

WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY



FINAL CREDIT CONTROL AND DEBT COLLECTION POLICY

2026 / 2027

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Preamble

Whereas s152(1)(b) of the Constitution of the Republic of South Africa Act 108 of 1996 ('the Constitution') provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

And whereas s153(a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

And whereas s195(1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including: the promotion of the efficient, economic and effective use of resources; the provision of services impartially, fairly, equitably and without bias; and The fact that people's needs must be responded to.

And whereas s4(1) of the Local Government: Municipal Systems Act 32 of 2000 ('the Systems Act') provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and to the extent authorised by national legislation, other taxes, levies and duties;

And whereas s5(1)(g), read with (2)(b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides, provided that, where applicable and subject to the policy for indigent debtors, pay promptly for service fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

And whereas s6(2)(c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, and of the costs involved and the persons in charge;

And whereas Chapter 9, s95, 96, 97, 98, 99 and 100 of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the municipality, contents of the policy and by-laws that give effect to the policy, supervisory authority and implementing authority.

The Credit Control and Debt Collection Policy of the Winnie Madikizela Mandela Local Municipality is hereby adopted by Council.

1. Purpose

It is vital to the long-term financial viability of the Winnie Madikizela Mandela Local Municipality that it collects the revenues (such as service charges, rates and taxes) due to it for services rendered. In terms of s96 of the Systems Act, 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 rates and tariff policies and complies with the provisions of this Act. This means that appropriate credit control and debtors' mechanisms must be maintained. The services provided by the Winnie Madikizela Mandela Local Municipality include electricity, refuse removal and other municipal services.

2. Definitions

Act	The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time
Arrangement	A written agreement entered into between the municipality and the debtor where specific repayment arrangements are agreed to
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	Person or entity legally appointed by the Council to act or to fulfil a duty on its behalf
Accounting Officer	The person appointed as Accounting Officer in terms of s82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and include any person acting in that position or to whom authority was delegated
CFO	The person appointed as the Chief Financial Officer of the municipality, or his or her nominee
Council	The Municipal Council (as referred to in s157 of the Constitution) of the Winnie Madikizela Mandela Municipality established by part 7 of provincial notice 80, dated 27 September 2000
Credit control	All the functions relating to the collection of monies owed by ratepayers and the users of municipal services
Customer	Any occupier of any premises to which the municipality has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality
Defaulter	Any person who owes the municipality arrear monies in respect of rates and/or service charges

Engineer	The person in charge of the civil/infrastructure/technical and/or electrical department of the municipality
Equipment	A building or other structure, pipe, pump, wire, cable, meter, engine or any accessories
Implementing authority	Means the Accounting Officer or his or her nominee, acting in terms of s100 of the Systems Act
Interest	A charge levied with the same legal priority as service fees and calculated at a rate determined by the municipality from time to time on all arrear monies
Municipal account	An account rendered specifying charges for services provided by the municipality, or any authorised and contracted service provider, and/or assessment rates levies
Municipality	Refers to Winnie Madikizela Mandela Local Municipality
Municipal services	Those services provided by the municipality, such as, inter alia: -the supply of electricity, refuse removal and other municipal services for which services charges are levied
Occupier	Any person who occupies any property or part thereof, without regard to the title under which he or she occupies the property
Owner	<p>The person in whom from time to time is vested the legal title to premises</p> <p>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</p> <p>In a case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises with a building thereon</p> <p>In the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof</p> <p>In relation to: 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 A section as defined in such Act, the person in whose name such a section is registered under a sectional title deed and includes the lawfully appointed agent of such a person</p> <p>Any legal person including but not limited to: i) A company registered in terms of the Companies Act,</p>

	<p>1973 (Act 61 of 1973), a trust, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984) and a voluntary association;</p> <p>ii) Any department of State; any Council of Board established in terms of any legislation applicable to the Republic of South Africa;</p> <p>iii) Any Embassy or other foreign entity</p>
Premises	<p>Includes any piece of land, the external surface, boundaries of which are delineated on:</p> <p>-A general plan or diagram registered in terms of the Land Survey Act, 1927 (9 of 1927), or in terms of the Deed Registry Act, 1937 (47 of 1937); or</p> <p>-A sectional plan registered in terms of the Sectional Titles Act, 1986 (95 of 1986), which is situated within the area of jurisdiction of the Council;</p>
Supervisory authority	Means the Mayor of the Municipality or his or her nominee, acting in terms of s99 of the Systems Act
<i>Billing Date</i>	<i>Means the date upon which the monthly statement is generated and debited to the customer's account.</i>
<i>Business premises</i>	<i>Means premises utilised for purposes other than residential and excludes the following: -</i>
<i>Indigent debtor</i>	<p><i>Means: -</i></p> <p><i>(a) the head of an indigent household: -</i></p> <p><i>(i) 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</i></p> <p><i>(ii) who makes application for indigent support in terms of Council's Indigent Support Policy on behalf of all members of his or her household;</i></p> <p><i>(b) orphaned minor children duly represented by their legal and/or de facto guardians.</i></p>

3. Principles

- 3.1 The administrative integrity of the municipality must be maintained at all costs. The democratically elected Councillors are responsible for policy making, while it is the responsibility of the Accounting Officer to ensure the implementation of the policies.

- 3.2 All customers must complete an official application form, formally requesting the municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Accounting Officer.
- 3.3 A copy of the application form, conditions of services and extracts of the relevant Council's credit control and debt collection policy and by-laws must be handed to every customer on request at such fees as may be prescribed by Council.
- 3.4 Upon change of ownership, the municipality must advise the new owner in writing that the relevant policies are available at the municipality for their perusal.
- 3.5 All relevant billing is to be accurate, timeous and understandable.
- 3.6 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 3.7 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
- 3.8 Enforcement of payment must be prompt, consistent and effective.
- 3.9 Incentives and disincentives may be used in collection procedures as determined by Council from time to time.
- 3.10 The collection process must be cost-effective.
- 3.11 Results will be regularly and efficiently reported by the Accounting Officer and the Mayor.
- 3.12 Application forms will be used to, inter alia, categorise customers according to credit risk and to determine relevant levels of services and deposits required.
- 3.13 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.

4. Duties and Functions

4.1 Duties and functions of Council

To approve a budget consistent with the needs of communities, and residents.

To impose rates and taxes and to determine service charges, fees, penalties and the interest rate on arrear debt to finance the budget.

To facilitate sufficient funds to give access to basic services for the poor.

To provide for a bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the municipality.

To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the Implementing Authority.

To approve a reporting framework for credit control and debt collection.

To consider and approve by-laws to give effect to the Council's policy.

To monitor the performance of the Mayor (Supervising Authority) regarding credit control and debt collection.

To revise the budget should Council's targets for credit control and debt collection not be met.

To take disciplinary and/or legal action against Councillors, officials and agents who do not execute Council policies and by-laws, or act improperly in terms of such policies.

To approve a list of attorneys/agents or 3rd parties appointed that will act for Council in all legal matters relating to debt collection.

To delegate the required authority to monitor and execute the credit control and debt collection policy to the Mayor and Accounting Officer and/or Service Provider respectively.

To provide sufficient capacity in the Municipality's Finance Department for credit control and debt collection alternatively to appoint a Service Provider, or debt collection agent.

To assist the Accounting Officer in the execution of his or her duties, if and when required.

To provide funds for the training of staff.

4.2 Duties and functions of the Mayor

To ensure that Council's budget, cash flow and targets for debt collection are met and executed in terms of the policy and relevant by-laws.

To monitor the performance of the Accounting Officer in implementing the policy and by-laws.

To review and evaluate the policy and by-laws in order to improve the efficiency of Council's credit control and debt collection procedures, mechanisms and processes.

To report to Council.

4.3 Duties and functions of the Accounting Officer

To implement good customer care management systems.

To implement Council's credit control and debt collection policy.

To install and maintain an appropriate accounting system.

To bill customers.

To demand payment on due dates.

To raise penalties and interest for defaults, as determined by Council from time to time.

To appropriate payments received.

To collect outstanding debt.

To provide different payment methods.

To determine credit control and debt collection measures.

To determine all relevant work procedures for, inter alia, public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.

To instruct attorneys to proceed with the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders, etc.).

To set performance targets for staff.

To appoint staff to execute Council's policy and by-laws in accordance with Council's staff policy.

To delegate certain functions to heads of departments.

To determine control procedures.

To monitor contracts with service providers in connection with credit control and debt collection.

To report to the Mayor.

4.4 Duties and functions of Communities, Ratepayers and Residents

To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.

To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality.

To observe the mechanisms and processes of the municipality in exercising their rights.

To allow municipal officials access to their property to execute municipal functions at a time that is agreeable by the consumer and municipal officials.

To comply with the by-laws and other legislation of the municipality.

To refrain from tampering with municipal services and property.

4.5 Duties and functions of Councillors

To hold regular ward and community meetings.

To adhere to and convey Council policies to residents and ratepayers. To adhere to the Code of Conduct for Councillors.

Ward Committees and Councillors will act in terms of roles and functions as approved by Council.

5. Area of Application

This policy applies throughout the demarcated area of Winnie Madikizela Mandela

Municipality, where the municipality is providing services and/or charges rates on property.

6. Application for Services

Consumers who require a service must, ten (10) days prior to taking occupation of the premises, apply on a prescribed form for the provision municipal service/s.

The application for the provision of municipal service must be made by the registered owner of the immovable property.

The municipality will render the first account after the first meter reading cycle to be billed following the date of signing the service agreement.

Consumers who illegally consume services without this agreement will be subject to punitive action as determined by Council from time to time.

All applicants for municipal services maybe be screened for credit-worthiness and may subsequently be grouped into high, medium and low risk.

7. Customer Service Agreements

7.1 Customer service agreements are those agreements that will be from time to time be entered into between the customer and the municipality for the supply of municipal services.

7.2 The contents of the agreement include this policy as well as:

An undertaking by customers:

that they are liable for the costs of collection, including any administration fees, penalties for late payment, legal costs, interest, disconnection fees and reconnection fees;

that any alleged non-receipt of an account does not stop the collection process;

that they may be required to agree that any service rendered by the municipality may be used for credit control purposes to recover arrear debt outstanding.

An undertaking by Council:

that it will deliver accounts to customers; and

that it will inform customers that they are required to request statements in the event that they do not receive an account.

8. Deposits and Guarantees

The deposits are payable when new customers sign-on and when existing customers move to a new supply address. Guarantees are only permitted for businesses and only under circumstances as determined by Council from time to time.

Based on the risk assessment customers must pay different amounts of consumer deposit and guarantees which shall be determined by Council from time to time.

Irregular payment for services, default on existing payment arrangement and theft of the municipal service/s may result in the customer having to pay an additional deposit.

On termination of the supply of services the amount of the deposit less any payment due to the municipality will be refunded to an account holder, provided that payments due are less than the deposit paid, and that the account holder has provided a forwarding address

The municipality will not be liable to pay any interest on the deposits.

9. Accounts and Billing

Customers will receive one consolidated bill for all services and rates to a property, which is situated within the boundaries of the Municipality unless upon a written request by the account holder.

Accounts are produced in accordance with the meter reading cycles.

An account will be rendered each month in cycles of approximately 30 days.

The Municipality will undertake to have the accounts delivered through an email or short messaging services (SMS) or-. *It is the responsibility of the customer to notify the municipality of the change of the email address or cell phone number, failure to do so will not relieve the customer of his/her obligations in terms of the service agreement.*

However non-receipt of an account does not prevent interest charges and debt collection procedures. In the event of non-receipt of an account, the onus rests on the account holder to obtain a free copy of the account, before the due date.

Accounts must be paid on the due date as indicated on the account. Interest on arrears will accrue after due date if the account remains unpaid irrespective of the reason for non-payment.

Payments for accounts must be received on or before the due date at a Municipal pay-point by the close of business. In the case of any electronic payments or payments via agents, the money must be received in the municipal bank account on or before the due date and not later than the close of business.

Consumers will be notified of their unpaid accounts prior to the commencement of the debt collection process.

Non-payment of the account will result in debt collection action in terms of section 18 of this policy.

10. Metering of Consumable Services

The municipality may introduce various metering equipment and customers may be encouraged to convert to a system preferred by the municipality.

Customers who default (fail to pay by a due date) may be required by the municipality to convert to another metering system.

Prepayment metering is the preferred installation for all new domestic and where applicable as determined by the technical services, business accounts.

Meters (credit) will be read monthly. Should circumstances prevent reading, the Municipality is entitled to estimate a reading that is within reason comparable to past consumption.

A customer is responsible for ensuring access to metering equipment at a time that is agreeable by the consumer and the municipal officials and will accept any cost incurred to ensure access (such as relocating the meter) if satisfactory access is not possible.

10.1 Voluntary readings:

These will be permitted in order for the municipality to obtain any final reading should the customer move to another supply address.

Customers may be liable for a fee to cover the costs of obtaining a reading if no advance warning is given. Special arrangements should be made with the Municipality to obtain a reading.

The Municipality is entitled to make suitable adjustments to the readings should the debtor fail to ensure that a final reading is obtained.

An audit reading during the normal reading cycles must be obtained once every six months. If a special audit reading becomes necessary this will be done at the cost of the consumer.

The customer may elect to supply voluntary readings subject to compliance with the rules. The Chief Financial Officer may, however, cancel the voluntary reading convenience if the customer fails to ensure the audit reading is obtained or if the customer fails to render readings on two consecutive occasions.

10.2 Routine or special maintenance of metering equipment will be communicated to the customer. The meter replacement advice will indicate the removal reading.

11. Valuation of Properties

All properties within the boundaries of Winnie Madikizela Mandela Municipality are to be valued in terms of the legislation, applicable to the valuation of properties for the purpose of levying property rates.

12. Customer Assistance Programmes

These are programmes that the municipality has designed to assist customers meet their obligations, such as:

- i) Rates rebates;
- ii) Arrangements for settlement;
- iii) Payment of rates by instalments;
- iv) Indigent assistance scheme; and
- v) Free basic services.
- vi) Discounting for settlement of accounts
- vii) Early payment discount on annual billing accounts

12.1 Rebates on Rates

Rebates on rates may be granted by Council in terms of the municipality's Rates Policy.

12.2 Arrangements for Settlement

a) Residential Households

A debtor may enter into a written agreement with the Municipality to repay any outstanding and due amount to the Municipality under the following conditions: -

- The outstanding balance, costs and any interest thereon shall be paid in regular and consecutive monthly instalments;*
- The current monthly amount must be paid in full; and*

- *The written agreement has to be signed on behalf of the Municipality by a duly authorised officer.*
- *The agreement will be compliant with the requirements of the National Credit Act.*

In order to determine monthly instalments a comprehensive statement of assets and liabilities of the debtor must be compiled by a treasury official. To ensure the continuous payment of such arrangement the amount determined must be affordable to the consumer, considering that payment of the monthly current account is a prerequisite for concluding an arrangement.

The municipality may from time to time introduce incentive schemes to improve the debt collection rate.

A consumer who cannot pay their arrear debt may enter into an arrangement to pay the account over an extended period of time.

During the time of the debt collection process, but before the debt is handed over to the attorneys a consumer may enter into an arrangement to payoff arrear debt.

No arrangements will be entertained by attorneys on a debt that has been handed over for legal collection.

The municipality will entertain only one arrangement with a consumer to payoff arrear debt. Failure to abide by the arrangement will result in the: -

- *the arrangement being terminated with immediate effect; and*
- *the outstanding balance shall immediately become due and payable;*

The consumer by signing the arrangement agreement to payoff arrear debt acknowledges the following: -

- *that the debt is owed to the municipality.*
- *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 consumer or the consumer will be blocked from the purchase of electricity on the prepayment system, and legal proceedings*

will be instituted to collect the debt.

- *that the consumer will be liable for all costs, which includes legal costs on an attorney client basis incurred to collect the debt.*

b) Arrangement by Staff and Councillors

All staff joining the municipality must within thirty (30) days sign an agreement to pay arrears.

All existing staff and Councillors who have not entered into an agreement to pay arrears must do so within thirty (30) days of the approval of this policy by council.

The repayment period for both Councillors and staff is not to exceed twelve (12) months.

All agreements with Councillors must not exceed the expiry date of the term of office.

c) Arrangements by businesses

At the date of the arrangement a minimum of 50% of the capital arrear debt must be paid immediately.

After the payment of 50% of the capital arrear debt the balance of the debt which includes the capital amount and interest must be paid over a 3 to 6 months period on an interest free basis provided payments are made monthly by the due date and all conditions of the signed agreement are met.

The total monthly instalment must include the current monthly charges plus the amount to payoff arrear debt.

Arrangement by businesses to payoff arrear debt will only be entertained for debt on which debt collection actions have been taken and which actions are in an advanced stage.

Failure to maintain the arrangement will result in interest being reversed and full debt collection being implemented, with no possibility of reprieve.

Any arrangement outside of the foregoing must be approved by the Municipal Manager. This function cannot be delegated.

c) Family Bereavements

In the case of a family bereavement where electricity is disconnected the municipality will reconnect the power supply immediately.

The head of the family must make the necessary arrangements for reconnection of the power supply with the municipality.

After the funeral the municipality will allow two weeks for the full settlement of the electricity account.

If the electricity account is not settled in full within two weeks after the funeral the municipality shall disconnect the electricity and recovery action as outlined in this policy shall commence.

12.3 Payment of Rates by Instalments

Owners must pay the property rates in equal monthly instalments over a period of 12 months.

Interest shall accrue on all monthly rates accounts if they are not paid by the due date as indicated on the account.

Legal action will be taken to recover outstanding debt in terms of the relevant Council Resolution.

12.4 Indigent Assistance Scheme

An account holder may apply to the municipality, in the prescribed manner, to be declared indigent provided that the following conditions apply:

That the gross household income must not exceed the poverty threshold value as determined by Council from time to time.

All successful indigents are to be displayed on the public notice board.

That the municipality may inspect the property occupied by the applicant and in respect of which municipal services are rendered to assess the merits of the application.

Any aggrieved person who was not successful in the application to be regarded as indigent may lodge an appeal to the Chief Financial Officer within a period of ten (10) days from the date on which the aforesaid decision has been communicated to him/her.

12.5 Free Basic Services

The municipality will provide free basic services to domestic indigent customers, on a monthly basis in quantities as determined from time to time as per the indigent policy.

12.6 Discounting for settlement of account

The Council may determine from time to time ways and means to promote and encourage settlement of accounts through various discounting measures as per council resolution on those proposed settlement offers to the municipal council.

The municipality may consider to grant a discount on interest billed with the maximum of up to 50% as an encouragement to settle the outstanding debt and bring the account to be up to date, on condition

The interest was not billed within that particular financial year (i.e. the interest must be of previous financial year of the year in question).

That the discount is within the outstanding amount on interest charged on the account
That the account will be settled and become outstanding within 60 days.

12.6.1 Ad-hoc requests

The council may grant the accounting officer powers to consider requests from consumers with supporting information to grant the following discounts;

- 100% interest for full settlement of principal debt within 30 days
- 50% interest for full settlement of principal debt within 60 days

The accounting officer must keep a record of the discounts granted and report to the mayor at the end of each quarter.

13. Communication

The Credit Control and Debt Collection policy will be available on municipal website and be gazetted on the government gazette.

Councillors must from time to time, address ward committees and community meetings on the contents of the policy and any amendments thereto.

14. Payment Facilities and Methods

Municipal payment and enquiry facilities will be maintained subject to acceptable levels of activity when compared to the operational costs. The Accounting Officer or his or her designate has the discretion to open and close offices as required.

The consumer acknowledges that any agent used for transmitting payments to the municipality is at the risk and cost of the consumer. In addition, the consumer must take into account the transfer time of the particular agent.

Account payments may be made to municipal cashier office pay point/s, by

stop/debit order. The municipality shall actively monitor the effectiveness of pay facilities, methods and convenience for consumers.

Penalties will be levied on any direct deposits that do not bear a reference number.

Payments received in respect of rates and service charges will be allocated by the municipality entirely within its discretion, on the account of the debtor.

15. Enquiries and Appeals

The enquiries office at the municipality's service center may be contacted for all account enquiries

Any resident or consumer who may feel aggrieved concerning his or her account may address a grievance to the Chief Financial Officer or visit any Customer Care Office provided by the municipality.

A customer who has lodged an enquiry is not relieved of the responsibility to maintain regular payment of the account. An interim payment similar to the average account for the preceding three (3) months must be paid by the due date pending finalisation of the enquiry. Failure to make a payment will result in debt collection action being instituted against the customer.

Depending on the nature of the enquiry and the resources available, the enquiry must receive a response within **seven (7)** days.

If a customer has received a response and is still not convinced that the account is correct, the customer may lodge an appeal to the Accounting Officer for the resolving of the dispute.

Such an appeal should receive response within fourteen (14) working days failing which the customer should be notified in writing of the reasons for the delay.

Officials and Councillors of the Municipality are obliged to pay outstanding debt.

16. Tendering for Business

The Supply Chain Management Policy and tendering conditions of the municipality will include the following:

When issuing an invitation to tender for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the bidder obtain from the municipality a certificate stating that all relevant municipal accounts owing by the bidder and/or its directors, owners or partners have been paid or that suitable arrangements (which

include the right to set off in the event of non-compliance) have been made for payment of any arrears.

No tender will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears, has been made. No further debt may accrue during contract period.

A condition allowing the municipality to deduct any moneys owing to the municipality from contract payments.

17. Disconnection / Restriction of services

The Chief Financial Officer is authorised to institute these mechanisms without exception and with the intention of debt reduction and debt management

- Issue warning letters of disconnection of services for all debt outstanding beyond the declared date of overdue of account as per the billing date.
- Implement disconnection to all consumer accounts with debt outstanding beyond 30 days for electricity distribution.
- Implement disconnection to all consumer accounts with debt outstanding beyond 30 days to 60 days for all services charges and property rates.

17. Debt Collection

17.1 The Chief Financial Officer is authorised to institute these mechanisms without exception and with the intention of proceeding until the debt is collected.

The following mechanisms are to be used to collect debt:

- Charging of interest and penalties on arrear debt, as determined by Council from time to time.
- Disconnection/restriction of metered services for all overdue rates and service charges over 90 days
- Barring debtors with outstanding debt from purchasing prepaid services.
- Allocating a portion of any payment for prepaid services to arrear debt. Insisting that prepaid services be installed at the cost of the debtor.
- Emolument attachment orders on employees' salaries.
- Withholding of rates clearance certificates under certain conditions. (refer to s118 of the Systems Act)
- Recovery of rates from tenants
- Handover of debt that is beyond 90 days to debt collectors
- Legal process, including the attachment and sale of goods or immovable property. Withholding payments of grants-in-aid.

- Withholding payment on contracts or deducting from contract payments any moneys owing to the municipality.
- Any other method authorised by Council from time to time.

17.2 The Accounting Officer or a delegated Senior Manager may authorise that an amount be written-off if the costs to recover the debt will far exceed the outstanding balance.

18. Theft and Fraud

The municipality does not condone theft and fraud of municipal services and will monitor the service networks for signs of tampering or irregularities.

The Council may approve specific penalties and distinguish between cases of vandalism and theft.

Subsequent acts of tampering may lead to a refusal to supply certain services for determined periods.

Fraudulent access to or theft of municipal services after a disconnection or restriction in lieu of the implementation of this policy shall be regarded as criminal offence.

19. Reporting and Performance Management

19.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format in terms of s71 of the Municipal Financial Management Act 56 of 2003, to enable the Accounting Officer to report to the Mayor as supervisory authority in terms of s99 of the Systems Act, read with s100(c). This report shall contain particulars on:

Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquires; arrangements; default arrangements; increase or decrease of arrear debtors' balances). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other relevant categories.

If in the opinion of the Chief Financial Officer, the municipality will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Accounting Officer who will, if he agrees with the Chief Financial Officer, immediately move for an adjustment of the budget according to realistically realisable income levels.

The Mayor as supervisory authority shall, at intervals of three (3) months, report to Council as contemplated in s99(c) of the Systems Act.

20. Income Collection Target

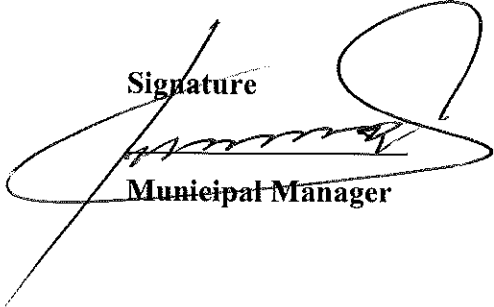
The long-term target is a debtor turnover ratio of 45 days, that is, debtors are expected to pay for services on average in a month and a half.

21. Application and review of the Policy

The Council reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying this policy. The Council will on application of the credit control and debt collection policy avoid discrimination as forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution. This policy shall be reviewed annually during the compilation of the budget.

This policy has been approved by the Municipality in terms of Council resolution dated and comes into effect on 1 July 2026

Signature



Municipal Manager

Date

29/05/2026