



PHOKWANE LOCAL MUNICIPALITY

APPROVED CUSTOMER CARE, CREDIT

CONTROL AND DEBT COLLECTION MODEL

POLICY 2025/26

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Preamble

WHEREAS section 229(1) of the Constitution enjoins a municipality to impose rates on properties and surcharges on fees for the services provided by or on behalf of the municipality.

AND WHEREAS section 4 (1) (c) of the Municipal Systems Act provides that a municipality has a right to finance its affairs by charging fees for services, imposing surcharges on fees, rates on property and, subject to national legislation, other taxes, levies and duties.

AND WHEREAS section 5 (1) (g) provides that the members of the community have a right to have access to municipal services which the municipality provides; section 5 (2) (b) places a duty on the members of the community to pay promptly for services fees, surcharges on fees and other taxes, levies and duties imposed by the municipality.

AND WHEREAS section 95 of the Municipal Systems Act provides for the municipality must, within its financial and administrative capacity, establish a total responsive Customer Relations Management System to cater for:

- Positive and reciprocal relationship with the Rates Payers and Users of municipal services who are liable for payment thereof.
- Mechanism for Rate Payers and Users of municipal services to give feedback on the quality.
- Informing the Users of services of the costs of services, the reasons for payment for services and the utilisation of the money raised from services.
- Measurement and accurate/verifiable quantification of consumption of services.
- Regular and accurate accounts to Rate Payers/Users of services, showing the basis of the calculation of the due to municipality.
- Accessible pay points and other mechanism for settling accounts including pre-payments for services.

- Query and Complaints management and procedure thereof for prompt response and corrective action on one hand and monitoring thereof on the other

AND WHEREAS section 96 of the Municipal Systems Act and section 62 (1) (f) of Municipal finance Management Act read together with section 21 (2) of Water Services Act, 1997, place an obligation on the municipality to collect all money due and payable to the municipality; and, for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with rates and tariff policies and compliant with the Act.

AND WHEREAS section 96 (2) of the Municipal Systems Act requires the municipality to adopt, maintain and implement a credit control and debt collection policy which is consistent with rates and tariff policies for the purpose of collection of all moneys due and payable to the municipality

AND WHEREAS section 100 of the Municipal Systems Act places obligation on the Municipal Manager or the Service Provider to implement and enforce the Municipality's Credit Control Policy and the By-law enacted in terms of section 98 of the Municipal Systems Act.

AND WHEREAS section 97 of the Municipal Systems Act requires that the said policy must provide for the:

- Credit control procedure and mechanisms
- Debt collection procedure and mechanisms
- Provision for the indigent debtors which is consistent with the rate and tariff policies and national policy on indigents
- Interest on arrears, where appropriate
- Extension of time for the payment of accounts
- Termination of services or restriction of services when the payments are in arrears
- Illegal consumption of services and damage to municipal infrastructure
- The credit control and debt collection policy may differentiate between different categories of ratepayers, users, debtors, taxes, services, service standards and other matters as long as the differentiation does not amount to unfair discrimination

AND WHEREAS section 102 of the Municipal Systems Act permits the municipality to consolidate the accounts of a debtor liable for payment to the municipality; credit payment from such debtor against any of the debtor's accounts; and implement any of the credit control and debt collection measures provided for in the Act in respect of any of the debtor's accounts which remains in arrears; subject to subsection 2 of the said section.

AND WHEREAS section 62 of the Municipal Systems Act, makes ample provisions for consumers or debtors to appeal decisions or actions of municipal officials in instances of disagreement with such decisions or actions.

AND WHEREAS section 98 of the Municipal Systems Act requires the municipality to adopt a By-law to give effect to the municipality's credit control and debt collection policy including its implementation and enforcement.

NOW THEREFORE the Council of the municipality in terms of section 156 of the Constitution of the Republic of South Africa read together with sections 11 and 96 of the Municipal Systems Act hereby makes and approve the Credit Control and Debt Collection Policy set out in full hereinafter.

Definitions

“Act” means Local Government: Municipal Systems Act, 2000;

“Account” means a statement of account in respect to rates, services and/or charges addressed to the person liable for the payment thereof;

“Arrears” means an amount owing and payable by the consumer to the municipality which remains unpaid by the due date;

“Authorised Official” means the Head of the Revenue Collection or Head of Credit Control or duly authorised official for the purpose;

“Auxiliary Charges” means sundry charges which are applicable to an assortment of many diverse services or activities for which there is nominal charge of one degree or other

“Billing date” means the date on which the monthly statement is generated and debited to the consumer’s account;

“Bulk Consumer” means a consumer who consume large amount of electricity or water;

“Bylaw” means Credit Control and Debt Collection Bylaw of the municipality;

“Collection Charges” means tariffs, fees and charges in terms of section 75A of the Act; including the cost of the implementation of the different levels of credit control against the debtor whose account is in arrears;

“Consolidated Account” means a consumer’s account consolidating all the consumer’s accounts of different services with the municipality in terms of section 102 (1) of the Act;

“Consumer” means customer of the municipality for municipal services including rates in terms of the agreement for municipal services;

“Council” municipal Council of the municipality

“Day/days” means calendar days;

“Debtor” means a consumer whose account remains unpaid after the due date for payment of the monthly account;

“Disconnection Fee” means a charge to the consumer on termination or restriction of a municipal service as result of the consumer’s account being arrears

“Due Date” means the date indicated on the statement of account as the date by which the account must be paid;

“Flow Limiter” means an electronic device installed in the water connection which allows normal flow of water but limit the volume of water to a predetermined number of litres per day;

“Flow Restrictor” means a washer installed in the water connection which reduces the flow rate of water in order to limit water consumption per day;

“Implementing Authority” means the Municipal Manager / City Manager or her/his nominee in terms of section 100 of the Act;

“Illegal Connection” means unauthorised connection in terms of clause 9.10 hereof;

“Indigent Support Programme” means provision of free basic services to the indigent households in terms of Indigent Support Policy of the municipality;

“Indigent household” means a household without any income whatsoever or household whose total monthly income falls within the bracket of indigent income in terms of the municipality’s Indigent Support Policy;

“Indigent Support Policy” means the Policy for Indigent support Programme;

“Interest” means a charge levied on all arrears in terms of section 64 (2) (g) of MFMA;

“Meter” means a device which demand, consumption or quantity of either electricity or water passing through the meter

“MFMA means Local Government: Municipal Finance Management Act, 2003

“Month” means calendar month

“Monthly Average Consumption means monthly average consumption based on the previous three months meter readings for the account

“MPRA” means Local Government: Municipal Property Rates Act, 2004

“Multi-Property Owner” means a Landlord who owns no less than ten Properties for lease in terms Paragraph 10.3 hereof

“Municipal Charges” means municipal service fees, surcharges on fees, penalties, interests, property rates and other municipal levies and charges

“Municipal Services” means all services provided by the municipality or by an outside agent on behalf of the municipality

“Municipality” means Phokwane Local Municipality

“Owner” means a person defined as such in MPRA including the following:

- An owner in a sectional title scheme who owns a separate granny flat, garage, parking or storage room
- The administrator of the body corporate of a sectional title scheme
- The managing Agent dully appointed as such

“Policy” means Credit Control and Debt Collection Policy

“Rates” means municipal rate on property in terms of MPRA

“Revenue Clearance Certificate” means a certificate in terms section 118 (1) of the Act

“Service Account” means an account in relation to the consumption of either water or electricity and related charges

“Special Arrangement” means debtor rehabilitation programme arrangement as outlined in the policy

“Statement of Account” means a service account for municipal services and rates

“Sundry Charges” means auxiliary charges as defined in the foregoing

“Systems Act” means Act as defined in the foregoing

“Tariff” means fees, charges and/or surcharges levied by the municipality in respect of municipal services and activities; but exclude rates as defined in MPRA

“Water Services” means potable water and conveyance and disposal of sewerage unless qualified otherwise

% Split of Prepayment means a debt recovery system whereby a certain portion of prepayment is allocated to payment of arrears and the remaining portion is allocated to the purchase of electricity

2. Purpose

The purpose of this policy is as follows:

- 2.1. It is a legislative and executive compliant response to section 96 of the Municipal Systems Act which requires the municipality to adopt and implement a policy which is consistent with its rates and tariff policies and compliant with the provisions of the Act;
- 2.2 To provide a policy framework for the principles underlying the credit control and debt collection system of the municipality, including the process thereof;
- 2.3 To provide an enabling and enforcement policy framework for the credit control and debt collection of all money due and payable to the municipality, including activities incidental thereto;
- 2.4 To provide a policy framework for credit control and debt collection mechanism and procedure for the payment of municipal account and all debt due to the municipality in terms of the Tariff and Property Rates Policies;
- 2.4 To, generally, give effect to credit control and debt collection principles and processes outlined hereinafter.

3. Principles

The following is set of principles underlying this Policy:

- 3.1 The basic values and principles set out in section 195 of the Constitution.
- 3.2 Sound Customer Relations Management principles and ethos; with mechanism for rate payers and users of municipal services to give feedback to the municipality on the quality of services and revenue collection system.

3.3 Positive and reciprocal relationship between the municipality and the persons liable for the payment of property rates and municipal services.

3.4 Take reasonable steps to ensure that users of municipal services are informed of the costs of such services and the utilisation of the monies from rates and services.

3.4 Objective and verifiable measurement system of services consumption, where such is possible and feasible and consumption is measurable for individual consumer account.

3.5 Regular and accurate accounts/statement of consumption to the person liable for the payment, indicating the basis of the calculation of consumption and amounts thereof.

5.6 Regular endeavours to maintain correct data on consumers/debtors Masterfile including correct contact details of the consumers/debtors for prompt communication of the consumer's account information.

3.7 Clear accessible mechanism, which is widely disseminated for public information, for the management of queries, disputes and/or appeals by persons liable for the payments of property rates and/or municipal services.

3.8 clear mechanism for monitoring the response content and response time to queries, disputes and/or appeals in terms of 3.7 hereof.

3.9 Consistent implementation and enforcement of the credit control and debt collection policy including processes and procedure on all debtors without exception or discrimination, except for the provisions of the Indigent Policy.

3.10 Debt collection action measures to be instituted promptly and efficiently before the debt accumulates to an amount beyond the paying ability of the debtor.

3.11 Regular review of the consumers deposit amounts, taking into consideration the consumption level and/or paying behaviour pattern of the consumer/debtor.

3.12 All arrears shall attract interests in term of the applicable legislation; unless there is an agreement otherwise between the debtor and the municipality.

4 Objectives

The objectives of the policy are as follows:

4.1 To establish and implement good Customer Relations Management System to expedite payment of rates and services by the Consumers of the municipal services

4.2 To provide for a common Credit Control and Debt Collection Policy Framework for the regulation and enforcement of revenue and debt collection throughout the area of jurisdiction of the municipality.

4.3 To provide generally for the expedient mechanism and procedure for the Management and resolution of Consumer Queries and/or Disputes regarding the accuracy of the consumer's account including the credibility of the consumption measurement system.

4.4 To collect promptly and efficiently all moneys due, owed and payable to the municipality.

4.5 To provide for mechanism and procedure for the payment of current account and arrears to the municipality including the procedure for alternative arrangement between the debtor and municipality.

4.6 To endeavour to collect adequate revenue to maintain reasonable level of working capital for investment in the infrastructure and delivery of municipal services.

4.7 To endeavour to improve the revenue collection rate to 95+% of the monthly and annual billing by the municipality.

4.8 To provide generally mechanisms and procedure for the enforcement of the Customer care, Credit Control and Debt Collection Policy as provided for hereinafter.

5 Scope of the Policy

This Policy shall be applicable throughout area of jurisdiction of the municipality in respect of all moneys owing to the municipality in term of the Tariff and/or Property Rates Policies of the municipality in terms of Municipal Systems Act, 2000 and Municipal Property Rates Act, 2004 respectively on one hand and the Operating Budget of the Municipality in terms of Municipal Finance Management Act, 2004 on the other. These shall be rates dully levied on properties in term of the General Valuation and Supplementary Valuation Rolls and fees and surcharges on services rendered; such as water, sanitation/sewer, electricity, refuse collection and other charges provided for in terms of Tariff Policy and approved Schedule of Tariffs for the financial year.

6 Billing and Consumers Statements of Account

6.1 The municipality shall maintain a record of the Billing Masterfile of all registered consumers; containing details of each consumer and the details of the consumption measurement meter linked exclusively to the property/premises of the consumer. The data on the Masterfile shall be captured from the consumers' application forms for services and regular updates by the consumers on their respective accounts.

6.2 The municipality shall endeavour to bill consumers for their monthly account during the last week of each calendar month; so that consumers receive their statements of account in the 1st week of the calendar month following the monthly billing. The due date for payment of the current account must be on a date before the next date of billing of the consumers' accounts.

6.3 The municipality must render regularly and timeously the statements of accounts to the consumers; using any or all of the modes of the delivery of the statements of accounts. The paramount information on the statement is the amount of the current account as distinct entry on the statement and the total balance, including the arrears, owing and payable to the municipality. The amount of the current account shall be

supported by statement of the consumption quantities of the services for the accounting period/month

6.4 The consumers' statements of accounts shall be prepared with the data of the actual reading of the electricity and water meters or estimated monthly consumption of the same services. Consumption shall not be estimated for more three consecutive months unless the fault for not reading the meter is due to the consumer's action.

6.5 The statement of account to consumers shall contain the following information:

- Name and Surname of the registered consumer
- The physical address of the service (s)
- Postal address of the consumer or email address of the consumer
- Alternative email address of the consumer
- The property description in terms of GV/SV Roll and the amount of the property valuation
- The property rate levied on the property
- The monthly amount of the rate payable on the property or the annual amount of the rate payable on the property (Whichever is applicable)
- Details of services rendered and amounts thereof and the tariff for each service
- Total amount of the current account payable to the municipality
- Total balance owing and payable to the municipality, including the current account and arrears
- The due date for payment

6.6 The modes of the delivery of statement of accounts of the consumer shall include postal services, email, WhatsApp and SMS.

6.7 The onus to pay the account on or before the final due date is on the consumer regardless whether or not the consumer has received his/her monthly statement of account from the municipality.

6.8 Accounts in arrears shall attract interest payable on the amount of arrears in terms of Regulation 9 of MPRA Regulations, 2006 for the rates arrears and section 103 of National Credit Act, 2005 for other services.

6.9 on request, the municipal may provide the consumer with billing record of up to five (5) years.

7 Metering of Municipal Services

7.1 Municipal services are many and varied. Some of them are more obvious and empirical to one's eye and surroundings than others. Some municipal services are acquiescent to individual consumption whilst others are of the nature of collective consumption. There are also other municipal services which are of the nature of individual consumption, but the negative implication of which are collectively felt and are a health hazard to the community at large.

7.2 The focus of this policy is on the municipal services which lend themselves to individual consumption which consumption can be measured objectively. These are municipal services such as electricity, water, sewer, refuse collection, public transport and special requests as contemplated in the Tariff Policy.

7.3 Notwithstanding the aforesaid services, this clause shall confine itself to the consumption as well as measurement of electricity and water. All meter equipment's remain the property of the municipality regardless of the type and physical location of the meter.

7.4 Currently, there are two types of metering system for both electricity and water; namely, Credit and Prepaid Meter Equipment's. The credit meter is commonly referred to as "conventional meter". The prepaid meters may range from basic prepaid meter to smart prepaid meter. The latter is prepaid meter and more functions for ease and convenience of the management of the meter and meter reading. The decision on the type of meter is the prerogative of the municipality

7.5 Credit meters: the following shall apply to the reading of all credit meters:

- The municipality shall read the meter for the actual consumption by the consumer in a cycle of approximately thirty (30) days.

- The municipality may estimate the consumer's monthly consumption; but the consumer's consumption may not be estimated for more than three consecutive months unless the consumer is responsible for the inaccessibility to the meter point.
- The estimated monthly consumption balance shall be adjusted on the consumer's account accordingly, after the actual reading of the meter in the month following the month of estimated consumption.
- Notwithstanding the ownership of the meter equipment, the consumer is responsible for the safety of the meter equipment for his/her property; and as such he/she has a duty to report immediately to the municipality any mishap to the meter equipment.
- The consumer is responsible and liable for the supply reticulation system from the meter to his/her property. In this regard the consumer must ensure that his/her service reticulation system (power line, water pipes, sewer pipes and other equipment's) is of the nature and size specification which are approved by the municipality.
- It is the duty of the consumer to make the meter accessible at all times to the municipality for the purpose of meter reading for the monthly billing of the consumer's account; failing which the consumption shall be estimated. The consumption estimation by the default of the consumer shall continue on a month-to-month until the municipality has reasonable access to the meter; where after the consumer's account shall be adjusted accordingly.
- If any error is discovered; whether due to calculation, meter reading or meter malfunction, the cause and extent of the error shall be investigated immediately by the municipality for immediate correction including appropriate repairs of the meter or the supply reticulation system. Depending on the cause of and/or the fault for the error, the consumer's account shall be adjusted accordingly, taking into account the period of the error, applicable tariff during the period of the error and liability for the error or malfunction.
- On vacation of the property by the consumer, there shall be final reading of the meter for the closure of the consumer's account.

7.6 Prepayment meters/Smart meters

- Prepayment units (tokens) must be purchased from a vendor authorised by the municipality to sell prepaid units (tokens) for and on behalf of the municipality.
- Prepayment units (tokens) must be purchased from vending points authorised by the municipality to transact prepaid units (tokens) for and on behalf of the municipality.
- There shall be no refund after the prepayment meter transaction has been completed and token for same produced.
- No reimbursement of the credits remaining in the prepayment on vacation of the property of the meter.
- The municipality shall use the prepayment system of the consumer to recover arrears of the same consumer for other services and/or property rates if the consumer fails to make acceptable arrangement with the municipality for the payment of the arrears for other services and/or property rates.

8 Queries, Disputes and Appeals(sections 62 & 94 (1) (f) (g) of MSA)

8.1 The municipality shall establish a system to provide mechanism and procedure for the submission, management and resolution of Queries, Disputes and Appeals by consumers and persons liable for the payment of the municipal accounts for services and/or rates.

8.2 The Query-dispute system must be published copiously in the area of the municipality and included in every statement of accounts of consumers with details of the official to contact if not satisfied with a response to a query.

8.3 A query is a question to the municipality by a rate payer or consumer of a municipal service regarding a certain aspect or some aspects of his/her statement of accounts. The municipality must provide the said consumer with clear, accurate and definitive answer; where after the consumer will either live with the response or declare a dispute regarding the matter of his/her query.

8.3 A consumer may declare a dispute on the matter of the query if he/she is not satisfied with the response to his/her query. The dispute should lie to an official who is senior to the official who handled the query.

8.4 Generally, queries should be responded to instantly unless the query is of such nature the information of which is not readily available. In the instance of the latter, the query must be responded to within 72 hour with clear, accurate and definitive answer.

8.5 If the consumer is challenging the accuracy of the meter reading or the functionality of the meter to his/her property, such shall be deemed and dealt with as a dispute from onset.

8.6 A dispute shall be escalated to the senior official in the hierarchical ladder of the department who shall advise the consumer on how the query would be dealt with. The standard time for resolving a dispute is seven (7) working days unless the dispute is of complex nature requiring more time for wider consultation. In case of the latter, the official must inform the consumer in writing of the estimated date by which the official would be in a position to process and finalise the dispute. In the meantime pending the outcome of the dispute, the official and the consumer must agree (compromise) on the fate of the account on the final due date for payment if the outcome of the dispute is expected after that date.

8.7 Query may be lodged any time in person, email, SMS or telephonically. The dispute must be lodged at least ten (10) days before the final due date for payment of the account so that the dispute is processed and finalised before the said final date for payment.

8.8 If the consumer is not satisfied with the outcome of dispute, he/she may lodge an appeal to the Municipal Manager in terms of section 62 of MSA. In the meantime, the compromise agreement between the consumer and the official who handled the dispute shall remain in force pending the outcome of the appeal.

8.9 Disputes and Appeals on General Valuation Roll shall be dealt with in terms of sections 50 and 54 respectively of MPRA

9 Credit Control Measures Regime

The Credit Control and Debt Collection regime of debt management consist of the following measures for different stages of debt management:

9.1 Statement of the current account of the Consumer/Debtor as per the data on Consumer/Debtor's Masterfile: The statement shall contain the balance of the total arrears brought forward; a brief summary of the current account consumption per service and consolidated total of the current account. The current account statement shall state the final due date of the current account for payment which should be a date before the date of the next cycle of the monthly billing. Ideally, the current account due date should be about the same date of every month to enable the consumers of the municipality to standardise the monthly payment of the municipal account.

9.2 Notice and Demand: Should the debtor's account remain unpaid for seven (7) or more days after the final due date, the debtor shall receive a Notice that his/her account remained unpaid after the last due date. The Notice shall also be a Demand for immediate payment in full of the last account within 14 days of the date of the Notice; failing which services shall be disconnected without further Notice. Or alternatively, the debtor has made an arrangement with municipality for the payment of the arrears.

9.3 Electricity Disconnection ("Level 1"): In the absence of payment or arrangement in terms of 9.2 above and the consolidated account includes electricity consumption, electricity disconnection "Level 1" of service shall be carried out on the premises of the debtor. If the consolidated account of the debtor excludes electricity but includes water supply to the premises, the water supply to the premises shall be disconnected. In both instances, the debtor's account shall be debited with the cost of the disconnection in terms of the municipal tariffs.

9.4 Electricity Disconnection (“Level 2”): In the absence of appropriate reaction to electricity disconnection Level 1 after seven (7) days of the said disconnection, inspection shall be carried out on the premises to ensure that electricity service disconnection Level 1 remains in place. If the electricity service has been re-connected on illegally; the municipality shall carry out electricity disconnection level 2 which is more intensive and extensive and attracts higher punitive tariff. The account of the debtor shall be debited with amount of electricity disconnection level 2 penalty charges. A similar action shall be carried out in respect of water, if water service has been reconnected illegally.

9.5 The foregoing paragraphs 9.3 and 9.4 apply to water disconnections *mutatis mutandis*. The municipality may effect disconnection of both electricity and water services simultaneously on the same debtor.

9.6 Prepaid Electricity/Water Meters: if the property of the account is on prepaid meter system and consumer of the property is in arrears for other services including rates, the municipality shall block the prepaid account of the consumer to disable the account from accepting any purchase of prepaid units until the consumer has made an arrangement with municipality regarding the payment of the arrears on other services and rates via the prepaid meter account in the form of a split of 50/50 principle where 50% will be allocated to the arrears owing on other services and/or rates and 50% is allocated to the prepaid electricity purchases/transaction. A similar split scheme shall be applicable in the case of prepaid water meters

9.7 If the debtor’s account remains in arrears after the above-mentioned actions, the premises of the unpaid account must be placed on a **weekly inspection schedule/register** to ensure that the services remain disconnected at the premises until the account is paid or an arrangement is made between the debtor and municipality.

9.8 If any or the combination of the above-mentioned measures fail to yield any positive result and the account remains in arrears for more than 90 days, **the account must be handed over to Attorneys for civil recovery Summons in order to obtain a court judgement and a writ of execution against the debtor.** The municipality may

however delay or suspend the actual sale-in-execution on the ground of an acceptable arrangement with the debtor regarding payment of the arrears and the full cost of litigation against the debtor. Reference to Attorneys in this section may include “debt collectors” at the discretion of the Municipal Manager/CFO.

9.9 Illegal consumption of municipal services: The principle regulating the relationship between the municipality and a consumer of municipal service is that the latter is responsible for safe custody of the municipal meter on the premises of the consumer. The consumer must report unauthorised activities on the municipal meter on the premises of the consumer, to the Municipal Manager or the nominee of the Municipal Manager. Any connection of a municipal service which is unauthorised by the municipality is illegal consumption. Illegal consumption includes tampering with meter in order to manipulate the functioning of the meter in one way or other. Illegal consumption shall attract the following actions:

- Immediate disconnection of illegal connection
- Removal of all the materials used in the illegal connection
- Relocation of the meter to a new point for the ease of monitoring of the meter by the municipality
- Convention of the meter to meter-type of the choice of the municipality
- Estimate consumption of the service during the period illegal consumption
- Debit the consumer’s account with the costs of all the above actions
- Penalty charge for illegal consumption/connection in addition to the cost the removal of all the materials use in the illegal connection shall be as follows:
 - R6 384.79 for residential consumer
 - R30 245.20 for business and agriculture
- Arrangement acceptable to the municipality

9.10 Notwithstanding any provision of this policy, the municipality may avail itself to other legal remedies at law including remedies in terms of sections 57 and 58 of the Magistrate Act as amended, 1944.

9.11 Debt prescription: the prescription period a consumer debt is three (3) years for all municipal services except a debt in respect of property rates, which is thirty (30) years. In the circumstances, it makes business sense to subject the debt book to an “age-analysis review” every biannually to pick up and prioritise debt collection action and legal process, on all the “recoverable debts” which are nearing prescription cut-off period.

10 Applications for Municipal Services

10.1 Natural Person: A registered owner of the property who requires the provision of municipal services on his/her premises shall fill out and sign an application form, for the purpose, of the municipality and submit the said application form together with the requisite documents; such as, ID of SA, valid passport (foreigner), resident permit, proof of income (payslip or bank statements of 3 months), etc. In instances of the property being on lease arrangement with tenants, the municipal services to the property shall be in the name of the owner of the property. Social Housing Tenants shall qualify as property owners for the purpose of application for provision of municipal services to their social housing scheme property.

10.2 Tenants’ registration currently in place shall continue until either the termination of the current lease or the service contract between the tenant and municipality is terminated by the tenant’s default on payment for services. ***In the case of Indigent tenant, refer to the Indigent Policy for the applicable exemptions.***

10.3 Business Entity: The provision of 10.1 shall apply *mutatis mutandis*, except in the following cases:

- I. The property of the lease between the landlord and tenant is a business property, trading as property/building for lease on the GV of the municipality; and the landlord signs a consent letter authoring municipality to register provision of municipal services to the property in the name of the tenant. The said consent letter/form

shall operate as suretyship for the debt of the tenant to municipality in the unforeseen circumstances of default by the tenant.

- II. The landlord submit proof that he/she owns no less than ten (5) properties in the area of jurisdiction of the municipality and the landlord sign a consent letter/form for the registration of the provision of municipal services to property in the name of the tenant. The consent letter/form shall operate as suretyship for the debt of the tenant to municipality in the unforeseen circumstances of default by the tenant.

10.4 Government departments/entities, as tenants, shall be allowed to apply and register for provision of municipal service in their respective names and title; and not in the name of the landlord.

10.5 Consolidation of accounts: The municipality shall have the liberty to consolidate different accounts for different services for the same consumer into a single consolidated account for the consumer; reflecting all services and the consumption and cost of each of them

10.6 The signed application form for municipal services and the acceptance and registration of the consumer shall be constitute a valid contract for municipal services between the municipality and the consumer of whatever description of type.

10.7 Application of Consumer's payment to the municipality: All payments by the Consumer to the municipality in respect of a municipal account shall apply towards defraying the oldest amount of the debtor total balance owing to municipality unless there is agreement between the debtor and the municipality indicating otherwise in terms of an arrangement for the payment of arrears.

Consumers for residential areas may enter into an arrangement of up to 72 months for the payment of arrears. Indigent consumers may enter into an arrangement of up to 120 months for the payment of arrears.

11 Deposits

11.1 All registration for provision of municipal services to the property shall attract an appropriate deposit. Ideally the size of the deposit should be determined by one's consumption and payment pattern. In the absence of these two elements, the amount of the deposit shall be based on the criteria by the CFO or an official with appropriate delegations for the purpose.

11.2 The CFO may exempt a category of owners of property or consumer of services from payment of deposits. The beneficiaries of the exemption must be reported to the Council for noting and monitoring.

11.3 If the consumer account is in arrears, the amount of the deposit may, on due notice to the consumer, be increased to an amount to be determined by the CFO

11.4 No deposit shall be raised on the property where there is no registered consumption. Notwithstanding no consumption, the availability tariff shall be applicable to the property and the owner shall be liable for the said tariff in the same way the owner is responsible and liable for the rate on the property.

11.5 Any unclaimed deposits, unidentified deposits and credit balances older than 2 years, will be advertised for 30 days in the media to be claimed by the rightful owners, failing which will be forfeited by the municipality.

12 Indigent Support Policy

The Council has approved a policy on the indigent support programme to provide FBS to the deserving poor households in the area of jurisdiction of the municipality. The policy provides for the following thresholds of FBS:

- Electricity: 50kWh per month

- Water:6KL per month
- Refuse Collection: one single load per week

The following conditions as demand management are applicable to the beneficiary of indigent support policy.

- Electricity prepaid meter (basic or smart prepaid meter)
- Water demand management system device installation in the water connection to the premises
- The consumer/debtor shall attend a 5 minutes training session organised by the municipality on how to manage ones FBS for water and electricity.

13 Institutional Performance

13.1 The Council shall adopt from time-to-time a Customer Care Charter, setting out concisely the rights and duties of a consumer/debtor on one hand; and the manner in which municipal officials should treat the consumer/debtor in the former's interaction with the latter regarding request for information and/or any query whatsoever. Municipal officials dealing with a consumer/debtor on the payment of a municipal account, must inform the consumer/debtor of the available options in respect of the consumer/debtor's query or problem.

13.2 The Council may set annual targets for the following:

- Revenue Collection as a percentage of the monthly and annually billing
- Reduction or containment of the principal amount of the debt book, excluding interest chargeable on the principal debt
- Reduction in the principal debt growth excluding interest portion of the debt book
- Cost efficiency of debt collection

13.3 the Council shall set the following Customer Care targets:

- Response time to a Customer Query in terms of paragraph 8.3 hereof
- Dispute resolution in terms of paragraph 8.6 hereof
- Appeal resolution in terms of paragraph 8.8 hereof

- Meter reading cycle (see paragraph 7.5 above on consumption estimation)

14. Short Title

This Draft Policy is for Customer Care, Credit Control and Debt Collection Policy 2025/26