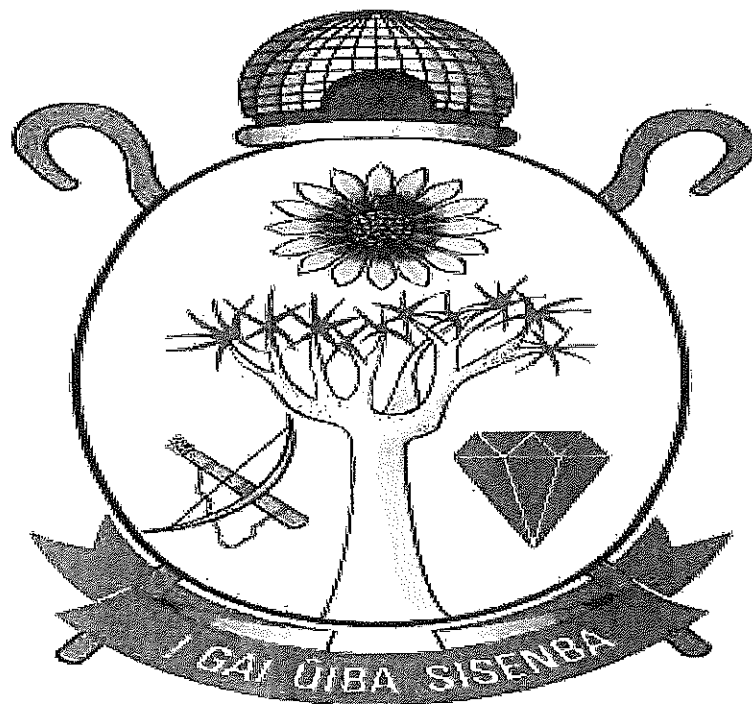


# NAMA KHOI MUNICIPALITY



## CREDIT CONTROL AND DEBT COLLECTION POLICY

2022/2023

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## DOCUMENT AND VERSION CONTROL

Version:

Date:

Summary:

This document describes the Principles and Policy on Credit Control and Debt Collection that will be applicable to the Nama Khoi Municipality, with effect from 01 July 2022.

**SPEAKER:**

**IMPLEMENTATION**

**Date:**

**Date:01 JULY 2022**

### Objective of The Policy

The objective of this policy is to: -

- (a) Focus on all outstanding debt as raised on the customer's account.
- (b) Provide for a uniform credit control, debt collection and indigent Policy throughout the Nama Khoi Municipality.
- (c) Facilitate implementation of this Policy throughout the Nama Khoi Municipality.
- (d) Promote a culture of good payment habits amongst Nama Khoi Municipality customers and instil a sense of responsibility towards the payment of municipal accounts and reduction of municipal debt.
- (e) To ensure that the Council of Nama Khoi 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.
- (f) To ensure that Nama Khoi Municipality effectively and efficiently deal with defaulters in accordance with the terms and conditions of this Policy.

## 2. DEFINITIONS

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-

**“Accommodation”** means accommodation in an accommodation establishment, a room, dwelling- house or second dwelling unit, self-catering room, self-catering apartment or free-standing building let to transient guests.

**“Accommodation Establishments”** – consists of one or more of the following lettable types of accommodation –

- a) **“Camping”** (informal temporary accommodation in a unique environment) is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday-makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping , for use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title share blocks or individual subdivision; and excludes resort accommodation or mobile homes;
- b) **“Bed and Breakfast”** (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere; provided that the primary use of the dwelling-house concerned shall remain for the living accommodation of a single family;
- c) **“Guest House”** (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling which is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings or training sessions for resident guests;
- d) **“Self-catering Accommodation”** (accommodation for non-permanent residents and transient guests) is defined by a house, cottage, chalet, bungalow, flat, studio, apartment, villa, or similar accommodation where facilities and equipment are provided for guests to cater for themselves. The facilities should be adequate to cater for the maximum advertised number of residents the facility can accommodate;
- e) **“Self-catering Apartments”** (accommodation for non-permanent residents and transient guests) is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen / -Ette facility, and which may include other communal facilities for the use of transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house;
- f) **“Backpackers Accommodation”** (accommodation and communal facilities in a building or free standing buildings for transient guests) is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such outbuildings as are normally used therewith and includes a building in which dormitories/rooms/beds are rented for residential purposes, youth hostel, and backpackers” lodge; but does not include a hotel, dwelling house, second dwelling or group house;
- g) **“Boarding House”** a dwelling–house or second dwelling which is used for the purpose of supplying lodging with or without meals or self-catering to non-permanent/permanent residents for

compensation; provided that the primary use of the dwelling-house shall remain for the living accommodation of a single family;

**"Account"** means an account rendered specifying charges for municipal services provided by the Municipality, or any authorised and contracted service provider, and which account may include assessment rates levies.

**"Accounting Officer"** means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act.

**"Annual Budget"** shall mean the budget approved by the municipal council for any particular financial year, and shall include any adjustments to such budget.

**"Annually"** – means once every financial year. Applications must be submitted before 31 May of the relevant financial year to pay tax annually before or on the 30<sup>th</sup> of September, thereafter interest will be charged.

**"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 rates and 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 municipal services"** shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

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

**"Business and Commercial Property"** means -

- a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
- b) property on which the administration of the business of private or public entities take place.

**"By-law"** shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies.

**"Calendar year"** shall mean 12 consecutive months of a financial year(s).

**"Category"** –

- a) in relation to a property, means a category of properties determined in terms of section 8(2) of the Municipal Property Rates Act;
- b) in relation to the owners of property, means a category of owners determined in terms of section 15(2) of the Municipal Property Rates Act.

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

**"Consumer Price Index"** shall mean the CPIX as determined and gazetted from time to time by the South African Bureau of Statistics.

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

"**Council**" means the Council of the Nama Khoi Municipality.

"**Councillor**" shall mean a member of the Council of the Municipality.

"**Credit Control**" means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services.

"**Customer**" means the occupier of any premises to which the Municipality has agreed to supply or is actually supplying municipal services, or if no occupier can be identified or located, then the owner of the premises and includes any customer of the Municipality.

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

"**Debt Collectors**" means an external person or entity appointed by the Municipality to collect monies due and payable to the Municipality, subject to the conditions contained herein.

"**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 customer or 3 days after the date the account was posted, whichever is the first.

"**Domestic Customer or User**" of municipal services shall mean the person or household which municipal services are rendered in respect of "residential property" as defined below.

"**Due Date**" in relation to -

- a) rates due in respect of any immovable property, means:-
  - (i) the thirty (30<sup>th</sup>) day of September of the financial year for which such rate is made, in the case where rates are levied on an annual basis;
  - (ii) the date for payment indicated on the account, in the case where rates are levied on a monthly basis;  
or
  - (iii) any other date determined by Council in terms of a public notice in the Provincial Gazette, and
- b) service charges due in respect of any immovable property, means the date for payment indicated on the account, provided that the due date for any service charges means the twenty five (25<sup>th</sup>) day of each month, September in the case where service charges are levied annually; and
- c) should such day fall on a Saturday, Sunday or public holiday the due date shall be the next working day.

"**Dwelling**" means a building, structure or place of shelter to live in.

"**Electricity Charges**" means service charges in respect of the provision of electricity.

"**Farm Property or Small Holding used for agricultural purpose**" – means property that is used for the cultivation of soils for purposes of planting and gathering in of crops; forestry in the context of the planting or growing of trees in a managed and structured fashion; the rearing of livestock and game or the propagation and harvesting

of fish, but excludes the use of a property for the purpose of eco-tourism; and in the respect of property on which game is reared, trade or hunted, it excludes any portion that is used for commercial or business purposes.

**"Farm Property or Small Holding not used for any purpose"** – means agricultural property or an agricultural zoned land unit situated outside an urban region which is not used for farming purposes, regardless of whether such portion of such property has a dwelling on it which is used as a dwelling and must be regarded as residential property.

**"Financial Year"** shall mean the period starting from 1 July in any year and ending on 30 June of the following year.

**"Immovable Property"** also 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.

**"Indigent Customer"** means 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;

**"Indigent Support Policy"** means the Indigent Support Policy adopted by the Council of the Municipality.

**"Indigent Support Programme"** means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Support Policy.

**"Integrated Development Plan"** shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000, as amended.

**"Industrial Property"** – means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

**"Interest"** means the charge levied on arrears, calculated as 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. (See clause 18).

**"Local Community"** – in relation to the Municipality –

(a) means that body of persons comprising –

- i. the residents of the Municipality;
- ii. the rate payers of the Municipality;
- iii. any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality; and



iv. visitors and other people residing outside the Municipality, who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality; and

(b) includes, more specifically, the poor and other deprived sections of such body of persons;

**"Manager Income"** Means the Senior Official in a division of the Municipality's Finance Department, overall 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.

**"Market Value"** – in relation to a property, means the value of the property determined in accordance with section 46 of the Municipal Property Rates Act;

**"Month"** means one of twelve months of a calendar year.

**"Monthly Average Consumption"** means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding or succeeding twelve months.

**"Multiple purposes"** – in relation to a property, means the use of a property for more than one purpose as intended in section 9 of the Municipal Property Rates Act.

**"Municipality"** or **"Municipal Area"** shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act No. 27 of 1998 as the municipal area pertaining to the Municipality.

**"the Municipality"** means Nama Khoi Municipality.

**"Municipal Council"** or **"Council"** shall mean the municipal council of Nama Khoi Municipality as referred to in Section 157(1) of the Constitution.

**"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 Nama Khoi 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.

**"Municipal Tariff"** shall mean a tariff for services which the Municipality may set for the provision of a service to the local community, and may include a surcharge on such service. Tariffs for major services shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean all other tariffs, charges, fees, rentals or fines levied or imposed by the Municipality in respect of other services supplied including services incidental to the provision of the major services.

**"Occupier"** means any person who occupies controls or resides on any premises, or any part of any premises without regard to the title under which he or she so occupies it.

**"Open Space"** - means land that is used as a park, garden, for passive leisure or maintained in its natural state.

**"Owner"** in relation to immovable property means -

- a. the person in whom is vested the legal title thereto provided that:-
  - i. 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;
  - ii. the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;
- a. 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;
- b. 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 if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property.

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

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

- a. A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or
- b. 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.

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

**"Prescribed debt"** means debt that becomes extinguished by prescription in terms of the Prescription Act 68 of 1969.

**"Private Open Space"** means land that is privately owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, cemetery or nature area.

**"Privately Owned Townships Serviced by the Owner"** – means single properties, situated in an area not ordinarily being serviced by the Municipality, divided through subdivision or township establishment in (ten or more) full-title stands and/or sectional units and where all rates-related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreation facilities, are installed at the full cost of the developer and are rendered and maintained by the residents, Home owners association or management companies/ bodies of such estate.

**"Property"** – means immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;

**"Rateable Property"** shall mean property on which the Municipality may in terms of Section 2 of the Municipal Property Rates Act 2004 levy a rate, but excluding property fully excluded from the levying of rates in terms of Section 17 of that Act.



**"Ratepayer"** shall mean a person who is liable to the Municipality for the payment of (a) rates on property in the Municipality; (b) any other tax, duty or levy imposed by the Municipality; and/or (c) fees for services provided either by the Municipality or in terms of a service delivery agreement.

**"Rates"** means a municipal rate on property envisaged in section 229 (1) of the Constitution read with the Local Government: Municipal Property Rates Act 6 of 2004 and the Local Government: Municipal Finance Act 56 of 2003.

**"Rebate"** in relation to a rate payable on a property, shall mean a discount granted in terms of Section 15 of the Municipal Property Rates Act, 2004 on the amount of the rate payable on the property.

**"Reduction"** - in respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount.

**"Refuse Charges"** means service charges in respect of the collection and disposal of refuse.

**"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 Property"** shall mean a property included in the valuation roll in terms of Section 48(2)(b) of the Municipal Property Rates Act, 2004 as residential.

**"Residential Property"** furthermore means improved property that: -

- a. is used predominantly (60% or more) for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property.
- b. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes, if still used dominantly for residential purposes;
- c. is a unit registered in terms of the Sectional Title Act and is used predominantly for residential purposes;
- d. is owned by a share-block company and is used predominantly for residential purposes;
- e. is a residence used for residential purposes situated on a property used for educational purposes;
- f. is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Act;
- g. are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;
- h. vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, have been specifically excluded from this property category.

**"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.

**"Sewerage Charges"** means service charges in respect of the provision of sewerage collection and treatment of infrastructure.

#### 4. SUPERVISORY AUTHORITY

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

#### 5. IMPLEMENTING AUTHORITY

- (1) The Municipal Manager:-
  - a. Implements and enforces the credit control and debt collection policy.
  - b. Is accountable to the Executive Committee for the enforcement of the policy and shall submit a report to the Executive Committee regarding the implementation and enforcement of the credit control and debt collection policy at such intervals as may be determined by Council.
  - c. Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the Municipality.
  - d. Where necessary make recommendations to the Executive Committee with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures.
  - e. Establish effective communication between the Municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that may affect account holders.
  - f. Establish customer service centres, located in such communities as determined by the Municipal Manager.
  - g. 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): -
  - a. Is subject to any limitations or conditions that the Municipal Manager may impose;
  - b. May authorise the Chief Financial Officer in writing, to sub-delegate duties and responsibilities to the Manager Income.
  - c. The delegation does not divest the Municipal Manager of the responsibility concerning the exercise of the delegated power.
- (4) 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.

- (5) The Manager Income shall be accountable to the Chief Financial Officer for the sections of this policy delegated to the Manager Income in terms of the MFMA section 82.

**6. 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 Committee) 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. APPLICATION FOR THE PROVISION OF MUNICIPAL SERVICES**

- (1) A customer who requires the provision of municipal services must apply for the service from the Municipality. The application must be made on the prescribed form.
- (2) The application for the provision of municipal services must be made by the registered owner of an immovable property only.
- (3) The Municipality will not entertain an application for the provision of municipal services by a tenant of a property or any other person who is not the owner of the property.
- (4) In case of existing arrangements where tenants have existing accounts, written permission of the owner may be requested from the owner by the Municipality. If the tenant is guilty of non-payment the owner, where permission has been granted, as a last resort is liable for the outstanding debt, except where the property concerned is owned by the Municipality.  

In terms of section 102(3) of the Municipal Systems Act the Municipality must provide an owner of a property in its jurisdiction with copies of accounts sent to the occupier of the property for municipal services supplied to such a property if the owner requests such accounts in writing from the Municipality.
- (5) An agent may with a proxy open an account in the name of the owner.
- (6) The application for the provision of municipal services must be made in writing on the prescribed application form that is provided by the Municipality.
- (7) By completing the prescribed application form for the provision of municipal services the consumer of services enters into an agreement with the Municipality. Such agreement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act (NCA) but shall be incidental credit as envisaged in terms of section 4(6)(b) of the NCA, to which the NCA will only apply to the extent as stipulated in section 5 of the NCA.
- (8) The agreement with the Municipality makes provision for the following:-
  - a. An undertaking by the occupier 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;

- b. An acknowledgement by the occupier that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account;
  - c. That the onus will be on the occupier to ensure that he or she is in possession of an account before the due date; and
  - d. An undertaking by the Municipality that it shall do everything in its power to deliver accounts timeously.
- (9) The application for the provision of municipal services shall be made at least fourteen (14) days prior to the date on which the services are required to be connected.
- (10) 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.
- (11) 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.
- (12) In case of new buildings being erected and a connection is made for the first time to the main service lines the metering and levying of services actually consumed or received will take place as follow: -
- a. Basic electricity (in the case of builders" connections) and sewer charges are levied with effect from the date when the connection is made to the main service line.
  - b. Basic electricity (if no builders" connection) and refuse removal charges are levied with effect from the date of the Occupancy Certificate issued by the Building Control Section.
  - c. Any connection date between the 1<sup>st</sup> and 25<sup>th</sup> of the month will be levied for a full month whilst any connection date after the 25<sup>th</sup> of the month will only be levied from the 1<sup>st</sup> of the following month.

(13) Termination of services:

1. It is the responsibility of the consumer to notify the municipality when municipal services are no longer required due to the sale of property or where such property had been destroyed in a fire.
2. Failure to comply with the provision in of paragraph 0.00 above renders the consumer liable for all service charges and interest thereon accumulated from the date when the premises are vacated to the date the Municipality becomes aware of such vacation.
3. A customer may terminate an agreement for the supply of services by giving at least 21 days written notice to the municipality of such termination.

4.The Municipality may terminate an agreement for the supply of municipal services by giving at least 21 days written notice to a customer where:

a) municipal services were not utilised by such customer for a consecutive period of 6(six) months and without an arrangement, to the satisfaction of the municipality.

b) premises have been vacated by the customer concerned and no arrangement for the continuation of the agreement has been made with the municipality.

c)A customer shall remain liable for all arrears and applicable charges that are payable for municipal services rendered prior to the termination of an agreement.

5.Upon termination of service agreement the supply will be disconnected and removed from the premises and the consumer shall re-apply for these services.

6.All costs in terms of councils approved tariff policy and tariff list of the applicable financial year shall apply and must be paid before a re-connection shall be done.

7.In the event where a service agreement had been terminated and the connections had been removed, the basic charge in terms of the tariff policy and tariff list shall apply within the applicable financial year



**8. DEPOSITS AND GUARANTEES**

- (1) On application for the provision of municipal services the customer deposit prescribed by Council shall be paid. (2) No interest will be paid on any deposit held by Council.
- (4) The Chief Financial Officer may, in respect of business premises, accept an irrevocable bank guarantee in lieu of a deposit on application for the provision of municipal services by a business.
- (5) Existing customers moving to a new address are required to pay the prescribed customer deposit on application for the provision of municipal services at the new address.
- (6) The minimum deposit payable is determined annually by Council and is contained in the tariff book produced annually.
- (7) An aggrieved owner may, within a period of twenty one (21) 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.
- (8) 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.

**9. 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) The monthly consolidated account can include property rates charges, in which case they shall comply with section 27 of the Municipal Property Rates Act No. 6 of 2004.
- (3) All accounts rendered by the Municipality shall be payable on the due date.
- (4) Account balances which remain unpaid after 30 days from the delivery date of the account shall attract interest on arrears, irrespective of the reasons for non-payment. Interest will be charged from the first working day of the month following the month in which the account becomes payable.
- (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.
- (6) Accounts will be rendered using conventional postal services, hand delivery at the premises or by means of an email if so requested by the customer.

**10. RATES**

- (1) Rates shall be billed annually and maybe recovered annually or monthly, as determined by the Municipality.
- (2) Property rates which are billed and recovered annually shall be billed in terms of the July account of each year.
- (3) Property rates may also be billed annually for a specific financial year but recovered in monthly instalments to assist its customers. In the case of the consolidated account of a customer being in arrear during a specific financial year the full amount becomes due and payable with immediate effect.

- (4) The tariffs to calculate property rates are determined annually, approved by Council and contained in the tariff book produced by the Municipality.

#### 11. ELECTRICITY CHARGES

- (1) The provisions of this policy, in respect of the supply of electricity to a customer, shall constitute the payment conditions of the Municipality as licensee, contemplated in section 21(5) of the Electricity Regulation Act No. 4 of 2006.
- (2) Service charges in respect of electricity shall be determined in accordance with metered consumption.
- (3) Monthly accounts shall be rendered for electricity consumption and the customer shall effect payment thereof by the due date.
- (4) Availability charges for electricity, where applicable, are levied monthly for a specific financial year.
- (5) The tariffs to calculate the electricity charges are determined annually, approved by Council and contained in the tariff book produced by the Municipality.

#### 12. 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) Availability charges for water, where applicable, are levied monthly for a specific financial year.
- (5) The tariffs to calculate the water charges are determined annually, approved by Council and contained in the tariff book produced by the Municipality.

#### 13. REFUSE AND SEWER CHARGES

- (1) Refuse and Sewer charges are billed monthly.
- (2) Refuse and 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.
- (3) Availability charges for sewer / refuse, where applicable, are levied monthly for a specific financial year.
- (4) The tariffs to calculate the refuse and sewer charges are determined annually, approved by Council and contained in the tariff book produced by the Municipality.
- (5) If a consumer's premises burns down, the refuse and sewerage will not be charged on the bill until a new structure has been built.
- (6) Where there is an alternative structure on the Erf and is utilized and or a new structure is erected the refuse and sewerage charge will remain and paragraph 5 of this section will not apply.

14. **SUNDRY CUSTOMER ACCOUNTS**

- (1) Sundry customer accounts may be rendered by the Municipality from time to time.
- (2) Any sundry customer account shall be included in the monthly consolidated account produced by the Municipality.

15. **FINAL ACCOUNTS**

- (1) Upon receipt of a customer's application for the termination of municipal services, the Municipality shall: -
  - (a) take final readings in respect of metered municipal service
  - (b) prepare and render a final account;
  - (c) appropriate the customer deposit for the reduction or settlement of any outstanding amount owed by the customer; and
  - (d) return the customer deposit to the customer in the event that no amount is owed to the Municipality.
  - (e) No interest will be charged on final accounts.

16. **METERING OF MUNICIPAL SERVICES**

- (1) The Municipality may introduce various metering equipment and may encourage customers to convert to a system which is preferred by the Council when Council considers this to be beneficial to its functioning and operations.
- (2) Electricity and water consumption are measured with conventional and prepayment electricity and water meters.
- (3) Customers may apply to Council for the installation of a prepayment electricity meter in place of a credit meter at the cost of the customer.
- (4) Where a customer has successfully applied for indigent status the credit meter for electricity or water will be changed to a prepayment electricity or water meter at the cost of the Council.
- (5) The following applies to the reading of conventional meters:-
  - (a) Credit electricity and water meters are read at in cycles of approximately 30 days.
  - (b) If for any reason the conventional electricity and water meters cannot be read, the Municipality will render an account based on estimated consumption. The estimate will be based on the average of the previous 6 months consumption.
  - (c) The account based on estimated consumption will be adjusted in the subsequent account based on the actual consumption.
  - (d) The customer is responsible to ensure access to metering equipment for the purpose of obtaining meter readings for billing purposes.
  - (e) Customers can, for reasons of non-accessibility to their properties by meter readers, provide the Municipality with monthly meter readings for billing purposes, provided that an audit reading can be obtained by the Municipality once every six months and provided that a final reading can be obtained should the customer vacate the property.

- (f) If any calculation, reading or metering error is discovered in respect of any account rendered to a customer: -
- (i) the error shall be corrected in the subsequent account;
  - (ii) any such correction in favour of Council may apply in respect of an account from a date no more than three calendar years back from the date on which the error on the account was discovered;
  - (iii) any such correction in favour of the customer may apply in respect of an account from a date no more than three calendar years back from the date on which the error on the account was discovered; and
  - (iv) the correction shall be based on the tariffs applicable during the period.
- (g) When a consumer wants a special meter reading to be taken by the municipality, then such special meter reading will be taken by the municipality's meter readers at an amount payable as contained in the tariff list approved by Council.
- (h) When a consumer's water or electricity meter is installed and the information hasn't been communicated with the debtor's division and the consumer hasn't been billed because thereof; the consumer will then be billed at once. The consumption will be divided by six months and be billed at the approved tariff and the difference will be credited against the consumer's account.
- (i) When a consumer has been given an estimated reading for water and/or electricity for 6 months or more and the physical reading shows a huge consumption, that the consumption be calculated only against the first step tariff. and the difference be credited against the consumers account.
- (j) Any water leakage discovered on the side of the customer will be the responsibility of the customer.
- (k) Where a customer repaired such a water leakage the Municipality may consider a rebate on the water account of the customer. In this regard: -
- (i) the customer must apply in writing for such rebate.
  - (ii) a receipt as proof of repair must be submitted with the application.
  - (iii) the application must be submitted to the Chief Financial Officer for approval.
  - (iv) if approved, the applicable credit will be passed in the subsequent account;
- (l) When a customer vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made by the Municipality and the final account rendered accordingly.
- (6) The following applies to prepayment metering: -
- (a) Prepayment electricity and water is purchased at prepayment vending points for consumption after the date of purchase.
  - (b) Amounts tendered for the purchase of prepayment electricity and water will not be refunded after the prepayment meter voucher has been produced.

- (c) On request of the customer, copies of the previous prepayment meter vouchers will be produced.
- (d) Credits remaining in the prepayment meter will not be refunded when a premise is vacated by a customer or in case of purchasing against a wrong account.
- (e) The Municipality shall not be liable for the reinstatement of credit in a prepayment meter due to tampering with, or the incorrect use or abuse of prepayment meters.
- (f) The Municipality may appoint vendors for the sale of prepaid electricity and water but does not guarantee the continued operation of any vendor.
- (g) The Municipality may apply all the debt collection functions available on the prepayment system to collect all arrear debt on the account of the customer.

**17. 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, stop order, electronic payments or payments made through duly authorized agents must be received by the Municipality by the close of business on the due date.
- (3) Cheques will be accepted as payment for all municipal services. Where a cheque has been dishonoured the person issuing the cheque shall not be allowed to pay by cheque in future. All costs associated with a dishonoured cheque will be for the account of the customer.
- (4) Unless the customer has a municipal account to which a dishonoured cheque can be debited only cash (or credit- or debit cards where available) will be accepted as payment for prepaid electricity and water.
- (5) 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.
- (6) The payment methods and facilities supported by the Municipality can be used to make payments on accounts.
- (7) Payments received in respect of rates and service charges will be allocated by the municipality entirely within its discretion, on the account of the customer.
- (8) Part payment received on an account shall be allocated firstly to reduce any penalty charges that may have accrued on the account.
- (9) An official receipt issued by the municipality or its duly authorized agent will be the only proof of payments made.

**18. INTEREST ON ARREAR DEBT**

- (1) Account balances which remain unpaid 30 days after the delivery date of an account shall attract interest irrespective of the reason for non-payment.
- (2) Interest on arrear debt shall, subject to sub-clause (1) above, be calculated for each month, or part thereof, for which such payment remains unpaid.
- (3) Interest will be charged from the first working day of the month following the month in which the account becomes payable.
- (4) In case of outstanding debt owed by Residential Households, no further 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 instalments are paid in full by the due dates thereof.

- (5) Indigent households will be exempt from all interest charges on arrear balances.
- (6) No interest will be charged on final accounts as from 1 July 2022.
- (7) No interest will be charged on legal accounts.

**19. ENQUIRIES AND APPEALS**

- (1) Any aggrieved person may address a grievance or query regarding charges for municipal services to the Chief Financial Officer in writing or may visit any customer care office provided by the Municipality.
- (2) Every customer 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 customers in writing within 28 twenty-eight days from the lodging of the enquiry.
- (6) The Chief Financial Officer will keep custody of all enquiries and appeals through the Collaborator Programme and report monthly to Council on all enquiries and appeals yet to be resolved.

**(7) Disputes, queries and complaints**

In this section "Dispute" refers to when a consumer questions the correctness of any account rendered by the municipality to such consumer and the consumer lodges an appeal with the Council in accordance with this Section. A consumer may lodge a query or a complaint in respect of any amount that is due and payable by him/her before or on the due date for payment specified in the account concerned or as soon as reasonable possible thereafter.

**(a) Procedure to be followed:**

In order for a dispute to be registered with the municipality, the following procedures must be followed:

**(i) By the Consumer:**

- The consumer must submit the dispute in writing to the Municipal Manager of the municipality before or on the due date for payment specified in the account concerned or as soon reasonably possible thereafter.
- No dispute will be registered verbally whether in person or over the telephone
- The consumer must furnish his full personal particulars including the account number, direct contact telephone number, fax, email address and any other relevant information as may be required by the municipality
- The full nature of the dispute must be described in the correspondence referred to above .
- The onus will be on the consumer to ensure that he receives written acknowledgement of receipt of the dispute from the municipality.

**(ii) By the Council**

On receipt of the dispute, the following action are to be taken:

- An authorized official must register the query or complaint and provide the customer with a reference number. An authorized controlling official will keep custody of the register and conduct daily or weekly check or follow-up on all disputes as yet unresolved.
- The following information should be entered into the register o Consumer Account number

- ○ Consumer Name
  - Consumer Address
  - Full particulars of the dispute ○ Name of the official to whom dispute is given to investigate ○ Action that have been / were taken to resolve the dispute ○ Signature of the controlling official
- A written Acknowledgement of receipt of the dispute must be provided to consumer.
- The municipality should not institute enforcement proceedings against the consumer for an Account entry that is in dispute until it has been resolved.
- If an agreement is a credit agreement in terms of the National Credit Act, the municipality must deliver without charge and at the request of consumer the following.
  - The current balance of the account
  - The amount credited or debited during period specified in the request
  - Any amount currently overdue and when such amount became due ○ Any amount currently payable and the date when it became payable
- All investigations regarding disputed amounts must be concluded by Council Chief Financial Officer within 21 (twenty-one) days from receipt thereof.
- The Consumer Shall be advised in writing of the findings.

**(b) Appeal against findings**

- (i) A consumer may in writing, appeal against a finding of the municipality
- (ii) An appeal shall be in writing set out the reasons for the appeal and be lodged with the Municipal Manager within 21 (twenty one ) days from the date the consumer is advised of the finding of the investigation.
- (iii) An appeal must be decided by the council of the municipality at its first ordinary meeting held after the appeal was lodged
- (iv) The decision of the Council shall be final and the consumer must pay any amounts due and payable in terms of such decision within 14 days of him/her being advised of the council's decision
- (v) The Council may, in its sole discretion, condone the late lodging of an appeal or other procedural irregularity.
- (vi) If the consumer is not satisfied with the outcome of the appeal, he may, under protest, pay the amount in dispute and redress his action in a court of law.



20. LIMITATION, DISCONNECTION OR DISCONTINUATION OF SUPPLY

- (1) An account rendered to a customer by the Municipality in respect of rates or municipal services, including the collection and disposal of refuse, electricity, water and sewerage services shall be paid by the due date.
- (2) If the customer fails to pay any account on the date as indicated on monthly statement of every month then,
  - (a) without further notice, the Municipality may limit, disconnect or discontinue the supply of electricity or water to the immovable property in question.
  - (b) the Chief Financial Officer or any duly authorised person may instruct attorneys to recover the outstanding amounts owed.
  - (c) the customer's electricity supply can be disconnected on any additional property that the customer owns in the NC062 area.
- (3) The limitation, disconnection or discontinuation of the supply of electricity or water shall be affected in the manner that is customarily used or by taking such reasonable and lawful steps as may be necessary.
- (4) Any disbursements or charges incurred or raised in respect of the limitation, disconnection or discontinuation of the supply of electricity or water shall be paid by the customer.
- (5) Any customer with an arrears account in the Nama Khoi jurisdiction will be disconnected.
- (6) 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.
- (7) If a customer unlawfully reconnects or attempts to reconnect a supply of electricity or water that has been limited, disconnected or discontinued, then -
  - (a) the Municipality may disconnect or discontinue the supply entirely by removing the service connection from the premises; and
  - (b) any disbursements, penalties or reconnection charges, together with any outstanding amounts owed in respect of rates or municipal services, must be paid in full before a reconnection can be made.
- (8) 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 -
  - (a) payment may be made by way of instalments; and
  - (b) the normal supply of electricity and water to the premises shall be resumed.
- (9) 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 make more than 3 arrangements in a twelfth month period.
- (10) Any customer already handed over to a debt collector or attorney is not allowed to make any arrangement with the Municipality for the payment of such an account and must be referred to the relevant debt collector or attorney attending to the account handed over.

- (11) In the case of a customer where the supply of electricity or 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 customer deposit required from such customer.
- (12) All accounts shall be rendered to the owner as the Municipality holds the owner of a property liable for payment of the account. In the event where the owner is deceased and the transfer processes is not finalised the account will remain in the name of the owner until such transfer takes effect however in such an event the occupier will be held liable for the use of such services.
- (13) The Municipality must provide an owner of a property in its jurisdiction with copies of any agreement entered into with the occupier of the property for the payment of an outstanding account if the owner requests such agreement in writing from the Municipality.
- (14) No service will be reconnected after 16:00 except where the Municipality disconnected the service wrongly.
- (15) Only Indigents - Tamper fees (electricity) will be charged on the consumer's account. Once a consumer has paid 33.3% of the amount, a down payment arrangement can be made not exceeding 36 months and electricity will be reconnected.
- If a tampering took place in a previous financial year, the tariff of the relevant financial year will be applicable.
- (16) If a consumer's electricity is blocked and / or tampered and there is a death, the power will be opened / connected until the day after the funeral and then it will be blocked and / or disconnected again.
- (17) In the event where electricity was blocked and the consumer already entered into a bona fide agreement to pay off arrear debt, and where the current agreement is still active the consumer may be placed onto the electricity auxiliary system.
- (18) In the event where electricity has been limited, disconnected or discontinued, the municipality will reconnect supply within 48 hours where possible.

**(19) Services not reconnected or reinstated after four (4) weeks**

19.1) If services have been terminated or restricted in the case of a property in respect of which the account is in arrears, and the account holder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the municipality for the payment of the arrear account, including the interest raised on the account, within a period of 28 (twenty-eight) calendar days after date of termination or restriction of the service concerned, The Municipal Manager shall forthwith hand such account over for collections and such further action as deemed necessary to the municipality's attorneys or any other debt collecting agency appointed by the council.

19.2) Such further action shall include, if necessary, the sale in execution of such property to recover arrear property rates and service charges. All legal expenses incurred by the municipality shall be for the account of the defaulting account holder.

21. RECOVERY OF RATES FROM OWNERS, TENANTS, OCCUPIERS AND AGENTS

- (1) The Municipality may utilise the procedures prescribed in terms of section 20 of this policy to recover rates arrears from the owner of immovable property.
- (2) Any limitation, disconnection or discontinuation of the electricity or water supply, for the purposes of sub-section (1), shall be effected subject to the requirements contained in section 20 of this policy.
- (3) Alternatively, to sub-section (1), above, the Municipality may recover rates arrears in whole or in part from a tenant or occupier of the immovable property, despite any contractual obligation to the contrary on the tenant or occupier. The Municipality may recover an amount only after the Municipality has served a written notice on the tenant or occupier.'
- (4) The amount the Municipality may recover from the tenant or occupier of a property is limited to the amount of rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property.
- (5) Any amount the Municipality recovers from the tenant or occupier of the property must be set off by the tenant or occupier against any money owed by the tenant or occupier to the owner.
- (6) The tenant or occupier of a property must, on request by the Municipality, furnish the Municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by the Municipality.
- (7) The Municipality may, despite the Estate Agents Affairs Act 1976, recover the amount due for rates on a property in whole or in part from the agent of the owner, if this is more convenient for the Municipality.
- (8) The Municipality may recover the amount due for rates from the agent of the owner only after it has served a written notice on the agent.
- (9) The agent must, on request by the Municipality, furnish the Municipality with a written statement specifying all payments for rent on the property and any other money received by the agent on behalf of the owner during a period determined by the Municipality.
- (10) The amount the Municipality may recover from the agent is limited to the amount of any rent or other money received by the agent on behalf of the owner, less any commission due to the agent.

## 22. DEBT COLLECTION

### (1) Handover of debt to debt collectors

- (a) Debts which have been outstanding for more than 90 days from due date shall be handed over to debt collectors appointed by the Municipality for the purposes of collecting such debt.
- (b) The relevant debt collectors must ensure that the stipulations contained in the NCA with respect to incidental credit are duly complied with.
- (c) If the debt collectors are unsuccessful in collecting the debt within 90 days of same being handed over, the debt may be handed over to attorneys for legal action.
- (d) Only the Chief Financial Officer may hand over debts to attorneys for collection, and the Chief Financial Officer shall hand such debts over to attorneys for collection if they have not been collected by debt collectors within the aforementioned period of ninety (90) days, unless the Chief Financial Officer is of the opinion that it shall not be cost effective to do so.
- (e) If the Chief Financial Officer 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. (f) The following types of debt will not be handed over to debt collectors.
  - (i) Debts of indigent customers 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 customer.
  - (iv) Debt that has not been subject to internal credit control actions for at least two months.
- (g) The process of collecting debt by debt collectors includes: -
  - (i) The phoning of customers.
  - (ii) Sending a sms to customers.
  - (iii) Tracing of consumers
  - (iv) Sending of letters of demand
  - (v) Or anything they deem necessary to recover these monies

### (2) Handover of debt to Attorneys for legal collection

- (a) Debt that could not be collected by the debt collectors and debt that requires urgent legal attention will be handed over to attorneys for legal collection. (b) The following types of debt will not be handed over to attorneys: -
  - (i) Debt of approved indigent customers that has not yet been written off by the council.
  - (ii) Debt that is being paid off as per an arrangement with the customer.
  - (iii) Debt that has not been subject to internal credit control actions for at least two months.
- (c) The process of legal collection includes: -

- (i) Final demands for payment to customers.
  - (ii) Emolument attachment orders on customer's salaries.
  - (iii) Summons issued for debt to be paid.
  - (iv) Default judgment be obtained against the customer.
  - (v) The attachment of moveable properties and sale in execution of moveable property
  - (vi) The attachment of immoveable property and the sale of immoveable property.
  - (d) (i) Council may, when a debtor is in arrears, commence legal process against that debtor, which process involve final demand, summonses, court trials, judgements, garnishee orders and or sale in execution of property.
  - (ii) Council will exercise strict control over this process, to ensure accuracy and legality within it, and will require a regular report on progress from outside parties, be they attorneys or any other collection agents appointed by council.
  - (iii) Garnishee orders, in the case of employed debtors, are preferred to sales in execution, but both are part of Councils system of debt collection procedures.
  - (iv) All steps in the customers care and credit control procedures will be recorded for Councils records and for the information of the debtors.
  - (v) All recoverable costs of this process will be for the account of the debtor.
  - (vi) Individual debtor accounts are protected and are not subject of public information however council may release debtor information to credit bureaus. This release will be in writing or by electronic means.
  - (vii) Council may consider cost effectiveness of legal process, and will receive reports on relevant matters, including cost effectiveness
  - (viii) Council may consider the use of agents as service providers and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of agents and products will be part of the agreement Council might conclude with such agents or service providers; and will be closely monitored by Council.
  - (ix) Any agreement concluded with an agent, service provider or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute a breach of the contract.
- (3) Withholding or offsetting grants-in-aid.  
The Municipality provides annual grants-in-Aid to Institutions on application. If an institution is in arrear with its services account, then the Municipality will withhold the grant-in-aid or the grant-in-aid will be off set against the arrear debt with the Municipality.
- (4) Section 118 of the Local Government: Municipal Systems Act No 32 of 2000.
- (a) The Municipality will issue a certificate required for the transfer of immovable property in terms of Section 118 of the Systems Act, which is lodged with the Municipality in the prescribed manner.

- (b) This is subject to all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.
- (c) Debt older than two years on the property irrespective of whether the owner of the property accumulated the debt will also have to be paid by the owner before the transfer of the property can be affected.
- (d) If the owner refuses to pay the debt which is older than two years then the Municipality will apply to a competent Court for an order in the following terms: -
  - (i) In the case where there is already a judgment for the payment of the amount, an order that the judgment debt be paid out of the proceeds of the sale, before the mortgage debt is settled.
  - (ii) In the case where there is no judgment debt, for an order staying transfer of the property pending the finalisation of a civil action to be instituted against the person who is in law liable for the payment of the outstanding debt.
  - (iii) The above action must be taken before the property is transferred as the statutory lien created by Section 118(3) of the Act only endures until the property has been transferred and in terms of Section 118(5) of the Act the new owner of the property cannot be held liable for the debt that became due before a transfer of a residential property took place. (e) Rates Clearance Certificates: -
    - (i) will be valid for up to 60 days;
    - (ii) no extension on a certificate will be granted. If it expires a new application for clearance must be made;
    - (iii) if the valid period surpasses 30 June, the total annual debit for the following financial year will be payable;
    - (iv) will be issued when services are fully paid in advance for up to three months
    - (v) will be issued when an attorney has undertaken to pay all outstanding amounts with registration; and
    - (vi) will be issued in cases of estates where one spouse dies and the other spouse should get the property then the remaining spouse are exempted from paying the remainder of the property rates and three months' services in advance. Aforementioned is not applicable between late parents and children.
- (a) Where restriction of consumption applies to a particular service, applicants may not refuse to be restricted in terms of Council policy. Where restrictions are not possible the account holder will be responsible for the consumption in excess of the approved subsidy.

- (b) The writing off of any arrears is strictly subject to the provision that the property may not be sold within a period of three years from the date that the owner qualify as a registered indigent. In the case of the property being sold inside a period of three years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate is issued.

(5) Any sundry income:

- Application of building plans
- Application for rezoning and rezoning certificate
- Application for subdivision and consolidation
- Application for trade licenses
- Any applications for electricity Vendor
- Any new Water and Electricity connection
- Any Address Confirmation
- Any Property Confirmation
- Any Mobile
- Any Rentals
- Any Hiring of Halls

For the above except for the application of any new water and electricity connection, the consumer's Municipal account must be up to date if any documentation is required. The Municipal Manager may approve a request from the consumer to enter into an agreement with the Municipality to pay of the outstanding account in line with the agreement terms of this policy. The Municipal Manager may further approve the connection of water and electricity supply where the consumer have entered into a bona fide agreement with the Municipality.

(6) Other debt collection methods

- (a) The debt collection methods mentioned in the paragraphs above are not an exhaustive list of methods that can be applied to collect debts and any other methods that can be initiated will be implemented with the approval of Council.
- (b) Should arrangements not be made, or not be accepted or not be adhered to, services are discontinued or restricted, or prepaid services are restricted, provided that fair and equitable procedure, including reasonable notice of intention to discontinue or limit is followed. Where legislation does not allow for the complete termination of services, the Credit Control section will determine the appropriate minimum level of service provision where after, all amounts owing become due and must be paid in full before services restored to full capacity.
- (c) Should amounts owed not be settled by the final date, i. e after the date for payment set out in an over to the Municipality's Collection Attorneys for recovery and /or to consider further legal action.
- (d) The Municipality shall at its own discretion and without limiting the measures provided for in the Municipalities By Laws, be entitled to withhold or limit the supply of services until the total costs, penalties, other fees, tariffs and rates due and owing to the Municipality have been paid in full. This will include restriction of supply of water or electricity to a debtor who is found guilty by the Municipality or any Court of Law:

- (i) Of fraud or theft of water and electricity
  - (ii) Any other criminal activity relating to the supply or unauthorized consumption of water and electricity, or
  - (iii) If it is evident that fraud, theft or any other criminal activity has occurred relating to such supply or consumption.
- (e) Nama Khoi may consider blacklisting consumers in cases where the consumer was handed over to institute legal proceedings.

- (f) (i). The Owners/Debtors/Consumers attention is drawn to the note on municipal account, which states that the supply of services will be discontinued/restricted without further notice if the accounts are not discontinued / restricted upon defaulting on payments.

(ii). Notices, email, sms, whatsapp messages or any available informative action will however be issued to account holders as a first attempt (second notice) immediately after the due date as a means to recover debt and to remind consumers/debtors/owners of their obligation to pay their services.

(iii). The aim of such reminders is to get co-operation to settle accounts without the necessity to employ more drastic steps and or offer opportunity to make arrangements to pay such debt where the financial position of a consumer is such that relief is possible as per criteria in the Municipality's Rates or indigent Policies.

(iv). Failure to respond to the second notice as alluded above will result in the disconnection and or restriction of services and a final demand being issued where applicable.

(v). Failure to respond to a final demand and in the event of arrears not being settled within the period stipulated in the final demand, or an arrangement not being concluded, legal action may be instituted (with the Municipality's rights reserved, notwithstanding the fact that services were disconnected/restricted or not) to recover the full outstanding debt. In this regard the Municipality may consolidate any separate accounts of a debtor, credit a payment by a debtor against any account of that debtor and implement any of the measures provided for in this policy or the Credit Control and Debt Collections Bylaw in relation to any arrears of any of the accounts of such a debtor. In the case of rental contracts, the Municipality may consider procedures for eviction.

- (g) Municipal Basic Services:

In the event of an owner /debtor/consumer other than a registered Indigent regulated by Nama Khoi Municipality's indigent Policy, failing to pay for electrical, water or any other services as provided for by the municipality due and payable, and in the event of such consumer having been placed on the disconnection list three times in a twelve month period prior to such event, then Nama Khoi Municipality will have the right to install prepaid electricity meters in a bid to limit credit risk.

(7) Debt Collection Costs

- (a) Any costs, which include collection costs, charges, disbursements and legal costs relating to any of the debt collection methods applied to collect the debt will be debited to the account of the defaulting customer.



### 23. ARRANGEMENTS TO PAY AREAR DEBT

#### (1) Arrangements to Pay Outstanding and Due Amounts in Consecutive Instalments - Residential Households

- (a) One of the key objectives of debt collection is to encourage customers 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 customer accounts necessitate that innovative ideas be implemented to encourage customers to pay off their arrears. At the same time, it is also of utmost importance that regular payers not be discouraged through the implementation of any possible incentives.
- (b) 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
- (c) A customer 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 where applicable.
- (d) In order to determine monthly instalments a comprehensive statement of assets and liabilities of the customer must be compiled by a treasury official. To ensure the continuous payment of such arrangement the amount determined must be affordable to the customer, taking into account that payment of the monthly current account is a prerequisite for concluding an arrangement.
- (e) A customer who cannot pay their arrear debt may enter into an arrangement to pay the account over an extended period of time.
- (f) During the time of the debt collection process, but before the debt is handed over to the attorneys a customer may enter into an arrangement to pay off arrear debt which will be made an order of court by agreement in terms of the Rules of the Court.
- (g) No arrangements will be entertained by the Municipality on a debt that has been handed over for legal collection.
- (h) The Municipality will entertain only three arrangement within with a customer to pay off 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;
- (i) The customer by signing the arrangement agreement to pay off 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, electricity supply will be disconnected to the property of the customer or the customer will be blocked from the purchase of electricity or water on the prepayment system, and legal proceedings will be instituted to collect the debt.
- (iii) That the customer will be liable for all costs, which includes legal costs on an attorney client basis incurred to collect the debt.

(j) Only a owner with a positive proof of identity of owner or a person authorised in writing by that consumer, will be allowed to enter into an agreement for the payment of arrears in instalments.

(k) NONE WRITTEN AGREEMENTS

In the event where a consumer is not in a position to pay his/ her current account and resulted in the disconnection of power supply or block of prepaid electricity. The consumer will be afforded the opportunity to pay a minimum of 50% of the outstanding balance.

After payment of the required 50% the consumer will be reconnected and/or unblocked and may purchase electricity. The restriction will again be implemented after 7 days to ensure full payment of the account.

(l) ARRANGEMENT CRITERIA FOR RESIDENTIAL AND NON-RESIDENTIAL DEBTORS: WRITTEN AGREEMENTS.

- a) The maximum repayment period for indigent households will be 60 months.
- b) The maximum repayment period for non-indigent households will be 36 months.
- c) The maximum repayment period for small businesses will be 18 months.
- d) The maximum repayment period for large business will be 6 months.
- e) The maximum repayment term for government Departments will be 6 months.

(m) Minimum required payment ( Written agreements)

Account type	Required Deposito	Agreement period
Indigent households	10% subject to affordability	60 months
Non-indigent households	50%	36 months
Small Businesses	50 %	24 months
Large Businesses	50%	12 months
Government	50%	12 months

(n) DISCRETION NEGOTIATABLE AMOUNTS: AGREEMENTS

- I. Discretion in terms of Negotiable amounts as per this policy is delegated to the Chief Financial Officer with the right to sub-delegate.
- II. Officials with delegated powers may use discretion as a final tool by which decisions can be made in accordance with this policy.
- III. At all times, and at all levels, discretion will only be used so as to apply the principles embodied in this policy and to ensure that some form of payment acceptable to council is forthcoming from negotiating with the consumer.
- IV. Any request by a consumer for a special agreement must be in writing.

**24. INDIGENT CUSTOMERS**

- (1) An account holder (customer) must apply, in the prescribed manner, to be regarded as an indigent customer 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) Where applicable, indigent customers must have their credit electricity and water meters converted to prepayment electricity and water meters.
- (4) Indigent customers with credit electricity and 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, until the conversion to a prepaid meter has been made.
- (5) On approval of the applicant for the indigent scheme all debts prior to approval will be written of in terms of the approved write of policy.

**25. DEBT OF DECEASED OWNERS**

The occupant of the property must sign an agreement in which the occupant agrees to pay all property rates and service charges that are to be raised on the property of the deceased registered owner's property.

**26. STAFF AND COUNCILLORS - PAYMENT OF ARREARS**

- (1) All existing staff and Councillors who have not entered into an agreement to pay arrears must do so within thirty days of the approval of this policy by Council.
- (2) All staff joining the Municipality must within thirty days sign an agreement to pay arrears.
- (3) The Municipal Systems Act 32 of 2000 and Regulations, schedule 1, section 12(A), states that when elected or appointed, a Councillors may not be in arrears to the Municipality for rates and services charged for a period no longer than three months.
- (4) The repayment period for staff is not to exceed 3 months.

**27. ADMINISTRATION ORDERS - PAYMENT OF ARREARS**

- (1) On notification that an order for administration in terms of section 74 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.
- (2) The customer will be responsible for the payment of the current monthly account and if the customer defaults on the payment of the account, debt collection action will be implemented.

28. **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) For this purpose, Council should adopt and implement a write off policy to formalise the processes for writing off such debts.
- (3) **Irrecoverable Debt**

The Municipal Council may, on recommendation from the Municipal Manager, or any duly delegated official, write off any debt or portion thereof, provided that the Municipal Council is satisfied that the debt or portion thereof is irrecoverable or that it will be in the best interest of the municipality to accept part payment of the debt in full and final settlement.

The Mayor may recommend to the municipal council that any outstanding debt or portion thereof be written off, if in his opinion would be in the best interest of the municipality, and that the writing off of the debt will not be contrary to the provisions of the Local Government: Municipal Finance Management Act No 56 of 2003.

**Debt will be regarded as irrecoverable if:**

- (a) All reasonable notifications and cost-effective measures to recover a specific outstanding amount have been exhausted; or
- (b) If the amount to be recovered is too small to warrant further endeavours to collect; or
- (c) The cost to recover the debt does not warrant further action i.e. to summons in another country; or
- (d) The amount outstanding is the residue after payment of a dividend in the Rand from an insolvent estate; or
- (e) A deceased estate has no liquid assets to cover the outstanding amount; or
- (f) It has been proven that the debt has prescribed.
- (g) The consumer is untraceable or cannot be identified so to proceed with further action; or
- (h) It is impossible to prove the debt outstanding; or
- (i) The outstanding amount is due to an administrative error by council.

**Authorisation**

- (a) As rates are deemed to be recoverable in all instances, all requests to write off debt in respect of rates must be presented as individual items to the Chief Financial Officer.
- (b) In Respect of other debt, schedules indicated the consumer account number, the Consumers name, the physical address in respect of which the debt was raised, erf number, if applicable amount per account category as well as the steps taken to recover a debt and a reason to write off the amount, must be compiled and submitted to the council for consideration with a view to writing off such debt as irrecoverable.
- (c) Notwithstanding the above, Council or its authorized officials will be under no obligation to write off any particular debt and will always have the sole discretion to do so.
- (d) An accounting officer must ensure debt written off is done in accordance with a Write off policy determined by the accounting officer.

(4) ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE PRESENT POLICY

The Council shall separately consider arrears which arose prior to the adoption of the present policy, and, and shall advice the account holder of their respective obligations in regard to such arrears, to the period over which the default occurred, and to whether the account holder concerned has registered as an indigent in terms of the municipality's policy on indigent management.

The Council shall further consider incentive schemes which will appropriately encourage account holder to settle all or a stated percentage of these arrears in line with the provisions made in the irrecoverable debt and debt write off policy.

**29. 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 certificate, on the prescribed form, which states that regular payment of rates and services accounts are maintained and that the account is currently up to date.
- (2) A person who fails to provide such a certificate 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.

**30. PRIMA FACIE EVIDENCE**

A certificate endorsed by the municipal manager, reflecting the amount due and payable to the Municipality, shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness reflected therein.

**31. OFFENCES AND PENALTIES**

- (1) Any person who:-
  - (a) fails to give the access required by a duly authorised representative of the Municipality in terms of this policy;
  - (b) 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;
  - (c) unlawfully uses or interferes with municipal equipment or the consumption of services supplied to any customer;
  - (d) 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;
  - (e) 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 (f) contravenes, or fails to comply with, a provision of this policy, shall be guilty of an offence.
- g) Consumers who themselves guilty of an offence as contemplated in paragraph 31 (e) above may be charged for consumptions 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.
- (h) Any person (natural or juristic) found to be illegally connected or reconnected to municipal services tampering with meters, the reticulation network or any other supply equipment or committing any unauthorised act associated with supply of municipal services, as well as theft of and damage to council property, may be prosecuted and / or is liable for penalties determined by council from time to time.
- (i) Where prima facie evidence exists of a consumer and / or any person having contravened paragraph (h), the municipality shall have the right to disconnect the supply of electricity without

further notice the person shall be liable for all fees and charges levied by the municipality for such disconnection and subsequent connection.

(j) where it is established in terms that a meter may be faulty or tampered with and results that the meter record less than the true consumption, the municipality shall have the right to recover the cost of estimated consumption that was lost for three preceding years, based on the prevailing tariff in the year that the unauthorised consumption was identified.

(j) Any person who contravenes Section 31 clause 1 (a) and (b) above will be deemed to have contravened the provision of section 101 of the local government: Municipal Systems Act 2000 as amended, and will be charged with the commission of an offence which, if proven, may attract the penalties referred to Section 119 of the Act.

(k) Failure to comply with section 31 clause 1 (a) and (b) could result, inter alia, in any of the consumer's electricity being disconnected or terminated.



### **32. 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 Committee 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 including amongst others numbers of customers, enquiries, 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 revenue 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.

### **33. PROPERTY MANAGEMENT LEASES**

The procedure for the recovery of arrears on leases will be in accordance with the conditions contained in the relevant lease contract.

### **34. 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:-
  - (a) with regard to the reading, inspection installation or repair of any meter or service connection for reticulation; or
  - (b) 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 foretasted authorised representative to perform a function referred to in subsection (1) properly and effectively, then it may: -
  - (a) 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
  - (b) 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.

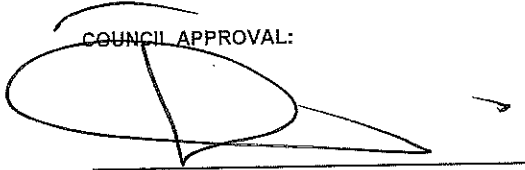
39. APPLICATION OF THE POLICY

The Council reserves the right to differentiate between different categories of customers, 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.

40. IMPLEMENTATION AND REVIEW OF THIS POLICY

- (1) This policy shall be implemented once approved by Council. All future credit control actions 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.

41. APPROVED AND IMPLEMENTATION OF POLICY

<p>COUNCIL APPROVAL:</p>  _____ R KRITZINGER SPEAKER	<p>IMPLEMENTATION DATE: 01 July 2022</p>
	<p>DATE: 30 June 2022</p>