstanding amounts in respect of which an agreement had been concluded for the payment by way of instalment thereof, provided the instalment is paid in full by the due date.

7.15 ENQUIRIES AND APPEALS

- 1. Any aggrieved person may address a grievance or query regarding charges for municipal services in writing to the Manager – Revenue Management and escalate to Chief Financial Officer if it remains unresolved.
- 2. Every consumer has the right to ask and to be provided with a clear explanation as to the services being charged and a breakdown of all amounts shown on their account.
- 3. The aggrieved person shall clearly state the basis of his or her dissatisfaction and the desired resolution.
- 4. The lodging of an inquiry shall not relieve the aggrieved person of the responsibility to settle his or her account. An interim payment similar to an average account must be paid by the due date pending finalisation of the enquiry.
- 5. The municipality will respond to all inquiries from consumers in writing within thirty days from the lodging of the enquiry.
- 6. The Manager - Revenue Management will keep custody of the Enquiries and Appeals Register and will carry out a weekly check on all enquiries and appeals yet to be resolved.

7.16 DEBT COLLECTION

1. Notices

Upon the lapse of the payment due date, the municipality shall issue out a notice to the defaulting consumer telephonically, by email, by sms, by letter or by account statement: -

- I. Government consumers have fifteen (15) days to respond to notice; and
- II. Business, Domestic consumers, churches and NGOs have thirty (30) days to respond to notice.

2. Final Letter of Demand

- I. Debt which has been outstanding for more than 30 days from due date, the municipality shall issue out a final demand letter to the defaulting consumer:

- i. Seven (7) days after final letter of demand is given to business consumers and government consumers to reply and,
 - ii. Fourteen (14) days after final letter of demand is given to domestic consumers, churches and NGOs to reply.
3. Notice for Limitation, Disconnection and Discontinuation
 - I. If the customer fails to pay any account within the period prescribed in section 22(2)(a) of this policy, the municipality shall notify the debtor of the intention to limit, disconnect or discontinue the supply of water.
 - i. Seven (7) days after final letter of demand is given to business consumers and government consumers to reply and,
 - ii. Fourteen (14) days after final letter of demand is given to domestic consumers, churches and NGOs to reply.
4. LIMITATION, DISCONNECTION OR DISCONTINUATION OF SUPPLY
 - I. An account rendered to a customer by the municipality in respect of municipal services, including the rendering of sewer services, shall be paid by the due date.
 - II. If the customer fails to pay any account within a period of forty-seven (47) days for business and government customers and sixty (60) days for domestic, churches and NGO customers after the expiry of the due date, then -
 - i. without further notice, the municipality may limit, disconnect or discontinue the supply of water to the immovable property in question; and
 - ii. the Chief Financial Officer or any duly authorised person may advise the municipal manager to hand over outstanding debts owed to attorneys for collection.
 - III. The limitation, disconnection or discontinuation of the supply of water shall be effected in the manner that is customarily used or by taking such reasonable and lawful steps as may be necessary.
 - IV. Any disbursements or charges incurred or raised in respect of the limitation, disconnection or discontinuation of the supply of water shall be paid by the customer.
 - V. The municipality must permit the customer to make arrangements prior to the limitation, disconnection or discontinuation of the supply of water, unless -
 - i. other users will be prejudiced;
 - ii. there is an emergency situation; or
 - iii. the customer has interfered with a limited, disconnected or discontinued water supply.
 - VI. The limitation, disconnection or discontinuation of the supply of water shall not result in a customer being denied access to basic water services for non-payment, where the customer proves, to the

satisfaction of the municipality, that he or she is unable to pay for basic water services.

- VII. If a customer unlawfully reconnects or attempts to reconnect a supply of water that has been limited, disconnected or discontinued, then -
 - i. the municipality may disconnect or discontinue the supply entirely by removing the service connection from the premises; and
 - ii. any disbursements, penalties or reconnection charges, together with any outstanding amounts owed in respect of municipal services, must be paid in full by the customer before a reconnection can be made.
- VIII. Subject to the provisions of this policy, the chief financial officer or any person duly authorised thereto may enter into an arrangement with a defaulter for the payment of an outstanding account, in which event
 - i. payment may be made by way of instalments; and
 - ii. the normal supply of water to the premises shall be resumed.
- IX. Any defaulter who enters into a bona fide arrangement with the municipality for the settlement of arrears, and who fails to honour the terms of such arrangement, shall not be allowed to enter into any further arrangement with the municipality.
- X. In the case of a customer where the supply of water has been limited, disconnected or discontinued at least twice during the preceding period of twelve (12) months, the municipality may review the amount of the consumer deposit required from such customer.
- XI. Disc-/reconnection fees as determined by the municipality from time to time, will be charged.'

5. Handover of debt to debt collectors

- I. Debts which have been outstanding for more than 47 days for businesses and government, and 60 days for Domestic, Churches and NGOs from due date, the municipality shall hand over the debt to the debt collectors appointed by the municipality for the purposes of collecting such debt. Furthermore, the municipality shall limit, disconnect or discontinue the supply of water of the consumer.
- II. If the debt collectors are unsuccessful in collecting the debt within 120 days of being handed over, the debt may be handed over to attorneys for legal action.
- III. Only the municipal manager may hand over debts to attorneys for collection, and the Municipal Manager shall hand such debts over to attorneys for collection if they have not been collected by debt collectors within the aforementioned period of 120 days, unless the Municipal Manager is of the opinion that it shall not be cost effective to do so.
- IV. If the Municipal Manager is of the opinion that it is appropriate to do so (such as in cases of urgency), he or she may hand over debts for collection to attorneys at any time prior to the expiration of any of the

periods referred to above and without first handing them to debt collectors.

- V. The following types of debt will not be handed over to debt collectors.
 - i. Debts of indigent debtors that are registered as indigent at the date of handover.
 - ii. Government debt.
 - iii. Debt that is being paid off as per an arrangement with the debtor.
 - iv. Debt that has not been under internal query for at least two months.
- VI. The process of collecting debt by debt collectors includes: -
 - i. The phoning of debtors.
 - ii. Sending out demand letters.
 - iii. Making arrangements with debtors to pay off debt in terms of the Council's credit control and debt collection policy.
 - iv. Making follow-up contact with debtors on unpaid arrangements.

7.17 ARRANGEMENTS TO PAY ARREAR DEBT

- 1. Arrangements to Pay Outstanding and Due Amounts in Consecutive Instalments - Residential Households
 - I. One of the key objectives of debt collection is to encourage debtors to start paying their monthly accounts in full. In addition, it is also necessary to ensure that arrear debt is addressed. The current average balances on consumer accounts necessitate that innovative ideas be implemented to encourage consumers to pay off their arrears.
 - II. The main aim of an agreement will be to promote full payment of the current account and to address the arrears on a consistent basis.
 - III. A debtor may enter into a written agreement with the Municipality to repay any outstanding and due amount to the Municipality under the following conditions: -
 - i. The outstanding balance, costs and any interest thereon shall be paid in regular and consecutive monthly instalments;
 - ii. The current monthly amount must be paid in full; and
 - iii. The written agreement has to be signed on behalf of the Municipality by a duly authorised officer.
 - iv. The agreement will be compliant with the requirements of the National Credit Act.
 - IV. At the date of the arrangement a minimum of 30% of the capital arrear debt must be paid immediately.
 - i. After the payment of 30% of the capital arrear debt, 50% of the interest accumulated will be written off from the provision for bad debt.
 - ii. The balance of the debt which includes the capital amount and interest must be paid over a period of 6 to 24-month period on an interest free basis provided payments are made monthly by the due date.

- iii. The total monthly instalment must include the current monthly charges plus the amount to payoff arrear debt, there after
 - iv. in order to determine monthly instalments a comprehensive statement of assets and liabilities of the debtor must be compiled by a treasury official. To ensure the continuous payment of such arrangement the amount determined must be affordable to the consumer, taking into account that payment of the monthly current account is a prerequisite for concluding an arrangement.
 - V. The municipality may from time to time introduce incentive schemes to improve the debt collection rate.
 - VI. A consumer who cannot pay their arrear debt may enter into an arrangement to pay the account over an extended period of time.
 - VII. During the time of the debt collection process, but before the debt is handed over to the attorneys a consumer may enter into an arrangement to payoff arrear debt.

 - VIII. The municipality will entertain only one arrangement with a consumer to payoff arrear debt. Failure to abide by the arrangement will result in that: -
 - i. the arrangement shall be terminated with immediate effect; and
 - ii. the outstanding balance shall immediately become due and payable;
 - IX. The consumer by signing the arrangement agreement to payoff arrear debt acknowledges the following: -
 - i. The debt is owed to the municipality.
 - ii. That on default of the arrangement agreement, interest on arrears will be charged on the amount due, water and sanitation supply will be disconnected to the property of the consumer or the consumer will be blocked from the purchase of water and sanitation on the prepayment system, and legal proceedings will be instituted to collect the debt.
 - iii. That the consumer will be liable for all costs, which includes legal costs on an attorney client basis incurred to collect the debt.
2. Arrangements by businesses
- I. At the date of the arrangement a minimum of 50% of the \ arrear debt must be paid immediately.
 - II. The balance of the debt which includes the capital amount and interest must be paid over a period of 6 to 12-month period on an interest free basis provided payments are made monthly by the due date.
 - III. The total monthly instalment must include the current monthly charges plus the amount to payoff arrear debt.

- IV. Arrangement by businesses to payoff arrear debt will only be entertained for debt on which debt collection actions have been taken and which actions are in an advanced stage.
 - V. Failure to maintain the arrangement will result in interest being reversed and full debt collection being implemented, with no possibility of reprieve.
 - VI. Any arrangement outside of the foregoing must be approved by the Municipal Manager. This function cannot be delegated.
3. Incentives for prompt payment
- I. The Council may, to encourage prompt payment and/or to reward regular payers from time to time consider incentives for the prompt payment of accounts or payment by debit or stop order. At the same time, it is also of utmost importance that regular payers not be discouraged through the implementation of any possible incentives
 - II. If introduced, the cost associated with the incentive scheme will be reflected in the operational budget as additional expenditure.
 - III. Home owners who benefit from the incentive, cannot sell their property within 12 months of receiving the incentive or the home owner will have to pay the whole debt before the incentive.

7.18 INCENTIVE SCHEME

7.18.1. Arrangement for Settlement of Arrear Amounts Above Three (3) Months

- 5% discount upon payment of 25% of the outstanding debt.
- 10% discount upon payment of 50% of the outstanding debt.
- 15% discount upon payment of 75% of the outstanding debt.
- 20% discount upon payment of 100% of the outstanding debt.
- 5% discount to be allowed for early settlement of current.
- 50% discount at the discretion of the council.

7.18.2 QUALIFICATION CRITERIA

- Settlement discount applies to domestic debtors, Business/Commercial, Non-profit Organisations, private schools and Religious institutions.
- The debtor to honour/pay the current account to ensure debt does not increase.
- The debtor not to default on the arrangement.
- Account holder must be in arrears in excess of 30 days as date of application.

7.18.3. DISQUALIFICATION

- Transfer of properties (clearance of accounts before transfer).
- Government departments and its agencies do not qualify.
- Consumers are in a process of selling their properties and that are applying for rates clearance certificate.
- The discount will be reinstated if the consumer defaults on the arrangement.

7.19 INDIGENT DEBTORS

1. An account holder (consumer) may apply, in the prescribed manner, to be regarded as an indigent debtor as defined in the Indigent Policy approved by the council.
2. Any person who has been declared indigent shall be entitled to indigent subsidies for basic services on a basis determined by Council from time to time.
3. The approved account holder shall remain responsible for any outstanding amount at the date of application as well as for future charges.
4. The arrears on the accounts of households, approved as indigent, will be submitted to Council to be written off in full (including any interest charged) after the expiry of six months being registered as an indigent. This submission will only be valid as a once-off exercise after approval and will not be applicable for future consumption in excess of the approved subsidy accumulated.
5. Indigent consumers with water meters are required to pay their current monthly account, which is the amount after the indigent subsidy has been deducted, every month by the due date.
6. In case of non-payment, the normal credit control procedures are applicable.

7.20 DEBT OF ABSCONDED OCCUPANTS

1. The occupant of the property must sign an agreement in which the occupant agrees to pay all service charges that are to be raised on the property, however
2. the owner will still be liable for all outstanding debt on such property

7.21 ADMINISTRATION ORDERS - PAYMENT OF ARREARS

On notification that an order for administration in terms of s74 of the Magistrates Court Act, 1944 order has been granted, Council will manage the debt that is part of the administration order separately to the current account.

1. The debtor will be responsible for the payment of the current monthly account and if the debtor defaults on the payment of the account, debt collection action will be implemented.

7.22 WRITE OFF OF IRRECOVERABLE DEBT

1. The objective to write off irrecoverable debt is to have a debt book that does not reflect irrecoverable debt.
2. The assumptions applied in calculating provision for long outstanding debtors shall be determined and reviewed by Council as deemed necessary.
3. The following debt will be considered for write-off with the approval of Council:
 - I. All reasonable steps have been taken to recover the debt and the debt is irrecoverable.
 - II. Recovery of the debt would be uneconomical.
 - III. Recovery would cause undue hardship to the debtor or his or her dependents.
 - IV. The deceased was the breadwinner of a household and the household no longer receives payment of the deceased's salary after his/her death, and who have no means to repay the debt.
 - V. Debts that have been prescribed in terms of legislation.
 - VI. The debtor is untraceable.
 - VII. The recovery of such debt is not possible, due to the liquidation of the company and/or its owner/s.
 - VIII. The owner of the business is deceased and no claims have been appropriated.
 - X. Debts where no source documentation is available to substantiate or prove the claims, provided that the Accounting Officer must have satisfied him/herself that all reasonable steps have been taken to locate the source document.
 - XI. The amount owed by indigent debtors at the end of the financial as per the approval of council

7.23 IRRECOVERABLE DEBT NOT CATERED FOR IN THE POLICY

1. Should there be any irrecoverable debt cases that the administration and the Council cannot dispose of in terms of this policy, particulars of the irrecoverable debt cases shall be submitted to the Council who will make a recommendation to the Executive Mayor and Mayoral Committee for consideration
2. The Executive Mayor will have the discretion and the delegated powers to resolve on any amount to be written-off in these instances notwithstanding the recommendation of the Council.

7.24 CERTIFICATES REQUIRED FOR TENDERS

1. A person or an institution reacting to a tender published by the municipality or wishing to enter into a contract to either provide services or goods to the municipality must produce a latest account statement which states that

regular payment of services accounts is maintained and that the account is currently up to date.

2. A person who fails to provide such account statement shall be disqualified from the tendering process.
3. A person who has an existing arrangement with the municipality for the payment of arrears shall be exempted from (1) and (2) to the extent of the arrears, provided the arrangement is honoured.

7.25 OFFENCES AND PENALTIES

1. Any person who -
 - I. fails to give the access required by a duly authorised representative of the municipality in terms of this policy;
 - II. obstructs or hinders a duly authorised representative of the municipality in the exercise of his or her powers or performance of functions or duties in terms of this policy;
 - III. unlawfully uses or interferes with municipal equipment or the consumption of services supplied to any customer;
 - IV. tampers with or breaks any seal on a meter or on any equipment belonging to the municipality, or causes a meter not to register properly the service used;
 - V. fails, or refuses, to give a duly authorised representative of the municipality such information as he or she may reasonably require for the purpose of exercising or performing his or her powers or functions in terms of this policy, or gives such representative false or misleading information, knowing it to be false or misleading; or
 - VI. contravenes, or fails to comply with, a provision of this policy,shall be guilty of an offence.
2. Upon conviction in a court, an offender shall be liable for a fine not less than the cost of repairing the damage or any such cost determined by the municipality, or to imprisonment for a period not exceeding 12 (twelve) months, or both such a fine and imprisonment, and may be charged for consumption, as determined by the chief financial officer, and based on average monthly consumption, or as determined by resolution of the municipality from time to time.
3. Any person who requires to be printed a statement that's more than 12 months will charged a rate determined by council.

7.26 WATER LEAKS WITHIN THE PREMISES OF THE CONSUMER

1. The responsibility to fix any water leaks that may occur within the premises of the consumer (any area connected within the premises up to the water meter) remains the responsibility of the consumer.
2. Any consumer of water undertakes to ensure that any water leaks within the premises of the consumer are dealt with immediately to ensure no wastage of bulk water supply.

3. The municipality, upon detecting such water leak through visible inspection or excessive water usage, will formally request a consumer to repair such water leak within a period of (14) fourteen days.
4. Failure to do so will result in the municipality immediately terminating the water supply to the premises after the period of (14) fourteen days without any further notice until such time that the consumer satisfactorily proves to the municipality that the water leak has been fully repaired.
5. In the event of any water leak deemed to be excessive by the municipality, the municipality reserves the right to shorten the period allowed for repairs by the owner or to undertake any emergency repairs deemed necessary by the municipality to stop any leakages. The cost for such repairs will thereafter be levied onto the consumer's monthly water account.
6. If the municipality can confirm the water leak was valid, it will undertake to reverse the excessive water usage including the interest charged on the excessive water usage on the consumer account after the repair of the water leak. The adjustment to the consumer account will be based on the difference between the consumption taken during the water leak period and the water consumption of the consumer for a period of 3 months after the water leak is repaired.

7.27 REPORTING ON PERFORMANCE MANAGEMENT

1. The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c).
2. The Executive Mayor as Supervisory Authority shall, at intervals of three (3) months, report to Council as contemplated in section 99(c) of the Systems Act.
3. This report shall contain particulars on cash collection statistics, showing high-level debt recovery information (numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt).
4. Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.
5. If in the opinion of the Chief Financial Officer, the municipality will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if in agreement with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.

7.28 TEMPORARY WORKERS

1. Where the municipality provides temporary employment to members of the community who are in arrears with payments for municipal services they will

be required to enter an agreement to pay 20% of their gross remuneration towards these arrears of debt.

7.29 POWER OF ENTRY AND INSPECTION

1. For any purpose related to the implementation or enforcement of this policy, and at all reasonable times, or in an emergency, a duly authorised representative of the municipality may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary -
 - I. with regard to the installation or repair of any meter or service connection or reticulation; or
 - II. so as to limit, discontinue, disconnect or reconnect the provision of any service.
2. If the municipality considers it necessary that work be performed to enable the aforesaid authorised representative to perform a function referred to in subsection (1) properly and effectively, then it may –
 - I. by written notice require the owner or occupier of the premises, at his or her own expense, to do specific work within a specified period; or
 - II. if, in its reasonable opinion, the situation is a matter of urgency, then the municipality may do such work, or cause it to be done, at the expense of the owner or occupier, and without written notice.
3. If the work referred to in subsection (2)(b) above is carried out for the sole purpose of establishing whether a contravention of this policy has been committed, and no such contravention has taken place, then the municipality shall bear the expense connected therewith, together with the expense of restoring the premises to its former condition.

7.30 REGULATIONS

1. The municipality may make regulations regarding –
 - a. any matter required, or permitted, to be prescribed in terms of this policy; and
 - b. generally, all matters which, in the reasonable opinion of the municipality, are necessary, or expedient, to be prescribed, in order to achieve the objects of this policy.

7.31 REPEAL OF POLICY

1. Any policy relating to credit control and debt collection adopted by the municipality or any municipal council now comprising an administrative unit of the municipality shall be repealed from the date of promulgation of this policy.

7.32 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.

7.33 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.

7.34 IMPLEMENTATION AND REVIEW OF THIS POLICY

1. This policy shall be implemented once approved by Council. All future investments must be made in accordance with this policy.
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.

7.35 BILLING OF PERI URBAN

1. Municipality to bill the businesses operating in the peri-urban areas that consume water above RDP standard.
2. Types of businesses considered are:
 - a. Rental properties
 - b. Accommodation establishments (Hotels, B&Bs, student accommodation).
 - c. Car washes
 - d. Retail and hardwares (including shops, spazas and taverns)
 - e. Any other businesses
3. Verification of properties to be conducted and list be developed with:-
 - a. Names of property owner
 - b. Identity numbers of the property owner
4. List to be approved by council
5. Flat rate to be used for billing.
6. A varied tariff may be introduced for the different types of businesses operating in peri-urban areas.
7. Businesses connected to the full servitude (portable water infrastructure and water-borne sewer line) may be metered and billed for full service.

7.36 Billing of RDP Households

1. RDP houses will be billed as low-cost houses as provided for in the Indigent Support Policy.
2. A maximum of six (6) kilo litres will be subsidized and any excess amount will be billed according to the provisions of the Tariff.
3. Any household which does not meet the criteria provided for by the Indigent Support Policy will be billed in accordance to the Tariff Policy.

Summary of Debt Collection Process

Domestic, Churches and NGOs

Day	Action	Action
1	Account is billed	
30	Billed amount is due	
31-60	Attract interest. First notice	Credit control (Phone call, email, text, letter, etc.) for 30 days also is underway the Municipality's Credit Control department
61-75	Final letter of demand. Consumer has 14 days to respond	The consumer is given 14 days to respond to the final letter of demand
75-89	Notice of discontinuation after 14 days of no response to final letter of demand	
90	Limitation or discontinuation of services	60 days after due date
91+	Debt collectors take over the process of collecting	

Businesses and Government

Day	Action	Action
1	Account is billed	
30	Billed amount is due	
31-60	Attract interest. First notice	Credit control (Phone call, email, text, letter, etc.) for 30 days also is underway the Municipality's Credit Control department
61-68	Final letter of demand. Consumer has 7 days to respond	The consumer is given 7 days to respond to the final letter of demand
69-76	Notice of discontinuation after 7 days of no response to final letter of demand	When 7 days pass after final letter of demand is issued without payment., the consumer is handed over to debt collectors and intention to limit, disconnect or discontinue
77	Limitation or discontinuation of services	47 days after due date
78+	Debt collectors take over the process of collecting	

8 INTERPRETATION OF THIS POLICY

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

9 PERMANENT/TEMPORARY WAIVER OR SUSPENSION

Municipal Manager has the authority to waiver the policy;

10 POLICY APPROVAL

- I. Councilors and Management are consulted before the adoption of the Policy through
 - I. Meetings
 - II. Workshop
- II Council will adopt the Policy

11 COMPLIANCE, IMPLEMENTATION AND ENFORCEMENT

- I. Policy will be communicated through media, website and public participation
- II. Policy will be signed after its adoption;
- III. Review to be annual
- IV. Executive Mayor to monitor implementation of the policy

12 AUTHENTICATION

Date of adoption;

Council Resolution Number