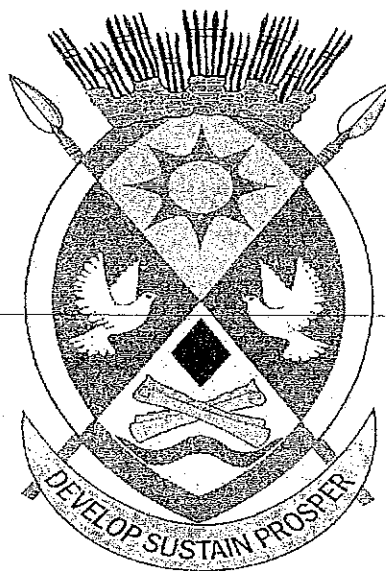


LEPHALALE LOCAL MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION POLICY

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PREAMBLE

WHEREAS section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 (*the Constitution*) provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

AND WHEREAS section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

AND WHEREAS section 195 (1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including –

- The promotion of the efficient, economic and effective use of resources;
- The provision of services impartially, fairly, equitably and without bias; and
- The fact that people's needs must be responded to.

AND WHEREAS section 4 (1) (c) of the Local Government: Municipal Systems Act 33 of 2000 (*the Systems Act*) provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties;

AND WHEREAS section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority.

IT IS HEREBY ADOPTED: a credit control and debt management policy of the Lephalale Municipality.

DEFINITIONS

For the purpose of this policy, the wording or any expression has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:

“Act” The Local Government Act: Systems Act 2000 (Act No 32 of 2000) as amended from time to time;

<i>“Arrangement”</i>	A written agreement entered into between the Council and the debtor where specific repayment parameters are agreed to.
<i>“Arrears”</i>	Means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.
<i>“Authorised Representative”</i>	Person or instance legally appointed by the Council to act or to fulfill a duty on its behalf;
<i>“CFO”</i>	Person appointed as the Chief Financial Officer of the Municipality, or his or her nominee.
<i>“Council”</i>	The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa Act 108 of 1996, of the Lephalale Municipality established by part 7 of provincial notice 80, dated 27 September 2000;
<i>“Credit Control”</i>	All the functions relating to the collection of monies owed by ratepayers and the users of municipal services.
<i>“customer”</i>	Any occupier of any premises to which Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;
<i>“defaulter”</i>	Any Person who owing the Council arrear monies in respect of rates and/ or service charges;
<i>“engineer”</i>	The person in charge of the civil and/or electrical component of Council;
<i>“equipment”</i>	A building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;
<i>“Implementing Authority”</i>	Means the Municipal Manager or his or her nominee, acting in terms of section 100 or the Systems Act.
<i>“interest”</i>	A charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on all arrear monies;
<i>“municipal account”</i>	An account rendered specifying charges for services provided by the municipality, or any authorised and contracted service provider, and/or assessment rates levies;
<i>“Municipality”</i>	Means the Lephalale Municipality.
<i>“Municipal Manager”</i>	The person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998 (Act 117 of 1998) and include any person acting in that position or to whom authority was delegated;

“municipal services”

Those services provided by the municipality, such as, inter alia the supply of water and electricity, refuse removal, sewerage treatment, and for which services charges are levied;

“occupier”

Any person who occupies any property or part thereof, without regard to the title under which he or she occupies the property.

“owner”

- (a) The person in whom from time to time is vested the legal title to premises;
- (b) In case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- (c) In a case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises with a building thereon;
- (d) In the case of premises for which a lease of 30 years or more has been entered into the lessee thereof;
- (e) In relation to
 - i. A piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property; or
 - ii. A section as defined in such Act, the person in whose name such a section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;
- (f) Any legal person including but not limited to-
 - i. A company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a trust, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984) and a voluntary association.
 - ii. Any department of State;
 - iii. Any Council of Board established in terms of any legislation applicable to the Republic of South Africa;
 - iv. Any Embassy or other foreign entity

“premises”

Includes any piece of land, the external surface boundaries of which are delineated on-

- a) A general plan or diagram registered in terms of the Land Survey Act, 1927 (9 of 1927), or in terms of the Deed Registry Act, 1937 (47 of 1937); or
- b) A sectional plan registered in terms of the Sectional Titles Act, 1986 (95 of 1986), which is situated within the area of jurisdiction of the Council;

“Supervisory Authority”

Means the Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Systems Act.

1. PRINCIPLES

The administrative integrity of the municipality must be maintained at all costs.

The democratically elected councilors are responsible for policy-making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.

- 1.2 All customers must complete an official application form, formally requesting the municipality to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.
- 1.3 A copy of the application form, conditions of services and extracts of the relevant council's credit control and debt collection policy and by-laws must be handed to every customer on request as such fees as may be prescribed by Council.
- 1.4 Billing is to be accurate, timeous and understandable.
- 1.5 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 1.6 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
- 1.7 Enforcement of payment must be prompt, consistent and effective.
- 1.8 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- 1.9 Incentives and disincentives may be used in collection procedures.
- 1.10 The collection process must be cost-effective.
- 1.11 Results will be regularly and efficiently reported by the Municipal Manager and the Mayor.
- 1.12 Application forms will be used to, inter alia, categorise customers according to Credit risk and to determine relevant levels of services and deposits required.
- 1.13 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.

2. DUTIES AND FUNCTIONS

2.1 Duties and Functions of Council

- 2.1.1 To approve a budget consistent with the needs of communities, ratepayers and residents.
- 2.1.2 To impose rates and taxes and to determine service charges, fees and penalties to finance the budget.
- 2.1.3 To facilitate sufficient funds to give access to basic services for the poor.
- 2.1.4 To provide for a bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the municipality.
- 2.1.5 To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the Implementing Authority.
- 2.1.6 To approve a reporting framework for credit control and debt collection.
- 2.1.7 To consider and approve by-laws to give effect to the Council's policy.

- 2.1.8 To monitor the performance of the Mayor (Supervising Authority) regarding credit control and debt collection.
- 2.1.9 To revise the budget should Council's targets for credit control and debt collection not be met.
- 2.1.10 To take disciplinary and/or legal action against councillors, officials and agents who do not execute council policies and by-laws, or act improperly in terms of such policies.
- 2.1.11 To approve a list of attorneys that will act for Council in all legal matters relating to debt collection.
- 2.1.12 To delegate the required authorities to monitor and execute the credit control and debt collection policy to the Mayor and Municipal Manager and Service Provider respectively.
- 2.1.13 To provide sufficient capacity in the Municipality's Financial Department for credit control and debt collection. Alternatively to appoint a Service Provider or debt collection agent.
- 2.1.14 To assist the Municipal Manager in the execution of his duties, if and when required.
- 2.1.15 To provide funds for the training of staff.

2.2 Duties and functions of Mayor

- 2.2.1 To ensure that Council's budget, cash flow and targets for debt collection are met and executed in terms of the policy and relevant by-laws.
- 2.2.2 To monitor the performance of the Municipal Manager in implementing the policy and by-laws.
- 2.2.3 To review and evaluate the policy and by-laws in order to improve the efficiency of Council's credit control and debt collection procedures, mechanisms and processes.
- 2.2.4 To report to Council.

2.3 Duties and functions of the Municipal Manager

- 2.3.1 To implement good customer care management systems.
- 2.3.2 To implement council's credit control and debt collection policy.
- 2.3.3 To install and maintain an appropriate accounting system.
- 2.3.4 To bill customers
- 2.3.5 To demand payment on due dates.
- 2.3.6 To raise penalties for defaults.
- 2.3.7 To appropriate payments received.
- 2.3.8 To collect outstanding debt.
- 2.3.9 To provide different payment methods.
- 2.3.10 To determine credit control and debt collection measures.
- 2.3.11 To determine all relevant work procedures for, inter alia, public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
- 2.3.12 To instruct attorneys to proceed with the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders etc.)
- 2.3.13 To set performance targets for staff.
- 2.3.14 To appoint staff to execute council's policy and by-laws in accordance with council's staff policy.

- 2.3.15 To delegate certain functions to heads of departments.
- 2.3.16 To determine control procedures.
- 2.3.17 To monitor contracts with service providers in connection with credit control and debt collection.
- 2.3.18 To report to the Mayor.

2.4 Duties and functions of communities, ratepayers and residents

- 2.4.1 To fulfill certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
- 2.4.2 To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality.
- 2.4.3 To observe the mechanisms and processes of the municipality in exercising their rights.
- 2.4.4 To allow municipal officials access to their property to execute municipal functions at a time that is agreeable by the consumer and municipal officials.
- 2.4.5 To comply with the by-laws and other legislation of the municipality.
- 2.4.6 To refrain from tampering with municipal services and property.

2.5 Duties and functions of ward councillors

- 2.5.1 To hold regular ward meetings.
- 2.5.2 To adhere to and convey council policies to residents and ratepayers.
- ~~2.5.3 To adhere to the Code of Conduct for Councillors.~~
- 2.5.4 Ward Committees will act in terms of roles and functions as approved by Council.

3. AREA OF APPLICATION

This policy applies throughout the area of the Municipality.

4. APPLICATION FOR SERVICES

- 4.1 Consumers who require a service must enter into a written agreement with the municipality.
- 4.2 The process must occur ten (10) days prior to taking occupation of the premises, so that the Municipality can ensure that a meter reading is taken on the appropriate day and that the services are available when occupation is taken. Failure to adhere to the timeframe may result in customers not having the services available when occupation is taken.
- 4.3 The Municipality will render the first account after the first meter reading cycle to be billed following the date of signing the service agreement.
- 4.4 Consumers who illegally consume services without this agreement will be subject to punitive action.

5. CUSTOMER SERVICE AGREEMENTS

- 5.1 Customer service agreements are those agreements that will be entered into from time to time between the customer and the Municipality for the supply of municipal services.
- 5.2 The contents of the agreement includes: An undertaking by customers:

- That they are liable for the costs of collection, including any administration fees, penalties for late payment, legal costs, interest, disconnection fees and reconnection fees;
- That any alleged non-receipt of an account does not stop the collection process;
An undertaking by Council:
 - That is will deliver accounts to customers.
 - That is will inform customers that they are required to request statements in the event that they do not receive an account.

6. DEPOSITS AND GUARANTEES

- 6.1. The deposits are payable when new customers sign-on and when existing customers move to a new supply address. Guarantees are only permitted for businesses and only under circumstances as determined by Council from time to time.
- 6.2 Customers must pay a deposit equal to an amount as determined by Council from time to time.
- 6.3 The Municipality may increase or decrease deposits and guarantees to suit the particular circumstances.

7. ACCOUNTS AND BILLING

- 7.1 Customers will receive one consolidated bill for all services to a property, which is situated within the boundaries of the Municipality.
- 7.2 Accounts are produced in accordance with the meter reading cycles .
- 7.3 An account will be rendered each month in cycles of approximately 30 days.
- 7.4 The Municipality will undertake to have the accounts delivered to all consumers. However non-receipt of an account does not prevent interest charges and debt collection procedures. In the event of non-receipt of an account, the onus rests on the account holder to obtain a free copy of the account before the due date.
- 7.5 Accounts must be paid on the due date as indicated on the account. Interest on arrears will accrue after due date if the account remains unpaid irrespective of the reason for non-payment.
- 7.6 Payments for accounts must be received on or before the due date at a Municipal pay-point by the close of business. In the case of any electronic payments or payments via agents, the money must be received in the municipal bank account on or before the due date and not later than the close of Business
- 7.7 Consumers will be notified of their unpaid accounts prior to the commencement of the debt collection process.
- 7.8 Non-payment of the account will result in debt collection action in terms of this section 15 of this policy.

8. METERING OF CONSUMABLE SERVICES

- 8.1 The municipality may introduce various metering equipment and customers may be encouraged to convert to a system preferred by the municipality.
- 8.2 Meters (credit) will be read monthly. Should circumstances prevent reading the Municipality is entitled to estimate a reading that is within reason comparable to past consumption.
- 8.3 A Customer is responsible to ensure access to metering equipment at a time that is

agreeable by the consumer and the municipal officials and will accept any cost to ensure access (such as relocating the meter) if satisfactory access is not possible.

8.4 Voluntary readings:

- These will be permitted provided in the municipality obtains any final reading should the customer move to another supply address.
- Customers may be liable for a fee to cover the costs of obtaining a reading if no advance warning is given and special arrangements are required to obtain a reading.
- The Municipality is entitled to make suitable adjustments to the readings should the debtor fail to ensure that a final reading is obtained.
- An audit reading during the normal reading cycles must be obtained once every six months. If a special audit reading becomes necessary this will be done at the cost of the consumer.
- The customer may elect to supply voluntary readings subject to compliance with the rules. The Chief Financial Officer may, however, cancel the voluntary reading convenience if the customer fails to ensure the audit reading is obtained or should the customer fail to render readings on two consecutive occasions.

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

9. VALUATION OF PROPERTIES

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

10. CUSTOMER ASSISTANCE PROGRAMMES

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

- 10.1 Rates rebates;
- 10.2 Arrangements for settlement;
- 10.3 Payment of rates by instalments;
- 10.4 Indigent assistance scheme,
- 10.5 Free basic services

10.1 Rates Rebate

Rebates on rates may be granted by Council in terms of Council's rating policy.

10.2 Arrangements for settlement

- 10.2.1 Arrangements are permissible for debtors who experience difficulties in paying their accounts.
- 10.2.2 The terms applicable for the settlement of arrear debt will be as approved by Council from time to time.

10.3 Payment of rates by instalments

- 10.3.1 Owners may pay the property rates annually or in equal monthly instalments over a period of 12 months.

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

10.4 Indigent assistance scheme

An account holder may apply to the Municipality, in the prescribed manner, to be declared indigent provided that the following conditions are applied.

- That the gross household income must not exceed the poverty threshold value as determined by Council from time to time.
- That the Municipality may inspect the property occupied by the applicant and in respect of which municipal services are rendered to assess the merits of the application.
- Any aggrieved person who was not successful in the application to be regarded as indigent may lodge an appeal to the Chief Financial Officer within a period of ten (10) days from the date on which the aforesaid decision has been communicated to him/her.

10.5 Free basic services

Council will provide free basic services to domestic debtors, on a monthly basis in quantities as determined from time to time.

11.COMUNICATION

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

12. PAYMENT FACILITIES AND METHODS

- 12.1 Municipal payment and enquiry facilities will be maintained subject to acceptable levels of activity when compared to the operational costs. The Municipal Manager or his/her designate has the discretion to open and close offices as required.
- 12.2 The consumer acknowledges that any agent used for transmitting payments to the Municipality is at the risk and cost of the consumer. In addition the consumer must take into account the transfer time of the particular agent.
- 12.3 A range of payment methods are available and may be extended as required subject to financial implications. The Municipality shall actively monitor the effectiveness of pay facilities, methods and convenience for consumers.
- 12.4 The Chief Financial Officer shall allocate payments according to pre-determined priorities.

13. ENQUIRIES AND APPEALS

- 13.1 Any resident or consumer who may feel aggrieved concerning his/her account may address a grievance/ appeal to the Municipal Manager or Chief Financial Officer or visit any Office provided by the municipality.
- 13.2 A customer who has lodged an enquiry is not relieved of the responsibility

to maintain regular payment of the account. An interim payment similar to the average account must be paid by the due date pending finalisation of the enquiry. Failure to make a payment will result in debt collection action been instituted against the customer.

- 13.3 Depending on the nature of the enquiry and the resources available, the enquiry must receive a response within 10 days.
- 13.4 If a customer has received a response and is still not convinced that the account is not correct, the customer may approach the relevant Ward Councillor to assist with the enquiry.

14. DEBT COLLECTION

The Chief financial Officer is authorised to institute these mechanisms without exception and with the intention of proceeding until the debt is collected. The following mechanisms are to be used to collect.

- 14.2 Disconnection/ restriction of metered services for all overdue rates and service charges.
- 14.2 Emolument attachment orders on debtors' salaries.
- 14.3 Withholding of rates clearance certificates under certain conditions. (Refer to section 118 of the Systems Act of 2000.)
- 14.4 Legal process, including the attachment and sale of goods or immovable property.
- 14.5 Withholding payments of grants-in-aid.
- 14.6 Withholding payment on contract.
- 14.7 For consumers that buy water and electricity on prepaid, the municipality may take a certain percentage, determined by Council, of the amount sold to the consumer to settle the arrears.
- 14.8 Any other method authorised by Council from time to time.

16. THEFT AND FRAUD

- 16.1 The Municipality does not condone theft and fraud of municipal services and will monitor the service networks for signs of tampering or irregularities.
- 16.2 The Council may approve specific penalties and distinguish between cases of vandalism and theft.
- 16.3 Subsequent acts of tampering may lead to a refusal to supply certain services determined periods.

17. REPORTING AND PERFORMANCE MANAGEMENT

- 17.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a Suitable format to enable the Municipal Manager to report to the Mayor as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c). This report shall contain particulars on:
- 17.2 Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.
- 17.3 If in the opinion of the Chief Financial Officer, Council will not achieve cash

receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.

- 17.4 The Mayor as Supervisory Authority shall, at intervals of 3 months, report to Council as contemplated in section 99(c) of the Systems Act.

18. INCOME COLLECTION TARGET

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

19. APPLICATION OF THE POLICY

The Council reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying the Policy. The Council will on application of the credit control policy avoid discrimination as forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution

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DEBT COLLECTION PROCEDURES

The debt collection policy determines that municipal accounts be paid on the due date as indicated on the account and that non-payment of accounts will result in debt collection action.

1. ARRANGEMENTS – DEBT COLLECTION

1.1 A customer who cannot pay the municipal account may enter into an arrangement agreement to pay the account over an extended period of time. Council will only entertain one arrangement. No arrangements will be entertained by Attorneys on accounts that have been handed over for legal action.

1.2 The customer must:

- 1.2.1 Sign an acknowledgement of debt.
- 1.2.2 Acknowledge that interest will be charged at the prescribed rate.
- 1.2.3 Acknowledge that if the arrangements being negotiated later are defaulted on, restrictions of water supply and disconnection of electricity will follow immediately, as will legal proceedings.
- 1.2.4 Acknowledge liability of all legal costs incurred.

1.3 Broken arrangement

- 1.3.1 In the event that an arrangement has been broken, all arrear arrangement instalments plus the current monthly account has to be paid before the arrangement is reinstated. If the required payments are not made, debt collection action will be instituted immediately.

1.4 Customers have been categorized into the following income categories:

- 1.4.1 Households
- 1.4.2 Households (Indigents)
- 1.4.3 Businesses/Industries
- 1.4.4 Non domestic (includes farms).
- 1.4.5 Government Departments.

1.5 Arrangements by non indigent customers

- 1.5.1 The arrangement by non indigent customers must include the following:
 - Payment of the current monthly account, plus
 - Payment of arrears, payable as follows:
 - An arrear debt of more than R20 000 shall be payable over a maximum of 18 months.
 - An arrear debt of less than R20 000 shall be payable over maximum of 12 months.
 - 90% of the arrear amount is payable on settlement of the debt which is more than R20 000, provided it is paid within four months.

2. THEFT/FRAUD AND METER TAMPERING

2.1 The municipality does not condone theft and fraud of Municipal services and will Monitor the service network for signs of tampering or irregularities.

2.2 Meter tampering are detected as follows:

2.2.1 Visiting premises on house-to-house bases to detect tampers.

2.2.2 Follow up after meters have been disconnected for non-payment of accounts.

2.3 Tampering of electricity meters:

2.3.1 The electricians visit the premises to check the meter for any irregularities.

2.3.2 If any irregularities are found a photo is taken of the suspected tampering.

2.3.3 A tamper query form is completed and passed on to the electricity distribution section.

2.3.4 An electrician inspects the suspected tamper and confirms the tamper if the meter was tampered with.

2.3.5 On confirmation the tampered meter is disconnected.

2.3.6 The meter will only be reconnected on the payment a fine, and the settlement of the arrear account or after suitable arrangement to settle the arrears.

2.3.7 The fine payable for this offence is determined annually by Council.

2.3.8 On regular tampering by the consumer the meter is removed and the consumer will have to negotiate with the municipality on the penalties and the reconnection cost to be paid before the electricity is reconnected. The municipal account will also have to be settled in full.

2.4 Tampering with water meters:

2.4.1 When a water meter tamper is found a restriction washer is placed in the pipes, the meter is locked and bypassing pipes are removed.

2.4.2 The water flow will only be restored on the payment of the relevant tamper fees, and the settlement of the arrear account or after a suitable arrangement to settle the arrears.

2.4.3 The fine payable for this offence is determined annually by Council.

2.4.4 On regular tampering by the consumer the water meter connection is removed and the consumer will have to negotiate with the municipality on the penalties and the reconnection cost to be paid before the water supply is reconnected. The municipal account will also have to be settled in full.

3.5 Charges for tampering

The electricity and water consumption not charged due to tampering will be calculated and the consumer will have to pay the amount before the services are restored.

4. FINAL ACCOUNTS

4.1 Electricity and Water accounts

- 4.1.1 When electricity and water consumers leave town or move from one premises to another an application for disconnection of services must be completed by the consumer, which must indicate the forwarding address of the consumer and the date of the cancellation of the service.
- 4.1.2 On the indicated date of cancellation of services a final reading will be taken of the electricity and water consumption and the consumer will be billed for the consumption until the final reading.
- 4.1.3 The consumer deposit, which is held by Council, is appropriated against the account.
- 4.1.4 After the appropriation of the deposit and a credit balance remains on the account, the credit balance will be refunded to the consumer.
- 4.1.5 The debit balance that remains on the account must be paid by the consumer.
- 4.1.6 The debit balance that remains unpaid of a consumer that left town must be handed over within 90 days for legal proceedings to be instituted to collect the amount due.
- 4.1.7 The debit balance that remains unpaid of a consumer that moved from one premises to another, must be transferred to the current account of that consumer.

4.2 Absconded Debtors

- 4.2.1 On a regular basis Council has to deal with accounts where the person that had applied for the services is not living on the premises of the person living on the premises had not applied for the services but is making use of the services.
- 4.2.2 On becoming aware that the person that applied for the service had absconded a final reading of services must be taken, a final account must be produced and the consumer deposit must be appropriated.
- 4.2.3 A credit balance on the account must be refunded to the consumer and the arrear balance on the account must be handed over for legal proceeding to be instituted to recover there arrear amounts
- 4.2.4 The service to the premises must be disconnected in such a way to prevent persons moving onto the premises and consuming services without the required application for connection of services.
- 4.2.5 Council regularly finds that people moving into premises connect the services without applying for the services. On becoming aware of the situation the services must be disconnected.
- 4.2.6 In terms of Section 118 of the Municipal Systems Act the owner of a property is ultimately responsible for municipal debt on a property.

4.3 Rates Clearance Certificates

- 4.3.1 When an owner of a property wants to sell the property a rates clearance is obtained from Council by the conveyancing attorney.
- 4.3.2 Section 118 of the Municipal Systems Act, No 32 of 2000 determines the following regarding
Restraint on transfer of property:

“118. (1) A registrar of deeds or other registration officer of immovable property may not register the transfer of property except on production to that registration officer of a prescribed certificate -

- (a) issued by the municipality in which that property is situated; and
 - (b) which certifies that all amounts due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.
- (2) In case of a transfer of immovable property by a trustee of an insolvent estate, the provisions of this section are subject to section 9 of the Insolvency Act, 1936 (Act No. 24 of 1936).
- (3) An amount due for municipal service fees, surcharges on fees, property municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.

- 4.3.3 Council must certify that all municipal charges during the two years preceding the date of the application for the clearance certificate have been fully paid.
- 4.3.4 The amount due for municipal charge enjoys preference over any mortgage bond registered against the property.
- 4.3.5 The owner is required that before a clearance certificate is issued that Municipal charges during the two years preceding the date of application for the certificate have been fully paid.
- 4.3.6 A judgement must be obtained for debt older than two years to instruct the conveyancing attorney to deduct the amount due to Council from the proceeds of the Sale of the property.
- 4.3.7 Where property is sold in sale of execution the Sheriff must be informed of the amount due to Council and the Sheriff will have to deduct the amount due from the proceeds of the sale of the property due to the preference municipal charges enjoys over the mortgage bond registered against the property.

5. LEGAL ACTION PROCEDURES

5.1 Confirmation of hand over

The Attorney is to confirm receipt of the Handover list either by email or letter within three (3) days from date of handover, which list of hand overs will exclude all indigent debtors. The Municipality will endeavour to ensure that the handover list contains the correct name, physical address and postal address of the current registered owner(s) of the property, as well as correct details of amounts outstanding.

5.2 Procedure

- 5.2.1 Attorneys are to immediately peruse the handover list and advice the Municipality of any obvious problem matters within 7 (seven) days of receipt of the handover. The Municipality will then revert to the Attorney with specific written instructions in respect of those matters within seven days. Failing such response the Attorney shall be entitled to close the file.

- 5.2.2 The Attorney is to commence by way of letter of demand sent by ordinary mail to the balance of the debtors and must include in the letter reference to the Municipality's indigency policy.
- 5.2.3 If there is no response to the letter of demand the summonses must be delivered to the clerk of the court within 7 (seven) days of expiry of the demand period.
- 5.2.4 If there is no response to the summons then an application must be made for default judgment immediately the time allowed for entering an appearance to defend has expired.
 - 5.2.4.1 If any matters are defended then these must be reported to the Municipality immediately, together with a blank affidavit in support of an application for summary judgment, which will then be returned to the Attorney, duly signed and commissioned, should the Municipality be of the view that the debtor has no defence to the matter.
 - 5.2.4.2 The Municipality must be informed of all applications for default judgment.
- 5.2.5 Once default judgment has been granted the Attorney must
 - 5.2.5.1 check the municipal system once again for payments or indigency, and
 - 5.2.5.2 if insufficient payments have been recorded, or if there is no record of indigency or any other impediment preventing the Attorney from proceeding, then
 - 5.2.5.3 the Attorney shall first proceed by way of writ against movable property should the capital be less than R3000.00 (Three Thousand Rand).
 - 5.2.5.4 In the event that the capital is R3000.00 or more, then the Attorney may proceed by way of writ against immovable property, or may, exercising it's discretion, proceed by way of writ against movable property.
- 5.2.6 Before drafting the notice of sale in execution for the sale of immovable property, the file summary must be submitted to the Municipality to obtain authority to proceed with Sale in Execution for the sale of immovable property. If no instructions to the contrary are received within 21 (twenty one) days the Attorney may proceed with the Sale in Execution.
- 5.2.7 Before each step in the process is taken, the Attorney shall check the municipal accounting system, in order to check for details of the debtor/consumer's status, namely indigency, arrangements made etc.
- 5.2.8 The Municipality undertakes to inform the Attorney in writing immediately if any files are to be closed.
 - 5.2.8.1 Files are only to be closed upon the written instruction of the Municipality or as provided in 5.2.10 hereunder.
- 5.2.9 Should the debtor not be traceable, the Municipality shall be informed and shall then issue an instruction within seven days failing which the Attorney may assume that the file may be closed. The file should not be closed if the debtor is possessed of immovable assets, which it would be economically viable to proceed against.
- 5.2.10 The Attorney shall inform the Municipality immediately it forms the opinion that the debt has become irrecoverable, and the reasons therefore.
- 5.2.11 The Municipality reserved the right to close any file at any point in time by instructing the Attorney concerned in writing.

5.3 Fees

- 5.3.1 The Attorneys shall only be entitled to charge in terms of the Law Society's recommended guidelines for collection fees.
- 5.3.2 The Municipality undertakes to pay all fees and disbursements as and when incurred by the Attorney and these shall be invoiced to the Municipality weekly.

5.4 Statements of account

- 5.4.1 The Attorney shall submit a statement of account in the form of a VAT invoice to the Municipality at least monthly, and more frequently if called upon to do so by the Municipality.
- 5.4.2 The statement shall detail the payments received, collection commission, fees and any disbursements that may be incurred for each account since the previous statement of account. The statement must be accompanied with a cheque for the amounts due to Council and the Attorney may not set off fees against monies collected. The Municipality undertakes to effect payment of the Attorneys fees within a week of invoicing.

10. MONTHLY ELECTRICITY AND WATER CHARGES

- 10.1 The due date for the payment of accounts for electricity and water charges for any month will be the date as stated on the accounts.
- 10.2 If the account due is not paid by the due date as stated on the account the electricity service to the consumer will be disconnected until the debt has been settled in full or until acknowledgement of debt has been signed and a payment arrangement as approved by Council has been agreed to.
- 10.3 Electricity supply to consumers can be disconnected for all municipal charges i.e. rates, refuse, sewerage, electricity, water and sundry debtors. Section 102 of the Municipal Systems Act, Act 32 of 2000 determines that the accounts of various service charges shall be consolidated and any of the debt collection measures can be applied when a consumer defaults.
- 10.4 The disconnection of electricity service will be done in two phases i.e. first line and second line disconnections and will apply as follows:
 - 10.4.1 When a consumer defaults on the payment of the amounts due the first line disconnection will apply. First line disconnection means that the pole fuse or the circuit breaker and the bridge piece will be removed.
 - 10.6.2 Any consumer who unlawfully reconnects the electricity supply after been disconnected for an overdue account will be disconnected on second line. The second line disconnection means that the electricity service to the property will be removed.
 - 10.6.3 On first line disconnection, a disconnection and reconnection fee is payable and will be debited to the debtors account.
 - 10.6.4 On second line disconnections penalties and reconnection fees are payable and reconnection of electricity will only be done when the penalty, reconnection fee and total amount due is paid in full.

11. SUNDRY DEBTOR ACCOUNTS

- 11.1 All debt that falls in this category is payable on presentation of an invoice (e.g. damage to municipal property, such as electricity poles, traffic lights etc).
- 11.2 The relevant department that initiates this type of transaction must forward all

- the relevant documentation to the Office of the Chief Financial Officer.
- 11.3 All debt that has not been settled within one month from the date of invoice must be referred to the Debt Management Section for collection.
 - 11.4 Depending on the circumstances of each case and the amount involved, arrangement can be made to redeem the debt in terms up to a maximum period of 6 months.
 - 11.5 Debt of 90 days and over must be handed over for legal action to be instituted to collect the debt.

12. DISHONOURED DEBTOR CHEQUES (R/D CHEQUES)

- 12.1 Dishonoured cheque by bank must be regarded as a fraudulent act by debtor.
- 12.2 On receipt of a bank dishonoured cheque the payment must be reversed on the debtors account.
- 12.3 Services to the debtor's premises – must be disconnected and only reconnected when the debtor's account has been settled in full.
- 12.4 No arrangement to pay arrears must be entertained.
- 12.5 The debtor must be informed that only cash will be accepted in future.

13. ALLOCATION OF PAYMENT RECEIVED

- 13.1 Settlement of an account clears all charges, which includes interest on arrears.
- 13.2 Part payment of an account will be allocated at the discretion of Council.
- 13.3 The priority allocation of part payments currently applicable are as follows:
 - Water
 - Refuse
 - Sewerage
 - Rates
 - Miscellaneous charges
 - Electricity
 - Vat
 - Miscellaneous Non-Vat
 - Loan Debtors
 - Housing
 - Vacuum Tanks
- 13.4 The selected payment of certain charges is not entertained.

TARIFF POLICY

To provide for the control over determination of tariffs in the Lephalale Local Municipality; and for matters connected therewith.

BE IT ENACTED by the Lephalale Local Municipality, as follows:-

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CHAPTER 1

DEFINITIONS AND APPLICATION

1. Definitions

In this policy, any word or expression to which a meaning has been assigned in the Municipal Systems Act, 2000 (Act No. 32 of 2000) (herein referred to as the “Act”) bears the same meaning, and unless the context otherwise indicates -

“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.

“Policy” shall mean policy approved 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.

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

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“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 on the following year.

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

“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 non- and 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.

“Municipal council” or “council” shall mean the municipal Council 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.

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“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.

2. Application of this policy

(1) This policy only applies in respect of the tariffs the municipality set: -

- (a) Electricity
- (b) Water
- (c) Refuse Removal
- (d) Sewerage

(2) This policy also applies to any municipal service provided through pre-paid meters, in so far as the policy may be relevant.

CHAPTER 2

GENERAL CONDITIONS

3. Services Charge

- (a) Service tariffs imposed by the local municipality shall be viewed as user charges and shall not be viewed 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

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relevant criterion (except in the case of the indigency relief measures approved by the municipality from time to time).

- (b) The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
- (c) Tariffs for the four major services rendered by the municipality, namely:
 - 1. Electricity
 - 2. Water
 - 3. Sewerage
 - 4. Refuse Removal
- (d) 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.
- (e) The municipality shall develop, approve and at least annually review an Indigency Support Programme for the municipal area. This programme shall clearly stipulate the municipality's cost recovery plan in respect of the tariffs which it levies on registered indigents, and the implications of such policy on the tariffs which it imposes on other users and consumers in the municipal region.
- (f) 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.
- (g) The municipality's tariff policy shall be transparent. The extent to which there is cross-subsidization between categories of consumers or users shall be evident to all consumers or users of the service in question.
- (h) 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.
- (i) The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.

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- (j) In the case of directly measurable services, namely electricity and water, the consumption of such services 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.
- (k) The municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with its appropriate policies. Generally, consumers of water and electricity shall therefore pay two charges: one, relatively minor, which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and another directly related to the consumption of the service in question.
- (l) In considering the costing of its water, electricity and sewerage services, the municipality shall take due cognisance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services.
- (m) The municipality's tariffs for electricity services will be determined to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. To this end the municipality shall therefore install demand meters to measure the maximum demand of such consumers during certain periods. Such consumers shall therefore pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.

4. Calculation of Tariffs for Major Services

In order to determine the tariffs which must be charged for the supply of the four major services, the municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- (a) Cost of bulk purchases in the case of water and electricity.
 - (b) Distribution costs.
 - (c) Distribution losses in the case of electricity and water.
-

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- (d) Depreciation expenses.
- (e) Maintenance of infrastructure and other fixed assets.
- (f) Administration and service costs, including:
 - (i) service charges levied by other departments such as finance, human resources and legal services;
 - (ii) reasonable general overheads, such as the costs associated with the office of the municipal manager;
 - (iii) adequate contributions to the provisions for bad debts and obsolescence of stock;
 - (iv) all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area (note: the costs of the democratic process in the municipality - that is, all expenses associated with the political structures of the municipality - shall form part of the expenses to be financed from property rates and general revenues, and shall not be included in the costing of the major services of the municipality).
- (g) The intended surplus to be generated for the financial year, such surplus to be applied:
 - (i) as an appropriation to capital reserves; and/or
 - (ii) generally in relief of rates and general services.
- (h) The cost of approved indigency relief measures.

5. Structure of Tariffs

- (a) The municipality shall provide the first 50kWh of electricity per month and the first 6 kl of water per month free of charge to all consumers registered as indigents in terms of the municipality's indigency relief programme. The municipality shall further consider relief in respect of the tariffs for sewerage and refuse removal for such registered indigents to the extent that the Council deems such relief affordable in terms of each annual budget, but on the understanding that such relief shall not be less than a discount of 50% on the monthly amount billed for the service concerned.

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- (b) Tariffs for pre-paid meters shall be the same as the ordinary consumption tariffs levied on the category of consumer concerned, but no availability charge shall be levied on properties where pre-paid meters have been installed.
- © Basic charges for water, electricity and sewerage shall be levied to the owner as per occupier(consumer)
- (d) On sectional titles, the Body corporate shall pay basic charges for water, electricity, sewerage and refuse removal.

CHAPTER 3

CATEGORIES OF CONSUMPTIONS AND CHARGES

6. Electricity

- (a) The various categories of electricity consumers, as set out in sub-section (c) below, shall be charged at the applicable tariffs, as approved by the Council in each annual budget.
- (b) Tariff adjustments shall be effective from 1 July each year or as soon as possible thereafter.
- (c) Categories of consumption and charges shall be as follows:
 - 1. With the exception of registered indigents, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
 - 2. All domestic electricity consumers of the municipality who are registered as indigents with the municipality shall receive the first 50kWh (fifty) of electricity consumed per month free.
 - 3. All commercial, industrial and other non-domestic properties shall additionally be billed a monthly basic charge per meter installed and, where applicable, a demand charge appropriate to their respective levels of consumption.

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7. Water

- (a) The categories of water consumers as set out in sub-section (c) below shall be charged at the applicable tariffs, as approved by the Council in each annual budget.
- (b) Tariff adjustments shall be effective from 1 July each year.
- (c) Categories of consumption and charges shall be:
 - 1. All domestic water consumers registered as indigents with the municipality shall receive the first 6 (six) kl of water consumed per month free. Thereafter a stepped tariff per kl as determined by the Council from time to time shall be applicable on metered water consumption.
 - 2. All other domestic consumers shall be charged for actual water consumption at a stepped tariff per kl as determined by the Council from time to time.
 - 3. All other consumers, including businesses, industries and institutional consumers shall pay the same fixed tariff per kl, irrespective of the volume of water consumed.
 - 4. A basic charge per water meter, as determined by the Council from time to time, shall be charged on all businesses, industries and institutional consumers. .

8. Refuse removal

- (a) The categories of refuse removal users as set out in sub-section (c) below shall be charged at the applicable tariffs, as approved by the Council each annual budget.
- (b) Tariff adjustments shall be effective from 1 July each year.
- (c) A separate fixed monthly refuse removal charge shall apply to each of the following categories of users, based on the costs of the service concerned:
 - a) Domestic and other users
 - b) Business and other users
- (d) Registered indigents may receive such discount on this charge as the Council deems affordable when approving each annual budget, but on the understanding that such discount shall not be less than 50% of the monthly amount billed as a refuse removal charge.

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9. Sewerage

- (a) The categories of sewerage users as set out in sub-section (c) below shall be charged per month at the applicable tariff as approved by the Council in each annual budget.
- (b) Tariff adjustments will be effective from 1 July each year.
- (c) Categories of usage and charges shall be:
 - 1. A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.
 - 2. Registered indigents may receive such discount on this charge as the council deems affordable when approving each annual budget, but on the understanding that such discount shall not be less than 50% of the monthly amount billed for this service.
 - 3. A fixed monthly charge based on the costs of the service shall be charged for domestic users.
 - 4. A fixed monthly charge based on the costs of the service per sewer point/toilet shall be charged to all businesses, industries and institutional users.
 - 5. An effluent fee shall further be payable by factories and other industrial users where the wastewater emanating from such users requires special purification measures by the municipality. Such fees shall be based on the toxic content of the wastewater concerned and the costs of the purification.

CHAPTER 4

MISCELLANEOUS TARIFFS

10. Standardization

- (a) All miscellaneous tariffs shall be standardized within the municipal region.
- (b) All miscellaneous tariffs shall be approved by the Council in each annual budget, and shall, when deemed appropriate by the council, be subsidized 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.

- (c) All miscellaneous tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, shall annually be adjusted at least in line with the prevailing consumer price index, unless there are compelling reasons why such adjustment should not be effected.

11. Subsidized Services

- (a) The following services shall be considered as subsidized services, and the tariffs levied shall cover 50% or as near as possible to 50% of the annual operating expenses budgeted for the service concerned:
 - (i) burials and cemeteries
 - (ii) rentals for the use of municipal sports facilities.

12. Community Services

- (a) The following services shall be considered as community services, and no tariffs shall be levied for their use:
 - (i) disposal of garden refuse at the municipal tip site
 - (ii) municipal reference library
 - (iii) municipal lending library
 - (iv) municipal botanical garden, and all other parks and open spaces.

13. Economic Services

- (a) The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:
 - (i) maintenance of graves and garden of remembrance (cremations)
 - (ii) housing rentals
 - (iii) rentals for the use of municipal halls and other premises (subject to the proviso set out below)
 - (iv) building plan fees
 - (v) sales of plastic refuse bags
 - (vi) sales of refuse bins
 - (vii) cleaning of stands
 - (viii) electricity, water, sewerage: new connection fees

- (ix) photostat copies and fees
- (x) clearance certificates.

14. Regulatory or Punitive Tariffs

- (a) The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:
 - (i) fines for lost or overdue library books
 - (ii) advertising sign fees
 - (iii) pound fees
 - (iv) electricity, water: disconnection and reconnection fees
 - (v) penalty and other charges imposed in terms of the approved policy on credit control and debt collection
 - (vi) penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques.

15. Rental of Municipal Property

- (a) Market-related rentals shall be levied for the lease of municipal properties.
- (b) In the case of rentals for the use of municipal halls and premises, if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the municipal manager may waive 50% of the applicable rental.
- (c) The municipal manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields, and in so determining shall be guided by the likelihood of the municipality's sustaining damages as a result of the use of the facilities concerned.

