

BLUE CRANE ROUTE MUNICIPALITY (EC102)



DRAFT CREDIT CONTROL AND DEBT COLLECTION (EX REVENUE BY- LAW) POLICY

Financial Year 2026/2027

No. 11

CONSIDERED BY COUNCIL 31 MARCH 2026


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MUNICIPAL MANAGER

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PREAMBLE

WHEREAS Section 96 of the Municipal Systems Act No. 32 of 2000 provides that a municipality must collect all money that is due and payable to it, subject to this Act and any other applicable legislation and, for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of this Act, the Council adopts the following policy:

1. Definitions

In this policy, any reference to the masculine gender include the feminine and any corporate entity, the singular includes the plural and vice versa and, unless the context otherwise indicates

"account holder" means any person who is due to receive a municipal account, and includes a user of pre-paid electricity or water;

"applicant" means a person who applies for the supply of municipal services;

"availability charge" means a fixed monthly or annual charge levied against the account holder and which is based on the cost for providing a municipal service to the premises of the account holder;

"billing" means invoicing on a municipal account to an account holder of an amount or amounts payable for rates, metered services, other municipal charges, levies, fees, fines, taxes, or any other amount or amounts payable arising from any other liability or obligation to the municipality;

"consumer" means the occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, then any person who has entered into a service agreement with the municipality for the supply of municipal services to such premises, or, if there be no such person, then the owner of the premises;

"domestic consumer" or "domestic user" of municipal services means the person or household to which municipal services are rendered in respect of residential property, but if the consumer lets out his premises/flats for an income it will be handled as a business;

"Council" means the Council of the Blue Crane Route Municipality (or any service provider to the municipality);

"credit control" means all the functions relating to the collection of revenue;

"due date" means the date specified as such on a municipal account for any charges payable and which is the last day allowed for the payment of such charges;

"interest" means an amount calculated at a rate determined by the municipality on a municipal account in arrears;

"month" means one of 12 months of a calendar year;

"municipal account" means an account rendered on which is billed an amount or amounts payable to the municipality for rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation;

"municipality" means the Municipality of Blue Crane Route, and includes the council, a committee, councillor, duly authorised agent thereof or any officer thereof acting in connection with this policy by virtue of a power vested in the municipality and delegated or sub-delegated to such committee, councillor, agent or officer;

"Municipal Manager" means the person appointed by the municipality in terms of Section 82 of the Municipal Structures Act, 1998 and includes any person:

- (a) acting in such position; and
- (b) to whom the Municipal Manager has delegated any power, function or responsibility in as far as it concerns the execution of those powers, functions or duties.

"municipal services" or **"services"** means services which the municipality either by itself or by a service provider provides for the benefit to the local community in terms of its functions and powers and which are necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger health or safety or the environment and regardless of whether or not fees, charges or tariffs are levied in respect thereof;

"occupier" means any person who occupies any premises or part thereof without regard to the title under which that person occupies, and includes -

- (a) any person in actual occupation of such premises;
- (b) any person legally entitled to occupy such premises;
- (c) in the case of such premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants whether for the person's own account or as agent for any person entitled thereto or interested therein;

(d) any person having the charge or management of such premises, and includes the agent of any such person when he is absent from the Republic or his whereabouts are unknown; and

(e) the owner of those premises;

"officer" means an employee of the municipality or any other person who is specifically authorised thereto by the municipality to perform any act, function or duty in terms of, or exercise any power under this policy;

"owner" means -

(a) a person in whom the legal title to a premises is vested;

(b) in a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;

(c) in the case where the municipality is unable to determine the identity of the person in whom the legal title is vested, the person who is entitled to the benefit of such premises or a building thereon;

(d) in the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof;

(e) in relation to -

(i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 95 of 1986), and without restricting the above, the developer or the body corporate in respect of the common property; or

(ii) a section as defined in such Act, the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;

(f) any legal person including, but not limited to -

(i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), Trust inter vivos, Trust mortis causa, a Closed Corporation registered in terms of the Closed Corporation's Act, 1984 (Act 69 of 1984), a voluntary association;

(ii) any Department of State;

(iii) any council or Board established in terms of any legislation applicable to the Republic of South Africa; and

- (iv) any Embassy or other foreign entity; and
- (g) a lessee of municipal property who is deemed to be the owner for the purposes of rendering a municipal account;
- (h) any owner as defined in the Local Government: Municipal Property Rates Act, 2004;

"person" includes a legal person and an organ of state;

"preferred customer" means a person who may be granted special concessions by the municipality;

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

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

- (b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 93 of 1986), which is situated within the area of jurisdiction of the municipality;

- (c) and includes any other land and any building or structure above or below the surface of any land;

"revenue" means all monies due to the municipality and to which the municipality has the right to exact and to enforce payment of, irrespective of the reason for or the origin of its factuality;

"tampering" means any unauthorized interference with the municipality's supply, seals and metering equipment and "tamper" has a corresponding meaning;

"unreliable customer" includes an account holder, who according to his payment record fails to settle his municipal account by the due date or who is in arrears with payments due to council or who tampers or interferes with metering equipment, seals or the supply of municipal services.

2. Municipal Manager responsible officer

The Municipal Manager -

- (a) is responsible, through the Mayor, for the implementation and enforcement of this policy;
- (b) must, for the purposes of paragraph (a) take the necessary steps to implement and enforce the provisions of this policy;

- (c) is accountable to the Mayor for the agreed revenue collection performance targets as approved by the municipality and the Mayor, and for this purpose must-
- (i) report to the Mayor on matters relating to this policy, including but not limited to -
 - (aa) the effectiveness of administrative mechanisms, resources processes and procedures to collect money that is due and payable to the municipality;
 - (bb) billing information, including the number of account holders, accruals, cash-flow, and customer management;
 - (cc) the satisfaction levels of account holders regarding services rendered; and
 - (dd) the effectiveness of the municipality's indigence relief measures; and
 - (ii) encourage and bear upon account holders, where needed, to settle outstanding accounts within the ambit of this policy; and
 - (iii) with the consent of an account holder, enter into an agreement with the account holder's employer to deduct from the salary or wages of the account holder -
 - (aa) any outstanding amounts as may be agreed; or
 - (bb) such regular monthly amounts as may be agreed, and may provide special incentives for employers to enter into such agreements, and employees to consent to such agreements.

3. Exemption of account holder

The municipality may, in writing exempt an account holder, category of account holders, or other persons from complying with a provision of this policy, subject to any conditions it may impose, if the application or operation of that provision would be unreasonable. The municipality or its authorized agent may, however, not grant exemption from any section of this policy that may result in -

- (a) the wastage or excessive consumption of water or electricity;
- (b) the evasion or avoidance of water or electricity restrictions;
- (c) significant negative effects on public health, safety or the environment;
- (d) the non-payment for services;
- (e) the installation of pipes and fittings which are not acceptable in terms of the municipality's prescribed standards; or

- (f) any Act, or any regulation made under it, not being complied with.

4. Application for supply of municipal services and service agreements

- (a) No services shall be supplied to a property unless and until application for such services has been made by the owner thereof; and-
 - (i) a services agreement in the format prescribed by the municipality has been entered into between such owner and the municipality;
 - (ii) a services deposit provided for in paragraph 5 has been paid by such owner.
 - (b) An application for the supply of services to any premises must be made at the municipal offices at least four working days (or such lesser period as may be accepted by the municipality) prior to the service being required;
 - (c) An application in terms of subparagraph (b) must comply with the conditions determined by the Municipal Manager;
-
- (d) After the commencement of this policy, only the owner of a property or his duly authorized agent acting on his behalf may apply for municipal services to be supplied to a property;
 - (e) An occupier may be permitted to make application for the supply of services to a leased property provided that, in such event, the application for services shall also be signed by the owner or his duly authorized agent;
 - (f) By signing the application aforesaid, such owner shall acknowledge that he will be bound by the provisions of this policy and be primarily liable for all amounts due and owing to the municipality in terms thereof.
 - (g) Municipal properties rented out to private people must have a signed lease agreement that is market related and services must be transferred to their names before move into the property. These leases will be levied on a money basis and will be part of the account.

5. Deposits

- (a) On approval of an application for services and before such services are made available to the property to which the application relates, the municipality may require the applicant -
 - (i) *to deposit with it a sum of money which appears in our tariff list shall serve as security for any amounts due and owing to the municipality in respect of such services; or*
 - (ii) in lieu of such deposit, to provide any other acceptable form of security; and

- (iii) to agree to any special conditions relating to the payment of the municipal account in respect of rates owing on the property and any other amounts due to the municipality in respect of services provided to such property and the utilization of monies deposited with the municipality as security for such amounts;
- (b) The Municipal Manager may review the sum of money deposited or the amount for which additional security is required;
- (c) The Municipal Manager may, from time to time, in respect of preferred customers, approve a relaxation of the conditions pertaining to deposits as set out in subparagraph (a);
- (d) On termination of the supply of services rendered to the property, the amount of such deposit, less any payments due to the municipality, will be deducted from the final account.

6. Billing and payment

- (a) The account holder must pay all amounts due to the municipality as reflected in the municipal account and the onus is on him to verify the accuracy of such account.
- (b) An account holder must pay for metered services, rates, other municipal charges, levies, fees, fines, interest, taxes or any other liability or obligation from the date of origin of such municipal charges until the written termination of such services.
- (c) An account holder -
 - (i) must, where possible, be rendered one account, on which the due date for settlement of the total amount owing is reflected, subject to the provisions of paragraph (12); and
 - (ii) must be billed monthly in cycles of approximately 30 days;
- (d) Payment of an account must be received by the municipality on or before the close of business on the due date for payment thereof.
- (e) Payment made via electronic media or from any service provider appointed by the municipality to receive payments on its behalf, should be made at least four working days before the due date reflected on an account to enable such payment to be processed and interest accrued on the amount due in the event of the municipality receiving payment after the due date. If an account holder pay money into our bank account without (reference) account number and we have to query it at the bank,

- (f) Where an account holder effects payment of an account via a service provider four working days or more before the due date for payment and such service provider fails to furnish the municipality with the relevant payment details, such service provider may be held liable for all charges incurred by the municipality in recovering an arrear amount erroneously reflected on the account of the account holder, as well as for interest charges raised on such arrear amount and the municipality shall be entitled to deduct any amounts owing to it by such a service provider from any commission due to him.

7. Estimation of metered services

The municipality may estimate the quantity of metered services supplied in respect of a period or periods within the interval between actual successive readings of meters which intervals may not exceed 4 months and may render an account to an account holder for the quantity of metered services so estimated. Any amount paid by an account holder as a result of an assessment in terms of this paragraph will be brought into account when the actual reading is undertaken and any amount overpaid by the account holder shall be deducted from the amount due by him as a result of a successive assessment.

8. Dispute as to accuracy of an account

- (a) If an account holder is dissatisfied with an account rendered for metered services supplied by the municipality, such account holder may, prior to the due date stipulated thereon, object to the account in writing on a form or email to be made available for this purpose. He shall fully state on such letter the reasons for his dissatisfaction with such account.
- (b) Should any dispute arise as to the amount owing by an account holder the account holder must, notwithstanding such dispute, by the due date proceed to make regular payments based on the calculation of the average municipal account for the preceding three months plus any interest accrued on the amount so calculated prior to the declaration of the dispute.
- (c) An error or omission in any account or the failure to render an account to an account holder does not relieve him of his obligation to pay all amounts due to the municipality by the due date.

9. Misuse of water or electricity

- (a) If an account holder used water or electricity for a use other than that for which it was supplied by the municipality and was, in consequence, not charged for water or electricity so used, or was charged for such water or electricity at a rate lower than that at which he should have been charged, he will be liable for the amount due to the municipality in accordance with the prescribed charge in respect of-
 - (i) the quantity of water or electricity which he used and for which he was not charged; or

- (ii) the difference between the cost of the water or electricity used by him at the rate at which at which he was charged and the cost of the water or electricity at the rate at which he should have been charged.
- (iii) *Underground water leaks must be treated as Follow:*
 1. *Must be fixed by the consumer and a letter must be issued by the person who fixed the leak then the Municipality will give a credit on the average of six months minus the leak kl and then divided by two. (50%)*
 2. *Toilet leaks will receive no credits.*

10. Account holder

An account holder is not entitled to a reduction of the amount payable for metered services which are lost due to a fault in the meter, until such time as the provisions of paragraph 23(c) have been complied with.

11. Accounts management

The municipality may, except in the case of a disputed amount due to it -

- (a) consolidate any separate accounts of an account holder liable for payment to the Municipality; and
- (b) credit any payment by an account holder against any debt of that account holder.

12. Annual payment of rates

The owner of property may enter into an agreement with the municipality in terms of which payment for rates is made annually, in which case, payment must be made on or before the date determined by the municipality.

13. Termination of services agreement

- (a) Termination of the service agreement must be in writing to the other party of the intention to do so.
- (b) Where a property is sold, the owner thereof may terminate a service agreement by giving the municipality not less than four working days' notice in writing.

- (c) The owner of a property giving notice to the municipality in terms of subparagraph (b) shall also, in the notice of termination, supply to the municipality the full names and contact details of the person to whom he has sold the property.
- (d) An owner who fails to comply with the provisions of subparagraphs (b) and (c) shall remain primarily liable for all charges raised in respect of the property until such time as he complies with these subparagraphs.
- (e) The municipality may, by notice in writing of not less than 14 working days, advise an account holder of the termination of the agreement for a supply of municipal services if-
 - (i) such account holder has committed a breach of this policy and the services agreement concluded by him with the municipality and has failed to rectify such breach after due notice to rectify; or
 - (ii) the municipality cannot continue to supply such account holder with municipal services, due to the fact that another municipality has assumed responsibility for the provision of such services either in terms of a contract entered into between the municipality and such other municipality or due to the operation of law.
 - (iii) ~~such~~ action is necessary due to unforeseen circumstances or ~~circumstances~~ lawfully requiring such action.
 - (iv) *Every month after Interest Runs, a Cutt-off list must be prepared and send to the Councilors before the disconnect process starts in the office on the 1st of each month.*
 - (v) *A list of all Indigent Customers that use more than 6kl of water must also sent to the Councilors before we block or cut-off services.*

14. Arrangements for payments

- (a) Should an account holder, before any of the steps have been taken in terms of paragraph 18 not be able to pay a municipal account in full, he may approach the municipality with the aim of making short-term arrangements to settle the account.
- (b) Should an account holder, after any of the steps have been taken in terms of paragraph 18 experience difficulty in paying a municipal account, he may approach the municipality with the aim of making arrangements to settle the account, and, in such event, the account holder must enter into a written agreement with the municipality wherein he undertakes to pay to the municipality the outstanding and due amount plus any interest accrued on such amount under the conditions and on a basis determined by the Municipal Manager.

- (c) The written agreement referred to in subparagraph (b) must be signed on behalf of the municipality by a duly authorised officer.
- (d) In the instance where arrangements for the payment of arrear amounts have been made by the account holder, the municipality must -
 - (i) review the deposit;
 - (ii) require an account holder to pay arrear and current amounts by means of a stop or debit order;
 - (iii) require of an account holder to convert to a pre-paid metering system; or
 - (iv) require any other form of security, including personal suretyship by the directors or members of a company, closed corporation, trust or body corporate
- (e) When an account holder defaults on an agreement the amount outstanding must be paid in full and no new agreement must be made. After Three months in arrears the agreement must be roll back and must be disconnect immediately.

(f) *Sport Clubs and Churches must be treated as follows:*

1. *The minimum down payment of 20% plus current*
2. *A maximum repayment period of 24 months with a minimum installment of R200.00*

(g) *Other customers can also made arrangements to pay their debt as follows: Payslips must be attached to the agreement.*

1. *According to Gross Income of the household a certain percentage for example:*
2. *0 - 1715 2.5% plus current – Minimum of R100.00*
3. *1716 – 3430 5% plus current*
4. *3431 – 6000 7.5% plus current*
5. *6001 and more 10% plus current*

(h) *Indigent Household that get 100% discount and use more than 6kl of water must also made arrangements when in arrears.*

(i) *When disconnected due to default a reconnection, disconnection fees must be paid according to the tariff list and the deposit must be updated as stated in the tariff list.*

15. Interest on overdue municipal accounts

- (a) The municipality may, charge and recover interest at a rate determined by it in respect of any arrear amounts due and payable to it by an account holder.
- (b) Irrespective of the reason for non-payment or where an arrangement has been made in terms of paragraphs 14(a) and (b) interest accrues on amounts stated in any unpaid account.
- (c) Interest is calculated monthly according to the interest rate approved by the municipality, and a portion of a month is regarded as a month.
- (d) Interest is payable if payment is not received at an office of the municipality or to the credit of the bank account of the municipality at the close of business on the due date.

16. Debt collection mechanisms

- (a) Where appropriate, the Municipality must, at all times, attempt to advise an account holder of an impending disconnection or restriction of the supply of services and the following procedures may be applied should an account holder fail to settle a municipal account by the due date:
 - (i) a final demand must be delivered or posted to the account holder on a quarterly basis and he must be informed of the status of the account and the consequences of him not paying or concluding an arrangement with the municipality with regard to the settlement of the arrear amount;
 - (ii) the account holder must be informed verbally, in writing, telephonically or by electronic means of the overdue amount and the impending disconnection or restriction of services provided to him;
 - (iii) the disconnection or restriction of the supply of municipal services to the premises after the serving of a disconnection or restriction notice on the account holder.
- (b) the account holder shall be responsible for the cost of all notices served upon him and his municipal account may be debited with such cost.

17. Tampering with a metered supply

- (a) In the event of an account holder not paying an account in respect of a metered service which has been disconnected or restricted, the premises must be visited at regular intervals to ensure that such metered supply remains disconnected or restricted, and if it

is found that the supply which had been disconnected or restricted previously has been restored -

- (i) the municipality has the right to take whatever action is required in terms of paragraph 31, and the account holder shall be responsible for the relevant fees or charges or damages caused;
 - (ii) the municipality may refuse to supply services for a period determined by it ; and
 - (iii) in the case of the use of a pre-paid meter, the municipality may cease further vending of pre-paid services.
- (b) Where a duly authorised officer has visited premises for the purpose of disconnecting or restricting a metered supply and was obstructed or prevented from effecting such disconnection or restriction, an amount equal to the prescribed fee for a reconnection is payable for each visit necessary for the purpose of effecting such disconnection or restriction provided that such disconnection or restriction shall only be attempted on two occasions.

18. Credit Control mechanisms

- (a) In order to secure full payment of any amounts owing to it by an account holder, the municipality may-
- (i) require such account holder to convert to another metering system;
 - (ii) allocate a portion of any pre-paid meter payment made by the account holder to other debts owned by such account holder to the municipality;
 - (iii) publish a list of account holders who remain in default;
 - (iv) withhold payment of a grant-in-aid to an account holder indebted to the municipality and, subject to the provisions of paragraph 34, exclude such account holder from the tender process;
 - (v) withhold payments due to an account holder in respect of contracts awarded to such account holder by the municipality until arrear amounts owed to the municipality have been paid;
 - (vi) review and alter the conditions of the service agreement entered into with an account holder;
 - (vii) institute legal proceedings against an account holder for the recovery of debt owed by him to the municipality;
 - (viii) classify an account holder as an unreliable customer;

- (xix) use the services of external debt collection specialists or agencies to recover debts owed to the municipality by account holders;
 - (xx) insist that an account holder owing debts to the municipality converts to a pre-paid meter at the cost of such account holder; or
 - (xi) employ any other method authorised by the municipality from time to time to recover arrear amounts owing to it by account holders.
- (b) The cost of collection of any outstanding debts, where applicable, is for the account holder's account.
 - (c) When the account holder applied for new connections: Water, sewerage and Electricity a quotation must be given by the certain department and must be paid in full so that a receipt can be issued and given to the specific department to complete the job. This is a cash transaction. All arrears must be paid in full.
-
- (c) The right to deny, restrict, disconnect or terminate services due to the non-payment for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable and arising from any other liability or obligation prevails notwithstanding the fact that -
 - (i) payment was intended for any specific service; or
 - (ii) the person who entered into a service agreement for the supply of services with the municipality and the owner are different entities or persons, as the case may be.

19. Recovery of arrear rates from tenants and occupiers

- (a) If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the due date, the municipality may, subject to subparagraphs (b) and (c) recover such arrear amount in whole or in part from a tenant or occupier thereof, despite any contractual obligation to the contrary on the tenant or occupier concerned.
- (b) The municipality may recover an amount only after the municipality has served a written notice of such recovery on the tenant or occupier concerned.
- (c) The amount a municipality may recover from the tenant or occupier of a property in terms of subparagraph (a) is limited to the amount of the rent or other money due and payable, but not yet paid, by the said tenant or occupier to the owner of such property.

- (d) Nothing in this policy shall prevent the tenant or occupier of the property concerned from setting off the amount paid by him in terms of this paragraph from the owner of the relevant property.
- (4) The tenant or occupier of a property must, on request, furnish the municipality with a written statement specifying all payments to be made by him to the owner of the property concerned in respect of rent or other money payable on such property during a period determined by the municipality.
- (5) RDP houses that is not transferred to the owner and is still in the Municipality's name and did not pay rent/lease agreement are responsible for the rates.

20. Recovery of arrear rates from agents

- (a) The municipality may, despite the Estate Agents Affairs Act, 1976 (Act No. 112 of 1976), recover the amount due for rates on a property in whole or in part from the agent of the owner, if this is more convenient for the municipality.
- (b) The municipality may recover the amount due for rates from the agent of the owner concerned only after it has served a written notice of its intention to do so on the relevant agent.
- (c) The amount a municipality may recover from the said agent shall be limited to the amount of any rent or other money received by such agent on behalf of the owner, less any commission due to him by the owner.
- (d) An agent must, on request by the municipality, furnish it with a written statement specifying all payments for rent on the property and any other money received by him on behalf of the owner during a period determined by the municipality.

21. Metering equipment and metering of services

The municipality may introduce various metering equipment and may encourage an account holder to convert to a system which will benefit the municipality and account holders.

22. Metering equipment and measuring of consumption

- (a) The municipality must, at the consumer's cost in the form of a direct charge or prescribed fee, provide, install and maintain appropriately rated metering equipment at the point of metering for measuring metered services.

- (b) The municipality reserves the right to meter the supply to a block of shops, flats, tenement-houses and similar buildings for the building as a whole, or for an individual unit, or for a group of units.
- (c) Where any building referred to in subparagraph (b) is metered by the municipality as a whole -
 - (i) the owner may, at own cost, provide and install appropriate sub-metering equipment for each shop, flat and tenement; or
 - (ii) the municipality may require the installation, at the account holder's expense, of a meter for each unit of any premises in separate occupation for the purpose of determining the quantity of metered services supplied to each such unit.
- (d) Where the electricity used by consumers is charged at different tariffs, the consumption must be metered separately for each tariff.
- (e) Where sub-metering equipment is installed, accommodation separate from the municipality's metering equipment must be provided where appropriate.
- (g) Except in the case of pre-payment meters, the quantity of metered services used by a consumer during any metering period is ascertained by reading the appropriate meter or meters supplied and installed by the municipality at the beginning and end of such metering period, except where the metering equipment is found to be defective.
- (h) For the purpose of calculating the amount due and payable for the quantity of metered services consumed, the same quantity of metered services is deemed to be consumed during every period of 24 hours between readings.

23. Meter accuracy

The following apply to the accuracy of metering:

- (a) a meter is conclusively presumed to be registering accurately if its error, when tested in the manner prescribed in the applicable standard specifications, is found to be within the limits of error as provided for in standard specifications;
- (b) the municipality has the right to test its metering equipment, and if it is established by test or otherwise that such metering equipment is defective, the Municipality must -
 - (i) in case of a credit meter, adjust the account rendered to the consumer in respect of the affected service ; or

- (ii) in the case of prepayment meters:
 - (aa) render an account to the consumer where the meter has been under-registering; or
 - (bb) issue a free token to the consumer where the meter has been over-registering; and
- (c) the consumer is entitled to have the metering equipment tested by the municipality on payment of the prescribed fee, and if such equipment is found not to comply with the system accuracy requirements as provided for in the applicable standard specifications, an adjustment in accordance with the provisions of subparagraph (b) and paragraph 22(h) must be made and the aforesaid fee must be refunded to such consumer.
- (d) Prior to the municipality making any upward adjustment to an account in terms of subparagraph (b), it must -
 - (i) notify the consumer in writing of the monetary value of the adjustment to be made and the reasons therefor;
 - (ii) in such notification, provide sufficient particulars to enable the consumer to submit representations thereon; and
 - (iii) call upon the consumer in such notice to present it with reasons in writing, if any, within 21 days or such longer period as the municipality may permit, why the account should not be adjusted as notified; and
 - (iv) and in the event of the consumer failing to submit any representation during such period, the municipality will be entitled to adjust the account as notified to the consumer in terms of subparagraph (i).
- (e) The Municipality must consider any representation provided by the consumer in terms of subparagraph (d) and may adjust the account appropriately.
- (f) If the Municipal Manager decides that such representation does not establish a case warranting an amendment to the monetary value established in terms of subparagraph (k), the municipality will be entitled to adjust the account as notified in terms of subparagraph (d)(i).
- (g) In terms of Section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the consumer has the right to lodge an appeal against the decision of the officer taken in terms of this paragraph.

- (h) No consumer may make alterations, repairs, additions or connections of any description on the supply side of the point of metering unless such action is specifically approved in writing by the Municipal Manager.
- (i) Meters are tested in the manner provided for in the applicable standard specifications applying to the relevant service.
- (j) When an adjustment is made to the consumption registered on a meter in terms of subparagraph (b) or (c), such adjustment is based either on the percentage error of the meter as determined by the test referred to in subparagraph l, or upon a calculation by the Municipality from consumption data in its possession, and where applicable, due allowance must be made, where possible, for seasonal or other variations which may affect consumption.
- (k) When an adjustment is made as contemplated in subparagraph (j), such adjustment may not exceed a period of six months preceding the date on which the metering equipment was found to be inaccurate. The application of this subparagraph does not, however, bar a consumer from claiming back overpayment for any longer period where such consumer is able to prove his claim through normal legal process.

24. Dispensing with the use of a meter

The municipality may dispense with the use of a meter in case of an automatic sprinkler fire installation or in special circumstances that may justify such dispensation.

25. Prohibition or restriction of consumption of metered services

The municipality may by notice -

- (a) prohibit or restrict the consumption of metered services -
 - (i) for specified or non-specified purposes;
 - (ii) during specified hours of the day or on specified days or otherwise than during specified hours of the day or on specified days; and
 - (iii) in a specified or non-specified manner; and
- (b) determine and impose -
 - (i) limits on the quantity of metered services which may be consumed over a specified period;
 - (ii) charges additional to those prescribed in respect of the supply of metered services in excess of a limit contemplated in subparagraph (i); and

- (iii) a general surcharge on the prescribed charges in respect of the supply of metered services; and
- (c) impose restrictions or prohibitions on the use or manner of use or disposition of an appliance by means of which metered services is used or consumed or on the connection of such appliance.
- (d) The municipality may limit the application of the provisions of a notice contemplated by subparagraph (a) to specified areas and classes of account holders, premises and activities.
- (e) The Municipality may for good reason permit deviations and grant exemptions and relaxations from the provisions of this paragraph.

26. Measure to ensure compliance with prohibition or restriction notice

- (a) To ensure compliance with a notice published in terms of subparagraph 25(a), the municipality may take, or by written notice require an account holder at the account holder's expense to take such measures as may be necessary, including the installation of measuring devices and devices for restricting the flow of metered services to his premises.
- (b) In addition to the person by whose act or omission a contravention of or failure to comply with the terms of a notice issued in terms of subparagraph 25(a) is actually committed, an account holder in respect of the premises to which metered services are supplied is presumed also to have committed the contravention or to have so failed to comply, unless evidence is adduced that such account holder had taken all reasonable steps to prevent such a contravention or failure to comply by any other person. The fact that the account holder issued instructions to the other person shall not by itself be accepted as sufficient proof that the account holder took all such reasonable steps.
- (c) The provisions of this paragraph also apply in respect of metered services supplied directly by the municipality to account holders outside its area of jurisdiction, notwithstanding anything to the contrary in the conditions governing such supply, unless otherwise specified in the notice published in terms of paragraph 25(a).

27. Disconnection of metered services without notice

- (a) If action is necessary as a matter of urgency to prevent waste of metered services, refuse or sewerage, damage to property, danger to life or pollution of water, the municipality may -

- (i) without prior notice disconnect the supply of metered services to any premises; and
 - (ii) enter upon such premises and do emergency work, as it may deem necessary, and, in addition by written notice, require the account holder to do, within a period specified in such notice, such further work as the municipality may deem necessary.
- (b) The municipality may recover from the account holder the cost of any work undertaken in terms of subparagraph (a) where such work was undertaken because of an unlawful act or omission by the account holder.
- (c) Before any metered or pre-paid metered supplies which have been disconnected or restricted for non-payment is restored, an account holder must pay all fees and charges as determined by the municipality.
- (d) The municipality may, at the written request of an account holder and on the dates requested by the account holder -
-
- (i) disconnect the supply of metered services to such account holder's premises; and
 - (ii) upon payment of the prescribed charge for restoration, restore the supply of such services.
- (e) After disconnection for non-payment of an account or a contravention of any provision of this policy, the prescribed fees must be paid before a reconnection is made.

28. Reading of Credit Meters

The following apply to the reading of credit meters:

- (a) unless otherwise prescribed, credit meters are normally read at intervals of approximately one month and the fixed or minimum charges due in terms of the applicable municipal tariff are assessed accordingly;
- (b) the municipality is not obliged to effect any adjustments to the charges referred to in subparagraph (a);
- (c) if for any reason the credit meter cannot be read, the municipality may render an estimated account and the estimated consumption must be adjusted in a subsequent account in accordance with the consumption actually consumed;
- (d) when an account holder vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly;

- (e) if a special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee; and
- (f) if any calculating, reading or metering error is discovered in respect of any account rendered to a consumer -
 - (i) the error must be corrected in subsequent accounts;
 - (ii) any such correction applies only in respect of accounts for a period of six months preceding the date on which the error in the accounts was discovered;
 - (iii) the correction is based on the actual tariffs applicable during the period; and
 - (iv) the application of this paragraph does not prevent a consumer from claiming back overpayment for any longer period where such consumer is able to prove his claim through normal legal process.

29. Prepayment Meters

The following apply to prepayment metering:

- (a) no refund of the amount tendered for the purchase of electricity or water credit is given at the point of sale after initiation of the process by which the pre-payment meter token is produced; provided that this paragraph will only apply to Standard Transfer Specification equipment (STS tokens);
- (b) copies of previously issued tokens for the transfer of credit to the pre-payment meter may be issued at the request of the consumer;
- (c) when an account holder vacates any premises where a pre-payment meter is installed, no refund for the credit remaining in the meter is made to the owner by the municipality;
- (d) the municipality is not liable for the re-instatement of credit in a prepayment meter lost due to tampering with or the incorrect use or the abuse of, pre-payment meters or tokens;
- (e) where an account holder is indebted to the municipality for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation, the municipality may deduct a 40% for normal users and 25% of indigent users from the amount tendered to offset the amount owing to the municipality; and
- (f) the municipality may appoint vendors for the sale of credit for prepayment meters and does not guarantee the continued operation of any vendor.

- (g) *Where there is more than one prepaid meter on an erf an extra refuse point will be levied for example:*
1. *House with outside Room/Flats*
 2. *Bed and Breakfast*

30. Resale of water or electricity

- (a) No account holder who is supplied with metered services in terms of this policy may sell or supply water or electricity to any other person or persons for such use upon any premises other than those in respect of which such agreement is made or permit or offer such resale or supply to be made unless prior permission from the municipality has been obtained. If so he/she will be charged a tampering Fee as allocated in our tariff List.
- (b) If the municipality grants the permission referred to in subparagraph (a), it may stipulate the maximum price at which the water or electricity may be sold and impose such other conditions as it may deem fit.
- (c) Permission referred to in subparagraph (a) may be withdrawn at any time.
- (d) Where water or electricity is resold for use on the same premises, such resale must be in accordance with the tariff and subject to such conditions as the municipality may impose.

31. Additional powers to restrict or disconnect supply of services

The municipality may, in addition to any other provisions of this policy, restrict or disconnect the supply of water and electricity, or discontinue any other service to any premises if-

- (a) an administration order is granted in terms of paragraph 74 of the Magistrates Court Act, 1944 (Act 37 of 1944), in respect of an account holder; provided further that such services will only be suspended if the account holder fails to make regular payments in respect of current services;
- (b) an account holder of any service fails to comply with a condition of supply imposed by the municipality;
- (c) an account holder obstructs the efficient supply of electricity, water or any other municipal services to another account holder;
- (d) an account holder supplies such municipal services to any person who is not entitled thereto or permits such service to continue;
- (e) an account holder causes a situation which is dangerous or a contravention of relevant legislation; or

- (f) an account holder is placed under provisional registration, liquidation or judicial management or commits an act of insolvency in terms of the Insolvency Act, 1936 (Act 24 of 1936).

32. Tampering, unauthorised connections and reconnections, and improper use

- (a) The municipality reserves the right to monitor its service network for signs of tampering or irregularities.
- (b) No person may in any manner or for any reason tamper or interfere with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the municipality.
- (c) Where evidence exists of an account holder or any person having contravened subparagraph (b), the municipality has the right to disconnect the supply immediately and without prior notice to the account holder, and the account holder is liable for all fees and charges levied by the Municipality for such disconnection. When a person tampered 3 time or more, the meter must be removed immediately and a letter must be written to Council for explanation, WHY, and must pay for tampering and a complete new connection.
- (d) Where an account holder or any person has contravened subparagraph (b) and such contravention has resulted in the meter recording less than the true consumption, the municipality has the right to recover from the account holder the full cost of his estimated consumption. If Solar is installed and the meter reading is less than previous reading an estimation can be done.

33. Clearance certificate

To effect the transfer of any immovable property from one registered owner to another, the Registrar of Deeds requires a clearance certificate, which certificate is obtainable from the Municipal Manager upon payment of the prescribed fee and subject to the conditions of Section 118 of the Municipal Systems Act, 2000 (Act 32 of 2000) being met.

34. Tenders and grants-in-aid

- (a) Each tender submitted to the municipality must be accompanied by a certificate from the municipality stating that the proposed supplier/service provider is not indebted to the municipality for any arrear amount reflected on the municipal account.
- (b) Should a proposed supplier/service provider be so indebted, the municipality may disallow the tender.

- (c) The municipality may only consider a tender once the proposed supplier/service provider has made satisfactory arrangements to pay the outstanding amount by means of instalments or has settled all arrear amounts in full. *The installment must be made prior the date of the certificate otherwise the account must be paid in full.*
- (d) The Municipal Manager or a duly authorised officer of the municipality must in the conditions of contract, provide for the deduction from moneys owed to the supplier / service provider in order to settle any outstanding amount.
- (e) Payment of any grants-in-aid approved by the municipality may be withheld pending payment of any outstanding municipal account or pending an agreement between the municipality and the receiver of a grant-in-aid in which satisfactory arrangements have been made regarding the settlement of the outstanding municipal account.

35. Power of council to recover costs

- (a) Where a bank dishonours any payment made to the municipality, the municipality may levy and recover all related costs and any administration fees against an account of the defaulting account holder and may disconnect or restrict the supplies to the premises of such account holder.
- (b) All legal costs, excluding attorney-and-client costs incurred in the recovery of amounts in arrears and payable in terms of the Magistrates Court Act, 1944 (Act 32 of 1944), must be levied against the arrears account of the account holder.
- (c) For any action taken in demanding payment from an account holder or reminding an account holder by means of telephone, fax, electronic mail, letter or otherwise that payments are due, a fee will be levied against the municipal account of the account holder in terms of the municipality's tariff policy.

36. Prima facie evidence

A certificate reflecting the amount due and payable to the municipality, signed by the Municipal Manager, is, upon mere production thereof, prima facie evidence of the indebtedness of the person mentioned in it.

37. Abandonment of bad debts, and full and final settlement of account

- (a) Before terminating the debt collection procedure in any individual instance, the Municipal Manager must -
 - (i) ensure that all debt collection mechanisms as provided for in paragraph (16) have been utilised where reasonable;

- (ii) maintain an audit trail; and
 - (iii) document the reasons for terminating the debt collection procedure, including the cost of enforcement and necessary financial adjustments.
- (b) The Municipal Manager may consider an offer in full and final settlement, and must, if in the interests of the municipality, in writing consent to the acceptance of a lesser amount in full and final settlement of the amount due and payable.
- (c) Where the exact amount due and payable to the municipality has not been paid in full, any lesser amount tendered to and accepted by any municipal officer, except the Municipal Manager, shall not be deemed to be in full and final settlement of such an amount.

38. Power of entry and inspection

- (a) A duly authorised representative of the municipality may, for any reason related to the implementation or enforcement of this policy, at all reasonable times or in emergency at any time, enter premises, request information and carry out such inspection as deemed necessary and may, for purposes of installing or repairing any meter or service connection for reticulation, disconnect, stop or restrict the provision of any service.
- (b) If the municipality considers it necessary for work to be performed to enable an officer to perform a function referred to in subparagraph (a) properly and effectively, it may -
- (i) by written notice require an account holder to do, at own expense, specified work within a specified period; or
 - (ii) if the situation is a matter of urgency, without prior notice, do such work or cause it to be done at the expense of the account holder.
- (c) If the work referred to in subparagraph (b) is carried out for the sole purpose of establishing whether a contravention of this policy has taken place and no such contravention has occurred, the municipality must bear the expense connected therewith together with that of restoring the premises to its former condition.

39. Authentication and service of orders, notices and other documents

- (a) An order, notice or other document requiring authentication by the municipality must be signed by the Municipal Manager and when issued by the municipality in terms of this policy is deemed to be duly issued if it is signed by an officer authorised by the municipality.
- (b) Any notice or other document that is served on a person by a duly authorised officer of the municipality in terms of this policy, is regarded as having been served -

- (i) when it has been delivered to that person personally;
 - (ii) when it has been left at that person's place of residence or business in the Republic with a person apparently over the age of 16 years;
 - (iii) when it has been posted by registered or certified mail to that person's last known residential or business address in the Republic and an acknowledgement of the posting thereof from the postal service is obtained;
 - (iv) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by subparagraphs (h), (ii) or (iii);
 - (v) if that person's address and agent or representative in the Republic is unknown, when it has been placed in a conspicuous place on the property or premises, if any, to which it relates;
 - (vi) in the event of a body corporate, when it has been delivered at the registered office of the business premises of such body corporate to a person apparently over the age of 16 years; or
 - (vii) when it has been delivered, at the request of a person, to that person's electronic mail address.
- (c) When any notice or other document has to be served on the owner, an account holder or holder of any property or right in any property, it is sufficient if that person is described in the notice or other document as the owner, account holder or holder of the property or right in question, and it is not necessary to name that person.
- (d) Service of a copy is deemed to be service of the original.
- (e) Any legal process is effectively and sufficiently served on the municipality when it is delivered to the Municipal Manager or a person in attendance at the Municipal Manager's office.

40. Right of appeal

A person whose rights are affected by a decision of the municipality under this policy may appeal against that decision by giving written notice of the appeal and the reasons therefor in terms of Section 62 of the Local Government: Municipal Systems Act, Act 32 of 2000 to the Municipal Manager within 21 days of the date of the notification of such decision.

41. Budget-related policy

For purposes of the Municipal Finance Management Act, 2003, this policy is a budget-related policy and must be reviewed by the Council in the manner prescribed by the Act.

42. Council Resolution

The Credit Control and Debt Collection Policy Ex Revenue By-Law to be reviewed
