



LIMPOPO PROVINCE
LIMPOPO PROVINSIE
XIFUNDZANKULU XA LIMPOPO
PROFENSE YA LIMPOPO
VUNDU LA LIMPOPO
IPHROVINSI YELIMPOPO

**Provincial Gazette • Provinsiale Koerant • Gazete ya Xifundzankulu
Kuranta ya Profense • Gazethe ya Vundu**

***Extraordinary • Buitengewoon • Ku katsa na Tigazete to • Hu tshi katelwa na
Hlawuleka hinkwato • Gazethe dza Nyingo***

*(Registered as a newspaper) • (As 'n nuusblad geregistreer) • (Yi rhijistariwile tanihi Nyuziphepha)
(E ngwadisits'we bjalo ka Kuranta) • (Yo redzhistariwa sa Nyusiphepha)*

Vol. 23

POLOKWANE,
17 JUNE 2016
17 JUNIE 2016
17 KHOTAVUXIKA 2016
17 JUNE 2016
17 FULWI 2016

No. 2719

We all have the power to prevent AIDS



Prevention is the cure

**AIDS
HELPLINE**

0800 012 322

DEPARTMENT OF HEALTH

**N.B. The Government Printing Works will
not be held responsible for the quality of
"Hard Copies" or "Electronic Files"
submitted for publication purposes**

ISSN 1682-4563



9 771682 456003

02719



Government Printing Works

Notice submission deadlines

Government Printing Works has over the last few months implemented rules for completing and submitting the electronic Adobe Forms when you, the customer, submit your notice request.

In line with these business rules, GPW has revised the notice submission deadlines for all gazettes. Please refer to the GPW website www.gpwonline.co.za to familiarise yourself with the new deadlines.

CANCELLATIONS

Don't forget!

Cancellation of notice submissions are accepted by GPW according to the deadlines stated in the table above.

Non-compliance to these deadlines will result in your request being failed. **Please pay special attention to the different deadlines for each gazette.**

Please note that any notices cancelled after the cancellation deadline will be published and charged at full cost.

Requests for cancellation must be sent by the original sender of the notice and must accompanied by the relevant notice reference number (N-) in the email body.

AMENDMENTS TO NOTICES

take note!

With effect **from 01 October**, GPW will not longer accept amendments to notices. The cancellation process will need to be followed and a new notice submitted thereafter for the next available publication date.

CUSTOMER INQUIRIES



Many of our customers request immediate feedback/confirmation of notice placement in the gazette from our Contact Centre once they have submitted their notice – While GPW deems it one of their highest priorities and responsibilities to provide customers with this requested feedback and the best service at all times, we are only able to do so once we have started processing your notice submission.

GPW has a **2-working day turnaround time for processing notices** received according to the business rules and deadline submissions.

Please keep this in mind when making inquiries about your notice submission at the Contact Centre.

PROOF OF PAYMENTS



GPW reminds you that all notice submissions **MUST** be submitted with an accompanying proof of payment (PoP) or purchase order (PO). If any PoP's or PO's are received without a notice submission, it will be failed and your notice will not be processed.

When submitting your notice request to submit.egazette@gpw.gov.za, please ensure that a purchase order (GPW Account customer) or proof of payment (non-GPW Account customer) is included with your notice submission. All documentation relating to the notice submission must be in a single email.

A reminder that documents must be attached separately in your email to GPW. (In other words, your email should have an Adobe Form plus proof of payment/purchase order – 2 separate attachments – where notice content is applicable, it should also be a 3rd separate attachment).

REMINDER OF THE GPW BUSINESS RULES

- ☐ Single notice, single email – with proof of payment or purchase order.
- ☐ All documents must be attached separately in your email to GPW.
- ☐ 1 notice = 1 form, i.e. each notice must be on a separate form
- ☐ Please submit your notice **ONLY ONCE**.
- ☐ Requests for information, quotations and inquiries must be sent to the Contact Centre **ONLY**.
- ☐ The notice information that you send us on the form is what we publish. Please do not put any instructions in the email body.



eGazette



IMPORTANT NOTICE:

**THE GOVERNMENT PRINTING WORKS WILL NOT BE HELD
RESPONSIBLE FOR ANY ERRORS THAT MIGHT OCCUR DUE TO THE
SUBMISSION OF INCOMPLETE / INCORRECT / ILLEGIBLE COPY.**

No FUTURE QUERIES WILL BE HANDLED IN CONNECTION WITH THE ABOVE.

CONTENTS

Gazette *Page*
No. *No.*

PROVINCIAL NOTICES • PROVINSIALE KENNISGEWINGS

70	Local Government: Municipal Property Rates Act, 2004: Bela Bela Local Municipality: Resolution levying property rates for the Financial Year 1 July 2016 to 30 June 2017	2719	4
----	--	------	---

PROVINCIAL NOTICES • PROVINSIALE KENNISGEWINGS

PROVINCIAL NOTICE 70 OF 2016



BELA BELA LOCAL MUNICIPALITY

RESOLUTION LEVYING PROPERTY RATES FOR THE FINANCIAL YEAR 1 JULY 2016 TO 30 JUNE 2017

Notice is hereby given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004; that the Council resolved by way of council resolution number SMC96/05/2016, to levy the rates on property reflected in the schedule below with effect from 1 July 2016.

Rating Category	2015/2016	2016/2017
	R/c	R/c
ACCOMMODATION ESTABLISHMENT	0	0.014
BUSINESS & COMMERCIAL	0.0133	0.0133
FARMS AGRICULTURAL (Bona Fida)	0.0026	0.0026
FARMS AGRICULTURAL	0	0.0066
FARMS BUSINESS & COMMERCIAL	0.0133	0.0133
FARMS OTHER	0.0133	0.0140
FARMS RESIDENTIAL	0.0106	0.0106
FARMS VACANT LAND	0.0133	0.014
INDUSTRIAL	0.0133	0.0133
MUNICIPAL PROPERTY	0	0.0133
PRIVATE OPEN SPACE	0.0106	0.0106
PROPERTIES USED FOR PUBLIC BENEFIT ACTIVITIES	0	0.0026
PSI	0.0026	0.0026
RESIDENTIAL	0.0106	0.0106
SMALLHOLDING AGRICULTURAL	0.0026	0.0026
SMALLHOLDING BUSINESS & COMMERCIAL	0	0.0133
SMALLHOLDING OTHER	0.0133	0.0140
SMALLHOLDING RESIDENTIAL	0.0106	0.0106
SMALLHOLDING VACANT LAND	0.0133	0.0140
STATE-OWNED PROPERTY	0.0133	0.0133
VACANT BUSINESS & COMMERCIAL/INDUSTRIAL LAND	0.0133	0.0140
VACANT RESIDENTIAL LAND	0.0133	0.0140

Full details of the Council resolution and rebates, reductions and exclusions specific to each category of owners of properties or owners of a specific category of properties as determined through criteria in the municipality's rates policy are available for inspection on the municipality's offices, website (www.belabela.gov.za) and all public libraries.

NAME: MM Maluleka

DESIGNATION: MUNICIPAL MANAGER

58 Chris Hani Drive, Bela-Bela, Limpopo

Private Bag x1609

Bela Bela, 0480

Tel: 014 736 8000, Fax 014 736 3288

BELA – BELA MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION BY- LAW 2016 – 2017

TABLE OF CONTENT

	PAGE
1. BACKGROUND	
1.1 Legal Framework	-1-
1.2 Provision of Services	-1-
1.3 Credit Control and Debt Collection	-2-
2. PURPOSE OF THE BY-LAW	-2-
3. RESPONSIBILITY FOR CREDIT CONTROL	
3.1 Supervisory Authority	-3-
3.2 Implementing Authority	-3-
3.3 Unsatisfactory Levels of Indebtedness.....	-3-
4. FINANCIAL MATTERS	
4.1 Service Agreement	-4-
4.2 Liability for Payment	-4-
4.3 Juristic Person	-5-
4.4 Controls over Deposits of Security	-6-
4.5 Rendering of Accounts	-7-
4.6 Actions to Secure Payment	-8-
4.7 Dishonoured Payments	-8-
4.8 Cost to Remind Debtors of Arrears	-8-
4.9 Disconnection Fees	-9-
4.10 Legal Fees	-9-
4.11 Interest Charges	-9-
4.12 Payment of Accounts	-9-
4.13 Power to Restrict or Disconnect Supply of Services.....	-10-
4.14 Disputes and Payments during Disputes.....	-11-
4.15 Full and Final Settlement of an Amount.....	-11-
4.16 Arrangements to Pay Outstanding and Due Amount in Consecutive Installments	-11-
4.17 Interest on Arrears	-12-
4.18 Reconnection of Services	-13-
4.19 Deductions from Salaries and Allowances.....	-13-
5. PERSONNEL AND FINANCIAL IMPLICATIONS	-13-
6. FRAUD, TAMPERING AND OTHER CRIMINAL ACTIVITY	-13-
7. AGENTS, ATTORNEYS AND OTHER COLLECTION AGENTS	-14-

8. CREDIT CONTROL BY-LAW TO BE APPLIED FOR INDIGENT HOUSEHOLDS

8.1	Introduction	-15-
8.2	Aims of the By-law	-15-
8.3	Obligation to Pay	-15-

9. DEBT COLLECTION

9.1	Abandonment of Claims	-15-
9.2	Writing off Bad Debt	-16-

CREDIT CONTROL AND DEBT COLLECTION REGULATIONS FOR ANY OUTSTANDING AMOUNTS

BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017



BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW

BACKGROUND

1.1 Legal Framework

1.1.1 This by-law has been compiled in accordance with the Local Government- Municipal Systems Amendment Act (MSA), 2003, Act No 44 of 2003. The Council of the municipality, in adopting this by-law on Credit Control and Debt Collection, recognizes its constitutional obligations as set out in Chapter 7 of the Constitution and Chapter 9 of the Municipal Systems Act, No 44 of 2003, to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfill these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies in full from those residents who can afford to pay, and in accordance with its indigent relief measures for those who have registered as indigents in terms of the Council approved indigent management by-law.

1.2 Provision of Services

1.2.1 The Municipal Council must give priority to the basic needs of the community, promote the social and economical development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of section 152 (1) (b) and 153 (a) of the Constitution.

1.2.2 In terms of the MSA the municipal services provided to residents and communities in the Municipality must:-

- ☐ be within the municipality's financial and administrative capacity;
- ☐ be provided in a manner that –
 - is fair and equitable to all its residents and communities;
 - ensures the highest quality service at the lowest cost and the most economical use and allocation of available resources; and
 - is financially and environmentally sustainable; and
- ☐ regularly be reviewed with a view to upgrading, extension and improvement.

1.2.3 According to the MSA the phrase "financial sustainable", in relation to the performance of a municipal service, means the performance of a municipal service in a matter that:-

- ☐ is likely to ensure that revenues from that service are sufficient to cover the cost of –
 - operating the service; and

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**

- maintaining, repairing and replacing the physical assets used in the performance of service;
- is likely to ensure –
 - a reasonable surplus in the case of a service performed by the Municipality itself;
 - a reasonable profit, in the case of a service performed by a service provider, other than the Municipality itself;
- is likely to enable the Municipality or other service provider to obtain sufficient capital requirements for the performance of the service; and
- takes account of the current and anticipated future –
 - level and quality of that service;
 - demand for the service; and
 - ability and willingness of residents to pay for the service.

1.3 Credit Control and Debt Collection

1.3.1 The Municipal Council must ensure that all money that is due and payable to the Municipality is collected, subject to the provisions of the MSA.

1.3.2 For this purpose the Municipal Council must enact and enforce a credit control and debt collection by-law consistent with its rates and tariff policies and complying with the provisions of the MSA.

1.3.3 The credit control and debt collection by-law may differentiate between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters as long as the differentiation does not amount to unfair discrimination.

1.3.4 The Municipal Council must enact and promulgate a by-law to give effect to its credit control and debt collection policy, its implementation and enforcement.

2. PURPOSE OF THE BY-LAW

The purpose of this by-law is to ensure that credit control forms part of the financial management system of the Bela-Bela Local Municipality and to ensure that the same procedure be followed for each individual case.

3. RESPONSIBILITY FOR CREDIT CONTROL**3.1 Supervisory Authority**

3.1.1. In terms of the MSA the Mayor must:-

- I. Oversee and monitor-

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**



- the implementation and enforcement of the Municipality credit control and debt collection by-law and any by-laws enacted; and

II. When necessary evaluate, review enact and promulgate the by-law and any by-laws, or the implementation of this by-law and any by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures.

III. Report to a meeting of the Council.

4.1.2. Councillors should pledge support for the implementation of the municipal credit control and debt collection by-law by ensuring that their own accounts are fully and timeously paid.

4.1.3. Ward committee members should fulfil their role by enhancing participatory democracy in local government in accordance to Municipal structures act.

3.2 Implementing Authority

In terms of the MSA the Municipal Manager must:-

- 3.2.1. Implement and enforce the Municipality's credit control and debt collection by-law and any by-laws enacted in terms of the Municipal Systems Act;
- 3.2.2. In accordance with the credit control and debt collection policy and any such policies establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the Municipality, and
- 3.2.3 Report the prescribed particulars monthly to a meeting of the supervising authority.
- 3.2.4 Councillors and officials should report to the Municipal manager on any detected breaches of the policies and by-laws.
- 3.2.5 Municipal manager should submit any information pertaining to the implementation of the policy to council.
- 3.2.6 The delegation of responsibilities are in accordance with section 59, 60 and 610 of municipal system act.

3.3 Unsatisfactory Levels of Indebtedness

The responsibility of Councillors is also determined in the MSA as set out below.

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

3.3.2. The Councillor concerned:-

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**



3.3.2.1. Must without delay convene a meeting of the ward committee, if there is one, or convene a public meeting and report the matter to the committee or meeting for discussion and advice; and

3.3.2.2. May make any appropriate recommendations to the supervisory authority.

4. FINANCIAL MATTERS

4.1 Service Agreement

4.1.1 Before supplying of a service, a consumer must enter into a contract of agreement and such contract should provide for a deposit to be paid as security.

- Such contract shall set out the conditions on which services are provided and shall require the consumer to note the contents of the municipality's credit control and debt collection policy, (A copy of the policy and by-law will be provided to such consumer upon request.) The consumer shall note the provision of the Municipal Systems Act in regards to the municipality right of access to property.

4.1.2 All applications for the provision of Municipal Services in respect of any immovable property shall be made by the registered owner of the said immovable property in writing and in accordance with the prescribed form.

4.1.3 Individuals and businesses with lease agreements to lease properties from the municipality and Government departments will be allowed to open an account in the name of the lessee of the property.

4.1.4 The registered owner of an immovable property in respect of which application for the provision of municipal services has been made shall, at least five working days prior to the date on which the services are required to be connected, enter into a written agreement with the Municipality in accordance with the prescribed form.

4.2 Liability for Payment

4.2.1 The owner will be liable for payment of the municipal account for the provision of municipal services entered into in terms of the written agreement mentioned in par 4.1.4 above.

4.2.2 Nothing contained in this by-law will prohibit the Council to collect payment of any amount from the owner or any other person, in terms of applicable legislation.

4.2.3 The Chief Financial Officer may consolidate separate municipal accounts, or portions thereof, of persons liable for payment to the Council.

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**

- 4.2.4 An increase in a consumer deposit in terms of par 4.4.3 and 4.4.6 below, becomes payable within twenty one (21) days from the date on which the consumer is notified thereof or should the consumer appeal against such increase, then within twenty one (21) days from the date on which the consumer is informed of the decision of the Municipal Manager, if the appeal is not upheld.
- 4.2.5 A copy of the identity document, marriage certificate and drivers license must be submitted with the Service Agreement.
- 4.2.6 According to Sect 27 of the Municipal Rates Act, Act 6 of 2004, the municipality will furnish each person liable for the payment of assessment rates with an account. The person liable for payment of the rates remains however liable for such payment whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, that person must make the necessary enquiries from the municipality through lodging of a municipal query.
- 4.2.7 According to Sect 28 of the Municipal Rates Act, Act 6 of 2004, if an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined for payment by the municipality, the municipality may recover the amount in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier. The municipality may recover an amount only after it has served a written notice on such tenant or occupier.
- The amount that the municipality may recover from the tenant or occupier is limited to the amount of the rent or other money due or payable, but not yet paid, by such tenant or occupier to the owner of the property.
- 4.2.8 According to Sect 29 of the Municipal Rates Act, Act 6 of 2004, a municipality may 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, but only after the municipality has served a written notice on the agent in this regard. The amount that the municipality may recover from the agent is limited to the amount of any rent or other money received by the agent on behalf of the owner, less any commission due to the agent.

4.3 Juristic Person

- 4.3.1 Should the occupier be a juristic person, the following will apply:-

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**



- (a) If the occupier is a Company registered in term of the Companies Act, 1973, Act no 61 of 1973, the Directors of such Company shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Company fails to make such payment.
- (b) If the occupier is a Closed Corporation registered in terms of the Closed Corporation Act, 1984, Act no 69 of 1984, the Members shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Closed Corporation fails to make such payment.
- (c) If the occupier is an Association with legal persona, the Members of the Association shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Association fails to make such payment.

4.4 Controls over Deposits of Security

- 4.4.1 The deposit to be paid must be an amount not less than a sum equal to one month's service levies or a minimum amount determined by Council from time to time.
- 4.4.2 The Chief Financial Officer may before entering into a Service Agreement with a customer, or at any time thereafter, if deemed necessary, make such credit rating enquiries with other municipalities and/ or a credit bureau.
- 4.4.3 Should the Chief Financial Officer determine that the customer poses a payment risk to the Council; the Chief Financial Officer may determine a consumer deposit reflecting such payment risk.
- 4.4.4 Should the customer wish to appeal against a decision of the Chief Financial Officer in terms of par 4.3.3 above, the customer may submit an appeal and reasons in writing to the Municipal Manager, within twenty one (21) days from the date on which the customer is notified of the determination of the Chief Financial Officer meant in par 4.3.3 above.
- 4.4.5 The Municipal Manager must consider the appeal within six weeks from the date of the appeal and must notify the customer of his/ her decision within a reasonable time thereafter.
- 4.4.6 The deposit increase will be raised annually based on average consumption for the year.
- 4.4.7 Consumer accounts opened **prior to 2008** were not required to pay for a service deposit.

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**

- 4.4.8 Consumer accounts opened **after 2008** are required to pay for the service deposit before services could be rendered.
- 4.4.9 Where the services are not readily available and the Municipality must incur additional costs to provide such services, the Municipality may require bank guaranteed cheque for the provision of municipal services.
- 4.4.10 Deposits received must be reviewed annually and a register should be maintained. The total sum of deposits received shall constitute a short-term liability in the books of the Municipality. No interest shall accrue in favour of the depositors thereof upon termination of the debtor's agreement with the Municipality. The deposit will first be offset against any outstanding balance (if any) and then be refunded without interest to the customer.

4.5 Rendering of Accounts

- 4.5.1 As from 1/7/2011 the municipality will only enter into Rendering of Services Agreements with owners of properties with regard to rates and services to be rendered at a property. The owner of the property will have to pay the relevant deposit as described in the Credit Control and on Tariffs of the Bela-Bela Municipality which deposit will be held as security for services rendered by the municipality until the property is sold.
- 4.5.2 Although the Municipality must render an account for the amount due by a debtor, failure thereof shall not relieve a debtor of the obligation to pay the amount.
- 4.5.3 Accounts will be delivered to all consumer/ratepayers seven (7) days before the due date of payment, 15th of every month.
- 4.5.4 Accounts to ratepayers and users of municipal services must contain at least the following particulars:-
5. The name of the Municipality.
 6. The name of the ratepayer/ user of the service.
 7. The service levies or rates in question.
 8. The period allowed for the payment of services and rates.
 9. The land and address in respect of which the payment is required.
 10. Any discount for early or prompt payment (if applicable).
- 4.5.5 The Municipal Account shall reflect amounts due for the following:-
- a. Basic Water and Electricity Levy or Availability Charge.
 - b. Site Rental (if applicable)

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**



- c. Refuse Removal.
- d. Sewerage Service or Availability Charge.
- e. Property Rates.

4.5.5.1 Other charges, levies and taxes.

- a. Water and Electricity Consumption Charge.
- b. Any Arrear Amount Due.
- c. Interest on Arrear Amounts.
- d. Collection Charges or Legal Costs.
- e. The Amount of any Increase in a Consumer Deposit.
- f. The unit price and number of units consumed in relation to water consumption.
- g. the total amount payable
- h. The date on or before which payment must be made.

4.6 Actions to Secure Payment

4.6.1 The Municipality and service providers may, in addition to the normal civil legal procedures to secure payment of accounts that are in arrears, take the following action to secure payment for municipal rates and services:-

- 4.6.2 Restriction of the provisions of water services in accordance with the relevant legislation.
- 4.6.3 Disconnection of electricity services in accordance with the relevant legislation
- 4.6.4 Refusal/Restriction on the selling of pre-paid electricity to non-payers of other services

4.7 Cheque Payments

From 1 July 2013 the municipality will only accept a cheque or negotiable instrument on which payment is guaranteed by the financial institution on which it is drawn from consumers who have previously had dishonoured cheques.

4.8 Cost to Remind Debtors of Arrears

For any action taken in demanding payment from the debtor or reminding the debtor, by means of telephone, fax, email, letter or otherwise, that his/her payments are due, a penalty fee will be levied against the account of the debtor in terms of the municipality's tariff provisions.

4.9 Disconnection Fees

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**

Where any service is disconnected as a result of non-compliance with these regulations by the customer, the Municipality shall be entitled to levy and recover the disconnection fee as determined by the Municipality from time to time from the user of the services.

4.10 Legal Fees

4.10.1 All legal costs, including attorney-and-own-client costs incurred in the recovery of amounts in arrears shall be levied against the arrears account of the debtor.

4.10.2 The Council may levy and recover such collection charges not included in par 4.10 above.

4.11 Interest Charges

Interest will be charged on any amount in arrears in accordance to the prime rate of the reserve bank + 2%.

4.12 Payment of Accounts

4.12.1 The Municipality may:-

- 4.2.1.1 Consolidate any separate accounts of persons liable for payments to the Municipality;
- 4.2.1.2 Credit any payment by such a person against any account of that person; and
- 4.2.1.3. Implement any of the debt collection and credit control measures provided for in these regulations in relation to any arrears on any of the accounts of such a person.

4.12.2 When payment is received from a debtor, the principle of oldest debt will be followed and consumer accounts credited as such. Credits will be allocated as follow:-

1. Arrear
2. Electricity (current account)
3. Water (current account).
4. Sewer (current account).
5. Refuse (current account).
6. Sundry (VAT) (current account).
7. Property Rates (current account).
8. Interest.

4.13 Power to Restrict or Disconnect Supply of Services

The Municipality may restrict the supply of water or discontinue any other service to the premises where metered services are rendered:-

- 4.13.1. Fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for services, rates or taxes;
- 4.13.2. Fails to comply with a condition of supply imposed by the municipality;

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**



- 4.13.3. Obstructs the efficient supply of water or electricity or any other municipal services to another customer;
- 4.13.4. Bypasses or tampers with or attempts to bypass or tamper with any metering equipment of the municipality;
- 4.13.5. Supplies such municipal service to a customer who is not entitled thereto or permits such service to continue;
- 4.13.6. Causes a situation which in the opinion of the municipality is dangerous or a contravention of relevant legislation;
- 4.13.7. Is placed under provisional sequestration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act no 24 of 1936; and
- 4.13.8. If an administration order is granted in terms of section 74 of the Magistrates Court Act, 1944 (Act 32 of 1944) in respect of such user.
- 4.13.9.** In the case where an installation has been illegally reconnected on a consumer's premises after having been previously legally disconnected by the Municipality, or in the case where the electrical equipment of the Municipality has been tampered with to prevent the full registration of consumption by the meter, the electricity supply may be physically removed from those premises.
- 4.13.10 Water and electricity services of defaulters in payments will be restricted 5 working days after the monthly due date for current consumption
- 4.13.11 Notices will only be distributed with the discontinuation of services.
- 4.13.12 Notices will be distributed to National and Provincial Departments, who will be given fourteen (14) days to settle accounts in arrear, failing which services will be discontinued without any further notice.
- 4.13.13 The Municipality shall reconnect or restore full levels of supply of any of the restricted or discontinued services only after the full amount outstanding due, including the costs of such disconnection and reconnection have been paid or reasonable amount or any other condition or conditions of this Credit Control By-law as it may deem fit have been complied with.
- 4.13.14. The right to restrict, disconnect or terminate service due to non-payment shall be in respect of any service rendered by the Municipality and shall prevail notwithstanding the fact that payment has been made in respect of any specific service and shall prevail notwithstanding the fact that the person who entered into agreement for supply of services with the municipality and the owner are different entities or persons, as the case may be.
- 4.13.15. The owner may submit a written instruction to restrict or disconnect supply of services on their respective properties.

BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017



4.14 Disputes and Payments during Disputes

- 4.14.1 A dispute must be submitted in writing to the Municipal Manager prior to the final due date for payment of the contested amount. Such dispute must contain details of the specific item(s) on the account, which are subject to dispute with full reasons.
- 4.14.2 Should any dispute arise as to the amount owing by an owner in respect of municipal services the owner shall, notwithstanding such dispute, proceed to make regular minimum payments based on the calculation of the average municipal debits for the preceding three months prior to the arising of the dispute and taking into account interest as well as the annual amendments of tariffs of the Municipality.
- 4.14.3 The municipality must within 30 days resolve the dispute and notify the consumer.

4.15 Full and Final Settlement of an Amount

- 4.15.1 Where the exact amount due and payable to the Municipality has not been paid in full, any lesser amount tendered to and accepted by a municipal employee, except the Chief Financial Officer and/or his/her fully authorised delegate, shall not be deemed to be in final settlement of such an amount.
- 4.15.2 The Chief Financial Officer shall be at liberty to appropriate monies received in respect of any of its municipal services it deems fit.
- 4.15.3 The provisions above shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full settlement.
- 4.15.4 The Chief Financial Officer and/or his/her delegate shall consent to the acceptance of such a lesser amount in writing.

4.16 Arrangements to Pay Outstanding and Due Amount in Consecutive Installments

- 4.16.1 One of the key objectives of debt collection is to encourage debtors to start paying their monthly accounts in full. In addition it is also necessary to ensure that arrear debt is addressed. The current average balances on consumer accounts necessitates that innovative ideas be implemented to encourage consumers to pay off their arrears. At the same time it is also of utmost importance that regular payers not be discouraged through the implementation of any possible incentives.
- 4.16.2 The main aim of an agreement will be to promote full payment of the current account and to address the arrears on a consistent basis. A debtor may enter into a written agreement with

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**



the Municipality to repay any outstanding and due amount to the Municipality under the following conditions:-

- 4.16.3. The outstanding balance, costs and any interest thereon shall be paid in regular and consecutive monthly instalments;
- 4.16.4. The current monthly amount must be paid in full; and
- 4.16.5 The written agreement has to be signed on behalf of the Municipality by a duly authorised officer.
- 4.16.6 In order to determine monthly instalments, a comprehensive statement of assets and liabilities of the debtor must be compiled by a credit control official.
 - Firstly, to ensure the continuous payment of such arrangement the amount determined must be affordable to the consumer, taking into account that payment of the monthly current account is a prerequisite for concluding an arrangement.
 - Secondly, the outstanding amount must be taken into consideration when an agreement is entered into. A minimum amount, based on the outstanding arrears amount on the account need to be paid on signature of the agreement.
 - Agreement of payment of the outstanding amount will be regarded as an interest free arrangement if consumers does not default from the agreement.
 - The maximum agreement period may not exceed 24 months - also refer to Section 14(2) in Consumer Protection Act for outstanding amounts, cases were the agreement exceeds the 24 month due affordability if the consumer the matter will escalated to the Municipal Manager or his/her delegate to deal with the matter.
 -

4.17 Interest on Arrears

Implementation of the following principles could also enhance the success of debt collection to a great extent:-

- 4.17.1. The interest levied on an account during the agreement period, be written back as soon as the arrear amount has been paid in full.
- 4.17.2. Maximum period for extension of payment, on which no interest is levied, must be limited to a period to the discretion of the CFO.
- 4.17.3. Levying of interest be suspended when an account has been closed
- 4.17.4. No interest will be levied on honoured payment agreements.

4.18 Reconnection of Services

The Chief Financial Officer shall authorise the reconnection of services or reinstatement of service delivery only after satisfactory payment has been made according to the Municipality's Credit Control Policy.

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017****4.19 Deductions from Salaries and Allowances**

It is the by-law of Council those Councillors and officials will set an example to the community. In this regard, Councillors must sign a debit order against their allowances and officials against their salaries for the monthly payment of consumer accounts. When a councillor and official leave the employment of the municipality, all outstanding debts and deposit will be deducted from their salary/leave day's credit

5. PERSONNEL AND FINANCIAL IMPLICATIONS

- 5.1 Where a credit control and debt collection function does not exist, this implies that a dedicated structure be established with a credit control officer in charge. In view of the fact that credit control and debt collection must always be able to operate in isolation to any customer management service, it is imperative that a staff establishment for this function be implemented.
- 5.2 The establishment of a credit control and debt collection division will have to be financed from the operating budget, which will have an incremental impact on the budget. However, this will be offset by improved cash inflow as a result of an efficient collection system.

6. FRAUD, TAMPERING AND OTHER CRIMINAL ACTIVITY

- 6.1 If a consumer is being suspected to tamper with any water or electricity meter or deals with the electricity in any manner which the Municipality has reasonable grounds for believing interferes in an improper or unsafe manner or is calculated to interfere in an improper or unsafe manner with the efficient supply of electricity to any other consumer, the Municipality may, with or without notice, disconnect the electricity supply but such supply shall be restored as soon as the cause for the disconnection has been permanently remedied or removed. The fee as prescribed by the Municipality for the Tampering of Meters and the costs involve to replace a meter as well as the average consumption for the period of the tampering, shall be paid by the consumer before the electricity supply is restored or on an individual cases the matter maybe escalated to the Municipal Manager of his/her delegate to negotiate to negotiate the terms, which services can be restored or reconnected, unless it can be shown that the consumer did not use or deal with the electricity in an improper or unsafe manner.
- 6.2 Any person, who undertakes or allow or causes any other person to undertake an illegal connection, will be guilty of an offence.
- 6.3 A customer who becomes aware of an illegal connection of the water and electricity supply to a property or premises owned by or occupied by such or another customer, must immediately notify

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**

the Council thereof his/her identity will be protected, a compensation fee will be offered upon verification of the claim in accordance with the municipal tariffs.

6.4 Council will immediately disconnect any illegal connection and remove any wiring, piping or other equipment or installation relating to an illegal connection.

6.5 The Municipality may not interfere where criminal activity is evident. The legal penalties and criminal justice system may not be subject to conflicting resolutions by the municipality. All such cases must be prosecuted to the fullest extent of the law.

6.6 Municipality may not supply water or electricity to a customer who is found guilty of or if it is admitted that fraud, theft or any other criminal action involving the use of these services existed, until the total costs, penalties, other fees and tariffs and rates arising from tempering or illegal connections due to the municipality have been paid in full, or on an individual case the matter may be escalated to the Municipal Manager or his/her delegate to negotiate the terms, which services can be restored or reconnected.

7. AGENTS, ATTORNEYS AND OTHER COLLECTION AGENTS

7.1 All external agents acting on behalf of the Municipality are to be named, together with their details and contact information. Likewise, all agents are to be supplied with a copy of the credit control measures.

7.2 Clear instructions to agents and other arrangements must be explained for the customers' benefit. Under no circumstances may agents negotiate terms, extend payment periods or accept cash on behalf of municipality, unless specifically instructed in writing to do so. The agent, on request by consumers, must produce this instruction.

7.3 The costs to the Municipality and to the debtor must be detailed for each stage of the credit control measures and for all possible actions. The liability for the costs of legal action and other credit control actions must as far as is legally possible be for the account of the debtor.

8. CREDIT CONTROL BY-LAW TO BE APPLIED FOR INDIGENT HOUSEHOLDS**8.1 Introduction**

8.1.1 The key purpose of an indigent subsidy by-law is to ensure that households with no or lower income are not denied a reasonable service, and on the contrary the local authority is not financially burdened with non-payment of services.

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**

8.1.2 Provided that grants are received and funds are available, the indigent subsidy policy should remain intact.

8.1.3 To achieve the purpose it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs. The consumer, in order to qualify for indigence, needs to complete the necessary documentation as required.

8.2 Aims of the By-law

8.2.1 The credit control by-law aims to achieve the following:-

8.2.2. To distinguish between those who can and cannot genuinely pay for services;

8.2.3. To get those who cannot pay to register with the municipality so that they could be given subsidies;

8.2.4. To enable the municipality to determine and identify defaulters to ensure appropriate credit control procedures;

8.2.5. To establish an indigent register of all persons who comply with the by-law.

8.3 Obligation to Pay

It is important to note that the subsidy received may not cover the full account. In such event the consumer is still responsible for the balance between the full account and the subsidy received. Credit control must still be applied for these outstanding amounts.

9. DEBT COLLECTION**9.1 Abandonment of Claims**

The Municipal Manager must ensure that all avenues are utilised to collect the municipality's debt. There are certain circumstances that allow for the valid termination of debt collection procedures as contemplated in section 109(2) of the Systems Act, such as:-

- The insolvency of the debtor, whose estate has insufficient funds.
- A balance being too small to recover, for economic reasons considering the cost of recovery
- Indigent household who have no assets which can be sold for recovery of debt to municipality
- Any debtors' account whose cost to recover is more than the assets of that debtor
- A deceased debtor who has no assets to recover the debt

BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017



Where Council deems that a customer or groups of customers are unable to pay for services rendered. The municipality will maintain audit trials in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

9.2 Writing off Bad Debt

Council must appoint a committee in terms of its delegations to review and recommend to Council to approve all bad debt write off cases.

CREDIT CONTROL AND DEBT COLLECTION REGULATIONS FOR ANY OUTSTANDING AMOUNTS

Where consumers fail to pay their municipal accounts by the due date stipulated on the account, the following actions will be taken.

1. Final notices/ accounts may be delivered; posted or communicated in any manner which the municipality may deem fit, after the final date of payment. The final notice/ account will contain that the client may arrange to pay the outstanding balance in terms of the Credit Control By-law. Information that the account constitutes as a final notice and failure to settle the account on the due date may lead to disconnection of services at any date thereafter, without further notice, must however form an integral part of the account.
2. An Acknowledgement of Debt must be completed with all arrangements for paying off arrear accounts. Copies of this document must be handed to the client. An affidavit of financial affairs must also be submitted to determine an affordable monthly installment.
3. Only account holders with positive proof of identity or an authorised agent with a Power of Attorney or affidavits will be allowed to complete an Acknowledgement of Debt.
4. Debit orders may be completed for the monthly payment of the agreed amount or at least the current amount, as far as possible. If the arrangement is dishonoured, the full balances will immediately become payable. No further debit order arrangement will be accepted if a previous debit order has been dishonoured
5. Where cheques are returned, "Refer to Drawer" after an arrangement has been made, the full balance will immediately become payable.

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**



6. No person will be allowed to enter into a second agreement if the first agreement was dishonoured, except in special merit cases. Such applications will be approved by the Chief Financial Officer only and must be submitted before the arranged due date.
7. Where arrangements were not made and water and/or electricity supply is restricted due to non-payment, it will only be restored upon payment of the full outstanding balance or signing of an Acknowledgment of Debt on merits and the payment of a minimum amount as determined by the CFO.
8. Merit cases, where special circumstances prevail, must be treated individually and could amongst others include the following categories:-
 - a) Deceased estates;
 - b) Liquidated companies;
 - c) Private persons under administration;
 - d) Outstanding enquiries on accounts, for example, misallocated payments, water leaks, journals, incorrect levies, etc;
 - e) Certain categories of Pensioners; and
 - f) Child headed families or Ophans
 - g) Any other cases not mentioned which can be regarded as merit cases due to circumstances.

Extension for payment of arrears in respect of merit cases should not exceed 24 months (2 years) or any other period in the discretion of the Municipal Manager or his/ her delegate.
9. Only the Municipal Manager or his delegate may agree to such extensions and these must be supported by documentary proof. Previous payment record will be taken into consideration.
10. When restriction of water and electricity supply takes place due to non-payment, or an agreement is dishonored the consumer's deposit will be adjusted.
11. New consumer deposits for business and industrial customers must be re-assessed three months after the initial deposit date.
12. All other business and industrial deposits will be reviewed annually.
13. Where the consumer has not entered into a service agreement with the Municipality, water may be restricted until such time as a service agreement has been signed and the applicable deposits paid.
14. Where services are illegally restored criminal action will be taken if possible. All costs occurred to disconnect the electricity/water supply will be for the account of the consumer and owner respectively before the service will be reconnected

**BELA BELA LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION BY-LAW
2016-2017**

15. Where municipal accounts remain outstanding or unpaid for more than 60 days, without response, the account will be handed over to debt collectors for the collection and/ or legal action to the Attorneys and can be listed at the Information Trust Corporation. These clients will have to make further arrangements at the attorneys and/or the debt collectors for payment of the arrear amounts. The current monthly accounts must be paid to the Municipality directly.
16. Once an account has been handed over for collection, the case will not be withdrawn unless there was a mistake or oversight on the part of the Municipality.

10. REPEAL OF COUNCIL CREDIT CONTROL BY-LAWS

The provisions of any by-laws relating to the control of credit by the municipality are hereby repealed in so far as they relate to matters provided for in these by-laws.

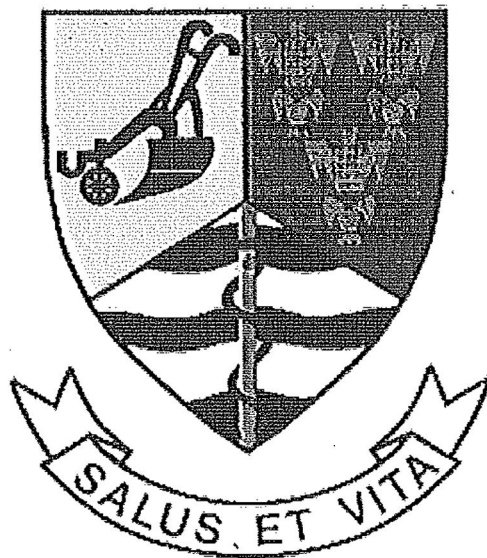
11. CONFLICT OF LAWS

- 11.1 When interpreting a provision of these by-laws, any reasonable interpretation which is consistent with the purpose of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as set out in Chapter 9, on credit control and debt collection, must be preferred over any alternative interpretation which is inconsistent with that purpose.
- 11.2 If there is any conflict between these by-laws and any other by-laws of the Council, these by-laws will prevail.

12. SHORT TITLE

These by-laws are called the Credit Control and Debt Collection By-laws of the Bela Bela Local Municipality.

BELA-BELA LOCAL MUNICIPALITY



INDIGENT SUPPORT BY-LAW 2016/2017

DEFINITION

"Actual consumption" means the consumption measured of any consumer within the residential area;

"Applicable charge" means the rate, charge, tariff, flat rate or support determined by the Municipality;

"Area of supply" means any area within or partly within the area of jurisdiction of the Municipality for which a municipal service(s) is/are provided;

"Authorised agent" means:

- (a) Any person authorized by the municipality to perform any act, function or duty in terms of or exercise any power conferred thereto under these by-laws; and/or
- (b) Any person to whom the Municipality has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and/or
- (c) Any person appointed as a service provider to provide revenue services to consumers on behalf of the Municipality, to the extent authorized in written contract entered thereto with the Municipality;

"Authorised official" means any official of the municipality who has been authorized by it to administer, implement and enforce the provisions of these By-Laws;

"Basic -water supply" means the minimum standard of water supply services necessary for the reliable supply of water to households to support life and personal hygiene, prescribed in terms of the Water Services Act under regulation 3 of Government Notice R509 of 8 June 2001, as amended from time to time, or any substitution for that regulation;

"Council" means the - Council of Bela Bela Local Municipality and includes any duly authorised political structure or office bearer as defined in the Local Government: Municipal Finance Management Act 56 of 2003 and/or any duly authorised official of Council and as contemplated in section 157(1) of the Constitution of the Republic of South

Africa, 1996 (Act 108 of 1996);

"Domestic purposes", in relation to the supply of water, means water supplied for drinking, ablution and culinary purposes to premises used predominantly for residential purposes;

"Dwelling Unit" means in interconnected suite of rooms designed for residential purposes and occupation by a single household, regardless of how many persons comprise the household.

"Enforcement notice" means any notice issued by a designated officer under these by-laws, which instructs the person to whom it is issued to comply with the terms of the notice, and includes a compliance notice contemplated in section 111;

"Fixed quantity water delivery system" means a water installation, which delivers a fixed quantity of water to a consumer in any single day;

"Household Income" means all sources of income being formal and/ or informal of nature

Including, but not restricted to, salaries, revenue generated, pensions, fixed deposits, investments, state subsidies and or grants, private financial support/contributions from outside the indigent household

"Indigent" means an indigent household whose total household income is as determined by Council annually during the budget process;

"Indigent Households" shall include all individual residing at the residential premises of the indigent debtor, inclusive of destitute indigent and indigents, by whom and for which application is made, which premises has access to municipal services;

"Indigent Support Policy" means the policy for the provision of indigent subsidies to qualifying indigent debtors in terms of the Council's policy relating to the following:

[a] Free basic electrify

[b] Free basic water

[c] Subsidised sewerage rates and refuses

[d] Assisted arrear debt recovery programme

As determined by Council annually during the budget process, in line with National norm and guidelines;

"Indigent debtor" means the head of an indigent household, inclusive of destitute indigents, being old age pensioners, the unemployed and households with a total monthly income as determined in the Indigent Support Policy:

[a] Who applies for the provision of services from the municipality;

[b] Who makes application for indigent support in terms of these by-laws; and

[c] Who shall be regarded as the representative of all members of his/her household

"Indigent support" refers to the allocation from the equitable share grant and the municipality's own resources to support/ assist indigent households as determined by the Council;

"Indigent rebate" refers to the amount of revenue that is foregone by the municipality to the indigent households;

"Law" means any law, including the common law;

"Municipality" means the Municipality established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, Provincial Notice 487 dated 22 September 2000 and includes any political structure, political office bearer, councillor, duly authorized agent thereof or any employee thereof acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

"Municipal Manager" means the person appointed by the municipality as the Municipal Manager or Accounting Officer of the Municipality in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998 as amended), and includes any person:

- a) Acting in such a position; and
- b) To whom the Municipal Manager has delegated a power, function or duty

"Municipal service" means, for purposes of these by-laws, a service provided by the Municipality, and includes a refuse removal service, a water supply service, a sanitation service or an electricity service;

" **Person**" means a natural person, a local government body, a company or close corporation incorporated under any law, a body of persons, whether incorporated or not, a statutory body, an organ of state as defined in section 239 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), and the Minister of Water Affairs and Forestry, or his successor in performing his/ her function as Minister of Water Affairs, a public utility body, a voluntary association or a trust;

"**Threshold level**" refers to total combined household income that does not exceed the monthly national pensioner grant as stipulated by national treasury or, in the case of two pensioners or person dependant of grants, where the household income does not exceed that stipulated grant amount,

"**Prescribed**" means, determined by resolution of the municipal Council from time to time;

"**Prescribed tariff or charge**" means a schedule of prescribed tariff or charge;

"**Public notice**" means notice in the official languages determined by the municipality and in an appropriate medium that may include one or more of the following;

(a) The publication of a notice -

(i) In a local newspaper or newspapers in the area of the municipality; or

(ii) In a newspaper or newspapers circulating in the area of the Municipality and determined by the municipality to be a newspaper of record; or

- (b) The broadcasting of a notice by means of radio broadcasts covering the area of the municipality; or
- (c) The displaying of a notice at appropriate offices and pay points of the

Municipality; or

- (d) The communication of the content of a notice to consumers through public meetings and ward committee meetings;

"Subsidised service" means a municipal service, which is provided for a consumer at an applicable charge that amounts to less than the cost of actually providing the service, and includes a service provided for a consumer at no cost to the consumer;

"Systems Act" means the Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000);

1. Application for Indigent water supply services

- (1) The Municipality recognizes its responsibilities in terms of the Municipal Systems Act, Act 32 of 2000, of ensuring that poor households have access to at least basic services through
 - (a) Tariffs that cover only operating and maintenance; or
 - (b) Special tariffs or life line tariffs for basic levels of service; or
 - (c) Any other direct or indirect method of subsidization of Tariffs for poor households.
- (2) Household at the poverty threshold with a gross income totalling to two pensioner grant and below per month qualify to apply for indigent status and will receive basic services subsidies.
- (3) No person will receive an indigent support unless:
 - (a) An application has been made to the Municipality on the form prescribed in terms of the Municipality's by-laws relating to Indigent household (person);
 - (b) The application form is accompanied by an affidavit which indicates the applicant's declaration that he/she qualifies to be indigent;
 - (c) In situations where the applicant is employed but still falls below or at the threshold level, their payslip is attached to the application form to substantiate their indigent status;
 - (e) The applicant has signed the application form and will be issued with a receipt with a unique number;
 - (f) The application has been advertised in the daily local newspapers for at least a week and no member of the

public has objected to the applicant being given an indigent status;

(g) The application for indigent status is renewed annually after the Municipality has approved the application.

(4) Indigent basic services rendered to a consumer by the municipality are subject to these by-laws and the conditions contained in the relevant policies and agreements.

(5) An application for indigent services approved by the municipality constitutes an agreement between the municipality and the applicant, and takes effect on the date referred to in the application.

(6) A person approved as an indigent will be responsible to make arrangements with Financial Officer or delegated municipal officials for the repayments of outstanding

Amounts in instances where the applicant's status changed to indigent while he had amounts still owing on his/ her account.

(7) An application form should contain at least the following minimum information -

(a) A statement by the applicant that he or she is aware of and understands the contents of the form;

(b) Acceptance by the applicant of the provisions of these By-laws, and acceptance of liability for the cost of services consumed above the indigent support provided;

(c) The name of the proposed consumer, and his or her identity;

(d) The address or stand number of the premises to or on which services are to be rendered

(e) The address to which accounts should be sent

(f) If water is to be supplied, the purpose for which the water is to be used;

(8) The applicant should be informed if The Municipality declines an application for the provision of an indigent service. The Municipality should furnish the applicant with the reasons therefore and, if applicable, any other information that the Municipality consider necessary to be able to approve an application to provide such a service.

2. PAYMENT

Indigent Tariff and Support

- (a) All prescribed tariffs or charges payable in respect of indigent services rendered by the Municipality in terms of this By-Law, are determined by the Municipality in accordance with:
- (i) The rates and tariff policy of the Municipality;
 - (ii) Any relevant by-laws; and
 - (iii) Any regulations under any national or provincial law.
- (b) The Council will, as part of the budgetary process, determine an indigent support that will be granted to indigent households;
- (c) The amount payable by the indigent household will be determined follows:

Service tariffs	xxxx
-----------------	------

Property Rates	xxxx
----------------	------

Less: Indigent Support	(xxx)
------------------------	-------

Amount payable xxx

Should the calculation of the amount payable results in a negative figure, only the amount of the indigent support will be granted;

- (d) The Council will determine the indigent support from time to time based on the equitable share received from the National Government;
- (e) Should a person who qualifies for indigent assistance be unable to pay the amount due by him/her, the person's circumstances will be considered and brought before Council before any debt collection action is instituted;

3. ACCOUNTS

Monthly accounts will be rendered to consumers and will indicate the following information:

- (a) Details of the ageing (30, 60, 90 days, etc) of the account;
- (b) Payments made so far;
- (c) Charge for the current month;
- (d) Indigent support granted;
- (e) Total amount outstanding;
- (f) The final due date for payment;

An indigent consumer is only entitled to basic water supply services and will be liable for payment in respect of services used in excess of the quantity of basic services.

4. INDIGENT SUPPORT POLICY

The Council shall adopt an Indigent Policy, which shall embody and provide procedures and guidelines for the subsidisation of basic services and tariff charges to indigent households in its municipal area.

The object of the Indigent Policy shall be to ensure:

- [a] The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council; and
- [b] The provision of procedures and guidelines for the subsidisation of basic service charges to indigent households.

Guiding Principles

The following guiding principles shall be contained in the Indigent Policy:

- [a] Relief will be provided by the Council to registered residential consumers of services who are declared destitute and/or indigent by the Council, but subject to the condition that such indigent consumers make a financial contribution towards the cost of the services provided by the Council to them on such basis determined by the Council;
- [b] The Council shall, wherever possible, ensure that any relief provided in terms of this bylaw and its policy is constitutional, practical, fair, equitable and justifiable in order to avoid the alienation of any group of households;
- [c] Differentiation between residential consumers shall, in accordance with the By-laws, Policies and resolutions of the Council and legislation, be permitted;
- [d] Differentiation shall also be permitted in respect of the level of service provided to or to be provided to indigent households;
- [e] The application of the indigent support for minimum service levels should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement;
- [f] A differentiation shall be made between those households who cannot afford to pay for basic services and those households who refuse to pay for such services;
- [g] The payment for services rendered should be affordable for the indigent;
- [h] The indigent support policy will apply during each municipal financial year;

-
- [i] Financial support to the indigent will be dependent upon the availability of funds to enable the Council to provide such support;
 - [j] The Council shall, annually, review and amend the qualification criteria for indigent support provided by it if and when necessary;
 - [k] The collective or joint gross income of members of indigent households will always be taken into account to determine the level of financial support to be granted to indigent households;
 - [l] Indigent households must formally apply on the prescribed application form for indigent support and will qualify for such support according to prescribed criteria/principles to be laid down by the Council;
 - [m] The household income must be correctly reflected on the application form requesting indigent support;
 - [n] The applicant who signs the prescribed application form shall be regarded as the indigent Debtor and a representative of the indigent household;
 - [o] after the application form for indigent support has been completed by an indigent debtor it shall be assessed in terms of the policy;
 - [p] All approved indigent debtors should be registered on the municipal Indigent database system;
 - [q] The onus will be on the approved indigent debtor to inform the Council of any change in his/ her status or personal household circumstances;
 - [r] All indigent households should be re-evaluated annually or such period as the Council may determine to assess the provision of continued basic services and indigent support to them;-
 - [s] Disciplinary measures decided by the Council should be imposed on indigent debtors who misuse the indigent support policy of the Council and/or provide incorrect information to the Municipality;
 - [t] An approved community communications programme, embodying the principles of transparency and fairness, must be implemented in respect of the indigent support policy; and-
 - [u] Skills Training and other education related programmes should be

supported to develop the indigent to become self - sufficient and thereby reduce the rate of indigence.

Qualification, Acceptance and Registration Criteria

The qualification, acceptance and registration criteria for indigent support and the services qualifying for such support shall be determined by Council Policy as reviewed annually during the budget process.

**5. PROVISION OF INDIGENT SUPPORT
SUBSIDIES**

Indigent Subsidies will be provided by the Council on the following basis:

- [a] Relief will only be provided to those indigent households who apply and qualify thereof;
- [b] The relief must be significant so as to relieve the recipient of an indigent support from the financial hardship of paying fully for services received from the Municipality for a specific period;
- [c] All registered indigents will be granted subsidies on services and property rates levied;
- [d] The indigent will receive a monthly account, which will reflect the amount due and payable;
- [e] The indigent will only be billed on the system;
- [f] The subsidised amount will be reflected against the indigent support vote.
- [g] Subject to annual resubmission by the applicant of the application to Council on the date as determined by Council.

6. INDIGENT STATUS

The Council shall not amend, alter, withdraw, or suspend in terms of these by-laws and its policy the indigent households status without first having forwarded notification thereof to the said indigent household.

7. SPECIAL TARIFF FOR SERVICES

The Council may determine the extent of the support for indigent households, subject to the availability of funds and compliance with prescribed criteria for municipal services and amenities.

8. RESPONSIBILITIES OF MUNICIPAL MANAGER

It shall be the responsibility of the Municipal Manager:

- [a] To create, maintain and update a register of all debtors receiving indigent subsidies from the Council in terms of these by-laws;
- [b] To reflect the indigent status of debtors in the accounting records of the Municipality;
- [c] To advise and keep indigent debtors informed of the approval, amendment, suspension or withdrawal of an application for indigent support in terms of these by-laws and the conditions under which such support will be granted, including the renewal of indigent support applications;
- [d] To report any instances of misuse of the Council's Indigent Policy to the Council for its attention in terms of these by-laws;
- [e] To report at regular intervals as may be required by Council on the progress or otherwise of the implementation of the Council's Indigent Support Programme; and.
- [f] To publish a copy of these by-laws, policy and any amendments thereto on the official website of the municipality.

9. BUDGETING FOR INDIGENT SUPPORT

The Council must annually budget for the total indigent support to be granted to indigent debtors in terms of these by-laws. Such amount must, upon approval of the budget of the Council, be reflected against a separate vote in the name of indigent support.

The total value of indigent subsidies for all subsidised services must be reflected against

such indigent support vote on a monthly basis.

10. REVIEW AND AMENDMENT OF INDIGENT SUPPORT POLICY

The Council has the discretionary power to amend any clause, stipulation or tariff embodied in its Indigent Support Policy in the interests of all the parties concerned at the annual budgetary review of Council policies in conjunction with the consideration of the annual budget of the Council.

The Indigent Support Policy adopted in terms of these by-laws shall be regarded as a budget- related policy and be reviewed on an annual basis by the Council during the annual budget review. Any amendment thereto shall be considered and adopted in conjunction with the adoption of the annual budget of the Council.

11.OFFENCES

Any indigent household who-

[a] Obstructs or hinders the Council in the exercise of its powers or performance of functions or duties under these by-laws;

[b] Uses or interferes with Council equipment or consumption of services supplied;

[c] Tampers or breaks any seal on any meter installed, or with the water restrictor system installed or on any equipment belonging to the Council, or for any reason as determined by the Chief Financial Officer causes interference with the service provision and the service used;

[d] Furnishes misleading information knowing it to be false or misleading; [e] Contravenes or fails to comply with a provision of these by-laws;

shall be guilty of an offence and be liable upon conviction to a fine or to imprisonment for a period not exceeding three months or both. Such a fine and imprisonment and, in addition, may be charged for usage, as estimated by the Chief Financial Officer based on average usage during the previous six months or as may be determined by resolution of the Council from time to time.

12. NOTICES AND DOCUMENTS

[a] A notice or document issued by the Council in terms of these by-law shall be deemed to be duly issued if signed by an employee duly authorized by the Council.

[b] If a notice is to be served on a person in terms of these by-laws, such service shall be effected by:

[i] Delivering the notice to him/ her personally;

[ii] Delivering the notice at his/ her residence or to a person apparently not less than sixteen years of age and apparently residing or employed there;

[iii] If he/ she has nominated an address for legal purposes, by delivering the notice to such an address; or

[iv] A Registered or certified post addressed to his/ her last known address;

[v] If service cannot be effected in terms of the aforesaid sub-sections, by affixing it to the principal door of entry to the premises, or displaying it on a conspicuous place on the land

Authentication of Documents

[a] Every order, notice or other document requiring authentication by the Council shall be sufficiently authenticated, if signed by the Municipal Manager or by a duly authorized employee of the Council;

[b] Delivery of a copy of the document shall be deemed to be delivery of the original.

13. RESPONSIBILITY OF COMPLIANCE WITH THESE BY-LAWS

The indigent debtor is responsible for ensuring compliance with these by-laws in respect of all or any matters relating to the indigent support granted. The indigent debtor is responsible for compliance with these by-laws and policy in respect of matter relating to the use of any water, electricity, sanitation installation and other services provided by Council.

14. AVAILABILITY OF BY-LAWS

[a] A copy of these by-laws shall be included in the municipalities Municipal Code as

required in terms of section 15 of the Municipal Systems Act, No 32 of 2000 and shall be displayed on the official website of the municipality;

[b] A copy of these by-laws shall be available for inspection at the municipal offices at all reasonable times; and

[c] A copy of the by-laws may be obtained against payment of a prescribed fee from the Council.

15. APPEALS AGAINST DECISIONS OF THE COUNCIL

An indigent household, whose application has been declined, may appeal against such decision which appeal procedure shall be laid down within the policy.

16. CONFLICT OF BY-LAWS

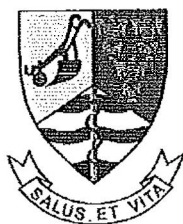
If there is any conflict between these by-laws and any other by-law of the Council, the Credit Control and Debt Collection by-law will prevail if applicable failing which these by-laws will prevail. These by-laws must be read in conjunction with the Credit Control and Debt Collection by-law.

17. SHORT TITLE AND COMMENCEMENT

This By-Law is called the Indigent Support By-law of the Bela-Bela Local Municipality and shall come to force and effect upon promulgation in the government gazette.

18. REPEAL OF COUNCIL INDIGENT SUPPORT BY-LAW

The provisions of any by-law or by-laws relating to the provision of indigent support subsidies to qualifying indigent debtors by the administrative unit of the Council are hereby repealed.



BELA BELA LOCAL MUNICIPALITY PROPERTY RATES BY-LAW 2016/2017

Bela Bela Local Municipality, hereby, in terms of section 6 of the Local Government: Municipal Property Rates Act, 2004, has by way of (No of the resolution) adopted the Municipality's Property Rates By-law set out hereunder.

BELA BELA LOCAL MUNICIPALITY

MUNICIPAL PROPERTY RATES BY-LAW

PREAMBLE

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

AND WHEREAS section 13 of the Municipal Systems Act read with section 162 of the Constitution require a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province.

AND WHEREAS section 6 of the Local Government: Municipal Property Rates Act, 2004 requires a municipality to adopt by-laws to give effect to the implementation of its property rates policy; the by-laws may differentiate between the different categories of properties and different categories of owners of properties liable for the payment of rates;

NOW THEREFORE BE IT ENACTED by the Council of Bela Bela Local Municipality, as follows:

1. DEFINITIONS

In this by-law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), shall bear the same meaning unless the context indicates otherwise.

'Municipality' means Bela Bela Local Municipality;

'Property Rates Act' means the Local Government: Municipal Property Rates Act, 2004 (Act No 6 of 2004);

'Rates Policy' means the policy on the levying of rates on rateable properties of the Bela Bela Local Municipality, contemplated in chapter 2 of the Municipal Property Rates Act;

'Rate' or "Rates" means a municipal rate on property as envisaged in section 229 of the Constitution.

'Credit Control and Debt Collection Policy' means Credit Control and Debt collection policy of Bela Bela Local Municipality.

2. OBJECTS

The object of this by-law is to give effect to the implementation of the Rates Policy as contemplated in section 6 of the Municipal Property Rates Act.

3. ADOPTION AND IMPLEMENTATION OF RATES POLICY

3.1. Bela Bela Local Municipality shall adopt and implement its Rates Policy consistent with the Municipal Property Rates Act on the levying of rates on rateable property within the jurisdiction of the municipality; and

3.2. Bela Bela Local Municipality shall not be entitled to levy rates other than in terms of its Rates Policy.

4. CONTENTS OF A RATE POLICY

The Rates Policy shall, *inter alia*:

- 4.1. Apply to all rates levied by Bela Bela Local Municipality pursuant to the adoption of its Annual Budget;
- 4.2. Comply with the requirements for:
 - 4.2.1. the adoption and contents of a rates policy specified in section 3 of the Act;
 - 4.2.2. the process of community participation specified in section 4 of the Act; and
 - 4.2.3. the annual review of a Rates Policy specified in section 5 of the Act.
- 4.3. Provide for principles, criteria and implementation measures that are consistent with the Municipal Property Rates Act for the levying of rates which the Council may adopt; and
- 4.4. Provide for enforcement mechanisms that are consistent with the Municipal Property Rates Act and the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

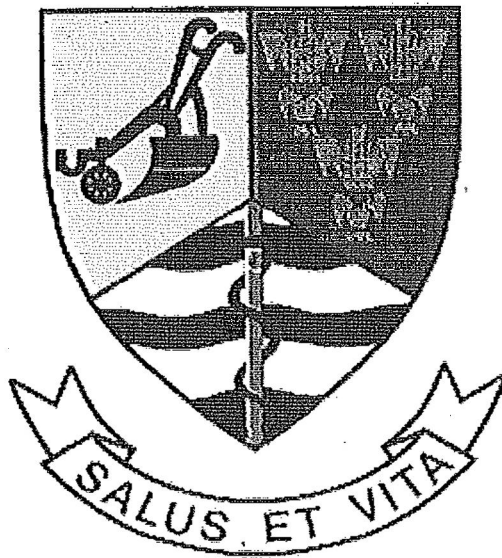
5. ENFORCEMENT OF THE RATES POLICY

Bela Bela Local Municipality's Rates Policy shall be enforced through the Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Act and the Municipality's Rates Policy.

6. SHORT TITLE AND COMMENCEMENT

This By-law is called the Municipal Property Rates By-law, and takes effect on 1 July 2016

BELA-BELA MUNICIPALITY



TARIFF BY-LAW

2016-2017

Table of Contents

1. DEFINITIONS AND ABBREVIATIONS	2 -
2. PREAMBLE	4 -
3. PURPOSE OF THE BY-LAW	4 -
4. TARIFF PRINCIPLES.....	5 -
5. DIFFERENTIATION BETWEEN CONSUMERS AND GRANTING OF EXEMPTIONS.....	6 -
6. CATEGORIES OF CONSUMERS	6 -
7. COST ELEMENTS	7 -
8. DEPOSITS.....	7 -
9. TARIFF TYPES	7 -
2. UNITS OF MEASUREMENT AND METHOD OF CALCULATION	7 -
3. SUNDRY TARIFFS.....	8 -
4. PHASING IN OF TARIFFS, FEES AND LEVIES	8 -
5. ENFORCEMENT MEASURES	8 -
6. REPEAL OF BY-LAW	8 -
7. SHORT TITLE AND COMMENCEMENT	8 -

1. DEFINITIONS AND ABBREVIATIONS

“Accounting Officer” means the Municipal Manager appointed in terms of Section 60 of the Municipal Finance Management Act.

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

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

“By-law” shall mean legislation passed by the council of the municipality, and which shall be binding on the municipality and on the persons and institutions to which it applies.

“Consumer price index” shall mean the CPIX as determined and gazetted from time to time by the South Bureau of Statistics.

“Chief Financial Officer” means a person designated in terms of section 80(2) (a) of the Municipal Finance Management Act.

“Councillor” shall mean a member of the council of the municipality.

“Domestic consumer or user” of municipal services shall mean the person or household which municipal services are rendered in respect of “residential property” as defined below.

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

“Integrated development plan” shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000, as amended.

“Local community” or **“community”**, in relation to the municipality, shall mean that body of persons comprising the residents of the municipality, the ratepayers of the municipality, any civic organisations and non-governmental, private sector or labour organisations or bodies involved in local affairs within the municipality, and visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality.

“Month” means one of twelve months of a calendar year.

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

"the municipality" means Bela Bela Local Municipality.

"Municipal council" or "council" shall mean the municipal council of Dr JS Moroka Local Municipality as referred to in Section 157(1) of the Constitution.

"Municipal entity" shall mean (a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation, and which operates under the ownership control of one or more municipalities; or (b) a service utility.

"Municipal Manager" shall mean the person appointed in terms of Section 82 of the Municipal Structures Act, 1998.

"Multiple purposes" in relation to a property, shall mean the use of a property for more than one purpose.

"Municipal service" has the meaning assigned to it in terms of Section 1 of the Municipal Systems Act.

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

"Occupier" in relation to a property, shall mean a person in actual occupation of the property, whether or not that person has a right to occupy the property.

"Owner" (a) in relation to a property referred to in paragraph (a) of the definition of "property", shall mean a person in whose name ownership of the property is registered; (b) in relation to a right referred to in paragraph (b) of the definition of "property", shall mean a person in whose name the right is registered; (c) in relation to a land tenure right referred to in paragraph (c) of the definition of "property", shall mean a person in whose name the right is registered or to whom it was granted in terms of legislation; and (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", shall mean the organ of state which owns or controls

that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of the Property Rates Act 2004 be regarded by the municipality as the owner of a property in the following cases:-

- a) a trustee, in the case of a property in a trust, but excluding state trust land;
- b) an executor or administrator, in the case of a property in a deceased estate;
- c) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- d) a judicial manager, in the case of a property in the estate of a person under judicial management;
- e) a curator, in the case of a property in the estate of a person under curatorship;
- f) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- g) a lessee, in the case of a property that is registered in the name of the municipality and is leased by it; and
- h) A buyer, in the case of a property sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of such buyer.

“Rate” shall mean a municipal rate on property as envisaged in Section 229(1) (a) of the Constitution.

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

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

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

“Residential property” shall mean a property included in the valuation roll in terms of Section 48(2) (b) of the Property Rates Act 2004 as residential.

“Tariff” means a tariff for services which the Municipality may set for the provision of a service to the local community and includes a surcharge on such tariff.

2. PREAMBLE

Under the provision of section 15(2) 6 of the Constitution of the Republic of South Africa, 1996, Bela Bela Local Municipality enacts this tariff by-law as follows:

3. PURPOSE OF THE BY-LAW

- a) To comply with the provision of Section 74(2) of the Local Government, Municipal Systems Act of, 2000 (Act 32, 2000), and

- b) To give guidance regarding tariff proposals which must be submitted to council annually during budget process.

4. TARIFF PRINCIPLES

- a) The tariff principles set out in section 74(2) of the Municipal Systems Act, as well as principles adopted by the municipality in its annual tariff policy shall apply.
- b) Service tariffs imposed by the Bela Bela Municipality shall be viewed as user charges and not as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigent relief measures approved by the municipality from time to time).
- c) The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal area in accordance with the various levels of services.
- d) Tariffs for the four major services rendered by the municipality, namely:-
- Electricity;
 - Water;
 - Sewerage; and
 - Refuse Removal

Shall as far as possible recover the expenses associated with the rendering of each service concerned, and where feasible, generate a modest surplus as determined in each annual budget. Such surplus shall be applied in relief of property rates or for the future capital expansion of the service concerned, or both.

- e) The tariff which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.
- f) The municipality has developed, approved and annually review the indigent support programme for the municipal area. This programme set out clearly the municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal area.
- g) In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.
- h) The municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be evident to all consumers or users of the service in question.
- i) The municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all consumers and users affected by the tariff policy concerned.
- j) The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
- k) In the case of a directly measurable service such as electricity or water, the consumption of such service shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.
- l) In addition, the municipality shall levy monthly availability (where the services are available but not connected)/ or basic charges for the services concerned and these

charges shall be fixed for each type of property as determined in accordance with its appropriate policies. Availability charges are also applicable to sewer services.

Generally, consumers of electricity and water shall therefore pay the following charges:-

- i. A basic charge which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and
 - ii. A consumption charge directly related to the consumption of the service in question; or
 - iii. A flat rate (no basic charge) in the case where the consumption is not metered.
 - iv. Average charge based on prior consumption history where meter was not read or a rendering of service was not completed and submitted to the municipality.
- m) In considering the costing of its electricity, water and sewerage services, the municipality shall take due cognisance of the capital cost of establishing and expanding such services.
- n) In adopting what is fundamentally a two-part tariff structure, namely a basic/ availability charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

5. DIFFERENTIATION BETWEEN CONSUMERS AND GRANTING OF EXEMPTIONS

1. In accordance with the principles embodied in the Constitution and the provisions of the sections 74(3) and 75 of the Local Government: Municipal Systems Act, 2000, the municipality may differentiate between different categories of users, debtors, service providers, services standards and geographical areas, however, such differentiation must at all times be reasonable, and must be fully disclosed in each annual budget.
2. The municipality may, in writing exempt a consumer, category of consumers, or other persons from complying with a provision of this by-law, subject to any conditions it may impose;
3. The municipality may not grant exemption from any section of this by-law 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) Installation of pipes and fitting which are not acceptable in terms of the municipality's prescribed standards;
 - f) Any Act, or any regulation made under it, not being complied with.
4. The municipality may at any time give a written notice of at least 30 days, withdraw any exemption given under subsection(2)

6. CATEGORIES OF CONSUMERS

1. The Tariff structure of the municipality may make provision for the following categories of consumers:
 - a) Residential/Domestic;
 - b) Commercial;
 - c) Industrial;
 - d) Agricultural;
 - e) Municipal services;
 - f) Governmental (schools, hospitals etc);

- g) Places of worship (churches);
 - h) Consumers who do not fall under any abovementioned categories and with whom special agreements were entered into;
2. Where there is substantial difference between the infrastructure used to provide the service to a specific group of users within a category or standard services provided, may after considering a report by the MM or relevant Head of Department, determine differentiated tariff for that specific category.
3. The differentiation must be based on one or more of the following elements:
- a) Infrastructure cost;
 - b) Volume usage or;
 - c) Availability and service standard.

7. COST ELEMENTS

1. To determine the total cost of the service the Chief Financial Officer must create cost drivers, based on the service and expenditure classification prescribed by the National Treasury.
2. The following cost elements may be used to calculate the tariffs –
- a) Fixed costs, which consists of the capital costs (interest and redemption) on the external as well as internal advances or depreciation, whichever are applicable on the service and any other costs of the permanent nature as determined by Council from time to time;
 - b) Variable costs, which includes all other variable cost that have reference to the service; and
 - c) Total cost that is equal to the fixed plus the variable cost.

8. DEPOSITS

On approval of an application and before a service is made available, the municipality may require the applicant to pay a deposit as required in terms of the Tariff policy and Credit Control By-law.

9. TARIFF TYPES

1. In determining the type of tariff applicable to the type of service, the municipality may use the following options, including, but not limited to –
- a) Single /fixed tariff;
 - b) Step tariff;
 - c) Cost related to two-to-four part tariff;
 - d) Availability charges, provided that once the municipality has provided a connection, normal tariff are payable for the respective services provided.
- 1) The municipality may also use a combination of any of the options contemplated in subsection (1).

2. UNITS OF MEASUREMENT AND METHOD OF CALCULATION

- a) The units of measurement and method of calculation must be revised annually as part of the budget process and must be reflected in the tariff policy.
- b) In relation to subsection 3(k), in the case of a directly measurable service such as electricity or water, the consumption of such service shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis.

3. SUNDRY TARIFFS

All sundry tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

4. PHASING IN OF TARIFFS, FEES AND LEVIES

Where newly calculated tariffs, fees and levies differ substantially from the current tariffs fees and levies, the Council may resolve to phase in the differences over a period of time so as to ease the burden on consumers.

5. ENFORCEMENT MEASURES

The municipality may, subject to the provisions of the Credit Control and Indigent By-law, have the right to recover any amount due for consumption of services in terms of this By-law from the Owner of the property where a tenant or other occupier of such a property fails to do so.

6. REPEAL OF BY-LAW

The provisions of any by-law previously promulgated by the municipality, are hereby repealed as far as they relate to matters provided for in this by-law.

7. SHORT TITLE AND COMMENCEMENT

This by-law shall be known as the Tariff By-law and shall come into operation upon publication thereof in the Provincial Gazette.

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001.
Contact Centre Tel: 012-748 6200. eMail: info.egazette@gpw.gov.za
Publications: Tel: (012) 748 6053, 748 6061, 748 6065

Also available at **The Provincial Administration: Limpopo Province**, Private Bag X9483, Office of the Premier, 26
Bodenstein Street, Polokwane, 0699. Tel. (015) 291-3910