



Western Cape Government • Wes-Kaapse Regering • URhulumente weNtshona Koloni

PROVINCE OF THE WESTERN CAPE

PROVINSIE WES-KAAP

# Provincial Gazette Extraordinary

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# Buitengewone Provinsiale Koerant

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## MOSEL BAY MUNICIPALITY

### RESOLUTION LEVYING PROPERTY RATES FOR THE FINANCIAL YEAR 1 JULY 2024 TO 30 JUNE 2025

Notice is herewith given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act (Act 6 of 2004); that at its meeting of 31 May 2024, the Council resolved by way of council resolution number E84-05/2024, to levy the rates on property reflected in the schedule below with effect from 1 July 2024.

Category of property	Rate Ratio	Cent amount in the Rand rate determined for the relevant property category
Residential Properties (RES)	1 : 1	R 0,004107
Vacant Land – Residential (RESV)	1 : 1,3	R 0,005340
Business and Commercial Properties (BUS)	1 : 2	R 0,008214
Vacant Land – Business (BUSV)	1 : 2,4	R 0,009857
Industrial Properties (IND)	1 : 2	R 0,008214
Vacant Land – Industrial (INDV)	1 : 2,4	R 0,009857
Agricultural Properties (AGRI)	1 : 0,25	R 0,001027
Mining Properties (MIN)	1 : 2	R 0,008214
Public Benefit Organisations (PBO)	1 : 0,25	R 0,001027
Public Service Purpose Properties (PSP)	1 : 0,25	R 0,001027
Public Service Infrastructure (PSI)	1 : 0,25	R 0,001027
Public Service Infrastructure – Impermissible (Sect 93A of MPRA) (PSII)	1 : 0	R 0,000000
Municipal Properties (MUN)	1 : 0	R 0,000000
Place of Worship – Church (POWC)	1 : 0	R 0,000000
Place of Worship – Parsonage (POWP)	1 : 0	R 0,000000
Protected Area (PROT)	1 : 0	R 0,000000
National Monument (NMON)	1 : 0	R 0,000000
Multi Purpose Properties (MULT)	By Apportionment	

### **SPECIAL RATED AREA**

1. **Mossel Bay Central Improvement District per month**
  - Commercial Property R 0,000116
  - Residential Property R 0,000058
2. Vincent Park Central Improvement District R 0,000032
3. Santos De Bakke Special Rating Area R 0,000083

*(Please note that the tariff for the special rating areas is inclusive of VAT and a monthly tariff)*

## EXEMPTIONS, REDUCTIONS AND REBATES

1. **Residential Properties:** For all residential properties, the municipality will not levy a rate on the first R125 000 of the property's market value. The R125 000 is inclusive of the R15 000 statutory impermissible rate as per section (17)(1)(h) of the Municipal Property Rates Act. Properties that are used as Accommodation Establishments (1 to 4 rental units) will be levied on the residential tariff.
2. **Rebates in respect of a category of owners of property are as follows:**
  - 2.1 **Indigent owners:**
    - Indigent Valuation Household (Valuation up to R125 000) 100% discount
    - Indigent Level 1 Household (Total gross monthly household income may not exceed two times the state funded social pension amount) 100% discount
    - Indigent Level 2 Household (Total gross monthly household income may not exceed four times the state funded social pension amount) 50% discount
    - Household housing a person with a disability (Total gross monthly household income may not exceed two times the state funded social pension amount) 100% discount
  - 2.2 **Owners who are dependent on Pension:**
    - Pensioner Level 1 Household (Total gross monthly household income may not exceed R24 200 per month (R290 400 per annum) 30% discount
    - Pensioner Level 2 Household (Total gross monthly household income may not exceed R18 100 per month(R217 200 per annum)) 50% discount
3. **Business and Commercial properties:**
  - Accommodation Establishments (5 -7 rental units) 30% discount
  - Accommodation Establishments (8-11 rental units) 15% discount
  - Accommodation Establishments (12 or more rental units) 0% discount
  - Farm Business 30% discount
4. **Agricultural:** Bona fide farmers with certified proof can apply for a 15% rebate on property rates

Full details of the Council resolution and rebates, reductions and exemptions 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.mosselbay.gov.za](http://www.mosselbay.gov.za)) and public libraries within the municipality's jurisdiction.

### All Rates tariffs are ZERO RATED for VAT purposes

**In the event of an inconsistency between the English, Afrikaans or Xhosa text, the English text shall prevail.**

**CB PUREN  
MUNICIPAL MANAGER  
MOSSSEL BAY MUNICIPALITY**

## MOSSELBAAI MUNISIPALITEIT

### PROMULGERING VAN EIENDOMSBELASTING VIR DIE 2024/2025 FINANSIËLE JAAR VANAF 1 JULIE 2024 TOT 30 JUNIE 2025

Kennis geskied hiermee ingevolge artikel 14(1) en (2) van die Wet op Plaaslike Regering: Munisipale Eiendomsbelasting (Wet 6 van 2004) dat die Munisipale Raad op 31 Mei 2024 ingevolge Resolusie E84-05/2024, die volgende belastings ten opsigte van eiendomsbelasting soos per die onderstaande skedule aanvaar het met implementering vanaf 1 Julie 2024

Kategory van Eiendom	Ratio	Sent in die Rand waarde bepaal vir die relevante eiendoms-kategorie
Residensiële Eiendom (RES)	1 : 1	R0.004107
Vakante Erf - Residensiële Eiendom (RESV)	1 : 1,3	R0.005340
Besigheid en Kommersiële Eiendom (BUS)	1 : 2	R0.008214
Besigheid / Kommersiële Vakante Erf (BUSV)	1 : 2,4	R0.009857
Industriële Eiendom (IND)	1 : 2	R0.008214
Vakante Erf – Industriële Eiendom (INDV)	1 : 2,4	R0.009857
Landbou Eiendom (AGRI)	1 : 0,25	R0.001027
Mynbedryf (MIN)	1 : 2	R0.008214
Publieke Voordeel Organisasie Eiendom (PBO)	1 : 0,25	R0.001027
Publieke Diens Eiendom (PSP)	1 : 0,25	R0.001027
Publieke Diens Infrastruktuur Eiendom (PSI)	1 : 0,25	R0.001027
Publieke Diens Infrastruktuur ontoelaatbare eiendom (Artikel 93A van die Eiendomsbelasting-wet) (PSII)	1 : 0	R0.000000
Munisipale Eiendom (MUN)	1 : 0	R0.000000
Plekke van aanbidding – Kerke (POWC)	1 : 0	R0.000000
Plekke van aanbidding – Pastorieë (POWP)	1 : 0	R0.000000
Beskernde areas (PROT)	1 : 0	R0.000000
Nasionale Monumente (NMON)	1 : 0	R0.000000
Veeldoelige eiendomme (MULT)	Proporsioneel	

#### **SPESIALE AANSLAGGEBIEDE per maand**

##### **1. Mosselbaai Sentrale Verbeteringsdistrik**

- Kommersiële Eiendom R0.000116
- Residensiële Eiendom R0.000058

**2. Vincent Park Spesiale Aanslaggebied R0.000032**

**3. Santos De Bakke Spesiale Aanslaggebied R0.000083**

(Let wel dat die tarief vir spesiale aanslaggebiede BTW insluit asook 'n maandelikse tarief)

#### **VRYSTELLING, AFSLAG EN KORTINGS**

##### **1. Residensiële Eiendomme:**

Die Munisipaliteit sal nie 'n belasting hef vir die eerste R125 000.00 van die eiendomwaardasie vir alle residensiële eiendomme nie. Die eerste R125 000.00 sluit die R15 000.00 ontoelaatbare

heffing in soos per artikel 17(1)(h) van die Wet op Eiendomsbelasting. Eiendomme wat aangewend word as Akkommodasie Instellings (1 tot 4 huur eenhede) sal gehef word op die residensiële tarief.

## 2. Kortings ten opsigte van die volgende kategoriee van eienaars van eiendom as volg:

### 2.1 Deernis eienaars

- |  |              |
|--|--------------|
| ○ Deernis waardasie huishouding (Waardasie tot en met R125 000)  | 100% Korting |
| ○ Deernis Vlak 1 huishouding (Totale bruto maandelikse inkomste van huishouding mag nie twee keer die staat gesubsidieerde pensioenbedrag oorskry nie)                   | 100% Korting |
| ○ Deernis Vlak 2 huishouding (Totale bruto maandelikse inkomste van huishouding mag nie vier keer die staat gesubsidieerde pensioenbedrag oorskry nie)                   | 50% Korting  |
| ○ Huishoudings wat 'n gestremde person huisves (Totale bruto maandelikse inkomste van huishouding mag nie twee keer die staat gesubsidieerde pensioenbedrag oorskry nie) | 100% Korting |

### 2.1 Eienaars afhanklik van Pensioen

- |  |             |
|--|-------------|
| ○ Pensioenaris Vlak 1 huishouding (Totale bruto maandelikse inkomste van Huishouding mag nie R24 200 oorskry nie (R290 400 per jaar) | 30% Korting |
| ○ Pensioenaris Vlak 2 huishouding (Totale bruto maandelikse inkomste van Huishouding mag nie R18 100 oorskry nie (R217 200 per jaar) | 50% Korting |

## 3. Besigheid en Kommersiële Eiendomm:

- |   |            |
|---|------------|
| ● Akkommodasie Instellings (5 -7 huur eenhede)  | 30% afslag |
| ● Akkommodasie Instellings (8-11 huur eenhede)  | 15% afslag |
| ● Akkommodasie Instellings (12 of meer eenhede) | 0% afslag  |
| ● Plaasbesigheid                                | 30% afslag |

## 4. Landbou: *Bona fide* boere met gesertifiseerde bewys kan aansoek doen vir 'n 15% korting op eiendomsbelasting.

Volle besonderhede van die Raadsbesluit, vrystellings, kortings en afslae spesifiek tot elke kategorie van eienaars van eiendom of eienaars van 'n spesifieke kategorie van eiendomme soos bepaal deur middel van kriteria soos vervat in die Munisipaliteit se Eiendomsbelastingbeleid is beskikbaar vir inspeksie by the munisipale kantore, webwerf ([www.mosselbay.gov.za](http://www.mosselbay.gov.za)) en openbare biblioteke binne die munisipale jurisdiksie.

**Alle tariewe is NUL gereken vir BTW-doeleindes, uitgesluit die tariewe ten opsigte van spesiale aanslaggebeide.**

**In die geval van 'n teenstrydigheid tussen die Engels, Afrikaans en Xhosa sal die Engelse teks geldig wees.**

**CB PUREN  
MUNISIPALE BESTUURDER  
MOSELBAAI MUNISIPALITEIT**

## UMASIPALA WASE MOSSEL BHAYI

### ISIGQIBO SOKUMISELWA KWEMIRHUMO YEMIHLABA KUNYAKA-MALI 1 JULAYI 2024 UKUYA KOWAMA 30 JUNI 2025

Esi sisaziso esikhutshwa phantsi kwecandelo 14(1) no (2) lika Rhulumente waseMakhaya: uMthetho weMirhumo Yemihlaba kaMasipala (uMthetho 6 ka 2004); ukuba kule ntlanganiso yomhla wama 31 Meyi 2024, iBhunga ligqibe phantsi kwesigqibo sebhunga nombolo E84-05/2024, ukuba limisele imirhumo kwimihlaba ngale ndlela kubonakaliswe ngayo apha ngezantsi ukusukela kowe 1 Julayi 2024.

<b>INqanaba lomhlaba/lendawo</b>	<b>Umyinge wexabiso</b>	<b>Isixa-mali esiyi-senti kwiRandi phantsi komiselo lomhlaba/indawo echaphazelekayo</b>
Imihlaba / iindawo zokuhlala	1:1	R0,004107
Umhlaba Ovulekileyo-Wokuhlala (RESV)	1:1,3	R0,005340
Imihlaba Yoshishino neyoRhwebo(BUS)	1:2	R0,008214
Umhlaba Ovulekileyo-Ushishino (BUSV)	1:2,4	R0,009857
Imihlaba yemizi-mveliso (IND)	1:2	R0,008214
Umhlaba Ovulekileyo-Eyoveliso (INDV)	1:2,4	R0,009857
Imihlaba Yezolimo (AGRI)	1:0,25	R0,001027
Imihlaba yeMigodi/Izimbiwa (MIN)	1:2	R0,008214
Imibutho eXhamla kuRhulumente	1:0,25	R0,001027
Imihlaba Yenkonzo zikaRhulumente (PSP)	1:0,25	R0,001027
Iziseko Zenkonzo kaRhulumente (PSI)	1:0,25	R0,001027
Iziseko Zenkonzo kaRhulumente-Evaliweyo (Candl. 93A le MPRA) (PSII)	1:0	R0,00000
Imihlaba kaMasipala (MUN)	1:0	R0,00000
Iindawo zokukhonzela-IiCawa (POWC)	1:0	R0,00000
Iindawo zokukhonzela-izindlu zaBefundisi – iiMishini ((POWP)	1:0	R0,00000
Iindawo ezikhuselweyo (PROT)	1:0	R0,00000
IMonyumentu yeSizwe (NMON)	1:0	R0,00000
Imihlaba esetyenziswa kwizinto ezahlukeneyo ezininzi (MULT)	Ngendlela eyakumiselwa	

#### **IINDAWO EZIMISELWE IMIRHUMO EKHETHEKILEYO**

1. **Indawo ekuMbindi-dolophu ephuhliswayo ngenyanga**
  - Imihlaba Yorhwebo R0,000116
  - Imihlaba yeendawo zokuhlala R0,000058
2. Isithili soPhuhliso eVincent Park R0,000032
3. SANTOS DE BAKKE; Indawo ekhethekile ngoku-kodwa! R0.000083

(QWALASELA! Ukuba uluhlu lerhafu kwindawo ezibhalwa njengezikhethekile ngokukodwa, ziquka I VAT kwane rhafu ngenyanga)

## EZINGACHAPHAZELEKIYO, IZAPHULELO NEEMBUYEKEZO

1. **lindawo Zokuhlala:** Kuzo zonke iindawo zokuhlala, umasipala akayi kumisela umrhumo kwi R125 000 yokuqala kwindawo leyo ngokwexabiso layo lomhlaba. Le R125 000 ibandakanya le R15 000 imiselwe phantsi komthetho ngokomrhumo kwicandelo (17)(1)(h) loMthetho weMirhumo kaMasipala. Iindawo ezisetyenziswa njengezo zokuBonelela ngeendawo (1 ukuya ku 4 zerente) ziyakumiselwa imirhumo phantsi kwexabiso leendawo zokuhlala.
2. **limbuyekezo malunga necandelo labanini-mihlaba zimi ngolu hlobo lulandelayo:**
  - 2.1 **Abanikazi-zindawo abahluphekileyo:**
    - Ixabiso lamakhaya ahluphekileyo (Umiselo-xabiso olufikelela kwi R125 000) 100% isaphulelo
    - Abahluphekileyo kuMgangatho 1 ngekhaya (Ingeniso iyonke ngenyanga yekhayaingadluli kabini kwisibonelelo sikaRhulumente sendodla 100% isaphulelo
    - Abahluphekileyo kuMgangatho 2 ngekhaya (Ingeniso iyonke yekhaya Akufuneki iyiphinde kane imali yendodla karhulumente kwikhaya 50% isaphulelo
    - Ikhaya eligcine umntu okhubazekileyo (Iyonke ingeniso ngenyanga akufuneki igqithise kabini kwimali yomhlaba-phantsi karhulumente 100% isaphulelo
  - 2.2 **Abanikazi-makhaya abaxhomekeke kwipenshini:**
    - Umamkeli-ndodla weSigaba 1 (Ingeniso iyonke ngenyanga kwikhaya akufuneki ibe ngaphezu kwe R24 200 (R290 400 ngonyaka) 30% isaphulelo
    - Umamkeli-ndodla weSigaba 2 (Ingeniso iyonke yekhaya ngenyanga Akufuneki ibe ngaphezu kwe R18 100 (R217 200 ngonyaka) 50% isaphulelo
3. **Imihlaba Yoshishino noRhwebo:**
  - Iindawo Zokubonelela ngendawo yokuhlala (5-7 amagunjana) 30% isaphulelo
  - Iindawo Zokubonelela ngendawo yokuhlala (8-11 amagunjana) 15% isaphulelo
  - Iindawo Zokubonelela ngendawo yokuhlala (12 nangaphezulu amagunjana) 0% isaphulelo
  - Ushishino lwaseziFama 30% isaphulelo
4. **Ezolimo:** Iifama eziqinisekisiweyo ezinobungqina zingenza izicelo zesaphulelo se 15% kwimirhumo yemihlaba

lingcombolo ezipheleleyo zesigqibo ngemirhumo, izaphulelo kunye nokungachaphazeleki ezingqamene necandelo ngalinye lomnini-mhlaba okanye amanqanaba athile abanini-mihlaba ngokokumiselwa ngokwenqobo yomgaqo-nkqubo wamaxabiso kamasipala nefumanekayo ukuze ihlolwe kwii-ofisi zikamasipala, kwikhasi likamasipala ([www.mosselbay.gov.za](http://www.mosselbay.gov.za)) nakumathala eencwadi kawonke-wonke kummandla kaMasipala.

**Yonke imirhumo yamaxabiso ISEKELWE KU-0 ngokweenjongo zeRhafu)**

**Kwiimeko apho kukho ukungangqinelani khona phakathi kwenguqulelo yesiXhosa, yesiBhulu okanye yesiNgesi, inguqulelo yesiNgesi iyakudlala indima ephambili.**

**C PUREN  
UMPHATHI KAMASIPALA  
UMASIPALA WASE MOSSEL BHAYI**

**MOSSEL BAY MUNICIPALITY****CUSTOMER CARE, CREDIT CONTROL, DEBT COLLECTION, INDIGENT AND TAMPERING POLICY**

**Whereas** section 98 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) provides that a municipal council must adopt a Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy and By-laws to give effect to that policy, and its implementation and enforcement;

**And whereas** the Council of the Mossel Bay Municipality has adopted amendments to the Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy on 31 May 2024, Resolution E84-05/2024;

**And whereas** the Council of Mossel Bay Municipality hereby publishes the policy for general information in terms of Council Resolution E84-05/2024.

**Now therefore the revised Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy is hereby published in English for general information. The revised Policy will be made available upon request in Afrikaans and Xhosa. In the event of an inconsistency between the English, Afrikaans or Xhosa text, the English text shall prevail.**

**This Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy repeals all previous Policies.**

**Aldus die gewysigde Klientediens, Kredietbeheer, Skuldinvordering, Deernis en Peuterbeleid hiermee gepubliseer word in Engels vir algemene inligting. Die hersiene Beleid sal op aanvraag beskikbaar gestel word in Afrikaans en Xhosa. In die geval van 'n teenstrydigheid tussen die Engels, Afrikaans of Xhosa teks, sal die Engelse teks geldig wees.**

**Hierdie Klientediens, Kredietbeheer, Skuldinvordering, Deernis en Peuterbeleid Beleid herroep alle vorige Beleide.**

**Kungoko lo Mgaqo-nkqubo uhlaziyiweyo wokuKhathalela Abathengi, uLawulo Lwamatyala, Ukuqokelelwa kwamatyala, iNtlupheko kunye noBhuca-bhuco upapashwa ngesiNgesi ngenjongo yokwaziswa kwawo gabalala.UMgaqo-nkqubo ohlaziyiweyo uyakubonelelwa xa ucelwa ngolwimi lwesiBhulu nangesiXhosa.Kwiimeko apho kukho ukungangqinelani phakathi kwenguqulelo yesiNgesi, eyesiBhulu okanye eyesiXhosa, inguqulelo yesiNgesi iyakudlala indima ephambili.**

**Lo Mgaqo-nkqubo wokuKhathalelwa kwabathengi, uLawulo Lwamatyala, Ukuqokelelwa kwamatyala, iNtlupheko kunye noBhuca-bhuco uthabatha indawo yawo yonke imigaqo-nkqubo yangaphambili, uyayicima yonke imigaqo-nkqubo yangaphambili.**

**CB PUREN  
MUNICIPAL MANAGER  
MOSSEL BAY MUNICIPALITY**



## 1. INTRODUCTION

This policy is established in terms of Chapter 9 of the Municipal Systems Act (Act no.32 of 2000) and section 62(f) (iii) of the Municipal Finance Management Act (Act no. 56 of 2003) which requires that a Municipality establish and maintain a credit control and debt collection policy

## 2. SCOPE OF THE POLICY

- (a) This Policy applies to the Mossel Bay Municipality and all persons of this administration.
- (b) This Policy as approved by Council, has been passed to give effect to the Municipal By-law in terms of the Local Government: Municipal Systems Act (Act no. 32 of 2000) and such Policy will be binding on the public, officials and Councillors of the Municipality of Mossel Bay and noninterference in the process will be permitted.
- (c) The Policy is applicable until such time as it is reviewed, and Council approves the revisions. All acts performed in terms of the above approved Policy, and the existing Municipal By-law, will not be invalidated due to the timing differences between approval and promulgation.
- (d) All acts performed as mentioned in the previous paragraph will be ratified with the promulgation of the related Municipal By-law.

## 3. OBJECTIVES OF THE POLICY

The objectives of this Policy are to:

- (a) Define a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection and to develop an effective procedure to bill and collect its revenues;
- (b) Ensure that all monies due and payable to the Municipality are collected in full and used to deliver municipal services in the best interest of the community, residents and ratepayers and in a financially sustainable manner as prescribed by the Municipal Systems Act, 2000 (Act No, 32 of 2000), and other applicable legislation;
- (c) Ensure that the principles applied, as a result of this Policy, will enhance and support a healthy working capital position for the Mossel Bay Local Municipality;
- (d) Provide a framework for consumer care and indigent support;
- (e) Set realistic targets for credit control and debt collection;
- (f) Enable the implementation of this Policy throughout the Mossel Bay Local Municipality;
- (g) Effectively and efficiently deal with defaulters in accordance with the terms and conditions of this Policy; and

- (h) Promote a culture of payment and instill a sense of responsibility towards the payment of Municipal accounts and reduction of Municipal debt.

#### 4. PRINCIPLES

- (a) The administrative integrity of the Municipality must be maintained at all times. The democratically elected Councilors are responsible for policy-making, while it is the responsibility of the Accounting Officer to ensure the execution of these policies.
- (b) All customers must complete an official application form, formally requesting municipal services. Existing customers may be required to complete new application forms from time to time, as determined by the Accounting Officer. The most important rights and obligations of the consumer and the Municipality must be included in the service application form.
- (c) A copy of the application form including conditions of services must be handed to every new customer on date of application for services. All customers must be informed of the contents of the Council's Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy and a copy made available to any customer on request.
- (d) Billing is to be accurate, timeous and understandable.
- (e) The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- (f) 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.
- (g) Enforcement of payment must be prompt, consistent and effective.
- (h) Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of Municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- (i) Incentives and disincentives may be used in collection procedures.
- (j) The collection process must be cost effective.
- (k) Results will be regularly and efficiently reported and monitored.
- (l) There must be legal cause between the Municipality and its customer, and customer debt must arise out of a legal framework and must be legally collectable.
- (m) Debtors may be referred to third party debt collection agencies and may be placed on the National Credit Bureau.
- (n) Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.
- (o) Consumers that meet Council's indigent criteria must be identified and supported.

- (p) The Municipality shall not conduct any business activity with or provide any services to any persons with arrear municipal accounts except as provided for in this Policy and as determined by the Municipality from time to time, nor will any refunds of credits be made to any debtor who is in arrears with their Municipal account.

## 5. DEFINITIONS

In this Policy any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, has that meaning, unless the context, indicates otherwise-

**“Account”** means a notification by means of a statement of account to a ratepayer or customer who is liable for payment of any amount to the Municipality and any authorised service provider in respect of the following:

- (a) electricity that is consumed by a consumer based on a meter reading or an estimated consumption and any service fee;
- (b) water that is consumed by a consumer based on a meter reading or an estimated consumption or water availability fees;
- (c) refuse removal and disposal;
- (d) sanitation services and sanitation availability fees;
- (e) rates;
- (f) interest;
- (g) connection fees;
- (h) collection charges, miscellaneous;
- (i) sundry fees;
- (j) default administration charges;
- (k) housing, rentals and instalments.

**“Accounting Officer”** means the person appointed by the Council as the Accounting Officer of the Municipality in terms of section 54A of the Local Government: Municipal Systems Act (Act No. 32 of 2000). It will also include any person to whom the Accounting Officer has delegated a power, function or duty but only in respect of that delegated power, function or duty;

**“Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time;

**“Actual consumption”** means the measured consumption by a customer of a municipal service;

**“Agreement”** means a contractual relationship between the Municipality and a customer that arises, either as a result of the Municipality's approval of a written application for municipal services, including any subsequent variation that may be made to that agreement in conformity with this Policy, or that is deemed to be an agreement;

**“Agricultural Property”** Means a property that is used primarily for agricultural purposes but, without derogating from section 9, of the Municipal Property Rates Act (Act 6 of 2004) excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;

**“Applicable charges”** means the rate (including assessment rates), charges, tariffs or subsidies determined by the Council;

**“Area of supply”** means any area within or partly within the area of jurisdiction of the Municipality to which a service is provided;

**“Arrears”** means any amount that is due, owing and payable by a customer in respect of a municipal service provided to such customer that has not been paid on or before the due date reflected on an account rendered in respect thereof;

**“Arrangements”** means a written agreement or an acknowledgement of debt in terms of which a Municipality agrees to the payment over a period of time of a debt that is outstanding;

**“Authorised agent”** means:

- (a) any person authorized by the Council to perform any act, function or duty in terms of or to exercise any power under this Policy;
- (b) any person to whom the Council has delegated responsibilities, duties or obligations in respect of the provision of revenue collection services; or
- (c) any person appointed by the Council, in a written contract, as a service provider for the provision of revenue collection services or a municipal service to customers on its behalf, to the extent authorized by that contract;

**“Average consumption”** means the average consumption by a customer of a municipal service during a specific period, which consumption is calculated by dividing the total measured consumption of that service over that period, by the number of periods;

**“Back yard dwellers”** a standalone building structure smaller than 30m<sup>2</sup> on an existing property where the main building / house is less than 60m<sup>2</sup>, where the occupant is a permanent resident;

**“Billing”** refers to the process of charging for services provided by issuing accounts;

**“By-law”** means a legislation that is made by a decision taken by the Council of the Municipality binding in the Municipality on the persons to whom it applies and is published in terms of the Municipal Systems Act;

**“(CFO) Chief financial officer”** means the official of the Municipality appointed by Council to administer its finances regardless of the designation or title attached to the post. He/she is responsible for the collection of moneys owed to the Municipality and/or any other staff member to whom he/she has delegated specific duties and responsibilities in terms of this Policy;

**“Child-headed household”** means –

- (a) a household where all the occupants of a property are younger than 18 (eighteen) years old; or
- (b) any as recognised in terms of section 137 (1), of the Children’s Act;

**“Children’s Act”** means the Children’s Act, 38 of 2005;

**“Collection costs”** means an amount that the Municipality can charge with regard to the enforcement of a consumer’s monetary obligations;

**“Commercial customer”** means a customer other than a domestic customer and an indigent customer, including, but not limited to, a business or an industrial, governmental or an institutional customer;

**“Connection”** means the point at which a customer gains access to municipal services;

**“Consolidated”** refers to the combining of all debt in order to establish the total obligation the debtor has to the Municipality;

**“Consumer”** means any occupier of a property to which the Municipality has agreed to supply services or already supplies services to, or when the occupier is not the responsible person, then the owner of the property;

**“Continuous service”** means the supply for consideration of a Municipal service with the intent that so long as the agreement to supply the service remains, the Municipality will make the service continuously available to be used by the consumer;

**“Council”** means the Council of the Local Municipality of Mossel Bay. A structure or person exercising delegated authority and power or carrying out an instruction in terms of these by-laws or a service provider fulfilling the responsibility under these by-laws;

**“Credit control and debt collection”** refers to the action/s required to safeguard revenue including disconnections, reconnections, normalizing installations and follow-up procedures and data integrity;

**“Customer”** means a person with whom the Municipality has concluded or is deemed to have concluded an agreement for the provision of a Municipal service;

**“Default administration charges”** means a charge that may be imposed by the Municipality to recover administration costs incurred as a result of a consumer’s default;

**“Defaulter”** means a customer who owes money to the Municipality after the due date for payment has expired;

**“Debt collection”** refers to the debt recovery process and includes sanctions (warning, disconnection, adverse credit rating, legal process and/or eviction, etc.) to be applied in the event of non-payment of accounts;

**“Disconnection”** means interrupting the supply of water or electricity to a debtor as a consequence of ignoring a notice for payment;

**“Domestic customer”** means a customer who, primarily for residential purposes, occupies a dwelling, structure or premises;

**“Due date”** means the date on which an amount payable in respect of an account becomes due, owing and payable by a customer, which date shall be the 15th of the month following the monthly debit raising;

**“Dwelling”** a separate structure on a property, where a household lives as a permanent resident, with an authorized separate municipal service connection for water and / or electricity;

**“Effective disconnection”** includes, inter alia, the physical removal of connections and/or equipment as a consequence of unauthorised reconnection (tampering and/or by-passing) of the disconnected service;

**“Emergency situation”** means a situation that would, if allowed to continue, pose a substantial risk, threat, impediment or danger to the present or future financial viability or sustainability of the Municipality or to a specific municipal service;

**“Estimated consumption”** means the consumption that a customer, whose consumption is not measured during a specific period, is deemed to have consumed and that is estimated by taking into account factors that are considered relevant by the Municipality and which may include the consumption of municipal services by the totality of the users of a service within the area where the service is rendered by the Municipality, at the appropriate level of service, for a specific time;

**“Equipment”** means a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;

**“Financial year”** means the period starting from 1 July of one year and ending 30 June of the next year;

**“Households”** means all persons older than 18 years that resides within a dwelling on a property within the jurisdiction of the Council regardless whether the person rents or owns the property;

**“Illegal connection”** means a connection to any system through which a municipal service is provided and that is not authorized or approved by the Municipality;

**“Indigent amount”** refers to the applicable value of the indigent subsidy as determined by the Council of the Municipality from time to time;

**“Indigent level 1 households”** means a household with a total monthly income of not more than two times the monthly Government old age pension;

**“Indigent level 2 households”** means a household with a total monthly income of more than two times, but less than four times the monthly Government old age pension;

**“Informal settlement”** means residential areas that do not comply with local authority requirements for conventional (formal) townships. They are, typically, unauthorized and are invariably located upon land that has not been proclaimed for residential use and for the purpose of this policy will also include the settlements of “Ruitersbos on Farm 61/3”, “Buysplaas on Farm 191/1” and “Jonkershoek/berg on Farm 221 – Groot Brakrivier”.

**“Infrastructure”** means the facilities, installations or devices required for the rendering of a municipal service or for the functioning of a community including but not limited to facilities, installation or devices relating to water, power, electricity, transport, sanitation, gas and waste disposal;

**“Interest”** means a charge levied on all arrear accounts calculated at a rate of 1% higher than the prime interest rate and will be based on a full month where a part of a month shall also be deemed to be a full month;

**“Multiple purposes”** in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Municipal Property Rates Act (Act 6 of 2004);

**“Municipal consumer debt”** refers to the non-payment or late payment by consumers of property rates and municipal services (water, electricity, sanitation, refuse removal) traffic fines and rental housing payments and includes any amounts considered as irrecoverable;

**“Municipal Property Rates Act”** means the Local Government: Municipal Property Rates Act, (Act No. 6 of 2004);

**“Municipality”** means

- (a) the Municipality of Mossel Bay, a local Municipality established in terms of paragraph 12 of the Local Government: Municipal Structures Act, (Act No. 117 of 1998) and its successors-in-title; or
- (b) subject to the provisions of any other law and only if expressly or impliedly required or permitted by this Policy, the Accounting Officer or his/her delegated, in respect of the performance of any function, or the exercise of any duty, obligation, or right in terms thereof or any other law; or
- (c) an authorized agent of the Municipality.

**“Municipal services”** for purposes of this Policy, means services provided by the Municipality, including refuse removal, water supply, sanitation, electricity services and rates either collectively or singularly;

**“Non-residential debtors”** are classified as those debtors who do not qualify for or receive free water;

**“Occupier”** means any person who resides on and/or occupies any premises to which municipal services are supplied;

**“Office bearer”** in relation to places of worship, means the primary person who officiates at services at that place of worship;

**“Official residence”** in relation to places of public worship means-

- (a) a portion of the property used for residential purposes; or
- (b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer.

**“Owner”** refers to the Rates Policy

**“Payment”** refers to any form of settlement acceptable to the Council of Mossel Bay from time to time towards the balance on an account;

**“Person”** means any person, whether natural or juristic, and includes but is not limited to any local government body or authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

**“Person with a disability”** means someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities. This excludes caring facilities or old age homes.

**“Place of public worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium; provided that the property is-

- (a) registered in the name of the religious community;
- (b) registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right.

**“Premises”** means any piece of land, the external surface boundaries of which are delineated on-

- (a) a general plan or diagram registered in terms of the Land Survey Act (Act No. 9 of 1927) or in terms of the Deeds Registries Act, (Act No. 47 of 1937);
- (b) a sectional plan registered in terms of the Sectional Titles Act, (Act No. 95 of 1986); or
- (c) a register held by a tribal authority or in accordance with a sworn affidavit made by a tribal authority; and, where the text so requires, includes any building, structure or the like erected on such land;

**“Prescribed tariff or charge”** means a charge prescribed by the Municipality;

**“Principle debt”** means a debt that is owed to the Municipality in respect of rates and services. It may include interest, collection charges, default administration charges, connection charges and any other charges;

**“Private Towns, Developments and/or complexes”** means properties where services such as water, electricity or sewerage networks and/or streets and open spaces has not been taken over by the municipality and a body corporate has been appointed by the individual owners to ensure sufficient levies are raised on the individual owners to cover these expenses;

**“Property”** means any portion of land, of which the boundaries are determined, within the jurisdiction of the Municipality;



**"Public notice"** means publication in the media including one or more of the following:

- (a) publication of a notice, in at least two of the official languages in general use within the Province or area in question and, where possible, the notice shall be published in a newspaper appearing predominantly in the language utilised in the publication of the notice:
  - (i) in any local newspaper or newspapers circulating in the area of supply of the Municipality;
  - (ii) in the newspaper or newspapers circulating in the area of supply of the Municipality determined by the Council as a newspaper of record; or
  - (iii) on the official website of the Municipality;
  - (iv) by means of radio broadcasts covering the area of supply of the Municipality;
- (b) displaying a notice in or at any premises, office, library or pay-point of either the Municipality or of its authorized agent and to which the public has reasonable access; and
- (c) communication with customers through public meetings and ward committee meetings;

**"Public service purposes"** in relation to the use of a property means property owned and used by an organ of state as-

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law;

but excludes property contemplated in the definition of "public service infrastructure".

**"Residential debtors"** are classified as those debtors who qualify for and receive free water;

**"Residential Property"** means a property included in a valuation roll in terms of section 48(2)(b) of the Local Government Municipal Property Rates Amendment Act 2014 {as residential;} in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the Municipal Property Rates Act (Act 6 of 2004); and which includes the following:

- used predominantly (60% or more) for residential purposes;
- a unit registered in terms of the Sectional Titles Act, 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker's quarters. (Any such grouping shall be regarded as one residential property

- for rate rebate or valuation reduction purposes and for clearance application purposes); or
- owned by a share block company and used predominantly (60% or more) for residential purposes but will be considered as one Residential property as set out in 5.1 of the Rates Policy; or
  - a retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or
  - an old age home used predominantly (60% or more) for residential purposes; or
  - a block of flats used predominantly (60% or more) for residential purposes but will be considered as one Residential property as set out in 5.1 of the Rates Policy.

**“Service”** means a municipal service rendered by the Municipality and includes the supply of electricity, water, sanitation and refuse removal;

**“Subsidised service”** means

- (a) a municipal service which is provided to a customer at an applicable rate which is less than the cost of actually providing the service and includes services provided to customers at no cost;
- (b) an area, as determined by the Council, within which all customers are provided with services from the same bulk supply connection; and
- (c) the receipt, use or consumption of any municipal service which is not in terms of an agreement or authorised or approved by the Municipality;

**“Sundry debt”** refers to any debt other than for rates, housing, metered services, sanitation and refuse removal;

**“Supply”** means any metered supply of water or electricity;

**“Tariff”** means the levying of fees, rates or taxes for municipal services provided by the Municipality itself and that complies with the Municipal Systems Act, (Act no. 32 of 2000);

**“State funded Pension”** refers to the “Old Age (Above 75 years)” Social Grant as determined by the South African Social Security Agency (SASSA);

**“Tampering”** means the unauthorised interference with a service rendered by the Municipality, or to damage or make unauthorised changes to the equipment or property of the Municipality used in connection with the provision of Municipal services. Reconnection of a supply that has been disconnected for non-payment, the interference with the supply mains or bypassing of the metering equipment to obtain an un-metered service;

**“Total household income or household income”** refers to the total formal and informal gross income, including but not limited to salaries, wages, commissions, overtime, bonuses, standby, dividends, pensions, grants, rentals, board and lodging, interest received and any investment income of all people living permanently or temporarily on the property on which the account is based. Grants exclude “Care Dependency”, “Foster Child”, “Child Support”, “Grant-in-aid”, “Top-up to CSG” and “Social Relief of Distress” social grants as determined by SASSA. Any reimbursement allowances will also be excluded from household income;

**“Unauthorised service”** means the receipt, use or consumption of any municipal service which is not in terms of an agreement with or approved by the Municipality.

## 6. DUTIES AND FUNCTIONS

### 6.1 Duties and Functions of Council

- (a) To approve a budget consistent with the needs of communities, ratepayers and residents, consistent with Council's Integrated Development Plan;
- (b) To impose rates and taxes and to determine service charges, fees and penalties to finance the budget;
- (c) To facilitate sufficient funds to give access to basic services for the indigent households;
- (d) 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;
- (e) To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the implementing authority;
- (f) To approve a reporting framework for credit control and debt collection;
- (g) To consider and approve By-laws to give effect to Council's Policy;
- (h) To revise the budget should Council's targets for credit control and debt collection not be met;
- (i) 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 and By-laws;
- (j) To delegate the required authorities to monitor and execute this Policy to the Executive Mayor and Accounting Officer and Service Provider respectively;
- (k) To provide sufficient capacity in the Municipality's Finance Department for credit control and debt collection. Alternatively, to appoint a Service Provider as debt collection agent (such service provider must be a registered debt collection agent in terms of legislation);
- (l) To provide funds for the training of staff;

### 6.2 Duties and Functions of the Executive Mayor

- (a) 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;

- (b) To monitor the performance of the Accounting Officer in implementing the Policy and By-laws;
- (c) 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;
- (d) To report to Council.

### 6.3 Duties and Functions of Ward Councillors

- (a) To hold regular ward meetings;
- (b) To adhere to and convey Council Policies to residents and ratepayers and in particular the Credit Control and Debt Collection Policy and procedure;
- (c) To adhere to the Code of Conduct for Councillors;
- (d) To act in terms of the roles and functions as approved by Council and assist in the dissemination and distribution of information.

### 6.4 Responsibilities of all councillors

- (a) To always pay amounts that are owed in respect of municipal rates, taxes and services as required by section 12A of Schedule 1 of the Municipal Systems Act and not to default on payments for a period longer than 3 months;
- (b) The Municipality may deduct any outstanding amounts from a Councillor's allowance, if the Councillor has not paid amounts that are due to the Municipality for more than 3 months;
- (c) The normal credit control procedures shall also apply to any arrear account of a Councillor;
- (d) All agreements with Councillors must not exceed the expiry date of the term of office;
- (e) To report to the Municipal Manager any person who;
  - (i) receives a subsidy and does not qualify;
  - (ii) Is illegally connected to services.

### 6.5 Duties and Functions of the Accounting Officer

The Municipal Manager as the Accounting Officer of the Municipality must take all reasonable steps to ensure that –

- (a) the Municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the Municipality's Credit Control and Debt Collection By-laws ensures that;

- (b) good customer care management systems and Council's CustomerCare, Credit Control, Debt Collection, Indigent and Tamper Policy are implemented;
- (c) revenue due to the Municipality is calculated on a monthly basis;
- (d) accounts for Municipal tax and charges for Municipal services are prepared on a monthly basis;
- (e) all money received is promptly deposited into the Municipality's primary and other bank accounts;
- (f) the Municipality has and maintains a management, accounting and information system which recognises revenue when it is earned; accounts for debtors; and accounts for receipts of revenue;
- (g) the Municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
- (h) the Municipality charges interest and other permissible charges on arrears, except where the Council has granted exemptions;
- (i) all revenue received by the Municipality, including revenue received by any collecting agent on its behalf, is reconciled regularly;
- (j) the Accounting Officer immediately informs the National Treasury of any payments due by an organ of state to the Municipality in respect of Municipal tax or for Municipal services, if such payments are in arrears for periods of more than 30 days.

#### 6.6 Responsibilities of all Municipal staff

- (a) to always pay amounts that are owed in respect of Municipal rates, taxes and services and not to default on payments for a period longer than 3 months;
- (b) the Municipality may deduct any outstanding amounts from a staff member, if the staff member has not paid amounts that are due to the Municipality for more than 3 months;
- (c) the normal credit control procedures shall also apply to any arrear account of an official;
- (d) keep the Municipality informed of his/her correct address.

#### 6.7 Duties and Functions of Communities, Ratepayers and Residents The responsibilities of communities, ratepayers and residents are to;

- (a) fulfil certain responsibilities, as brought about by the privilege and/or right to use and enjoy public facilities and Municipal services;
- (b) pay deposits, service fees, rates on property and other taxes, levies and duties imposed by the Municipality on or before the due date;

- (c) obtain a duplicate account at the Municipal help desk if an account is not delivered during the normal billing cycle;
- (d) notify the Municipality in writing when services are no longer required at a particular service delivery point and of address changes;
- (e) safeguard and maintain service meters in a clean and readable condition;
- (f) observe the mechanisms and processes of the Municipality in exercising their rights;
- (g) allow municipal officials reasonable access to their property to execute municipal functions at a time that is agreeable by the consumer and municipal officials;
- (h) comply with the By-laws and other applicable legislation;
- (i) refrain from tampering with Municipal services and property;
- (j) maintain credit and pre-payment electricity and water meters;
- (k) not to move any meter without written permission from the Municipality;
- (l) To keep meters accessible and readable at all times.
- (m) When a client requests any changes to be performed on his premises like an amp change or building plan application, consolidation or sub-division of the site, or any other stage where a job-card must be created, the arrear amount on their account must be settled before the request can be honoured and the deposit to be adjusted in line with the amount determined by council for that specific year.
- (n) In case of lowering of amps or supply, the deposit will not be adjusted on the municipal account.

#### 6.8 Performance evaluation

The Municipal Council in consultation with the Accounting Officer must establish a mechanism to set targets for debt collection, customer care and administrative performance, evaluate performances and take corrective actions on a regular basis to enhance credit control and debt collection.

#### 6.9 Income collection targets

Council must create targets that include reductions in present monthly increase in debt in line with performance agreements as determined by Council from time to time.

#### 6.10 Consumer Service Targets

Council to create targets that would include:

- (a) response time to consumer queries;
- (b) date of first account delivery to new consumers;

- (c) reconnection time lapsed;
- (d) meter reading cycle.

#### 6.11 Administrative Performance

Council to create targets that will include:

- (a) cost efficiency of debt collection;
- (b) query and appeal periods;
- (c) enforcement mechanism ratios.

#### 6.12 Reporting

- (a) The Chief Financial Officer shall report monthly to the Accounting Officer in a suitable format to enable the Accounting Officer to report to the Executive Mayor as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c).

This report shall contain particulars on performance against targets agreed to in item 6.8 of this Policy;

- (b) If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent to the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Accounting Officer who will, if he/she agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels;
- (c) The Executive Mayor as Supervisory Authority shall, at intervals of 3 months, report to Council as contemplated in section 9(c) of the Systems Act.

## 7. CUSTOMER CARE

### 7.1 Objective

To focus on the client's needs in a responsible and pro-active way, to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received, and the Municipality, and where applicable, any service provider.

In terms of Section 95 of the Local Government Municipal Systems Act 2000, in relation to the levying of rates and other taxes by a Municipality and the charging of fees for Municipal services, a Municipality must, within its financial and administrative capacity provide for:

### 7.2 Service Delivery

Establish a sound Customer Management System that aims to create a positive and reciprocal relationship between persons liable for these payments and the Municipality itself;

### 7.3 Communication

- (a) establish mechanisms for users of services and ratepayers to provide feedback to the Municipality or other service provider regarding the quality of the services and the performance of the service provider;
- (b) take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which monies raised from the service are utilised;
- (c) within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which may include targets for credit control and debt collection;
- (d) make available Council's Customer Care, Indigent, Credit Control, Debt Collection and Tampering Policy by general publication, on specific request, and which will also be available for perusal at the Municipality;
- (e) endeavor to distribute a regular newsletter, which will give prominence to customer care and debt issues;
- (f) require ward councillors to hold regular ward meetings, at which Customer Care and Debt Collection issues will be given prominence;
- (g) encourage the press to give prominence to Council's Customer Care, Credit control, Debt Collection Indigent and Tampering Policies.

### 7.4 Personal contact

Telephonic contact, agents calling on clients:

- (a) the Municipality will endeavor, within the constraints of affordability and available capacity, to make personal, electronic or telephonic contact with certain arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigent subsidies, other related matters and will provide information on how and where to access such arrangements or subsidies;
- (b) such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings may continue in the absence of such contact for whatever reason.

### 7.5 Accounts and billing

- (a) Consumers on the billing system will receive an understandable and accurate bill from the Municipality, which bill will consolidate all rates and service costs for that property;
- (b) Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date;



- (c) Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent;
- (d) It is the consumer's responsibility to ensure that the postal address and other contact details are correct;
- (e) It is the consumer's responsibility to make enquiries and ensure timeous payments in the event of accounts not received;
- (f) Settlement or due dates will be as indicated on the statement;
- (g) Where any payment is made to the Municipality or its authorized representative by negotiable instrument and it is later dishonoured by the bank, the Municipality or its authorized agent:
  - (i) may recover an admin fee as determined by Council relating to dishonoured negotiable instruments against the account of the consumer;
  - (ii) shall regard such an event as a default on payment;
  - (iii) may insist on cash payments for all future accounts.
- (h) The Municipality or its authorised agent must, if administratively possible, issue a duplicate account or any acceptable alternative to a consumer on request, at a cost determined by Council from time to time.

#### 7.6 Payment facilities and methods

- (a) The Municipality will operate and maintain suitable payment facilities, which facilities will be accessible to all users;
- (b) The Municipality will, at its discretion allocate a payment between service debts. A consumer who has overdue debt, may not specify that the payment is for a specific portion of the account;
- (c) The Municipality may in terms of Section 103 of the Systems Act, with the consent of a consumer, approach an employer to secure a debit or stop order arrangement;
- (d) The consumer will acknowledge, in the consumer agreements that the use of consumer agents in the transmission of payments to the Municipality is at the risk of the consumer – also for the transfer time of the payment;
- (e) Payments will always be appropriated to the oldest account (notwithstanding the kind of service), where after it will be appropriated in order of a predetermined priority as approved by the Municipality;

- (f) Payments can be made:
- (i) at any of the Municipal Offices from Mondays to Fridays (public holidays excluded) 08:00 to 15:30 (Mossel Bay Office) and 08:00 to 15:00 (Great Brak River, Hartenbos, Herbertsdale, Friemersheim, D'Almeida and Kwanonqaba offices);
  - (ii) at any of the Easy Pay or Pay@ pay points as approved by Council. Please note that at least 48 hours should be allowed for processing of all third-party payments;  
  
However, payments made at a third party will be done at own risk. It also remains the responsibility of the person making the payment, to ensure that the receipt is correct;
  - (iii) by direct Bank – and/or electronic payments to the Municipal bank account using Mossel Bay Municipality as beneficiary. The Municipal account number or reference number provided, must always be used as the reference number. The Municipality will not except any responsibility for incorrect banking details or reference numbers used;
  - (iv) by way of an automatic debit order. These forms are available at any of the Municipal Offices.

#### 7.7 Incentives for prompt payment

- (a) During the budget process Council may, to encourage prompt payment and/or to reward regular payers, consider from time to time incentives for the prompt payment of accounts or payment by debit or stop order.
- (b) The cost associated with the incentive scheme, if introduced, will be reflected in the annual budgets as additional expenditure in the project segment.
- (c) Council may consider the use of agents as service providers and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers and will be closely monitored by Council.
- (d) Appropriate measures will be taken to inform consumers what the responsibilities of service providers will be regarding customer care, credit control and debt collection.

#### 7.8 Enquiries, appeals and service complaints

Within its administration and financial ability, the Municipality will establish:

- (a) a central complaints/feedback office;
- (b) a centralized complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with consumers;

- (c) appropriate training for officials dealing with the public to enhance communications and service delivery; and
- (d) a communication mechanism to give Council feedback on the application of the policies on customer care and management, credit control debt collection and other issues of concern;
- (e) accessible mechanisms for those persons to query or verify accounts and metered consumptions, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- (f) mechanisms to monitor the response time and efficiency in complying with the above points.

7.9 Clients in correctional care or clients who were imprisoned

- (a) Must obtain a letter from correctional services, which indicates the date of release;
- (b) If a lodger occupies the dwelling while the owner is imprisoned, such lodger should accept responsibility for the account. Such lodger may apply for indigent subsidy on behalf of the owner with proof of imprisonment from correctional services and authorisation from the owner;
- (c) If no tenant is occupying the dwelling the services will be restricted until the owner is released from prison, after which the outstanding debt on the owners account will be taken to council for consideration to be written off;

7.10 Temporary suspension of actions for special reasons

The written approval of the Chief Financial Officer (CFO) or his/her delegate to temporarily suspend actions must always be obtained for special reasons. If the suspension of actions in terms of this Policy exceeds 3 months, it must be reported to Council.

7.11 Restricted water

- (a) If a person is in arrears and his/her water has been restricted, such person should negotiate a settlement agreement to redeem the debts;
- (b) The water restriction however cannot be restored until the arrear debt is paid in full or a valid payment arrangement on this debt was agreed upon;
- (c) Once the account has been paid in full or a valid payment arrangement on this debt was agreed upon, the water flow can be restored.

7.12 Process regarding households housing a person with a disability or persons who are linked to a respirator or life supporting machine

- (a) All limitation of services actions can be suspended where needed with the Chief Financial Officer or his/her delegated officials consent;

- (b) A medical certificate to confirm the client's health condition must be obtained at regular intervals to qualify for this support;

#### 7.13 Inheritor of an insolvent estate

Where the inheritor of a property, with no/or an insolvent estate, qualifies for an indigent subsidy, the outstanding debt can be written off by Council in order for clearance to be given and the property to be transferred.

#### 7.14 Rate rebates

Subject to certain criteria the Municipal Council may grant rate rebates annually to certain categories of ratepayers in accordance to the Municipality's Rates Policy and By-law.

#### 7.15 Arrangements for settlements

- (a) If required, consumers with arrears must convert to a pre-payment meter, and when implemented the cost of the conversion and the arrears total, will be paid off either by-
  - (i) adding the debt to the arrears bill and repaying it over the agreed period; or
  - (ii) adding the debt as a surcharge to the pre-paid electricity cost, and repaying it with each purchase of electricity until the debt is settled;
  - (iii) the first installation of pre-paid meter is free of charge if a person is indigent.
- (b) Council reserves the right to increase the deposit requirement of debtors who seek arrangements;
- (c) If an arrangement is not honoured the arrangement will be cancelled;
- (d) All arrangements for settlements will be in accordance with the processes and guidelines approved by the Accounting Officer or Chief Financial Officer from time to time in pursuance of the credit control and debt collection targets set by Council.

#### 7.16 Consumer categories

Consumers will be categorised according to specific classifications based on inter alia the type of entity, applicable tariffs and risk levels. Processes for credit control, debt collection and consumer care may differ from category to category, as deemed appropriate from time to time by the Accounting Officer.

#### 7.17 Priority Consumer Management

- (a) certain consumers may be classified as priority consumers based on criteria determined by the Accounting Officer from time to time, such as the number of properties owned or volume of consumption;
- (b) a person nominated by the Accounting Officer will be responsible for the on-going management of the consumers so classified and will perform tasks such as the review of monthly accounts to ensure accuracy, the monitoring of prompt settlement of accounts and response to queries.

#### 7.18 Restriction of services

If the Accounting Officer, or his/her delegated authority, is of the opinion that the termination of services, in the case of a particular property in respect of which the account is in arrear, is not in the best interests of the community, specifically because of the potential endangerment of the life of any person, whether resident in or outside the property concerned, the Accounting Officer, or his/her delegated authority, may appropriately restrict rather than terminate the services in question.

#### 7.19 Deceased Estates

- (a) a death certificate of the deceased should be presented;
- (b) proof from the Registrar of Estates should be obtained that the deceased estate is not liable for any claims;
- (c) should the estate however be liable for claims, a claim should be laid against the said estate;
- (d) if a death certificate was obtained while no estate was registered, such debts should be written off with effect up to the date of death;
- (e) should the new tenant/owner/authorised person qualify for indigent subsidies, the total outstanding amount should be written off and subsidies should be granted;
- (f) however, if the new tenant/owner/authorised person does not qualify for a subsidy, the client shall be obliged to settle the outstanding amount from the date of death up to the current date or to arrange for a settlement agreement;
- (g) child headed families, where the parents are deceased and only unemployed minor children lives in the dwelling, the debt can be written off. The child headed family will be granted indigent level 1 subsidies on the deceased owners' account;
- (h) In the case where a property owner is deceased, the authorised person(s) may give permission via a sworn affidavit to the occupier of the property, to be responsible for all services and rates on the property. This occupier may apply for indigent or subsidy benefits. The account will stay in the name of the registered owner but will be the responsibility of the authorised occupier.

## 7.20 Tenant Accounts

Tenant accounts will only be opened for indigent tenants and businesses or where the owner is untraceable.

A tenant account may be opened if:

- (a) a valid lease agreement / affidavit from the registered owner is provided;
- (b) all outstanding debt of the owner of the property must be paid in full or a valid payment arrangement on this debt must be agreed upon, except if the tenant applying for the tenant account is an indigent household;
- (c) the applicant does not have any debt on another property within the municipal boundaries or a valid payment arrangement on this debt must be agreed upon;
- (d) Services on a tenant account may be transferred back to the owner if the tenant account is in arrears for longer than 90 days and all future levies on these services will be payable by the owner. No new tenant account will be opened except for indigent tenants and businesses or where the owner is untraceable. Services deposits will also be payable on the owners account at the rates determined in the latest approved municipal tariff list.
- (e) In the case of an untraceable owner / account holder, a new tenant account can be opened by the occupant, by means of a sworn affidavit stating that the owner is untraceable (this must be verified by a tracing agent). Section 7.20 (a), (b) and (c) will not be applicable. Services deposit will become payable within 3 months after opening the tenant account, unless the household qualify for indigent subsidies.

## 8. CREDIT CONTROL

### Specific objectives

To implement procedures that will restrict the unauthorised use of Municipal services, escalation of debt and limit the Municipality's risks.

#### 8.1 Application for Municipal Services

- (a) All consumers of services will be required to sign an agreement governing the supply and cost of Municipal services. Owners (with their written consent) may allow tenants to sign separate agreements with the Municipality, which the Municipality may at its own discretion accept or reject. No new tenant accounts will be opened except for indigent tenants and businesses or where the owner is untraceable;

- (b) The process must occur at least seven 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 these 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;
- (c) Applicants for municipal services may be checked for creditworthiness including banking details and information from credit bureaus, other local authorities, trade creditors and employers. This will require the provision of, an Identity Document, binding lease agreement, title deed and other supporting documents as required by Council from time to time;
- (d) Applications for services from businesses, including but not limited to trusts, companies, close corporations and partnerships must include a resolution of the entity providing delegating authority to the applicant to apply for the relevant service and furnishing, if applicable, the business entity's registration number and the names, ID numbers, addresses and all relevant contact particulars of all the business's directors, members, trustees, proprietors or partners;
- (e) An applicant must provide all the information and documentation which the Municipality requires;
- (f) If an applicant for Municipal service is an existing customer of the Municipality in respect of any other municipal service and such customer has an outstanding amount that is due and payable to the Municipality:
  - (i) the arrears must be paid on this property or any other property within the municipal boundaries; or
  - (ii) an agreement for payment of arrears must be concluded with the Municipality before an application for services can be approved.
- (g) If a consumer fails or refuses to sign a new service agreement or pay the deposit, the Municipality may discontinue services until the necessary agreement has been signed and/or deposit been paid;
- (h) The Municipality will render the first account after the first meter reading cycle to be billed following the date of signing the service agreement;
- (i) Consumers who illegally consume services without this agreement will be subject to punitive action.

## 8.2 Property Developments

- (a) A property developer must inform the Municipality of the nature and extent of the municipal services or services that will be provided as well as the measuring devices that will be used.

- (b) A property developer who fails to comply with the provisions of paragraph (a) shall be liable for the payment of all the applicable charges that would have been payable by customers in respect of municipal services that have been used or consumed by such customers.
- (c) Services / Tenant accounts may be opened on the registered erf, for unregistered subdivided erven, if:
  - (i) A clearance certificate was issued on the unregistered erf applicable;
  - (ii) Capital contributions have been paid;
  - (iii) The necessary application for registration has been submitted to the deeds office;
  - (iv) The necessary services application forms and supporting documentation have been fully completed, authorised by the registered owner / developer and submitted to the municipality.

### 8.3 Termination of Services

- (a) It is the responsibility of the consumer to notify the Municipality when municipal services are no longer required due to the sale of the property or other reasons;
- (b) Failure to comply with the provision of paragraph (a) above renders the consumer liable for all service charges and interest thereon accumulated from the date when the premises are vacated to the date when Council becomes aware of such vacation;
- (c) A customer may terminate an agreement for the supply of municipal services by giving at least 7 (seven) days written notice to the Municipality of such termination;
- (d) The Municipality may terminate an agreement for the supply of Municipal services where the premises have been vacated by the tenant concerned and no arrangement for the continuation of the agreement has been made with the Municipality provided that, in the event of the customer concerned not being the registered owner of the premises. Upon termination of the agreement the services will automatically be transferred to the account of the owner. Metered services may be restricted on the owner's account until the necessary services agreement have been concluded and the applicable service deposits have been paid;
- (e) When a property is sold / transferred from the old owner to the new owner, date of registration will be taken as the request for the final reading. The final reading will be done as soon as possible after registration date or the first reading available after registration date will be used. If the municipality was not notified of the registration date, the municipality will do the final reading as soon as possible after becoming aware that the property was transferred. Metered services may be restricted on the new owner's account until the necessary services agreement have been concluded and the applicable service deposits have been paid;



- (g) The outstanding balance of the tenant account will appear on the owner's account.
- (h) An owner may request for the disconnection of services where the meters are on his name, under the following conditions:
  - The meter must be removed from the property by our Technical Department;
  - Availability will be charged;
  - Normal new connection fees and procedures will be applicable for reconnection.

#### 8.4 Payment of a Deposit

- (a) Every consumer must, on application for the provision of Municipal services pay a deposit to the Municipality, prior to the provision of any Municipal services. A minimum deposit will be payable equal to the amount determined by Council from time to time;
- (b) The Council may require a consumer to whom services are provided and who was not previously required to pay a deposit, for whatever reason, to pay a deposit on request, within a specified period;
- (c) The Council may from time to time review the sum of money deposited by a consumer in terms of this section and, in accordance with such review require that an additional amount be deposited by the consumer. The deposit will also be reviewed where any change in service connection is done. This adjustment will be in line with the amount determined by council for that specific financial year;
- (d) The Municipality shall give the owner or occupier of the premises, where Municipal services are rendered reasonable notice of any increase of the deposit;
- (e) An amount deposited with the Municipality in terms of this paragraph shall not be regarded as being in payment or part payment of an account due for services rendered except in the case of a final account where the final amount will first be cleared before the remaining portion of the deposit can be paid back;
- (f) No interest shall be payable by the Municipality on the amount of a deposit held by it in terms of this paragraph;
- (g) An agreement for the provision of services may contain a condition that a deposit shall be forfeited to the Municipality or its authorised agent if it has not been claimed within twelve months of the termination of the agreement;
- (h) The Municipality will not accept a bank guarantee as a deposit;

- (i) Only on the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the consumer or transferred to any other outstanding account of the client;
- (j) For any changes to a connection type, the deposit will be adjusted in accordance with the approved tariff list.
- (k) In case of lowering of amps or supply, the deposit will not be adjusted on the municipal account.
- (l) Any inactive deposit that is correctly recognised in the financial statements as payable and has not been claimed back within a period of three years after the service has been delivered completed or finalised, will be forfeited.
  - i. The only exception to this is when a block booking has been made and the deposit is carried over for the next booking. This is only applicable within a financial year. The deposit must be repaid and revised at the beginning of a new financial year.
  - ii. A request for repayment of an inactive deposit after the three-year period can be made after which the CFO will consider each case on its own merit.
- (m) Commercial, Business and Industrial:
  - (i) New connections or service applications for consumers with connections up to 3-phase will be as specified in the tariff list for the current financial year.
  - (ii) Deposits for businesses with connections bigger than 3-phase will be levied according to twice the highest bill during the previous 12 months for similar businesses or the deposit as specified in the tariff list, whichever is the highest (Council Res. F190-7/2004);
  - (iii) These deposits may be adjusted upwards at any stage to twice the highest bill during the previous 12 months or the deposit as specified in the tariff list, whichever is the highest (Council Res. F190-7/2004);
  - (iv) These deposits may be adjusted downwards on request by the consumer after his first 12 months' consumption are available, to twice the highest bill during the previous 12 months or the deposit as specified in the tariff list, whichever is the highest (Council Res. F190-7/2004). This change may only be requested once per financial year.
- (n) Payment of a deposit is not applicable to properties where the property has been identified as an Indigent household.

For any changes requested on the connection type the deposit will be adjusted accordingly and in accordance with the current approved tariff list. All outstanding debt on these premises or any other property of the consumer must be paid in full. The deposit will not be decreased with the lowering of amps or supply.

## 8.5 Recovery of Additional Costs

The Municipality may, in addition to any charge, tariff, levy or payment of any kind referred to in this Policy, recover from a customer any reasonable costs incurred by it in implementing this Policy, including all legal costs, including attorney and client costs incurred in the recovery of arrears which shall be debited against such customer as arrears in his/her account.

## 8.6 Payment for Municipal Services Provided

- (a) A customer shall be responsible for the payment of all Municipal services accounts rendered to him/her from the commencement date of the agreement until the account has been paid in full and the Municipality shall be entitled to recover all payments due to it from the customer concerned;
- (b) Payments will always be appropriated to the oldest account (notwithstanding the kind of service), where after it will be appropriated in order of a priority as determined by the Municipality;
- (c) If a customer uses a Municipal service for a use other than that for which it is rendered by the Municipality in terms of an agreement and if he is charged an amount lower than the applicable prescribed charge, the Municipality may alter the amount so charged and recover from him/her the difference between the altered charge and the amount initially charged to him/her;
- (d) Discontinuation of services and rendering of a final account will always be between two debit raisings. Thus, any request for discontinuation of services after the 18th of a month (or if on a weekend or public holiday the first working day thereafter) will only be finalised with the next debit raising of the following month and the basic charges for that period will be payable;
- (e) The basic fee for water and/or electricity will only be levied on accounts with active meters or active tariffs. This is to ensure that the basic fee is not duplicated where one consumer vacates a property and a new consumer moves in. For example, if a final account is requested during a period as mentioned in (d) above, the meter will stay active until the following debit raising when the account will be finalised and transferred to the new consumer. Although the new consumer will be liable for the water usage from date of the final reading the basic fee will only be levied from the following debit raising when the meter becomes active on the new account;
- (f) "Full and final settlement" of an amount: Where an account is not settled in full, any lesser amount tendered to and accepted by the Municipality shall not constitute a full and final settlement of such an account despite the fact that the payment was tendered in full and final settlement unless the Accounting Officer or his/her nominee or the manager of the Municipality's authorized agent expressly accepts such payment in writing as being in full and final settlement of the amount reflected on the relevant account;

- (g) Responsibility for payment of amounts due and payable:
- (i) Notwithstanding any other provision in this Policy, an owner of premises shall be liable for the payment of any amount that is due and payable to the Municipality by a customer who is a lessee or occupier of such premises to which municipal services have been provided, if the Municipality, after having taken reasonable steps to recover from such customer any amount due and payable by him/her, could not do so;
  - (ii) Paragraph (a) must not be construed as absolving the Municipality from its responsibility to collect outstanding amounts in respect of Municipal services provided to premises from the customer who has benefited from it.
- (h) Dishonoured payments
- (i) If the payee or the consumer is an existing consumer of Council, the reversal and penalty fee may be debited to an account of the drawer or beneficiary and a letter of notification will be sent to the consumer. Such fee shall be deemed to be a tariff charge and shall be recovered from the consumer. Council reserves the right to place the matter on the National Adverse Credit Listing and also institute legal action which may include criminal charges against the offender;
  - (ii) If the consumer who received value from the payment is not an existing debtor of Council, a sundry debtor account is opened, and the debit and penalty is raised. Once the account is submitted and the debtor fails to honour the payment including the penalty within 14 days of receipt, a final demand is generated and submitted;
  - (iii) If the debtor who received value from the payment is an existing debtor of Council, the reversal and penalty fee may be debited to an account of the drawer or beneficiary and a letter of notification must be sent to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor. Council reserves the right to institute legal action which may include criminal charges against the offender.
- (i) The Council may, by resolution, approve incentive schemes to encourage prompt payment of charges for services rendered and to reward customers who pay their accounts regularly and on time;
- (j) The aforementioned incentive schemes may include the conclusion of a written agreement with the employer of a customer in terms of which such employer undertakes to deduct outstanding rates and service charges or to settle regular monthly accounts, through deductions from the relevant customer's salary or wages, in exchange for a monetary reward either by way of payment of a commission or the grant of a rebate on the charges owing by the employer concerned to the Municipality in respect of services rendered to such employer.

- (k) Pay points and payment methods
- (i) A customer must pay his account at pay points specified by the Municipality or by an approved agent of the Municipality;
  - (ii) The Municipality will inform customers of the location of specified pay-points and the identity of approved agents who may receive payments on its behalf in respect of services rendered to customers;
  - (iii) Subparagraphs (i) and (ii) must not be construed as prohibiting a customer from paying amounts due to the Municipality or its authorized agent by means of electronic payment methods provided that the date of receipt of a payment shall be the date such payment appears on or is reflected in the banking account of the Municipality.

#### 8.7 Payment of Interest

Except where expressly provided to the contrary in this Policy, the Municipality will levy interest on all arrear accounts at a rate of prime plus 1%,

- (a) Interest on arrear debt shall be calculated for each month for which such payment remains unpaid and part of the month shall be deemed to be a month;
- (b) The interest that is payable cannot exceed the capital amount that is owed by the consumer.

#### 8.8 Accounts and Billing

- (a) The Municipality shall provide every person liable to pay for Municipal services assessments rates and taxes with an account in respect of every property for which that person is liable and all services rendered in respect of that property at the address last recorded with the Municipality;
- (b) In the case of indigent accounts, no statements will be sent. The consumer will be notified of any amounts due via SMS to the cellphone number available on the system. A duplicate statement can be obtained from any municipal office free of charge.
- (c) Failure by the Municipality to render an account does not relieve a consumer of the obligation to pay any amount due and payable. The onus shall be on the consumer to obtain a copy of the account before the due date;
- (d) If no account has been received before the 10<sup>th</sup> of a month, a copy should be obtained from the Municipality. The account must at all times be produced or proof of SMS received when payments are done, or enquiries are made. The request of copies of monthly accounts for a whole financial year, will be charge at the prescribed tariffs;

- (e) An account rendered by the Municipality for services provided to a consumer shall be paid not later than the last date for payments specified in such account;
- (f) Accounts will be rendered on a monthly basis in cycles of 30 days and shall be payable on the due date as indicated on the account;
- (g) Payments shall be deemed to be late unless received on or before the due date as determined by the Municipality. Electronic payments and payments made through agents must be received in a Municipal bank account by the close of business on the due date;
- (h) The municipality may:
  - (i) consolidate any separate accounts of a person(s) or entity liable for payments to the municipality;
  - (ii) Credit a payment by such a person against any account of that person; and
  - (iii) Implement any of the debt collection and credit control measures provided for in this Policy in relation to any arrears on any of the accounts of such a person.
  - (iv) Section (i to iii) above does not apply where there is a dispute between the municipality and a person referred to in that subsection concerning any specific amount claimed by the municipality from that person.
- (i) Accounts must contain at least the following;
  - (i) the consumption or estimated consumption of water and electricity as determined for the measuring or consumption period;
  - (ii) the erf number;
  - (iii) the measuring or consumption period for water and electricity;
  - (iv) the amount due based on the measured or estimated consumption;
  - (v) the amount due and payable for any other Municipal service;
  - (vi) the applicable tariff;
  - (vii) the amount due in terms of the consumption;
  - (viii) the amount in arrears, if any;
  - (ix) the interest payable on any arrears, if any;
  - (x) collection charges if any;
  - (xi) the final date for payment;
  - (xii) the methods, places and approved agents where payment may be made.
- (j) Accounts may be accompanied by a notice stating that –
  - (i) the consumer may conclude an agreement with the Municipality for payment of the arrear amount in instalments at the Municipality 5 working days before the final date for payment, if a consumer is unable to pay the full amount due and payable;

- (ii) if no such agreement is entered into, the Municipality may, in accordance with the Policy contained herein, limit the water services to the consumer by installing a water restrictor and disconnection of electricity;
- (iii) legal action may be instituted against any consumer for the recovery of any arrear amount in terms of the Policy contained herein;
- (iv) the defaulting consumer's name may be listed with a credit bureau or any other equivalent body as a defaulter;
- (v) the account may be handed over to a debt collector for collection;

#### 8.9 Disputes, Queries and Complaints

- (a) In this section "Dispute" refers to when a consumer questions the correctness of any account rendered by the Municipality to such consumer and the consumer lodges an appeal with the Council in accordance with this section. A consumer may lodge a query or a complaint in respect of any amount that is due and payable by him/her before or on the due date for payment specified in the account concerned or as soon as reasonably possible thereafter;
- (b) In order for a dispute to be registered with the Municipality, the following procedures must be followed:

##### **By the Consumer:**

- (i) The consumer must submit the dispute in writing to the Accounting Officer of the Municipality before or on the due date for payment specified in the account concerned or as soon as reasonably possible thereafter;
- (ii) It must clearly state that it is a dispute;
- (iii) No dispute will be registered verbally whether in person or over the telephone;
- (iv) The consumer must furnish his full personal particulars including the account number, direct contact telephone number, fax, e-mail addresses and any other relevant information as may be required by the Municipality;
- (v) The full nature of the dispute must be described in the correspondence referred to above;
- (vi) The onus will be on the consumer to ensure that he receives a written acknowledgement of receipt of the dispute from the Municipality;

- (vii) In the interim the debtor must pay the average of the last four months' accounts as calculated by the Municipality where such history of the account is available. Where no such history is available, the debtor must pay without prejudice of rights an estimate provided by the Municipality before payment due date until the matter is resolved.

**By the Council:**

On receipt of the query or dispute, the following actions are to be taken:

- (i) All incoming queries or disputes must be registered on the Collaborator system and a reference number obtained. Within 14 days after receipt of a query it must be answered via e-mail, telephonically or by normal mail depending on the contact details available;
- (ii) If the client is not satisfied with the reply or the corrective actions regarding the query and a formal written dispute is received, the authorised official must ensure that the dispute is taken to the Chief Financial Officer for a final decision;
- (iii) A written acknowledgement of receipt of the dispute must be provided to the consumer within 7 days;
- (iv) The Municipality should not institute enforcement proceedings against the consumer for an amount or an account entry that is in dispute until it has resolved the dispute;
- (v) All investigations regarding disputed amounts must be concluded by Council's Chief Financial Officer or his/her delegate within 21 calendar days from receipt thereof;
- (vi) The consumer shall be advised in writing of the findings.

**8.10 Appeals against Findings**

- (a) A consumer may, in writing, appeal against a finding of the Municipality;
- (b) An appeal shall be in writing and shall clearly state that it is an appeal, set out the reasons for the appeal and be lodged with the Accounting Officer within 21 days from the date the consumer was advised of the findings of the dispute investigation;
- (c) An appeal must be decided by the Council of the Municipality at its first ordinary meeting held after the appeal was lodged;
- (d) The decision of the Council shall be final, and the consumer must pay any amounts due and payable in terms of such decision within 14 days from the date of the letter of him/her being advised of the Council's decision;



- (e) The Council may, in its sole discretion, condone the late lodging of an appeal or other procedural irregularity;
- (f) If the consumer is not satisfied with the outcome of the appeal, he/she may, under protest, pay the amount in dispute and redress his/her action in a court of law.

#### 8.11 Agreement for the Payment of Arrears in Instalments

- (a) Only a consumer with positive proof of identity or a person authorised in writing by that consumer, will be allowed to enter into an agreement for the payment of arrears in instalments;
- (b) In the case where a consumer is untraceable, the person who derives benefit from the use of services may enter into an agreement for the payment of arrears in instalments (to be classified as untraceable, the consumer must provide the municipality with an affidavit and must be supported by a tracing report generated by the municipality);
- (c) The offer by the consumer to settle arrear amounts plus accrued interest thereon shall be embodied in a written agreement signed by the parties. The aforesaid agreement shall include an acknowledgement of debt signed by the consumer and a copy of the agreement shall be made available to the consumer. The cost of preparation of the agreement plus any incidental costs associated therewith shall be borne by the consumer;
- (d) A consumer will, in the agreement, assume liability for any administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit;
- (e) The Municipality may, on an individual basis, allow a longer period than twenty-four months for the payment of arrears if special circumstances prevail that, in the opinion of the Head: Income, warrants such an extension and which the consumer reasonably could not prevent or avoid. Documentary proof of any special circumstances must be furnished by the consumer on request by the Municipality;
- (f) In concluding an agreement with a consumer, the arrangement criteria referred to in other sections of this policy shall be applied and, as far as possible, be incorporated into the agreement referred to in this Section;
- (g) The Municipality may, in exercising its discretion have regard to a consumer's—
  - (i) credit record;
  - (ii) consumption;
  - (iii) level of service;
  - (iv) previous breaches of agreements for the payment of arrears in instalments; and
  - (v) any other relevant factors.

- (h) Should a consumer fail to comply with an agreement for the payment of arrears in instalments, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, costs incurred in taking relevant action, and penalties, including payment of a higher deposit, will immediately be due and payable, without further notice or correspondence;
- (i) A consumer may, in the sole discretion of the Head: Income, be allowed to enter into a new agreement for the payment of arrears in instalments where that consumer has failed to honour a previous agreement for the payment of arrears in instalments, entered into after the receipt of a discontinuation notice. In the event of such further agreement being permitted, then the arrangements mentioned in 9.4(f) below shall be applied to such consumer on the basis of primary arrangements;
- (j) Where a body corporate is responsible for the payment of any arrear amount to the Municipality in respect of a sectional title development, other development, private town or complex the liability of the body corporate shall be extended to the members thereof, jointly and severally and the agreement shall reflect this status accordingly;
- (k) A copy of the agreement will, on request, be made available to the consumer.

#### 8.12 Unauthorised Reconnection of Water/Electricity Supply Tampering

- (a) The unauthorised reconnection of / or tampering with a service supply is prohibited and shall constitute a criminal offence that will result in legal action being taken against the person responsible for such unauthorised reconnection or tampering. Where this happens, the service reconnected without authorisation or tampered with will be effectively disconnected;
- (b) The full amount of arrears plus any unauthorised consumption, and any applicable reconnection tariffs, interest and increased deposit will be payable prior to reconnection. Should exceptional circumstances exist, adequate payment arrangements may be permitted at the sole discretion of the Financial Officer with the right to sub-delegate.
- (c) Tamperers at indigent/subsidy household will be handled the same as with normal households and removed from the list of indigents.

#### 8.13 Unoccupied Premises

- (a) When a consumer terminates a services agreement and no new service agreement is entered with the Municipality, the property shall be deemed to be unoccupied;
- (b) Whenever water and/or electricity consumption is recorded at a property that is deemed to be unoccupied, an account will be raised and forwarded to the owner of the property for payment. A written notice in this regard will also be mailed to the owner.

#### 8.14 Installation of Prepaid Meter

If required consumers with arrears must convert to a pre-payment meter, and the arrears total, will be paid off either by-

- (a) adding the debt to the arrears bill and repaying it over the agreed period; or
- (b) adding the debt as a surcharge to the pre-paid electricity cost, and repaying it with each purchase of electricity until the debt is liquidated;
- (c) the first installation of pre-paid meter is free of charge for indigent and subsidised households, however this is not applicable for more than one meter per property;
- (d) the cost of the conversion must first be paid before the actual conversion can be done.
- (e) Cancellation of prepaid electricity tokens with a value of R500 or more, must first be inspected before cancellation of the token.

#### 8.15 Allocation of Prepaid Purchases to Arrears

The Municipality will use its pre-payment system to-

- (a) link the provision of electricity by the Municipality to a "pre-payment" system comprising, first prepaid kWh electricity; and
- (b) raise and recover payments in respect of arrear municipal taxes and other municipal levies, tariffs and duties in respect of services such as water, refuse removal and sanitation via a percentage as determined by Council, of the value of units purchased for electricity allocated to any arrears;
- (c) to enforce satisfactory arrangements with consumers in arrears by blocking the prepaid meter in order to prevent purchasing of electricity and also enforce the consumer to enter into a service agreement with council and pay the necessary fees as per the policy;
- (d) Pre-paid electricity tokens must be inserted into the meter within three months after the purchase date as the tokens can expire after three months and no refund or replacement of the tokens are allowed;
- (e) Where prepaid tokens were purchased on an incorrect meter number, no refunds or transfers will be allowed.

#### 8.16 Right of Access

- (a) An authorised representative of the Municipality must, at all reasonable hours, be given unrestricted access to the consumer's premises in order to read, inspect, install or repair any meter, service or service connection for reticulation, or to disconnect, reconnect, stop or restrict the provision of any service;
- (b) The owner will be responsible for all the cost associated with the relocation of a meter if satisfactory access is not possible.

#### 8.17 Employer Deductions

The Council may, enter into a written agreement with any employer within the Council's area of jurisdiction to deduct outstanding rates and service charges or to settle regular monthly accounts through deductions from salaries or wages of its employees.

#### 8.18 Rates

##### (a) **Rates**

- (i) Where rates are paid on a monthly basis or annually, such payment must be made before the due date for payment. Failing this, interest at the standard rate of prima +1%, will be levied on the outstanding amount;
- (ii) If an account is not paid by the due date as displayed on the account, a notice shall be issued showing the total amount owed to Council;
- (iii) If an account is not settled or there is no response from the consumer to make acceptable arrangements to repay the debt, summons shall be issued and the legal process followed;
- (iv) At any stage while the debt is outstanding, all reasonable steps shall be taken to ensure that the ultimate sanction of a sale-in-execution is avoided or taken only as a last resort. The Council, however, has total commitment to a sale-in-execution should the consumer fail to make use of the alternatives provided for by the Council from time to time;
- (v) All rate payers will be placed on the monthly rates payment arrangement, but on application can be changed to an annual rates payment.

##### (b) **Monthly Rates**

- (i) Interest will be charged on all overdue accounts at an interest rate of Prime + 1%;

- (ii) The monthly amount payable for current annual rates will be calculated to allow the total balance of such amount to be paid in equal instalments by the end of that financial year.

(c) **Rates Clearance Certificate:**

No rates clearance certificate will be issued by the Municipality contrary to the provisions of Section 118 of the Local Government: Municipal Systems Act, (Act No. 32 of 2000). The Municipality may only issue a rates clearance certificate, valid for 120 days, after all amounts that are due have been paid in full, prior to the issuing of any clearance certificate. Debt older than two years that remain unpaid shall remain as a charge against the property and the new owner shall become liable thereof.

8.19 Persons and Businesses Who Tender to the Municipality

The Procurement Policy and Tender Conditions of the Municipality will include the following;

Reject any bid from a bidder if any Municipal rates and taxes or Municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other Municipality or Municipal entity, are in arrears for more than three months.

## 9. DEBT COLLECTION

### Objective

To provide procedures and mechanisms to collect all the monies due and payable to Council arising out of the supply of services and any levies, in order to ensure financial sustainability and delivery of Municipal services in the interest of the community.

#### 9.1 Disconnection / Restriction of Services

- (a) Consumers who are in arrears with their Municipal account and who have not made arrangements with the Council will have their supply of electricity and water, and other Municipal services, suspended, restricted or disconnected;
- (b) Council reserves the right to deny or restrict the sale of electricity to consumers who are in arrears with their rates or other Municipal charges.

#### 9.2 Restoration of Services

Upon the liquidation of arrears, or the conclusion of an acceptable arrangements for term payment, the service will be reconnected as soon as conveniently possible and a new tenant account may be opened if the previous consumer was liquidated.

#### 9.3 Discretion: Negotiable Amounts

- (a) Discretion in terms of the agreement amounts as per this Policy is delegated to the Chief Financial Officer with the right to sub-delegate;

- (b) Officials with delegated powers may use discretion as a final tool by which decisions can be made in accordance with this Policy;
- (c) At all times, and at all levels, discretion will only be used so as to apply the principles embodied in the Policy and to ensure that some form of payment acceptable to Council is forthcoming from negotiations with the consumer;

#### 9.4 Arrangements

##### **Principles for Residential Debtors**

- (a) Notwithstanding that all debts should be treated the same, certain categories of debt may be subject to category specific repayment parameters;
- (b) Current charges must be paid in full and cannot be negotiated;
- (c) The consumer may be required to prove levels of income and must agree to a monthly payment towards arrears based on his ability to pay or based on his total liquidity if Council so requires;
- (d) All negotiations with the consumer should strive to result in an agreement that is sustainable and is most beneficial to Council;
- (e) Debtors who default on two occasions in respect of arrangements made on the same debt, will be denied the privilege of making further arrangements on that debt and the full amount becomes due and payable;
- (f) All arrangements are subject to periodic review;
- (g) All services may be disconnected or restricted and legal action will be taken against consumers as provided for in this Policy and/or such debt may be referred to third party debt collectors, for recovery.

#### 9.5 Arrangement Criteria for Residential Debtors

All consumers who are in arrears and apply to make arrangements to reschedule their debt will, be obliged to make the following minimum payment requirements at the time of entering into such arrangement:

- (a) current account, plus;
- (b) an initial payment towards arrears with the minimum payment being 15% of the arrear amount and a monthly instalment which will liquidate the arrear amount plus accrued interest thereon within a period of 12 months. Deviation from these terms may be authorised by the Chief Financial Officer (CFO) or his/her delegates;
- (c) each following month the consumer will be required to pay;
- (d) current account; plus

- (e) an instalment as determined in (b) above.

In all cases, failure to respond to notices will result in normal credit control procedures and/or legal processes being followed. Additional supporting documents may be requested for special arrangements outside of the normal terms.

#### 9.6 Arrangement Criteria for Non-Residential Debtors

- (a) Non-residential debtors may make arrangements to liquidate their arrears where it would be financially beneficial to the Council for them to do so;
- (b) The final decision to make these arrangements will rest with the Chief Financial Officer with the authority to sub-delegate.

#### 9.7 Listing of Debtor with Credit Bureau

Where an account rendered to a consumer remains outstanding for more than 90 days -

- (a) the defaulting consumer's name may, at the option of the Municipality, be listed with a credit bureau or any other equivalent body as a defaulter; and
- (b) may be handed over to a debt collector or an attorney for collection.

#### 9.8 Termination, Limitation and Discontinuation of Services

- (a) The Municipality may, subject to the conditions contained in this Policy, limit or discontinue services provided in terms of this Policy—
  - (i) on failure by the consumer to pay the prescribed tariffs or charges on the date specified and after the final demand referred to in this Policy has been issued and there has been no response from the consumer;
  - (ii) on the failure of the consumer to comply with the provisions of any agreement entered into with the Municipality in terms of this Policy;
  - (iii) on failure by the consumer to comply with any other provisions of this Policy and after due notice has been given to the consumer;
  - (iv) if the agreement for the provision of services has been terminated and the Municipality has not received an application for subsequent services to the premises after a period of 30 days of such termination, transfer the services to the account of the owner. After 3 months, a deposit will be levied on the owner's account;
  - (v) if the building on the premises to which services were provided has been demolished;
  - (vi) if the consumer has interfered with a limited or discontinued service; or
  - (vii) obstructs the efficient supply of electricity, water or any other Municipal services to another customer;

- (viii) supplies such Municipal service to a consumer who is not entitled thereto or permits such service to continue;
- (ix) causes a situation, which in the opinion of the Municipality is dangerous, or a contravention of relevant legislation;
- (b) The deposit of any defaulter will be adjusted and brought into line with relevant policies of Council;
- (c) The cost of the restriction or disconnection and the reconnection, will be payable as per the tariffs approved by Council;
- (d) The Municipality will not be liable for any damages or claims that may arise from the limitation or discontinuation of services provided in terms of this Section.

#### 9.9 Services Not Reconnected or Reinstated

If services have been terminated or restricted in the case of a property in respect of which the account is in arrear, and the account holder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the Accounting Officer for the payment of the arrear account, including the interest raised on such account, within a period of 28 (twenty eight) calendar days after the date of termination or restriction of the service(s) concerned, the Accounting Officer or the Municipality's Debt Collection Agent shall forthwith proceed with legal actions collection and such further action as is deemed necessary.

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

#### 9.10 Notices and Documentation

- (a) An order, notice or other document issued by the Municipality in terms of this Policy shall be deemed to be duly authorised by the Council of the Municipality if signed by the Accounting Officer or by a duly authorised employee of the Council;
- (b) Any notice or other document served on a person by a Municipality in terms of any other legislation is regarded as having been served by:
  - (i) delivering the notice to him/her personally or to his duly authorised agent; or
  - (ii) by delivering the notice at his residence or place of employment to a person apparently not less than sixteen years of age and apparently residing or employed there;



- (iii) if he has nominated an address for legal purposes, by delivering the notice to such an address; or
  - (iv) if he has not nominated an address for legal purposes, delivering it to the address given by him/her in his application for the provision of water services, for thereception of an account for the provision of water services;
  - (v) sending it by pre-paid registered or certified post addressed to his last known address;
  - (vi) in the case of a body corporate, by delivering it to the registered office or the business premises of such a body corporate;
  - (vii) if service cannot be affected 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.
- (c) In the case where compliance with a notice is required within a specified number of working days, such period shall be deemed to commence on the date of delivery or sending of such notice;
- (d) Delivery of a copy of the document shall be deemed to be deliveryof the original.

#### 9.11 Legal Processes / Use of Attorneys / Use of Credit Bureaus

- (a) The Accounting Officer may, when a debtor is in arrears, commence legal process against that debtor, which processcould involve final demands, disconnections, restrictions, summonses, judgements, execution of loose assets, garnishee orders and as a last resort, sales in execution of property;
- (b) The Accounting Officer will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from outside parties, be theyattorneys or any other collection agents appointed by Council;
- (c) Council will establish procedures and codes of conduct where external service providers have been appointed to collect outstanding debtors;
- (d) Garnishee orders, in the case of employed debtors, are preferredto sales in execution, but both are part of Council's system of debtcollection procedures;
- (e) All steps in the consumer care and credit control procedure will be recorded for Council's records and for the information of the debtor;
- (f) Individual debtor accounts are protected and are not the subject of public information. However, Council may release debtor information to credit bureaus;
- (g) Council may consider the cost effectiveness of the legal process,and will receive reports on relevant matters;

- (h) Council may consider the use of agents as service providers and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers; and will be closely monitored by Council;
- (i) Appropriate measures will be taken to inform consumers what the responsibilities of service providers will be regarding this policy.

## **10. INDIGENT HOUSEHOLDS, PENSIONER HOUSEHOLDS AND HOUSEHOLDS HOUSING A PERSON WITH A DISABILITY MANAGEMENT POLICY**

### 10.1 The Objectives of This Policy Is To:

- (a) determine the criteria for qualification;
- (b) ensure that the criteria are applied correctly and fairly to all applicants;
- (c) allow the Municipality or its authorised agent to conduct in loco visits to the premises of applicants to verify the actual status of the household;
- (d) allow the Municipality to maintain the register of names and addresses of account holders receiving subsidies;
- (e) ensure the provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council; and
- (f) ensure the provision of procedures and guidelines for the subsidisation of basic service charges to indigent households.

### 10.2 Principles of This Policy

- (a) The administrative integrity of the Municipality must be maintained at all costs. The democratically elected Councillors are responsible for making the Policy, while it is the responsibility of the Accounting Officer to ensure the execution of this Policy;
- (b) All applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this Policy;

### 10.3 Criteria for Indigent Households, Pensioner Households or Households housing a person with a disability

#### 10.3.1 Indigent Valuation Households

To qualify as an Indigent Valuation Household, a household must comply with the following criteria:

- (a) The valuation of the permanently occupied residential property must not exceed the amount, as determined by Council (R125 000); or

- (b) Households living in a new RDP property which have not yet been valued.

#### 10.3.2 Indigent Level 1 Households

To qualify as an Indigent Level 1 Household, a household must comply with the following criteria:

- (a) For an Indigent subsidy the verified gross monthly income of all occupants of the dwelling over 18 years of age may not exceed the sum of two times the amount of state funded social pension. and
- (b) The registered household must be the full-time occupant of the property concerned and may only receive subsidy on one property.

#### 10.3.3 Indigent Level 2 Households

To qualify as an Indigent Level 2 Household, a household must comply with the following criteria:

- (a) The verified gross monthly income of all occupants of the dwelling over 18 years of age may not exceed the sum of four times the amount of state funded social pension; and
- (b) The registered household must be the full-time occupant of the property concerned and may only receive subsidy on one property.

#### 10.3.4 Households housing a person with a disability

To qualify as a Household housing a person with a disability, a household must comply with the following criteria:

- (a) The verified gross monthly income of all occupants of the dwelling over 18 years of age may not exceed the sum of four times the amount of state funded social pension; and
- (b) The registered household must be the full-time occupant of the property concerned and may only receive subsidy on one property.
- (c) The person with a disability must be registered as a person with a disability, diagnosed by a medical practitioner.

#### 10.3.5 Rural water indigents

To qualify as a rural water indigent, an applicant must comply with the following criteria:

- (a) The applicant may not have access to running municipal water; and

- (b) The verified gross monthly income of all occupants of the dwelling over 18 years of age may not exceed the sum of four times the amount of state funded social pension; and
- (c) The applicant must be the full-time occupant of the property concerned.

#### 10.3.6 Informal settlements Indigent Households

To qualify as an Informal settlement Indigent Household, a household must comply with the following criteria:

- (a) The household receives municipal services within an informal settlement as defined;

#### 10.3.7 Pensioners

- (a) Registered owners or registered usufruct holder of Residential Properties who are pensioners qualify for special rebates according to gross monthly household income of all persons permanently residing on that property. To qualify for the rebate a property owner must be the registered owner of a property which satisfies the requirements of the definition of Residential Property. This property owner must:
  - occupy the property as his/her Primary Residence, and
  - be at least 60 years of age, or
  - has been declared medically unfit, and
  - be in receipt of a gross monthly household income not exceeding the amount determined by Council during the Municipality's budget process.
- (b) All applications for Pension Rebates will be effective for the same period as the General Valuation Roll. Applicants that currently qualifies, will retain their pensioner's status until the next General Valuation becomes effective (1 July 2027) or until an audit has been performed that indicates that not all qualifying criteria are met anymore.
- (c) New applications may be submitted at any time during the year, after which the rebates will be pro-rated from the month following successful application. (Application forms can be obtained from the Municipality).
- (d) Should the beneficiary's status relating to 10.3.5(a) of this policy change, it is the responsibility of the beneficiary to notify the municipality. After notification, the municipality will remove the "Pensioner" status on the property. Should the beneficiary neglect or omit to notify the municipality of such status change and the municipality becomes aware of such change, the municipality will remove the "Pensioner" status and reverse any rebates that was granted on the property from application date.
- (e) In the case of change in ownership, "Pensioner" status will automatically be removed.

10.4.1 The following limitation of Usages for Indigent Households may be applied where the municipality believes that misuse or arrear debt occurs:

- (a) Monthly consumption of electricity by the household may be limited to 350kWh; and / or
- (b) Monthly consumption of water by the household may be limited to 15kl.

10.4.2 The following criteria for Indigent Valuation Households may lead to the cancelation of the subsidy:

- (a) The average monthly purchase of electricity by the household over the previous four months exceed 600kWh; or
- (b) The average monthly consumption of water by the household over the previous four months, excluding water leakages, exceed 30kl; or
- (c) Arrear debt on the account exceed 120 days.
- (d) It is found that a person in service of state is part of the household (indigent status will be cancelled when the municipality have been made aware of this).

If an Indigent Valuation Household gets disqualified because of criteria limits in (a), (b) or (c) above, subsidies will be cancelled after 14 days of notification. These household may apply for criteria 10.3.2, 10.3.3 or 10.3.4, depending on their gross monthly income.

#### 10.5.1 Application for Indigent Households or Pensioner Households

The account holder must apply in person at a customer care office of the Authorised Agent on the prescribed application form.

The following items must accompany the application:

- (a) Municipal account number of the household; and
- (b) Proof of the account holder's identity; and
- (c) Proof of income of the total household; and
- (d) Sworn affidavit of unemployment if applicable; and
- (e) Completed Consent to the South African Revenue Service (SARS) In terms of Section 69(6) (b) of the tax administration actno 28 of 2011 (TAA); and
- (f) Complete register of all occupants of the dwelling.

#### 10.5.2 Application for Households housing a person with a disability

The account holder must apply in person at a customer care office of the Municipality

on the prescribed application form. The following items must accompany the application:

- (a) Municipal account number of the household; and
- (b) Proof of the account holder's identity; and
- (c) Proof of income of the total household; and
- (d) Proof of registration of the person with a disability; and
- (e) A medical certificate to confirm the client's health condition must be obtained at regular intervals to qualify for this support; and
- (f) Sworn affidavit that the person with a disability is a permanent resident of the property; and
- (g) Completed Consent to the South African Revenue Service (SARS) In terms of Section 69(6) (b) of the tax administration actno 28 of 2011 (TAA); and
- (h) Complete register of all occupants of the dwelling.

10.6 If a sworn affidavit is false, the following will happen;

- (a) The household's benefit will be cancelled;
- (b) All previous discounts for the current financial year will be reversed; and
- (c) The household may not apply to be registered as an indigent household, pensioner household or household housing a person with a disability for the next year.

10.7 Local Audit (Verification) of Indigent Households, Pensioner Households and Households housing a person with a disability

The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s). If the verification indicates that one or more of the qualification criteria might not be met by the applicant, it will be expected of the applicant to re-apply as per section 10.8.

The Municipality also reserves the right to contact employers in Mossel Bay to verify whether a person applying for subsidy is employed by them.

- 10.8 3 Year Re-Application for Indigent Households and Households housing a person with a disability in accordance with 10.3.2, 10.3.3 and 10.3.4 / 5 Year Re-Application for Pensioner Households in accordance with 10.3.5.

It will be expected from approved Indigent Households and Households housing a person with a disability to re-apply at least once every 3 years / It will be expected from approved Pensioner Households to re-apply prior to the implementation date of the new General Valuation Roll every 5 years.

If no re-application has been received at least 3 months before the 3/ 5 year period after the latest approval of application have lapsed, the Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time, with the aim of delivering a notification that the household's subsidy status will lapse and that the applicant is required to do a full re-application within 3-months after delivery of the notification.

If no re-application is received within this period, the subsidy status will be cancelled. The same terms and qualifying criteria as the original application will be applicable.

10.9 Subsidy

- (a) Indigent subsidies will be funded from the equitable share contribution made from the national government's fiscus and as provided for in the municipal budget;
- (b) Subsidised services may include water, electricity, sanitation, refuse removal and property rates or any other sundry levies;
- (c) If a consumer's consumption or use of the municipal service is less than the subsidised service, the unused portion will not be accrued by the consumer and will not entitle the consumer to cash or a rebate in respect of the unused portion;
- (d) All consumers who qualify for a subsidy may be expected to agree to the installation of a prepaid electricity meter and will, if in arrears, be placed on restricted service levels in order to limit further escalation of debt. The first installation of a pre-paid meter is free of charge for indigent and subsidised households. This excludes pensioner households;
- (e) Where a qualifying consumer's account is paid in full at the date of application, or regularly maintains a paid-up account after receiving the subsidy, the restriction on service levels will be waived. If the account is cleared due to the arrear debts being written off, the restriction on service levels can only be waived after usages normalised and during which the account was paid in full every month. This excludes pensioner households;
- (f) Where the household qualifies for the subsidy but is not the owner or account holder of the property and the owner cannot be traced, a tenant account can be opened for the occupier.

- (g) A subsidised consumer must immediately request deregistration by the Municipality or its authorized agent if his/her circumstances have changed to the extent that he/she no longer meet the criteria;
- (h) A subsidised consumer may at any time request deregistration;
- (i) A list of subsidised consumers will be maintained and audited on a regular basis.

#### 10.10 Rates and Services subsidies per Category:

##### 10.10.1 Indigent Valuation Households

- (a) Water - 6 kl and basic charges per month
- (b) Electricity - 50 kWh and basic charges per month
- (c) Refuse removal – basic charges per month
- (d) Sanitation – basic charges per month
- (e) Property Rates – 100%

##### 10.10.2 Indigent Level 1 Households

- (a) Water - 6 kl and basic charges per month
- (b) Electricity - 50 kWh and basic charges per month
- (c) Refuse removal – basic charges per month
- (d) Sanitation – basic charges per month
- (e) Property Rates – 100%

##### 10.10.3 Indigent Level 2 Households

- (a) Water - 6 kl and 50% of basic charges per month
- (b) Electricity - 25 kWh and basic charges per month
- (c) Refuse removal – 50% of basic charges per month
- (d) Sanitation – 50% of basic charges per month
- (e) Property Rates – 50%

##### 10.10.4 Households housing a person with a disability

- (a) Water - 6 kl and basic charges per month
- (b) Electricity - 50 kWh and basic charges per month
- (c) Refuse removal – basic charges per month
- (d) Sanitation – basic charges per month
- (e) Property Rates – 100%

##### 10.10.5 Rural water indigents

- (a) Once a month free delivery of 6kl free water per month upon application.

##### 10.10.6 Informal settlements Indigent Household

- (a) Water through standpipes – 100% on all charges on metered standpipes
- (b) Individual water connections – 6kl and basic charges per month
- (c) Individual electricity connections - 50 kWh and basic charges per month



- (d) Refuse removal – basic charges per month
- (e) Sanitation – basic charges per month

#### 10.10.7 Pensioner Households

- (a) Electricity – 50% / 30% on basic charges per month
- (b) Sanitation – 50% / 30% on basic charges per month
- (c) Property Rates – 50% / 30%

#### 10.11 Other subsidies at Indigent households and households housing a person with a disability

##### (a) Water Leakages

Where water leakages occur at indigent households or households housing a person with a disability, such leakages must be reported in accordance with the water leakage policy, after which the remaining debt may be written off and recovered from the equitable share grant, on condition that a water restrictor meter was installed.

##### (b) Blocked Drains and Sewerage

- (i) All fees relating to blocked drains and sewerage may be written off that was levied on indigent level 1 households or households housing a person with a disability and 50 % of indigent level 2 households.

#### 10.12 Additional subsidy categories

- (a) Subject to the extent of the equitable share contribution received and affordability levels Council may provide, free of charge to consumers, certain basic levels of water and electricity;
- (b) Further rebates may be provided as determined from time to time in Council's Policies and By-laws;
- (c) The Council adopt the Indigent Management Policy which shall provide for the procedures and guidelines for the provision of indigent benefits to indigent households in its Municipal area.

## 11. IRRECOVERABLE DEBT

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

The Executive Mayor may recommend to the Municipal Council that any outstanding debt or portion thereof be written off, if in his/her opinion it would be in the best interest of the Municipality, and that the writing off of the debt will not be contrary to the provisions of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003).

The Executive Mayor and Accounting Officer also have the right to authorise write off, of debt if the amount falls within their delegated power.

#### 11.1 Debt Will Be Regarded as Irrecoverable If:

The Accounting Officer has ensured that all avenues were utilized to collect the arrear debt.

Circumstances whereby a Council may validate the termination of debt collection procedures as contemplated in section 109(2) of the Municipal Systems Act:

- (a) All reasonable notifications and cost-effective measures to recover a specific outstanding amount have been exhausted; or
- (b) If the amount to be recovered is too small to warrant further endeavors to collect it; or
- (c) The cost to recover the debt does not warrant further action, i.e. to summons in another country; or
- (d) Inactive accounts where all the necessary steps have been taken with no success and/or the debtor has no assets;
- (e) The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate, sequestration, liquidation; or
- (f) A deceased estate has no liquid assets to cover the outstanding amount; or
- (g) Where the estate has not been reported to the Master and there are no assets of value to attach; or
- (h) A household with no liquid assets (*nulla bona*) to cover the outstanding debt; or
- (i) It has been proven that the debt has prescribed; or
- (j) The consumer is untraceable or cannot be identified to proceed with further action; or
- (k) It is impossible to prove the debt outstanding; or
- (l) the outstanding amount is;
  - (i) due to an irreconcilable administrative error by Council;
  - (ii) as a result of an administration error by Council.
- (m) When the debtor qualifies as an indigent household or household housing a person with a disability and are receiving a subsidy (this write-off will include all debt on the owner's / previous tenant's account on the property that have accumulated during the time the applicant has been the occupier).
- (n) Clients that have been released from correctional care or clients who were imprisoned and there was no way of recovering the debt;

- (o) Water leakages resulting in high water levies at registered indigent households or households housing a person with a disability.
- (p) Blocked drains and sewerage at registered indigent households or households housing a person with a disability.

11.2 Criteria for the Determination of the Recoverability or Non-Recoverability of Debt

- (a) All cases with the following classification “summons, judgment or execution” should be tested prior to the taking of action, with regard to the following:
  - (i) Asset’s Survey. To undertake a home visit to make a survey of the type of house, its contents and other assets like vehicles registered in the name of the account holder
  - (ii) as well as the combined income of the household. The result of this survey will determine whether further action is to be taken;
- (b) If the survey however reveals that the debt is still not recoverable after all necessary steps have been taken, it should be tabled together with the “write off compliance report” for consideration by Council to write off the debts.

## 12. OFFENCES AND PENALTIES

- (a) The Council acknowledges that, in terms of Section 119 of the Local Government: Municipal Systems Act of 2000 it is an offence for any person who-
  - (i) fails to give the access required by a duly authorised representative of the Municipality in terms of this Policy as refers to in clause 8.17 above;
  - (ii) obstructs or hinders a duly authorised representative of the Municipality in the exercise of his or her powers or performance of functions or duties in terms of this Policy;
  - (iii) unlawfully uses or interference with municipal equipment or the consumption of services supplied to any customer;
  - (iv) tampers with or breaks any seal on a meter or on any equipment belonging to the Municipality, or causes a meter not to register properly the service used;
  - (v) fails, or refuses, to give a duly authorised representative of the Municipality such information as he or she may reasonably require for the purpose of exercising or performing his or her powers or functions in terms of this Policy, or gives such representative false or misleading information, knowing it to be false or misleading; or
  - (vi) contravenes, or fails to comply with, a provision of this Policy, shall be guilty of an offence.

- (b) When any of the above-mentioned offences is detected, a tamperfee will be payable. Services will only be reconnected once this fee and outstanding debt is paid.
- (c) Council may decide on further prosecution through the court, where the court will determine further penalties or imprisonment.

### 13. TAMPER POLICY

#### 13.1 Objective

- (a) Section 97(1) (h) of the Act stipulates that a Municipality's CreditControl and Debt Collection Policy must provide for mattersrelating to unauthorised consumption of services, theft and damages;
- (b) The objective of this Policy is to provide in this Policy an extensionof Credit Control and Debt Collection Policy for the mattersreferred to in that section.

#### 13.2 Implementing Authority

The Accounting Officer must implement and enforce this Policy and any By-laws enacted to give effect to this Policy.

#### 13.3 Unauthorised use of property of the Council

- (a) No one may tamper with any Municipal equipment or property;
- (b) An authorised officer must inspect the equipment and property ofthe Municipality when he or she suspects tampering;
  - (i) that any illegal connections were attached to suchequipment or property; or
  - (ii) that any unauthorised consumption or use of services istaking place; or
  - (iii) any theft of such equipment or property; or
  - (iv) any damage to such equipment or property.

#### 13.4 Municipality's right of access to premises

In terms of section 101 of the Act the occupier of premises in a Municipality must give an authorised officer access at all reasonable hours to the premises in order to read, inspect, repair; any meter or service connection for reticulation, or to stop or restrict the provision of any service.

#### 13.5 Power to restrict or terminate supply of services

- (a) Where the Municipality has suffered any loss or damage as a result of any act contemplated in paragraph 13.3 a penalty equalto the amount of damages or loss may be imposed on theoccupier of the premises concerned;

- (b) The occupier must be notified of the amount of damage or loss by means of a notice which is hand delivered, or sent per mail, to the latest recorded address of the occupier, and such notice must also stipulate the date on or before which such amount must be paid to the Municipality;
- (c) The Council may in addition to the steps contemplated in paragraph (2) limit or discontinue the supply of water and electricity in terms of the prescribed disconnection procedures or discontinue any other service to any premises;
- (d) The Council may hand deliver or send per mail to the latest recorded address of the consumer a discontinuation notice informing such consumer –
  - (i) that the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice; and
  - (ii) of the steps which can be taken to have the service reconnected.
- (e) The Council shall reconnect or restore full levels of supply of any of the restricted or discontinued Municipal services only after the full amount of the penalty, including the costs of such disconnection and reconnection, if any, have been paid in full, or any other relevant condition or conditions of the Council's Credit Control Policy as it may deem fit have been complied with.
- (f) The right of the Council or any duly appointed agent to limit or discontinue water to any premises or customer, shall be subject to the provisions of sections 3 and 4 of the Water Service Act, (Act No. 108 of 1997).

#### 13.6 Illegal reconnections and/or tampering

The Accounting Officer shall, as soon as it comes to his/her attention that any terminated or restricted service has been irregularly reconnected or reinstated, institute one, some or all of the following enforcement actions;

- (a) disconnect or restrict such service(s);
- (b) permanently remove such service(s);
- (c) require pre-payment technology to be installed;
- (d) not reinstate such service(s) until the arrear account, including the interest raised on such amount, the charges for the notice sent in terms of paragraph 1 and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit and penalty have been paid in full for normal meters and prepaid electricity meters;
- (e) laying criminal charges with the police;
- (f) cancel the contract;
- (g) In the event of a second tampering of an electricity installation or where the meter has been damaged with the tampering, the meter will be removed, and only be replaced with a prepaid split meter, after the cost of the meter as well as the fine has been paid.

All indigent households shall be visited by a person or firm delegated by Council on a regular basis to investigate tampering and illegal connection cases and or to inspect the status of meter's connections and restrictions and/or flow limiters.

**14. CONFLICT**

In the event of an inconsistency between the English, Afrikaans or Xhosa text, the English text shall prevail.

**15. COMMENCEMENT**

This Policy will come into effect on 1 July 2024

**16. DOCUMENT AND VERSION CONTROL**

**Version:      Revision 20**

**Date: May 2024**

**Summary:**                      This document describes the Customer Care, Credit Control, Debt Collection, Indigent and Tapering Policy that will be applicable to the Mossel Bay Municipality, with effect from

**1 July 2024**

**MOSSEL BAY MUNICIPALITY****PROPERTY RATES POLICY**

**Whereas** Chapter 2 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) provides that a municipal council must adopt a Property Rates Policy and By-Laws to give effect to that policy, and its implementation and enforcement;

**And whereas** the Council of the Mossel Bay Municipality has adopted amendments to the Property Rates Policy on 31 May 2024, Resolution E84-05/2024;

**And whereas** the Council of Mossel Bay Municipality hereby publishes the policy for general information in terms of Council Resolution E84-05/2024.

**Now therefore the revised Property Rates Policy is hereby published in English for general information. The revised Property Rates Policy will be made available upon request in Afrikaans and Xhosa. In the event of an inconsistency between the English, Afrikaans or Xhosa text, the English text shall prevail.**

**This Property Rates Policy repeals all previous Property Rates Policies.**

**Aldus die hersiene beleid hiermee gepubliseer word in Engels vir algemene inligting. Die hersiene Eiendomsbelasting beleid sal op aanvraag beskikbaar gestel word in Afrikaans en Xhosa. In die geval van 'n teenstrydigheid tussen die Engels, Afrikaans of Xhosa teks, sal die Engelse teks geldig wees.**

**Hierdie Eiendomsbelasting Beleid herroep alle vorige Eiendomsbelasting Beleide.**

**Kungoko lo Mgaqo-nkqubo uhlaziyiweyo weeRhafu zeeNdawo upapashwa apha ngesiNgesi ngenjongo yokwaziswa kwawo gabalala.UMgaqo-nkqubo ohlaziyiweyo uyakufumaneka xa ucelwa ngolwimi lwesiBhulu nangolwesiXhosa.Kwiimeko apho kukho khona ukungaqondakali phakathi kwenguqulelo yesiNgesi, eyesiBhulu okanye eyesiXhosa, inguqulelo yesiNgesi iyakudlala indima ephambili.**

**Lo Mgaqo-nkqubo weeRhafu zeeNdawo uthabatha indwawo yayo yonke imigaqo-nkqubo yangaphambili, uyayicima yonke eyangaphambili.**

**CB PUREN  
MUNICIPAL MANAGER  
MOSSEL BAY MUNICIPALITY**

## 1. BACKGROUND

This Policy is formulated in terms of Section 3 of the Local Government Municipal Property Rates Act, (Act 6 of 2004) which became operative on 2 July 2005. In 2007, Mossel Bay Municipality initiated a process to prepare a General Valuation Roll of all property situated within the geographical boundaries of the Municipality in terms of this Act. A second General Valuation has been completed in 2011. A third General Valuation Roll was implemented in 2017. The latest General Valuation Roll was compiled with date of valuation 1st July 2021 and will be implemented on 1st July 2022.

## 2. LEGISLATIVE CONTEXT

- 2.1** In terms of Section 229 of the Constitution, a Municipality may impose property rates on property.
- 2.2** In terms of Section 4(1) (c) of the Municipal Systems Act, (Act no.32 of 2000), a Municipality has the right to finance the affairs of the Municipality by imposing, inter alia, property rates on property.
- 2.3** In terms of Section 2(1) of the Municipal Property Rates Act, (Act No. 6 of 2004) a local Municipality may levy a rate on property in its area in accordance with the other provisions of this Act.
- 2.4** This Policy must be read together with, and is subject to the provisions of the Municipal Property Rates Act and the Property Rates By-Law.
- 2.5** The municipality will in terms of Section 8(1) of the Municipal Property Rates Act, levy different rates for different categories of ratable property according to “(c) A combination of (a) and (b)”. The Municipality will categorize properties on the “(a) Use of the property”, except if there are no use identified, in case the “(b) Permitted use of the property” will be used to levy property rates accordingly.
- 2.6** In terms of Section 26 of the Municipal Property Rates Act - Method and time of payment
- 1) a Municipality will recover a rate –
    - a) On a monthly basis as prescribed in terms of the Municipal Finance Management Act: or
    - b) Annually on written application by the owner.
    - c) If a rate is payable in a single amount annually it must be paid on or before a date during October determined by the Municipality.
    - d) When a rate is payable in monthly instalments it must be paid on or before a date in each period determined by the Municipality.
  - 2) Payment of a rate may be deferred but only in special circumstances.



- 2.7** In terms of Section 12 of the Municipal Property Rates Act – Period for which property rates may be levied.

When levying property rates, a Municipality must levy the property rate for a financial year. A property rate lapses at the end of the financial year for which it was levied.

### 3. DEFINITIONS

In addition to the definitions contained in the Municipal Property Rates Act and the Property Rates By-Law, the following words and phrases bear the meanings assigned to them below:

**“Accommodation Establishment”** in relation to a property means the supply of overnight facilities to guests and tourists;

**“Actual use”** means actual activities that are taking place on the property;

**“Agricultural Property”** means a property that is used primarily for agricultural purposes but, without derogating from section 9 of the Municipal Property Rates Act, (Act 6 of 2004), excludes any portion thereof that is used commercially for the hospitality of guests and excludes the use of the property for the purpose of eco-tourism or for the trading in, breeding, rearing or hunting of game;

**“Annually”** means once every financial year;

**“Appeal board”** means a valuation appeal board established in terms of section 56;

**“Business and Commercial Properties”** means:

- (a) Property used for the activity of buying, selling or trade in commodities, goods or services and includes any office on the same erf, the use of which is incidental to such activity, or
- (b) Property on which administration of business of private or public entities take place: and "business and commercial properties" has a corresponding meaning;
- (c) Where a property could not be categorized in the list of categories, such property will be categorized as "Business and Commercial Properties"

**“Category”** in relation to:

- Property, means a category of properties determined in terms of Section 8 of the Act, and
- Owners of properties means a category of owners determined in terms of Section 15(2) of the Act.

**“CFO”** means the Chief Financial Officer of the Municipality, being a person designated in terms of Section 80(2) (a) of the MFMA, or his/her nominee;

**“Date of valuation”** means the date determined by a municipality in terms of section 31(1);

**"Day"** means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;

**"Dominant use"** means 60% or more of the use on a residential property (as determined by the valuer);

**"Effective date"**-

- In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32 (1); or
- In relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect, in terms of section 78(2)(b);

**"Exemption"**, in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

**"Financial year"** means the period starting from 1 July in a year to 30 June the next year.

**"Income Tax Act"** means the Income Tax Act, 1962 (Act 58 of 1972);

**"Industrial"** means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part and or the storage and warehousing of goods and products on a property.

**"Gross monthly household income"** means the gross monthly income from all sources, including but not limited to salaries, wages, dividends, pensions, grants, rentals, board and lodging, interest received, donations and any other form of financial support or investment income, received by every person residing on the property;

**"Homeless people's shelters"** means a bona fide non-profit organisation (NPO) which operates a shelter used primarily for the accommodation of homeless people and which has applied in writing for and been registered as such shelter by Council;

**"Interest"** means a charge levied on all accounts calculated at a rate of 1% higher than the prime interest rate;

**"Interest payable"** means a credit to the owner account on rates adjusted downwards where the valuation roll was incorrect in terms of the rates category and/or value and/or effective dates. Interest payable will be calculated at a rate of 1% higher than the prime interest rate;

**"Local community"**, in relation to a municipality-

- Means that body of persons comprising-
  - The residents of the municipality;
  - The ratepayers of the municipality;
  - Any civic organisations and non-governmental, private sector or labor organisations or bodies which are 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; and
- Includes, more specifically, the poor and other disadvantaged sections of such body of persons;

**“Local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

**“Market value”**, in relation to a property, means the value of the property determined in accordance with section 46;

**“MEC for local government”** means the member of the Executive Council of a province who is responsible for local government in that province;

**“MFMA”** means the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003);

**“Mining Properties”** means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act 2000 (Act No. 28 of 2002);

**“MPRA”** means the Local Government: Municipal Property Rates Act, (Act no. 6 of 2004);

**“MPRA Rate Ratio Regulations”** means the Municipal Property Rates Regulations on the Rate Ratio between Residential and Non-Residential Properties promulgated in terms of the MPRA published under Government Notice R195, Government Gazette 32991, on 1 March 2010;

**“Multiple purpose”** in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Municipal Property Rates Act (Act No. 6 of 2004);

**“Municipal council”** or “council” means a municipal council referred to in section 18 of the Municipal Structures Act;

**“Municipality”** means the Mossel Bay Municipality;

**“Municipal manager”** means a person appointed in terms of section 82 of the Municipal Structures Act;

**“Municipal properties”** means all properties of which the municipality is the owner or which property vest in the municipality but excludes such property owned by or vested in the municipality which is used for residential, business and commercial and/or industrial purposes and “municipal properties” has a corresponding meaning;

**“Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

**“Municipal valuer”** or **“valuer of a municipality”** means a person designated as a municipal valuer in terms of section 33(1);

**“Newly ratable property”** means any ratable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding-

- A property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- A property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

**“Non-Residential Property”** means all properties other than those defined as residential;

**“Occupier”** in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

**“Office bearer”** in relation to places of worship, means the primary person who officiates at services at that place of worship;

**“Official residence / parsonage”** in relation to places of public worship means-

- (a) portion of the property used for residential purposes; or
- (b) one residential property, if the residential property is not located on the same property as the place of public worship,

registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer

**“Organ of state”** means an organ of state as defined in section 239 of the Constitution;

**“Owner”-**

- (a) in relation to a property referred to in paragraph (a) of the definition of “property”, means 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”, means a person in whose name the right is registered;
  - (bA) in relation to a time-sharing interest contemplated in the Property Time-Sharing Control Act, 1983 (Act 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-Sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
  - (bB) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act 59 of 1980)
  - (bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;

- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means 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 this Act be regarded by a municipality as the owner of a property in the following cases;

- (i) A trustee, in the case of a property in a trust excluding state trust land;
- (ii) An executor or administrator, in the case of a property in a deceased estate;
- (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) A judicial manager, in the case of a property in the estate of a person under judicial management;
- (v) A curator, in the case of a property in the estate of a person under curatorship;
- (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject of a usufruct or other personal servitude;
- (vii) A lessee, in the case of a property that is registered in the name of a municipality and is leased by it;
- (viiA) A lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or
- (viii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“**Permitted use**” in relation to a property, means the limited purposes for which the property may be used in terms of-

- Any restrictions imposed by-
  - A condition of title;
  - A provision of a town planning or land use scheme; or
  - Any legislation applicable to any specific property or properties; or
- Any alleviation of any such restrictions;

“**Permanent property rental**” Residential rental property is property used as dwellings for rental occupants. Property rented out for a period of 30 (thirty) days and more, consecutively, will be categorized as a permanent tenant and will be charged at the residential rate.

“**Person**” includes an organ of state.

“**Place of public worship**” means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium; provided that the property is-

- (a) registered in the name of the religious community;
- (b) registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right;

(d) this will exclude vacant property according to Sec 17(1)(i) of the MPRA.

**“Prescribe”** means prescribe by regulations in terms of section 83;

**“Property”** means-

- (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) Public service infrastructure;

**“Property Rates By-law”** means the Municipality: Property Rates By-law promulgated in the Provincial Gazette No. 6917 of 14 October 2011;

**“Property register”** means a register of properties referred to in section 23;

**“Protected area”** means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act;

**“Public benefit organisation (PBO)”** means properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the 'Ninth Schedule to the Income Tax Act;

**“Public Service Infrastructure (PSI)”** and **“Public Service Infrastructure Impermissible (PSII)”** means publicly controlled infrastructure.

Section 17(a) and 17(aA) split the subsections as listed in the PSI definition into two groups being:

Group A = PSI definition subsection (c), (d), (f) and (j)

Group B = PSII definition subsection (a), (b), (e), (g), (h) and (i)

**“Public Service Purpose Properties”** in relation to the use of a property means property owned and used by an organ of state as-

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centers or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law;

but excludes property contemplated in the definition of "public service infrastructure (PSI);

**“Rate”** means a municipal rate on property envisaged in section 229(1)(a) of the Constitution;

**“Ratable property”** means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17;

**“Ratepayer”** means a person or entity that is liable, in terms of the MPRA, for the payment of property rates on property levied by the Municipality;

**“Rates Clearance System Supplier”** means the Lexis Rates Clearance.com system which manages the processing and issuing of rates clearance certificates;

**“Ratio”** in relation to section 19 of the Municipal Property Rates Act (Act No. 6 of 2004), means the relationship between the cent in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

**“Rebate”** in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;

**“Reduction”** in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

**“Register”-**

- (a) Means to record in a register in terms of-
- a. The Deeds Registries Act, 1937 (Act 47 of 1937); or
  - b. The Mining Titles Registration Act, 1967 (Act 16 of 1967); and
- (b) Includes any other formal act in terms of any other legislation to record-
- a. A right to use land for or in connection with mining purposes; or
  - b. A land tenure right;

**“Residential Property”** means a property included in a valuation roll in terms of section 48(2)(b) of the Local Government Municipal Property Rates Act in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the Municipal Property Rates Act (Act 6 of 2004); and which includes the following:

- used predominantly (60% or more) for residential purposes;
- a unit registered in terms of the Sectional Titles Act (Act No. 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker’s quarters. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or
- owned by a share block company and used predominantly (60% or more) for residential purposes but will be considered as one residential property as set out in 5.1 below; or
- a retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or

- an old age home used predominantly (60% or more) for residential purposes.

“**Sectional Titles Act**” means the Sectional Titles Act, 1986 (Act 95 of 1986);

“**Sectional title scheme**” means a scheme defined in section 1 of the Sectional Title Act;

“**Sectional title unit**” means a unit defined in section 1 of the Sectional Title Act;

**“Special rated areas”**

- (1) A municipality may by resolution of its council-
  - a. Determine an area within that municipality as a special rating area;
  - b. Levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and
  - c. Differentiate between categories of properties when levying an additional rate referred to in paragraph (b).
  
- (2) Before determining a special rating area, a municipality must-
  - a. Consult the local community, including on the following matters;
    - i. The proposed boundaries of the area; and
    - ii. The proposed improvement or upgrading of the area; and
  - b. Obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate.
  
- (3) When a municipality determines a special rating area, the municipality-
  - a. Must determine the boundaries of the area;
  - b. Must indicate how the area is to be improved or upgraded by funds derived from the additional rate;
  - c. Must establish separate accounting and other record keeping systems regarding-
    - i. The revenue generated by the additional rate; and
    - ii. The improvement and upgrading of the area; and
  - d. May establish a committee composed of persons representing the community in the area to act as a consultative and advisory forum for the municipality on the improvement and upgrading of the area, provided representivity, including gender representivity, is taken into account when such a committee is established. Such a committee must be a subcommittee of the ward committee or committee in the area, if the municipality has a ward committee or committees in the area.
  
- (4) This section may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special rating area must be consistent with the objectives of the municipality’s integrated development plan.
  
- (5) This section must be read with section 85 of the Municipal Systems Act if this section is applied to provide funding for an internal municipal service district established in terms of that section of the Municipal Systems Act.

“**Specified public benefit activity**” means an activity listed in item 1 (welfare and humanitarian, item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

“**This act**” includes regulations made in terms of section 83.

- (2) In this Act, a word or expression derived from a word or expression defined in subsection



(1) has a corresponding meaning unless the context indicates that another meaning is intended.

**“Valuation Roll”** means a valuation roll made in terms of Section 30 of the MPRA or a supplementary valuation roll made in terms of Section 78 of the MPRA;

**“Vacant Land - Business”** means a property with a business permitted use, without any buildings or structures or not used for business permitted use.

**“Vacant Land - Industrial”** means a property with an industrial permitted use, without any buildings or structures or not used for industrial permitted use.

**“Vacant Land - Residential”** means a property without any buildings or structures or not used with a residential permitted use.

#### 4. GUIDING PRINCIPLES

4.1 The Municipality’s Property Rates Policy is based on the following guiding principles:

- equity;
- affordability;
- poverty alleviation;
- social and economic development;
- financial sustainability; and
- cost efficiency.

4.2 Property Rates are levied in accordance with the MPRA as a cent-in-the-rand based on the property value contained in the Municipality’s General Valuation Roll of 2022 - 2026 and Supplementary Valuation Rolls.

4.3 A municipality must, according to Sec 78 of the MPRA, whenever necessary, cause a supplementary valuation to be made in respect of any ratable property- If

- (a) Incorrectly omitted from the valuation roll;
- (b) Included in a municipality after the last general valuation;
- (c) Subdivided or consolidated after the last general valuation;
- (d) the market value has substantially increased or decreased for any reason after the last general valuation;
- (e) Substantially incorrectly valued during the last general valuation;
- (f) it must be valued for any other exceptional reason;
- (g) the category has changed;
- (h) the value recorded in the valuation roll was incorrect as a result of a clerical or typing error.

Furthermore, a supplementary valuation in respect of any ratable property will be triggered when:

- (a) Occupation certificate has been issued;
- (b) A property is occupied although no occupation certificate has been issued;
- (c) Change of land usage/zoning;
- (d) Demolishing certificate;
- (e) Consolidation / Subdivision of properties;

(f) Any other reason that may cause the valuation of the property to increase or decrease.

**4.4** As allowed for in the MPRA, the Municipality has chosen to differentiate between various categories of property and owners of property. Some categories of property and categories of owners are granted relief from property rates. However, the Municipality does not grant relief in respect of payments for property rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this Policy.

**4.5** A person liable for a rate must furnish the municipality with an address where correspondence can be directed to.

**4.6** Differential rates applicable to Mossel Bay Municipality:

- Agricultural Properties; (AGRI)
- Multiple Purpose Properties; (MULT)
- Business and Commercial Properties; (BUS)
- Vacant Land - Business; (BUSV)
- Industrial Properties; (IND)
- Vacant Land - Industrial; (INDV)
- Mining Properties; (MIN)
- Municipal Properties; (MUN)
- Public Service Purpose Properties; (PSP)
- Place of Worship – Church; (POWC)
- Place of Worship – Parsonages; (POWP)
- Protected Area; (PROT)
- Public Benefit Organisations; (PBO)
- Public Service Infrastructure; (PSI)
- Public Service Infrastructure – Impermissible; (PSII)
- Residential Properties; (RES)
- Vacant Land - Residential; (RESV)
- National Monument (NMON)

**4.7** The rate charged as a cent-in-the-rand for Residential Properties is the base rate and the rates charged in respect of all other categories of properties are reflected as ratios to the Residential rate as set out below.

**PROPERTY RATES RATIOS**

<b>TARIFF TYPE</b>	<b>CATEGORY</b>	<b>RATIO IN RELATION TO RESIDENTIAL PROPERTY</b>
<b>RESIDENTIAL PROPERTIES</b>	<b>RES</b>	<b>1 : 1</b>
Vacant Land - Residential	RESV	1 : 1.3
Business & Commercial Properties	BUS	1 : 2
Vacant Land - Business	BUSV	1 : 2.4
Industrial Properties	IND	1 : 2
Vacant Land - Industrial	INDV	1 : 2.4
Mining Properties	MIN	1 : 2
Agricultural Properties	AGRI	1 : 0.25
Public Service Infrastructure	PSI	1 : 0.25
Public Benefit Organisation	PBO	1 : 0.25
Public Service Purpose Properties	PSP	1 : 0.25
Public Service Infrastructure Impermissible	PSII	1 : 0
Municipal Properties	MUN	1 : 0
National Monuments	NMON	1 : 0
Protected Areas	PROT	1 : 0
Place of Worship - Church	POWC	1 : 0
Place of Worship - Parsonage	POWP	1 : 0
Multiple Purpose Properties	MULT	By Apportionment

**5. APPLICATION OF THE POLICY****5.1 Residential Properties (RES)**

- 5.1.1 a) The first R15 000 of the market value as per the Valuation Roll on Improved Residential Properties as set out in Section 17(1)(h) of the MPRA is exempted from paying property rates;
- b) In the case of residential properties with a market value up to the value decided by council, the Municipality will grant a reduction in terms of Section 15(1) (b) of the MPRA for the market value of the property (revenue foregone).
- c) The Municipality will grant a reduction in terms of Section 15(1)(b) of the MPRA on the market value up to the value decided by council in respect of all improved residential properties, as an important part of the Municipality's indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-value properties (revenue foregone);
- 5.1.2 Properties that are used as Accommodation Establishments (1 to 4 rental units) will be levied on the residential tariff;

## **5.2 Vacant Land - Residential (RESV)**

Residential Vacant Land properties will not be granted any discounts or impermissible values.

## **5.3 Business & Commercial Properties (BUS)**

Business & Commercial improved properties will be charged at the ratio of 1 : 2 in relation to residential properties.

5.3.1 Properties that are used as Accommodation Establishments (5 to 7 rental units) will be granted a 30% rebate on the business & commercial tariff;

5.3.2 Properties that are used as Accommodation Establishments (8 to 11 rental units) will be granted a 15% rebate on the business & commercial tariff;

5.3.3 Properties that are used as Accommodation Establishments (12 or more rental units) will not be granted a rebate on the business & commercial tariff;

5.3.4 Farm properties that are used for business, commercial or industrial purposes will be granted a 30% rebate on the business and commercial tariff;

## **5.4 Vacant Land - Business (BUSV)**

Business & Commercial Vacant Land properties will not qualify for any rebates.

## **5.5 Industrial Properties (IND)**

Industrial properties will be charged at the ratio of 1 : 2 in relation to residential properties.

## **5.6 Vacant Land - Industrial (INDV)**

Industrial Vacant Land properties will not qualify for any rebates.

## **5.7 Public Service Infrastructure (PSI) and Public Service Infrastructure Impermissible (PSII)**

5.7.1 For PSI and PSII properties (as defined in the MPRA) the first 30% of its market value in terms of Section 17(1) (a) of the MPRA is exempted from paying property rates.

5.7.2 PSI properties will be charged at the ratio of 1 : 0.25 in relation to residential properties. These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community.

5.7.3 PSII properties will be charged at the ratio of 1 : 0 in relation to residential properties.

## 5.8 Agricultural Properties (AGRI)

- 5.8.1 A farm is an area of land, including various structures thereon, devoted primarily to the practice of producing and managing food (produce, grains or livestock) or forestry products. The farming activity must contribute to the local economy. (Bona fide farmer)
- 5.8.2 In terms of the MPRA, the definition of agricultural purpose excludes the use of a property for the purpose of eco-tourism or for the trading in, breeding, rearing or hunting of game. For the purpose of defining "Trading in, breeding, rearing or hunting of game" the usage of the property for this purpose must be more than 50% of the total size.
- 5.8.3 If agricultural properties are not used solely for agricultural purposes and where the municipal valuer considers it reasonable to apply the category of multiple-use properties, the apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the applicable rate of the specific property rates category.
- 5.8.4 Bona fide farmers with certified proof can apply for a 15% rebate on property rates.

## 5.9 Multiple Purpose Properties (MULT)

Properties used for multiple purposes which do not fall within the definition of Residential Properties and, accordingly, do not qualify for the residential rate, must be included into the category of multiple purpose properties, for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in cases where the municipal valuer considers it reasonable to apply this category.

## 5.10 Municipal Properties (MUN)

In terms of Section 7 of the MPRA the Municipality will not levy property rates on-

- (i) properties of which the municipality is the owner;
- (ii) Public Service Infrastructure owned by a municipal entity;
- (iii) Leased Municipal Properties with a nominal value and/or portions of the commonage property where it is not practical to levy property rates; and
- (iv) Municipal vesting properties.

## 5.11 Religious Institutions (POWC & POWP)

In terms of Section 17(1) (i) of the MPRA, the Municipality may not levy a rate on improved property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence / parsonage registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

## **5.12 Public Benefit Organisations (PBO)**

5.12.1 The properties of Public Benefit Organisations will be charged at the ratio of 1:0.25 in relation to residential properties, if they comply with the conditions in 5.13.2 below. These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community.

5.12.2 In order to be considered, the organisations must be listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act. Proof of such registration must be supplied upon request.

## **5.13 Non-Profit Organisations**

5.13.1 The properties of Non-Profit Organisations will be charged at the ratio of 1:0.25 in relation to residential properties. These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community.

5.13.2 In order to be considered, the organisations must be registered as NPOs under the Non-Profit Organisations Act, (Act no., 71 of 1997). Proof of such registration must be supplied upon request

## **5.14 National Monuments (NMON)**

Properties to which the provisions of the National Heritage Resources Act, 1999 (Act No. 25 of 1999), apply or an institution that has been declared to be subject to the Cultural Institutions Act, 1998 (Act No. 119 of 1998).

## **5.15 A lessee, in the case of a property that is registered in the name of a municipality and is leased by it**

In relation to the definition of an owner in this policy, the municipality will hold a lessee, in the case of a property that is registered in the name of a municipality and is leased by it, responsible for the payment of Property Rates, if the lease agreement is for a period longer than 10 years and registered against the Title Deed in the deeds office as a notarial lease.

## **6 GENERAL**

6.1 People who have submitted false information and/or false affidavits and/or failed to notify the CFO of any amended use of properties owned or used by them will have the exemptions, rebates or reductions withdrawn with effect from the date of the incident in question and interest and penalties levied as provided for in the Municipality's Credit Control and Debt Collection Policy and By-Law. The Municipality may also take further appropriate action against them.

6.2 All applications for rebates or reductions will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Municipality as provided for in the Municipality's Credit Control and Debt Collection By-Law and Policy, which may include water and electricity saving measures. Should there be a default on the arrangements, all the rebates,

exemptions or reductions granted may be reversed with effect from the date on which the default took place.

- 6.3. Any late applications or deviations from the ownership, registration or usage requirements of this Policy must be motivated in writing to the CFO and will be dealt with in the sole discretion of the CFO, taking into account any factors which he/she deem to be relevant, including, but not limited to considerations of fairness and equity.
- 6.4. All rate payers will be placed on the monthly rates payment arrangement, but on application can be changed to an annual rates payment. Application for annual rates payment must be received annually before 30 June.

## **7 REGULAR REVIEW PROCESSES**

The Municipality's Property Rates Policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

## **8 RESOLUTION LEVYING RATES**

A resolution levying rates in a municipality must be annually promulgated within 60 days of the date of the resolution, by publishing the resolution in the Provincial Gazette.

## **9 LIABILITY FOR AND PAYMENT OF PROPERTY RATES**

Liability for and payment of property rates is further governed by the MPRA and the Municipality's Credit Control and Debt Collection By-Law and Policy.

## **10 DUE DATES**

The due date for payment of property rates in terms of Sections 26(2)(a) and (b) and 78(4) of the MPRA means the date reflected on a municipal invoice as the final date on which payment is due and payable.

## **11 CLEARANCE CERTIFICATES**

### **Software and System Details**

The municipality will make use of an electronic Rates Clearance System. The system will provide a secure electronic link between the Conveyancing Attorneys and Municipality.

### **Audit and Legislation Compliance Process**

All monies collected by the Municipality including in respect of Special Rating Areas (including City Improvement Districts) and any estimated amounts for the duration of the validation period of a certificate in terms of Section 118(1) (a) of the Systems or Section 89 of the Insolvency Act, (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- 11.1 All rates clearance applications must contain as many as possible of the following contact options for the buyers;
- 11.1.1 The buyer's cell phone number;
- 11.1.2 The buyer's e-mail address;

11.1.3 The buyer's work and/or home address.

All rates clearance applications must contain the correct postal address of the buyer. Should the application be incomplete, the application will be rejected by Council.

- 11.2 All amounts that are due, on date of application for rates clearance, must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act;
- 11.3 Rates clearance figures will be calculated for the current month of application and 120 days in advance. This figure will contain rates, services, surcharges and any other amounts that may become payable or in arrears with regards to the development, subdivided erf or sectional title unit.
- 11.4 Developer's contributions will be due and payable before any rates clearance certificate is issued on new erven developments;
- 11.5 All receipts of fees, advance rates and services will be allocated on the Seller's debtors account. These fees will first be allocated to any arrears, clearance fee and valuation certificate fee, before allocated as an advance.
- 11.6 In the case of new sectional title developments payment of developer's contribution will be due before services will be connected;
- 11.7 no interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due; and
- 11.8 Outstanding services of tenants may only be recovered for a maximum period of two years if a request is lodged for a Section 118 (3) of the Municipal Systems Act (32 of 2000) Clearance Certificate. If this is done the conveyancer, seller and buyer of the property must be informed that the remaining debt will remain on the property according to subsection 3.
- 11.9 The clearance certificate will be valid for 60 days;
- 11.10 Extension on a clearance certificate will be granted, if all services are paid in advance for another 60 days;
- 11.11 Only electronic Rates Clearance Applications will be accepted.
- 11.12 Attorneys should await figures with the unique deposit reference for developer's contributions before payments are made. Proof of payment of developer's contributions will be validated via the capital contribution schedule.
- 11.13 Confirmation of registration and final meter reading date must be captured by the Attorneys on the Rates Clearance System or via e-mail.
- 11.14 Pro-rata rates will be calculated by the Municipality for rates payable by the buyer;



## 12 RATES REFUNDS

- 12.1 All refunds, including service deposits, will be paid to the transferring attorney after registration of the property;
- 12.2 Refunds will only be processed on applications received through Rates Clearance System.
- 12.3 Refunds will be allocated to arrear service debt of tenants and only the balance will be refunded.
- 12.4 Refunds will not be issued if the services have not been connected on the new owner's name and the deed confirming new ownership is not received.
- 12.5 Refunds will be processed when and if the transferring attorney's banking details on the creditor's form has been submitted, with a copy of the responsible person's ID document. The attorneys must supply the municipality with their contact person's e-mail address. Without the information no refund can be processed.
- 12.6 Refunds will be issued once a month per attorney firm.
- 12.7 Disconnection or reconnection of services must be sent through the rates clearance application system, as well as by e-mail to [admin@mosselbay.gov.za](mailto:admin@mosselbay.gov.za).

## 13 EFFECTS OF OBJECTIONS AND APPEALS ON LIABILITY FOR PAYMENT

In terms of the MPRA:

- 13.1 the lodging of an objection or an appeal in terms of Sections 50 and 54 of the MPRA does not defer liability for the payment of property rates beyond the dates determined for payment in terms of this Policy;
- 13.2 the review of the municipal valuer's decision in terms of Section 52 of the MPRA does not defer liability for the payment of property rates beyond the dates determined for payment in terms of this Policy.

## 14 INDIGENCY

In terms of Section 3(3) (f) and Section 15 of the MPRA all indigents, for rating purposes, will qualify in respect of their Residential Properties for the benefits as set out in paragraph 5.1 of this Policy and in conjunction with the customer care, credit control, debt collection, indigent and tampering policy.

## 15 INTEREST ON OVERDUE ACCOUNTS

- 15.1 Interest shall be raised on overdue accounts as determined in the CreditControl and Debt Collection By-Law and Policy.
- 15.2 Interest for incorrect billing.

- 15.2.1. Interest for incorrect billing will be dealt with according to the amendment of section 55 of the principle act in subsection 2, paragraph(b)-
- (i) recover from [or repay to,] the person liable for the payment of the rate the difference determined in terms of paragraph (a) [plus interest at a prescribed rate] without adding interest on the amount due for rates: or
  - (ii) refund to the person who made the payment the difference determined in terms of paragraph (a) plus interest at the prescribed rate.

## **16 ADJUSTMENT OF PROPERTY RATES PRIOR TO SUPPLEMENTARY VALUATION (SV)**

- 16.1 In circumstances where a valuation has been carried out by the municipal valuer in pursuance of a SV in terms of Section 78(1)(c), 78(1)(d), 78(1)(f), or 78(1)(g) of the MPRA as a result, for example, of demolition having taken place on a property or a fire having destroyed buildings on a property, but the Municipality has not yet included such valuation of the relevant property in a SV, such valuation shall be submitted to the CFO for approval to levy property rates on the property in accordance with such valuation, with effect from the date of the occurrence of the event which caused a SV to be required.
- 16.2 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Systems Act and if the Municipality has not yet included such valuation of the relevant property (ies) in a SV:
- 16.2.1 the municipal valuer shall conduct a valuation of the relevant property (ies) for purposes of a Supplementary Valuation; and
  - 16.2.2 the valuation shall be submitted to the CFO for approval of the levying of property rates on such property (ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office

## **17. UPDATING OF VALUATION ROLL**

Updating on properties must be executed in line with Section 77 to 79 of the MPRA.

## **18. This policy will come into effect on 1 July 2024**

**DOCUMENT AND VERSION CONTROL**

Version: **Revision 20**

Date: **May 2024**

Summary: This document describes the Property Rates Policy that will be applicable to the Mossel Bay Municipality, with effect from

**1 July 2024**

**MOSSEL BAY MUNICIPALITY****TARIFF POLICY**

**Whereas** section 75 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) provides that a municipal council must adopt a Tariff Policy and By-laws to give effect to that policy, and its implementation and enforcement;

**And whereas** the Council of the Mossel Bay Municipality has adopted amendments to the Tariff Policy on 31 May 2024, Resolution E84-05/2024;

**And whereas** the Council of Mossel Bay Municipality hereby publishes the policy for general information in terms of Council Resolution E84-05/2024.

**Now therefore the revised Tariff Policy is hereby published in English for general information. The revised Tariff Policy will be made available upon request in Afrikaans and Xhosa. In the event of an inconsistency between the English, Afrikaans or Xhosa text, the English text shall prevail.**

**This Tariff Policy repeals all previous Tariff Policies.**

**Aldus die hersiene Tarief Beleid hiermee gepubliseer word in Engels vir algemene inligting. Die hersiene Tarief Beleid sal op aanvraag beskikbaar gestel word in Afrikaans en Xhosa. In die geval van 'n teenstrydigheid tussen die Engels, Afrikaans of Xhosa teks, sal die Engelse teks geldig wees.**

**Hierdie Tarief Beleid herroep alle vorige Tarief Beleide.**

**Kungoko uMgaqo-nkqubo ohlaziyiweyo wamaXabiso upapashwa apha ngesiNgesi ngenjongo yokwaziswa kwawo gabalala.UMgaqo-nkqubo ohlaziyiweyo wamaXabiso uyakufumaneka ngesicelo ngolwimi lwesiBhulu nangesiXhosa.Kwiimeko apho kukho khona ukungangqinelani phakathi kwenguqulelo yesiNgesi, eyesiBhulu okanye eyesiXhosa, inguqulelo yesiNgesi iyakudlala indima ephambili.**

**Lo Mgaqo-nkqubo uthabatha indawo yayo yonke imigaqo-nkqubo yangaphambili, uyayicima yonke imigaqo-nkqubo yangaphambili.**

**CB PUREN  
MUNICIPAL MANAGER  
MOSSEL BAY MUNICIPALITY**

## 1. INTRODUCTION

In terms of section 74 of the Local Government: Municipal Systems Act, of 2000, the Mossel Bay Council must adopt and implement a Tariff Policy that complies with the provisions of any applicable legislation on the levying of fees for municipal services provided by or on its behalf. The Tariff Policy may differentiate between different categories of users, debtors, service providers, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination. Section 75 of the Systems Act requires that the Council adopt by-laws to give effect to the implementation and enforcement of its Tariff Policy.

## 2. DEFINITIONS

In this Policy, unless inconsistent with the context -

**“Accounting Officer”** means the municipal manager appointed in terms of section 54A of the Local Government: Municipal Systems Act, (Act no, 32 of 2000);

**“Accommodation Establishments”** in relation to a property means the supply of overnight facilities to guests and tourists;

**“Additional residential units”** additional units erected on an erf zoned as single or general residential, it can form part of the main structure or be separated. The size of the additional units must vary between 30 and 120 square meters and does not have to have separate service connections. Loose standing units may only have a ground level structure. Each unit must have direct access from ground level;

**“Agricultural Property”** Means a property that is used primarily for agricultural purposes but, without derogating from section 9, of the Municipal Property Rates Act (Act 6 of 2004) excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;

**“Availability charges”** An availability charge for electricity, water and sewerage as determined from time to time by the Council shall be levied and will be payable on all properties on a monthly basis, except in cases where the site has been declared uninhabitable by the municipality, with or without improvements, whether or not the property is connected to the electricity reticulation / water network / sewerage network systems of the Council. Such fee shall be levied only if;

1. a monthly Basic fee is not levied;
2. the property is adjacent to such a service;
3. in the opinion of the Council, the services can reasonably be connected;
- or
4. the property is vacant / unimproved, and the value of the property is higher than R125 000.

**“Average consumption”** means the average consumption by a customer of a municipal service during a specific period, which consumption is calculated by dividing the total measured consumption of that service over that period, by the number of periods;

**“Back yard dwellers”** a standalone building structure smaller than 30m<sup>2</sup> on an existing property where the main building / house is less than 60m<sup>2</sup>, where the occupant is a permanent resident;

**“Customer/user”** means any person to whom a service is rendered or made available by the council;

**“Dwelling”** a separate structure on a property, where a household lives as a permanent resident, with an authorized separate municipal service connection for water and / or electricity;

**“Households”** all persons older than 18 years that resides within a dwelling on a property within the jurisdiction of the Council regardless whether the person rents or owns the property;

**“Indigent level 1 household”** means a household with a total monthly income of not more than two times the monthly Government old age pension;

**“Indigent level 2 households”** means a household with a total monthly income of more than two times, but less than four times the monthly Government old age pension;

**“Interest”** means a charge levied, on all arrear accounts calculated at an interest rate which is one percent higher than the prime interest rate;

**“Mining Property”** means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002(Act. No. 28 of 2002);

**“Multiple purposes”** in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Municipal Property Rates Act (Act 6 of 2004);

**“Municipal area”** means the area in respect of which the Municipality has executive and legislative authority as determined by the Constitution and national legislation and the area as demarcated by the Demarcation 1998 (Act no. 27 of 1998);

**“Municipal council”** means the council of Mossel Bay Municipality;

**“Municipality”** means

- (a) an organ of state within the local sphere of government exercising legislative and executive authority in an area determined under the Local Government: Municipal Demarcation Act (Act no, 27 of 1998);
- (b) a Municipality consists of:
  - (i) the political structures and administration of the Council of the Municipality; and
  - (ii) the community of the Municipality.
- (c) functions in the area in keeping with the political, statutory and other relationships between its political structures, political office bearers and administration and its community; and

- (d) as a separately legal personality that excludes liability on the part of its community for the actions of the Municipality.

**“Occupier”** means the person who controls and resides on, or who controls and otherwise uses immovable property or a portion thereof; provided that-

- (a) the husband or wife of the owner of immovable property which is at any time used by such owner and husband or wife as a dwelling, shall be deemed to be the occupier thereof;
- (b) where husband and wife both reside on immovable property and one of them is an occupier thereof, the other shall also be deemed to be an occupier thereof; and
- (c) a person who-
- (i) resides in or occupies a room or rooms in a boarding house, lodging house, home for elderly people (other than a person, and the husband or wife of such person, who, by paying a capital amount, has acquired and exercises a lifelong right to so reside in or occupy a room or rooms in a home for elderly people), hostel, hotel, motel, hotel, club mess, barracks, nurses home or other place of a like nature;
  - (ii) resides in or occupies a separate room or rooms on immovable property occupied by any relative of such person;
  - (iii) as a boarder or lodger, resides in or occupies a room or rooms on immovable property owned or occupied by any other person; or
  - (iv) occupies an area of land or building or portion of a building solely for the purpose of parking, leaving or storing any vehicle or craft thereon or therein;

shall be deemed not to be an occupier of the immovable property concerned.

**“Office Bearer”** in relation to places of worship, means the primary person who officiates at services at that place of worship;

**“Official residence”** in relation to places of public worship, means

- (a) a portion of the property used for residential purposes; or
- (b) one residential property, if the residential property is not located on the same property as the place of worship;

**“Owner”**-

- (a) in relation to a property referred to in paragraph (a) of the definition of “property”, means 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”, means a person in whose name the right is registered;

- (bA) in relation to a time-sharing interest contemplated in the Property Time-Sharing Control Act, 1983 (Act 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-Sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
- (bB) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act 59 of 1980)
- (bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f) of the Municipal Property Rates Act, means the holder of the mining right or the mining permit;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means 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 Municipal Property Rates Act be regarded by a municipality as the owner of a property in the following cases;

- (i) A trustee, in the case of a property in a trust excluding state trustland;
- (ii) An executor or administrator, in the case of a property in a deceased estate;
- (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) A judicial manager, in the case of a property in the estate of a person under judicial management
- (v) A curator, in the case of a property in the estate of a person under curatorship;
- (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject of a usufruct or other personal servitude;
- (vii) A lessee, in the case of a property that is registered in the name of a municipality and is leased by it;
- (viii) A lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or
- (ix) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

**“Person with a disability”** means someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities. This excludes caring facilities or old age homes.



**"Place of public worship"** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium; provided that the property is-

- (a) registered in the name of the religious community;
- (b) registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right

**"Private Open Space (POS)"** means vacant land belonging to private owners;

**"Property"** means-

- (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) Public service infrastructure;

**"Protected Area"** Those parts of a special nature reserve, national park or nature reserve within the meaning of the national Environmental Management Protected Areas Act, (Act no. 57 of 2003), or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act (Act no. 10 of 2004), which are not developed or used for commercial, business, agricultural or residential purposes.

**"Public benefit organisation (PBO)"** means properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act;

**"Public Service Infrastructure (PSI)"** means publicly controlled infrastructure.

**"Public Service Infrastructure – Impermissible (PSII)"** means the national, provincial and local government properties that are phasing out for rates payment according to Sec 83 of the MPRA (full definition included under MPRA above);

**"Public Service Properties (PSP) (previously (GOV))"** in relation to the use of a property means property owned and used by an organ of state as-

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law;

but excludes property contemplated in the definition of "public service infrastructure (PSI);

**"Ratio"** in relation to section 19 of the Municipal Property Rates Act (Act No. 6 of 2006), means the relationship between the cent in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

**"Residential Property"** means a property included in a valuation roll in terms of section 48(2)(b) of the Local Government Municipal Property Rates Act in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the Municipal Property Rates Act (Act 6 of 2004); and which includes the following:

- used predominantly (60% or more) for residential purposes;
- a unit registered in terms of the Sectional Titles Act (Act No. 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker's quarters. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or
- owned by a share block company and used predominantly (60% or more) for residential purposes but will be considered as one residential property as set out in 5.1 of the Rates Policy;
- a retirement scheme or life right scheme used predominantly (60% or more) for residential purposes; or
- an old age home used predominantly (60% or more) for residential purposes; or
- a block of flats used predominantly (60% or more) for residential purposes, but will be considered as one Residential property as set out in 5.1 of the Rates Policy;

**"Tariff Policy"** means a Tariff Policy on the levying of fees, rates or taxes for municipal services provided by the Municipality itself and that complies with the Municipal Systems Act, (Act no. 32 of 2000); and

**"The Act"** means the Municipal Systems Act, (Act no, 32 of 2000);

### 3. GENERAL PRINCIPLES

#### 3.1 Objective

The objective of this Tariff Policy is to ensure the following:

- (a) Tariffs must conform to acceptable policy principles;
- (b) Municipal services must be sustainable;
- (c) Tariffs must comply with the applicable legislation; and
- (d) Tariffs should take indigent people and limited consumption into consideration

#### 3.2 Responsibility / Accountability

The Mossel Bay Council has the overall responsibility of laying down the Tariff Policy.

#### 3.3 Tariff Policy Principles

In terms of section 74(2) of the Systems Act of 2000, the Municipality's Tariff Policy reflects the following principles:

- (a) Users of municipal services are treated equitably in the application of tariffs;
- (b) The amount individual users pay for services are generally in proportion to their use of that service;
- (c) Indigent households have access to at least basic services through:
  - (i) Special or lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or
  - (ii) Any other direct or indirect method of subsidisation of tariffs for indigent households;
  - (iii) Tariffs reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;
- (d) Tariffs are set at levels that facilitate the financial sustainability of the service, considering subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure its financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing and replacing the physical assets used in its provision;
- (e) Provision is made in appropriate circumstances for a surcharge or a rebate on the tariff for a service;
- (f) Provision is made for the promotion of local economic development

through special tariffs for categories of commercial and industrial users;

- (g) The economical, efficient and effective use of resources, the recycling of waste and other appropriate environmental objectives is encouraged; and
- (h) The extent of subsidisation of tariffs for indigent households and other categories of users are fully disclosed;
- (i) It can be further stated that tariffs, rates and the employment of resources, in general, considers the Council's IDP principles and goals;

#### **4. NEED FOR A TARIFF POLICY**

##### **4.1 Revenue Adequacy and Certainty**

The Municipality must have access to adequate sources of revenue to enable it to carry out its functions. The Municipality must:

- (a) Fully exploit the available sources of revenue to meet its development objectives; and
- (b) Be reasonably certain of its revenue to allow for realistic planning.

##### **4.2 Sustainability**

Financial sustainability requires a budget that balances. This means that the Municipality must ensure that:

- (a) Services are provided at affordable levels; and
- (b) It is able to recover the costs of service delivery.

It must be realised that no bailout will be provided if the budget is exceeded or if proper financial management controls are not established. Indigent members of the community have the right to have access to at least a minimum level of basic services. Therefore, there is a need to subsidise indigent households, who are unable to pay for full-service costs.

##### **4.3 Effective and Efficient Resource Use**

Resources are scarce and must be used in the best possible way to reap the maximum benefit for the community. However, there are no mechanisms available to ensure the effective allocation of resources. It is therefore important that the community provide the necessary checks and balances. They can do this by participating in the budget process. Efficiencies in spending and resource allocation will ultimately increase the access of the indigent households to basic services.

#### 4.4 Accountability, Transparency and Good Governance

The Municipality must be accountable to the community for the use of its resources. Councillors must be able to:

- (a) justify their expenditure decisions; and
- (b) explain why and how, the revenue necessary to sustain expenditure is raised.

Budgeting and the financial affairs must be open to public scrutiny. The community must have greater voice making decisions about how revenue is raised and spent. Community participation in budgeting must include those groups in the community who face particular constraints in participating. It must also include a capacity-building component to ensure that people understand the prioritisation process (why resources are allocated to one area rather than another).

#### 4.5 Equity and Redistribution

Members of the community must be treated equitably with regard to the provision of services.

#### 4.6 Development and Investment

Meeting basic needs in the context of existing services backlogs will require increased investment in municipal infrastructure.

### 5. SOURCES OF REVENUE

- (a) In terms of section 229 of the Constitution of the Republic of South Africa, (Act No, 108 of 1996), the Municipality may impose:
  - (i) Rates on property and surcharges on fees for services provided by or on behalf of the Municipality; and
  - (ii) If authorised by national legislation, other taxes, levies and duties appropriate to local government, but it may not impose income tax, value-added tax, general sales tax or customs duty.
- (b) The power of the Municipality to impose rates on property, surcharges on fees for services provided by or on behalf of the Municipality, or other taxes, levies or duties:
  - (i) May not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities across municipal boundaries, or the national mobility of goods, services, capital or labour; and
  - (ii) May be regulated by national legislation.

- (c) In terms of section 4(1) (a) of the Systems Act, the Council has the right, amongst other things, to finance the affairs of the Municipality by:
  - (i) Charging fees for services; and
  - (ii) Imposing surcharges on fees, rates on property and to the extent authorised by national legislation, other taxes, levies and duties.

Section 16 of the Systems Act requires the Municipality to establish appropriate mechanisms, procedures and processes to ensure community participation in, amongst other things, the preparation of its budget.

## 6. PRICING STRATEGY

The strategy must be to recover the full financial cost of rendering the services required by and delivered to the community from the community, including the cost of capital. The points of departure pertaining to a pricing strategy are:

- (a) The starting point to recover cost is the determination of service levels. These shall be based on basic human needs;
- (b) The second point will be to ensure a sustainable service delivery based on the set service level; and
- (c) The third point will be the upgrading of services to higher levels in accordance with the level of affordability by the community and the ability to render the upgraded services in a sustainable manner.

The following must be considered in the pricing strategy in order to accurately determine and recover the cost pertaining to a service:

### 6.1 Management Cost

Resource management expenditure is those activities that are required to deliver, regulate, manage and maintain the service.

### 6.2 Capital Cost

Capital cost expenditure is the obligation to meet the repayments on loans negotiated to finance the provision of the service.

### 6.3 Maintenance Cost

These are normal running costs to maintain the service at the established level of service provision.

### 6.4 Consumption / Usage

In the case of a measurable service, the actual cost of usage of the service is easily determined. Where measurable services are provided (usually to informal areas) without measuring devices being installed, the cost will be calculated by using the appropriate charge multiplied by the bulk registered

consumption or estimated volume of consumption divided by the number of households / properties.

#### 6.5 Cost of Immeasurable Services

These services are normally community based and subsidised services and the cost will be recoverable through a rating policy as determined from time to time. Recovery of costs will therefore be equalised over the total area of jurisdiction and the principle of collective payment will apply.

### 7. METERING

- (a) The Municipality will, endeavour, within practical and financial limits, to provide meters to every paying consumer for all services;
- (b) Where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems;
- (c) All meters will be read monthly, if at all possible. If the meter is not read monthly the Council will estimate the consumption in terms of Council's operational procedures;
- (d) Consumers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof;
- (e) Consumers will be informed of meter replacement;
- (f) If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the Municipality or its authorised agent, and the consumer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments;
- (g) If an electricity meter cannot be read due to "no access" for six consecutive months, the meter may be replaced with a pre-paid meter at the cost of the owner;
- (h) The occupier can give the readings through telephonically but at least every six months a true reading must be obtained by the meter reader;
- (i) In the case of holiday houses, a true reading must be obtained by the meter reader at least once a year if possible;
- (j) If no reading on a water meter can be obtained for more than six consecutive months, the meter may be moved at the cost of the owner/tenant.

## **8. CATEGORIES OF TARIFF CHARGES**

### **8.1 Service Charges**

An important source of local own revenue is charges that are directly related to the provision of municipal services.

The majority of these are utility charges, such as electricity and water, which have contributed significantly to the growth of revenue of municipalities. Cost recovery is an essential part of sustainable service delivery. The system of revenue sharing within a service is aimed at subsidising the operating costs of basic services to indigent and low-income households.

### **8.2 Collection of Levies**

The Municipality may in future be required to impose and collect levies for other authorities, such as a District Municipality, or community based organisations. Such levies are imposed as the result of provisions contained in Acts or By-laws and individual service delivery agreements. The Municipality acts as an agent for such an organisation and may recover its cost by means of commissions or administration fees.

## **9. LEGISLATION**

Section 160 of the Constitution determines that the Municipality may not delegate the power to impose taxes, tariffs and other charges. Such tariffs must be approved by means of a decision of the majority of the Councillors in a Council, after taking all the required factors into consideration.

### **9.1 Water & Sanitation**

In respect of the provision of water and sanitation services, the Water Services Act of 1997 determines that a Municipality or another water services provider must supply water and sanitation services in terms of conditions set by the Municipality. The condition that must be set, amongst other things, is to provide for the determination and structure of tariffs. These powers must be read with section 21 of the Act in terms of which the Municipality must pass By-laws that provide, amongst other things, for the determination and structure of tariffs and the payment and collection of money due for water and sanitation.

### **9.2 Electricity**

In terms of section 9 of the Electricity Act 1987 the holder of an electricity license may not charge any consumer with other tariffs than those specified in the schedule of approved tariffs in its license. Further, a Municipality that holds an electricity license is obliged to supply electricity within the area of supply mentioned in its license, to every applicant who is in a position to make satisfactory arrangements for payment thereof.



### 9.3 Other Services

In terms of section 74 of the Systems Act, the Council must adopt and implement a Tariff Policy that complies with the provisions of any applicable legislation on the levying for municipal services provided by or on its behalf. The Tariff Policy may differ between different categories of users, debtors, service providers, service standards geographical areas and other matters as long as the differentiation does not promote discrimination. Section 75 of the Systems Act requires that the Council adopt a By-law effecting to the implementation and enforcement of its Tariff Policy. Such By-law may differentiate between categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount in discrimination.

## 10. CLASSIFICATION OF SERVICES

Traditionally, municipal services have been classified into five groups:

### 10.1 Trading Services

Water and electricity provisions are trading services. Typically, the consumption of a trading service is measurable and can be apportioned to an individual consumer. These services are managed like businesses. The tariffs for these services are determined in such a way that a nett trading surplus is realised. The trading surplus is used to subsidise the tariffs of non-trading services, in other words, to relieve property rates.

### 10.2 Economical Services

Sewerage and refuse removal are economic services. Whilst they are also managed like businesses, the tariffs for services are determined in such a way that user charges cover the cost of providing the service. It is, however, common practice to set tariffs at a profit margin if possible subsidise tariffs on non-trading services.

### 10.3 Subsidised Services

Subsidised services include firefighting, approving building plans and the construction of buildings, leasing of municipal facilities, selling of burial sites and certain town planning functions. The consumption of subsidised services can be determined reasonably accurately and apportioned to individuals and consumers. However, if the tariffs for using this service were based on its real cost, nobody would be able to afford it. In most cases not only would the consumer benefit from using the service, but also other people.

A user charge is payable for using the service, but the tariff is much lower than the real cost of providing the service. Firefighting fees are fully subsidized, except those services indicated in the Municipality's annual Tariff List.

#### 10.4 Community Services

Community services are those services where the consumption cannot be determined nor apportioned to individual consumers. These services are typically financed through rates. Examples are the establishment, operation and maintenance of parks and recreation facilities, provision and maintenance of roads and storm water drainage systems, the establishment management and maintenance of cemeteries and traffic regulation.

#### 10.5 Support Services

The Municipality also provides services in support of the above- mentioned services. These are staff functions and include secretarial and committee services, records and archives, financial-, technical- and corporate management, accounting and stores, Information Technology, occupational health and safety and human resources management. These services are financed through property rates.

### 11. POLICY PROPOSAL

#### 11.1 Minimum Amount of Basic Services Subsidised

Minimum amount of basic services must be subsidised to the indigent households

- (a) The Municipality subscribes to a policy that entitles indigent households to a minimum amount of subsidised basic services. A basic service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment. This goal is achieved by providing a minimum amount of subsidised basic services to such consumers through its policy on indigence.

The specific services are:

- (i) Potable water;
  - (ii) Domestic sewerage removal;
  - (iii) Domestic refuse removal; and
  - (iv) Electricity.
- (b) The determination of minimum levels of these services is influenced by national guidelines as well as local social and economic conditions.
- (c) The subsidies are financed from the Equitable Share allocations by National Treasury in terms of which the Division of Revenue Act must be determined in such a way that the sustainability of the special fund, created for this purpose, be guaranteed. Council will strive to minimise the burden of shortfalls in subsidies for indigent households. Any shortfalls can be subsidised by Rates and Service charges.

## 11.2 Keeping Tariffs Affordable

The Council is keenly aware of the financial situation of most residents within the municipal area. Therefore, the Council undertakes to keep tariffs at affordable levels as far as possible. In order to ensure that tariffs remain affordable, the Council will ensure that:

- (a) Services are delivered at an appropriate level;
- (b) Efficiency improvements are actively pursued across all its operations;
- (c) A performance management system is introduced to ensure that plans that are devised are actually implemented, that resources are obtained as economically as possible, used efficiently and effectively and the appropriate service delivery mechanisms are used;
- (d) Any service that is provided for which there is little demand, that is priced under the actual cost of providing it, and which requires the maintenance of significant infrastructure and other facilities, will be phased out, except where the Council is by law required to provide such a service.

## 11.3 Fully Exploiting Sources of Revenue

- (a) Property rates are an important source of discretionary revenue for the Municipality. It is used to finance services that cannot be apportioned to individual consumers and to balance the budget after service charges have been determined. It is therefore imperative that property rates must be imposed on, and is payable in respect of, all rateable properties within the municipal area. All rateable properties will be subject to and liable for paying rates.
- (b) Consequently, it is the policy of the Council:
  - (i) That tariffs for service and property rates will be reviewed annually;
  - (ii) That tariff increases must be in line with increases in the price of goods, material and other resources acquired and used by the Municipality to perform its function, as well as any specific costs relating to the supply of a service during a financial year; and
  - (iii) The tariff for a particular service must be calculated in such a way that all relevant costs are covered. This means that a tariff for a service must include at least the capital expenditure required and interest thereon, the cost of managing and operating the service and the cost of maintaining, repairing and replacing the physical assets used in its provision –this is only applicable for Economic and Trading Services.

#### 11.4 Introducing the “Consumer Must Pay Principle”

Having regard for the above-mentioned policy on a minimum amount of subsidised basic services for the indigent, the Council believes that consumers of services must pay for the amount of services that they use. Where it is possible to measure the consumption of services, the Council will develop a program to install meters in appropriate cases. Also it is the Council's policy that the tariffs for such services must include all relevant cost factors.

#### 11.5 Redistribution / Cross-Subsidisation

Those that pay higher property rates based on the value of their properties, in fact subsidise those who pay less tax. The Council will ensure that the cross-subsidisation occurs between and within services to further contribute to its redistribution objectives.

#### 11.6 Promoting Local Economic Competitiveness and Development

The size of the property rates and service charges accounts presented to local business is a significant business overhead for any business enterprise in the municipal area.

The overhead of a business is one of the factors that influence the price of goods and services sold by it, and therefore its profitability and chances of survival. The Council will take care that the municipal account presented to local business is fair. To ensure fairness toward local business the Council will, when it determines tariffs, take into account the desire:

- (a) To promote local economic competitiveness; and
- (b) To promote local economic development and growth.

#### 11.7 Ensuring Financial Sustainability of Service Delivery

(a) The Constitution, Systems Act and Water Services Act require that the Municipality must ensure that the services that it provides must be sustainable. Financial sustainability of an enterprise will be achieved when it is financed in a manner that ensures that its financing is sufficient. The tariff for a service must therefore be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the service and maintaining, repairing and replacing the physical assets used in its provision. However, sustainability does not only mean that the price of the service must include all the relevant cost elements, it also means that the charges to be levied must be collected.

(b) The Council therefore adopted and applies a Credit Control policy to ensure that property rates and service charges are recovered. Where a trading and economic service is available to a property, an availability levy is imposed if the occupier of the property does not use the service concerned or if the property is vacant. The availability levy must be

adequate to cover the pro rata cost of the initial capital expenditure and the maintenance of the infrastructure associated with service delivery.

#### 11.8 Tariff Determination Process

- (a) Except in special circumstances, such as significant increases in the wholesale price of goods and services that the Council purchases during a year to provide services, the Council will review its tariffs during the preparation of the annual budget in accordance with the policy stated above. Proposed tariffs will be presented to the community during the Council's consultations on the budget.
- (b) Immediately after the Council has determined or amended a tariff, the Accounting Officer must cause a notice in this regard to be displayed at a place installed for this purpose at all the offices of the Municipality as well as at such other places within the municipal area as she/he may determine. The notice must state:
  - (i) The general purpose of the resolution;
  - (ii) The date on which the notice is displayed;
  - (iii) That any person who desires to object to such determination or amendment must do so in writing within 14 days after the date on which the notice was displayed; and
  - (iv) That any person who cannot write may come, during office hours, to a place where a staff member of the Municipality named in the notice, will assist that person to transcribe her/his objection.
- (c) If no objection is lodged within the period stated in the notice, the determination or amendment will come into operation on the date determined by the Council. Where an objection is lodged, every objection must be considered. The Council or its delegated official may, after it has considered all objections, confirm, amend, or withdraw the determination or amendment and may determine another tariff and the date on which the determination or amendment will come into operation.
- (d) After the Council has determined another tariff, it will again give notice of the determination, amendment or date as determined above and will also publish it as prescribed.
- (e) All tariff adjustments shall be effective from the first account levied in July of each year.

### 11.9 Limiting of the Financial Risk of Service Delivery

- (a) Due to the fact that accounts for most services are payable between three and six weeks after the services were rendered, it is necessary to hold guarantees, in the form of deposits, for such consumers:
  - (i) to cover the cost of services not yet billed; and
  - (ii) as a guarantee against non-payment of accounts, as stipulated in the policy on credit control.
- (b) As a part of the assessment of risks involved in the supply of services to consumers, the Council must decide whether the risks are sufficiently covered or whether deposits should be held in respect of a service by a consumer as well as the amount of such a deposit.
- (c) The risk of the provision of a service to each consumer must be assessed and a deposit should be calculated, taking into account, the consumption patterns of a specific consumer or property. Although this effectively reduces risk, the administration of such individual assessments in a high customer turnover environment may not be a practical and economically viable option. It must be further noted that, although the risk of service delivery is minimised if deposits are held, it soon becomes insufficient as the cost of service delivery increases and the deposit remains at the same level. It is very unpopular to increase deposits regularly and deposits of current consumers are only adjusted on default.
- (d) As an alternative, deposits may be standardised for different services, consumers or locations. Although this method simplifies the administration of deposits, it does not cater for individual needs and may not necessarily provide sufficient coverage of the risks involved.

In practice it is found that a combination of the two methods provides a suitable solution to the problem.

- (i) Standardised deposits are applied in respect of services for which the risks can be calculated, especially if such risks are not influenced by personal consumption variances.
- (ii) Minimum levels of deposit are calculated in respect of the average exposure per group of consumers within a service, i.e. domestic. Should it be necessary to adjust such a deposit to a higher level due to higher consumption patterns or other risks, it is done at the discretion of the official, following clear guidelines in this respect.
- (iii) Adjustment of deposits resulting from non-payment of account is described in the policy on credit control.

Due to the tendency of liquidators to immediately seize any bank guarantees issued by insolvent estates or business entities, the

Council decided not to accept bank guarantees as a guarantee for service delivery.

- (e) When a tenant defaults on payment of a deposit or for services, the owner stays liable.
- (f) Where changes are made on existing installations or services the deposit must be adjusted to the required deposit at the time of change
- (g) No deposit will be refunded except where the account has been finalised and the final debits were raised, and if the owner of the deposit does not have any other arrear accounts with the Municipality.
- (h) No interest shall be payable by the Municipality on the amount of a deposit held by it in terms of this Section.
- (i) Council reserves the right to refuse services where no deposit has been paid.
- (j) A special Service deposit for subsidised households, as annually determined by Council during the budget process, is applicable.

#### 11.10 Limiting of Financial Risk Pertaining to New Tariff Options

- (a) In the course of the budgetary process tariffs are calculated at levels that will produce the income required to cover costs for a financial year or to reach the required surplus. Any changes in tariff structures and the level of tariffs during the course of a financial year, will impact on income. The amendment of tariff structures during a financial year should therefore take into account the effect thereof on the budget.
- (b) In order to regulate such amendments and to prevent a drastic impact on the budget, the following rules must be applied:
  - (i) the Council must consider and approve/not approve all requests for amendments.
  - (ii) Request for amendments must be accompanied by detailed calculations and estimates of the impact thereof on the budget. Such calculations should furthermore take into account all the relevant factors and be backed by data and projections over reasonable period. Such impacts must be verified by the department of the Manager: Financial Services
  - (iii) The Council may approve only amendments that can be accommodated in such a way that it will not have a detrimental effect on the operating budget.

- (iv) Any amendment to tariff structures, in respect of trading and economic services, that may impose a drastic impact on the present budget may only be considered for the next financial year and should form part of a new budgetary process.

#### 11.11 Discontinuation of Services and the Final Account

- (a) Discontinuation of services and rendering of a final account will always be between two debit raisings. Thus, any request for discontinuation of services after a month's billing date will only be finalised with the next debit raising. Request for final accounts should be made at least 7 days before final reading is to be done. Final readings can not be done during the last 3 days before billing date.
- (b) A final reading cannot be backdated to an older date.
- (c) The basic fee for water or electricity will only be levied on accounts with active meters or active tariffs. This is to ensure that the basic fee is not duplicated where one consumer vacates a property and a new consumer moves in.
- (d) The old consumer will be responsible for the basic fee of the month in which the final reading is taken, even if it is the 1<sup>st</sup> of a month. Basic charges are for a month or part thereof.
- (e) When a property is sold / transferred from the old owner to a new owner, date of registration will be taken as the request for the final reading. The final reading will be done as soon as possible after registration date. If the municipality was not notified of the registration date, the municipality will do the final reading as soon as possible after becoming aware that the property was transferred. Metered services may be restricted on the new owner's account until the necessary services agreement have been concluded and the applicable service deposits have been paid.
- (f) If there is a tenant account on the property that is transferred, services will be transferred to the new owner and no new tenant account will be opened except for indigent tenants and businesses.
- (g) For tenant accounts, it will remain the responsibility of the previous tenant / owner of the property to duly complete a disconnection of services form. Services will be transferred to the owner and no new tenant account will be opened except for indigent tenants and businesses or where the owner is untraceable.
- (h) Services on a tenant account may be transferred back to the owner if the tenant account is in arrears for longer than 90 days and all future levies on these services will be payable by the owner. No new tenant account will be opened except for indigent tenants and businesses or where the owner is untraceable. Services deposits will also be payable on the owner's account at the rates determined in the latest approved municipal tariff list.



## 12. PROPERTY RATES

For the principles used to set the tariffs of the property rates refer to the latest approved property rates policy as approved by Council.

## 13. TARIFFS FOR TRADING ECONOMICAL AND OTHER SERVICES

Electricity and water supply are treated as trading services, operated as separate accounts with the aim of producing a profit to be utilised as a subsidy for other services.

- (a) The supply of and tariff structures for these services are influenced by local conditions as well as national guidelines and prescriptions by the National Electricity Regulator (NER) and the Water Services Act.
- (b) Sewerage and refuse removal are treated as economical services. Tariffs structures are only influenced by local conditions, but the cost of these services is influenced by regional and national regulations as well as minimum standards that must be conformed to.
- (c) Cost related to the provision of services can be grouped into two basic elements, i.e.
  - (i) Fixed costs can be regarded as basic cost and is used as a basis to calculate availability fees in respect of such a service, if applicable. These cost elements are not directly influenced by variances in demand for a service.
  - (ii) Variable production costs, which consists of the direct production cost elements. Increases or decreases in production costs can directly be attributed to variances in demand for a service. These costs are treated as consumption costs of such services.

## 14. DEPOSITS

### 14.1 Electricity Deposits

- (a) Credit meters for domestic use, and all other users including churches, schools, crèches, general lighting, swimming pools, lifts: Domestic Single Phase;
- (b) Accommodation (1 to 4 rental units): Domestic Single- Phase Credit or Pre-paid;
- (c) Business: Single Phase credit meters on the two-part tariff;
- (d) Business: Single Phase Pre-paid meters on the two-part tariff;
- (e) Accommodation (5 or more rental units): Business Single Phase Credit or Pre-paid;

- (f) Domestic Three-Phase tariff for credit meters including churches, schools, crèches, general lighting, swimming pools, lifts;
- (g) Domestic Three-Phase tariff for pre-paid credit as well as pre-paid meters including churches, schools, crèches, general lighting, swimming pools, lifts;
- (h) Accommodation (1 to 4 rental units): Domestic Three Phase Credit or Pre-paid;
- (i) Business: Three Phase credit meter two-part tariff;
- (j) Business: Three Phase Pre-paid meter two-part tariff;
- (k) Accommodation (5 or more rental units): Business Three Phase Credit or Pre-paid;
- (l) Light Industrial meters;
- (m) Bulk meters;
- (n) Time-of-use meters.
- (o) Commercial, Business and Industrial;
  - New connections or service applications for consumers with connections up to 3-phase will be as specified in the tariff list for the current financial year.
  - Deposits for businesses with connections bigger than 3-phase will be levied according to twice the highest bill during the previous 12 months for similar businesses or the deposit as specified in the tariff list, whichever is the highest (Council Res. F190-7/2004).
  - These deposits may be adjusted upwards at any stage to twice the highest bill during the previous 12 months or the deposit as specified in the tariff list, whichever is the highest (Council Res. F190-7/2004).
  - These deposits may be adjusted downwards on request by the consumer after his first 12 months' consumption are available, to twice the highest bill during the previous 12 months or the deposit as specified in the tariff list, whichever is the highest (Council Res. F190-7/2004). This change may only be requested once per financial year.

## 14.2 Service Deposits

- (i) Indigent Households up to 25 mm
- (ii) Domestic Household / Economic Consumers up to 25 mm
- (iii) Additional household or business units up to 25 mm
- (iv) Medium consumers (connections > 25 mm and <= 75mm)
- (v) Bulk consumers > 75 mm connection

## 14.3 Builders Deposits

## 14.4 Refundable Deposit for Use at Harry Giddy Park

## 14.5 Posters / Placards (Maximum 100)

## 14.6 Breakage Deposits – Sport facilities, Halls and Club Houses

## 14.7 Unclaimed Deposits / Unidentified Deposits

Any inactive deposit that is correctly recognised in the financial statements as payable and has not been claimed back within a period of three years, after the service has been delivered, completed or finalised, will be forfeited.

## 14.8 General

- (i) Tariffs as well as the minimum levels of deposits will be revised annually during the budgetary process.
- (ii) The minimum levels for deposits may be increased for individual consumers at the discretion of Chief Financial Officer, should consumption levels or other risks necessitate it.
- (iii) No new account will be opened or deposits accepted if there is an arrear amount outstanding on any account of a specific property except where the only arrear services are on the consolidated account of the owner and the owner is deceased or untraceable (as per the CreditControl Policy of the Municipality)
- (iv) No new account will be opened, or deposits accepted if a tenant or his or her family member, living in or on the same property, have an arrear amount on any municipal account.
- (v) Every consumer must, on application for the provision of Municipal services pay a deposit to the Municipality, prior to the provision of any Municipal services. A minimum deposit will be payable equal to the amount determined by Council from time to time.
- (vi) The Council may require a consumer to whom services are provided and who was not previously required to pay a deposit, for whatever reason, to pay a deposit on request, within a specified period.

- (vii) Only on the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the consumer or transferred to any other outstanding account of the client.
- (viii) For any changes to a connection type, the deposit will be adjusted in accordance with the approved tariff list.

## 15. ELECTRICITY TARIFFS

### 15.1 General

- (a) In addition to general cost factors, the following will be considered in the determination of a tariff structure for electricity:
  - (i) Bulk electricity is supplied by a sole supplier, Eskom, and distributed by the Municipality via an electricity reticulation system consisting of substations, mini substations, underground and overhead distribution lines and metered connections to consumers.
  - (ii) Minimum standards for distribution are determined nationally and must be adhered to in order to conform to both safety and continuity of supply norms.
  - (iii) Since a large part of the operating expenditure consists of bulk electricity purchases, tariff structures and levels are very sensitive to any change in the cost of supply by Eskom.
- (b) Electricity is supplied under a distribution license, granted by the National Electricity Regulator (NERSA) for a specific area of jurisdiction, which also regulates the following aspects:
  - (i) classification of consumer categories;
  - (ii) permissible tariff structure options are determined at a national level and distributors are obliged to apply these structures to obtain uniformity;
  - (iii) all tariff structures and tariffs must be approved by the NERSA prior to application thereof by a distributor;
- (c) The following tariff structure options are available:
  - (i) **Two-part tariff**  
This tariff is applicable to residential and business application and contains a fixed or basic fee (R/month or R/ampere), combined with an energy fee.

- (ii) **Two-part demand tariff**  
a demand meter is installed to determine the demand factor. It is applicable for larger commercial, industrial and agricultural customers.
  - (iii) **Three-part tariff**  
a demand meter is installed to determine the demand factor It is applicable for larger commercial, industrial and agricultural customers.
  - (iv) **Three-part time-of-use tariff (TOU tariff)**  
This tariff is applicable for larger commercial, industrial and agricultural customers who canshift load into off-peak periods, thus effecting savings both to themselves and the distributor.
  - (v) **SSEG feed - Domestic single and three phase**  
Subjected to approval by technical department.
  - (vi) **SSEG feed - Commercial single and three phase**  
Subjected to approval by technical department.
- (d) The three-part TOU tariff structure closely resembles the tariff structure utilised by Eskom to supply bulk electricity to the Municipality and is therefore the most cost reflective structure. Due to the capital outlay required it can, however, only be utilised in the case of large power users. To gain maximum benefits from this relatively complex tariff structure the end-user must have a certain level of expertise and it requires a substantial capital investment.
- (e) Any block tariff structure is sensitive to consumption over a specified period. It is therefore essential that meters be read regularly at intervals as near as possible to 30 days as longer or shorter consumption periods may affect the monthly consumption volumes in specific tariff blocks.

Pre-paid electricity tokens must be inserted into the meter within three months after the purchase date as the tokens can expire after three months and no refund or replacement of the tokens are allowed.

## 15.2 Domestic Supply

- (a) A two-part tariff structure for single phase meters with up to 60 amperes is applied in respect of credit meters as well as prepaid meters. This tariff is also applicable to schools, churches, crèches, registered welfare organisations, state subsidised museums, airport hangers used as storage, general lighting, swimming pool pumps and lifts. The fixed monthly charge per meter will be subsidised for pre-paid meters used by Churches, subsidised Crèches, registered Welfare organisations / Non-Profit organisations / Public Benefit Organisations, state subsidized museums, Old Age Homes and Municipal lessees where the meter are used for local economic development projects.

- (b) All Households with a prepaid meter will automatically be placed on the domestic two-part tariff except in the following cases:
  - (i) Indigent or poverty-stricken consumers
- (c) A two-part Indigent inclining block Tariff - for permanent residents who qualify for an indigent subsidy. The basic fee will be subsidised from the equitable share based on the actual cost of the service for a 20 Amp single-phase residential connection.
- (d) A two-part domestic tariff structure for three phase meters, are applied in respect of credit meters as well as prepaid meters and is also applicable to churches, crèches, general lighting, swimming pool pumps and lifts.
- (e) Domestic SSEG feed Tariff - Single phase. This is only applicable to credit meters.
- (f) Domestic SSEG feed Tariff – Three phase. This is only applicable to credit meters.
- (g) Accommodation (1 to 4 rental units): Domestic Single-Phase Credit or Pre-paid.
- (h) Accommodation (1 to 4 rental units): Domestic Three Phase Credit or Pre-paid.

Only circuit breakers with ampere of 30A, 45A and 60A shall be allowed for domestic single-phase connections. Any capacity above 60 amp must be approved by the Electro technical Engineer

Only circuit breakers with ampere of 15A, 30A, 45A, 60A and 90A shall be allowed for domestic three phase connections.

### 15.3 Commercial Supply

- (a) A two-part tariff structure is applied in respect of single-phase credit meters and prepaid meters. This tariff includes airport hangers used as a business premises.
- (b) A two-part tariff structure is applied in respect of three phase credit and prepaid meters. This tariff includes airport hangers used as a business premises.
- (c) Commercial SSEG feed Tariff - Single Phase. This is only applicable to credit meters.
- (d) Commercial SSEG feed Tariff – Three Phase. This is only applicable to credit meters.
- (e) Accommodation (5 or more rental units): Business SinglePhase Credit or Pre-paid.

- (f) Accommodation (5 or more rental units): Business ThreePhase Credit or Pre-paid.

All new consumer agreements, new commercial installations and increased capacity applications will automatically be placed on the two-part tariff as in (a) and (b) above.

A circuit breaker with Ampere of 5A will only be allowed, provided consumption does not exceed 15 units per month for single & three phase. In all other instances the minimum Ampere will be 15A.

#### 15.4 Light Industrial / Bulk Supply

- (a) A three-part tariff structure is applied in respect of light industrial meters
- (b) A three-part tariff structure is applied in respect of bulk supply meters
- (c) A three-part time-of-use tariff structure is applied in respect of special bulk supply meters
- (d) Application may be made to wave the demand charge if the business stops operations for more than 3 months. The minimum demand charge will automatically be re-instated when the actual demand exceeds the minimum demand as per the tariff list.

#### 15.5 Other Supply

- (a) A three-part tariff structure is applied in respect of Mossgas (Klipheuwel)
- (b) A two-part demand tariff structure is applied for agricultural supply
- (c) A one-part tariff is charged for agricultural water pumping
- (d) A one-part tariff is charged for street lighting where electricity supply is metered
- (e) A one-part fixed tariff is charged for private street lighting
- (f) A one-part tariff is charged for sport fields but varying in the following instances:
  - (i) Below 2000 units;
  - (ii) Above 2000 units;
  - (iii) Off-peak tariff - water pumping only;
- (g) Sport field lighting

## 15.6 Miscellaneous

- (a) An availability fee, except in cases where the site has been declared inhabitable by the municipality, will be charged on properties not connected to the electricity network, should it be available to that property. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects the service with the intention to improve the property, the debit will be adjusted pro-rata from the date of the connection. Vacant / unimproved properties with a value up to R125 000 will be exempted from availability fees.
- (b) A fixed tariff as determined by council is charged for:
- (i) temporary disconnections and re-connections on request of the consumer;
  - (ii) temporary disconnections and re-connections for non-payment;
  - (iii) new connections;
  - (iv) other connections;
  - (v) special meter readings;
  - (vi) testing of meters;
  - (vii) service calls;
  - (viii) replacing of breakers;
  - (ix) installing of pre-paid meters;
  - (x) replacing of meters;
  - (xi) conversion from three phase to single phase and *vice versa*;
  - (xii) erecting of streetlights;
  - (xiii) damage to, or tampering with meters;
  - (xiv) shifting of a meter;
  - (xv) shifting of a meter at indigent households will be free of charge;
  - (xvi) damaging of medium or low voltage cables by contractors;
  - (xvii) Replacement of traffic- or streetlight pole;
  - (xviii) Hiring of power points;
  - (xix) Hiring of equipment;
  - (xx) Old age homes.
- (c) The developer or registered owner is always responsible for payment of services on a property;
- (d) At NO stage may an electricity meter be moved from one premises to another by anyone;
- (e) The owner/occupier is always responsible for the maintenance and safekeeping of the meter;
- (f) If a meter cannot be read by the meter reader due to no access or other obstructions, the Municipality has the right to install a pre-paid meter at the expense of the owner;



- (g) Installation of a pre-paid meter is free of charge for indigent and subsidised households where it replaces an existing credit meter.
- (h) Cancellation of prepaid electricity tokens purchased from a 3<sup>rd</sup> party vendor must first be inspected before cancellation of the token. A call-out fee and an administration fee will be payable at the ruling rate.

Where prepaid tokens were purchased on an incorrect meter number, no refunds or transfers will be allowed, except in cases where management decided otherwise. In these cases, the token can only be replaced after an inspection has been done to ensure the token has not already been used. The inspection can only be done after a written request has been received and the prescribed call-out fee has been paid. If during the inspection it is found that it cannot without a doubt be determined whether the token has already been used, the token cannot be replaced, and the call-out fee will be forfeited.

#### 15.7 Discount to Pensioners

- (a) Requirements
  - (i) occupy the property as his/her Primary Residence, and
  - (ii) be at least 60 years of age, or
  - (iii) has been declared medically unfit even if not yet 60 years of age, and
  - (iv) be in receipt of a gross monthly household income not exceeding the amount determined by Council during the Municipality's budget process.
  - (v) The applicant must be the registered owner of the property; and
- (b) Discount to qualifying Pensioners

The percentage discount will be determined by council during the compilation process of the annual budget. This discount will apply to basic charges / availability charges.

#### 15.8 Discount to "Non-Profit Old Age Homes" including "ACVV-old age homes", "The Hartenbos Old Age Home", "Benevolent Park" as well as "The Haven".

- (a) Bulk Electricity Meters

A subsidy on the bulk monthly electricity levy of 50kwh for each resident / unit receiving services through the bulk meter based on the energy charge of "Tariff 1.A SINGLE-PHASE TWO-PART TARIFF" limited to the actual levy.
- (b) Discount must be applied for annually together with a list with details of all residents receiving services through the bulk meter. The discount will only be applied prospectively from the date of application. Failure to re-apply before the beginning of the new financial year may result in the cancellation of the subsidization.

## 16. WATER TARIFFS

### 16.1 General

Water is supplied to end-users by means of the following specialised infrastructure:

- (a) retaining and storage dams;
- (b) supply lines;
- (c) water purification plants;
- (d) water reticulation networks; and
- (e) metered connections to the properties of consumers.

The variable cost of supply is, however, sensitive to prices of essential materials such as chlorine, which is used in the purification processes. Apart from normal price increases, the price is also influenced by exchange rates.

The supply of water is regulated by the Water Services Act (Act no.108 of 1997), but without a centralised regulatory body such as the NER. Certain minimum standards as well as guidelines for tariffs are contained in the Act. Many aspects pertaining to water supply is influenced by the same factors as that of electricity supply. Due to this, only those factors unique to water supply and the accompanying tariff structure are discussed.

Water is a scarce commodity with little alternatives available (contrary to electricity). Tariff structures should therefore be aimed at the reduction of consumption. For this reason, a declining block tariff structure is not an option.

Water is bought at a one-part tariff expressed in Rand per kiloliter. For this reason, it is found that water tariff structures for end-users follow the same trend. In order to cut consumption, an inclining block rate tariff structure with a basic fee is applied in Mossel Bay. To minimize the effect of inconsistent reading periods from month to month, day-to-day billing is used for metered consumption.

The first block rate represents the lifeline volume of 6 kl per month (calculated on day-to-day billing), which is supplied at no cost to households and accommodation (1 to 4 rental units). Losses incurred in this tariff category are recouped by contributions from the higher tariff categories, conforming to the principle of cross- subsidisation. Council however reserves the right to decrease or discontinue the free 6kl per month in the case of a drought.

It is the consumer's responsibility to ensure that the meter is readable and accessible for meter readers. If not, the meter may be moved at the expense of the owner/occupier

## 16.2 Categories of Consumers and Charges

Provisions are made for the following categories of users:

### (a) Consumers with connections up to 25mm

- (i) Consumers with connections up to 25mm, as well as indigent consumers will pay:
  - The basic per meter according to domestic tariff;
  - Metered consumption according to the consumer's tariff, linked with the size of the connection and/or consumption;
  - Only indigent consumers and domestic users on this tariff will receive the number of free kI (as determined by council) on a monthly basis where metered consumption is registered. If no consumption is registered the number of free kI does not apply.

### (b) Consumers with connections bigger than 25mm

- (i) Consumers with connections bigger than 25mm upto 50mm will pay:
  - A fixed basic fee per meter;
  - Metered consumption according to the consumer's tariff, linked with the size of the connection and/or consumption.
- (ii) Consumers with connections bigger than 50mm upto 75mm will pay:
  - A fixed basic fee per meter;
  - Metered consumption according to the consumer's tariff, linked with the size of the connection and/or consumption;
- (iii) Consumers with connections bigger than 75mm upto 100mm will pay:
  - A fixed basic fee per meter;
  - Metered consumption according to the consumer's tariff, linked with the size of the connection and/or consumption.

- (iv) Consumers with connections bigger than 100mm will pay:
  - A fixed basic fee per meter;
  - Metered consumption according to the consumer's tariff, linked with the size of the connection and/or consumption.
- (v) Alternative option for connections bigger than 25mm that are used by more than 1 consumer will pay:
  - A fixed basic fee per consumer;
  - Metered consumption according to the consumer's tariff, linked with the size of the connection and/or consumption.

(c) **Special Water Tariffs**

- (i) Agricultural use (Raw and potable);
- (ii) Sporting Bodies;
- (iii) Government schools, government hospitals, creches, clinics, old age homes, churches and public benefit;
- (iv) Departmental Use;

Water delivery in rural areas:

- (i) A fixed predetermined amount will be charged to cover the transport cost;
- (ii) In the case of registered indigent consumers, the cost will be recovered from the applicable grant;
- (iii) Only 6kl water per household will be delivered per month;
- (iv) Delivery per area will only be made according to a fixed schedule.

16.3 Miscellaneous

- (a) An availability fee, except in cases where the site has been declared inhabitable by the municipality, will be charged on users and/or properties not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects the service with the intention to improve the property, the debit will be adjusted pro-rata from the date of the connection. Vacant / unimproved properties with a value up to R125 000 will be exempted from availability fees;
- (b) A certain quantity of water may be distributed free of charge every month. This is decided on by council during the budgetary process.

#### 16.4 Sundry Tariffs

A fixed tariff is charged for

- (a) water restrictions;
- (b) Water restriction fine;
- (c) water connections;
- (d) upgrading of water meters to a larger connection;
- (e) test of water meter;
- (f) water meter inspection - service fee;
- (g) Consumer tap to meter;
- (h) shift of water meter;
- (i) replacement of bulk water meter inserts;
- (j) uncovering of meters that cannot be read;
- (k) Restricting or unrestricting of water meter;
- (l) Special reading of water meter;
- (m) fine for tampering with installation;
- (n) water drawn by contractor at the fire station;
- (o) filling of pool;
- (p) water flow restrictions - programmable flow restrictor;
- (q) moving of meters;
- (r) replacement of a meter when damaged or stolen.

#### 16.5 Water Tariff During a Drought

When the dam water supply drops to below a certain percentage, as determined by council during the annual budget, the water tariffs will increase. These tariffs will be included in the annual tariff list as an annexure and will be advertised with the annual budget documents.

##### 16.6.1 Leakages – Normal consumers

If the leakage is on the consumer's side of the meter, the consumer will be responsible for the payment of all water supplied to the property. The consumer has the responsibility to control and monitor his/her water consumption on the consumer's side of the meter.

- (a) A consumer may qualify for a reduction in levy as determined by Council on his/her account in the event of a water leakage, if:
  - (i) the consumer submits a sworn affidavit by him/herself confirming the leakage was reported and repaired and that the reading has normalised;
  - (ii) the leakage was repaired / contained within 10 days after detection / notification by the municipality; and
  - (iii) an authentic certificate issued by a registered plumber must be submitted to the Municipality after completion of repairs done with respect to a water leakage and must contain the following:

- the date of the invoice and repair work as well as the receipt; and
- (iv) If repairs were done by the consumer themselves, his / her sworn affidavit must be submitted to the Municipality after completion of repairs done with respect to a water leak and must contain the following:
- date stamped photos proving that the leak was repaired by themselves;
- (b) Council will only allow a reduction up to the difference between the levied amount of the leakage and the recalculated amount calculated as follows:
- (i) The consumer's most recent fair 6 months' average consumption calculated on the normal tariff tiers; plus
  - (ii) The usage above the average consumption calculated on the lowest tariff tier of the tariff applicable on the meter.
- (c) Any applications that do not comply with points in 16.6.1 (a), may be referred to a special water leakage committee for further consideration of possible reductions.

16.6.2 Leakages – Indigent households or households housing a person with a disability

If the leakage is on the consumer's side of the meter, the consumer will be responsible for the payment of all water supplied to the property. The consumer has the responsibility to control and monitor his/her water consumption.

- (a) A consumer may qualify for a reduction as determined by Council on his/her account in the event of a water leakage, if:
- (i) The consumer submits a sworn affidavit by him/herself confirming the leakage was reported and repaired and that the reading has normalised;
- (b) Council will only allow a reduction up to the difference between the levied amount of the leakage and the recalculated amount calculated as follows:
- (i) The consumer's most recent fair 6 months' average consumption calculated on the normal tariff tiers; plus
  - (ii) The usage above the average consumption calculated on the lowest tariff tier of the tariff applicable on the meter.

The remainder of the water debt will be considered for write off.

## 16.7 Water Restrictions in The Case of a Drought

Refer to the Water Demand Management Policy.

## 16.8 Adjustments to water levies and readings because of defective meters / meter reading errors because of a mechanical reason / unexplainable consumptions

- a) On the request of a consumer, a meter can be externally tested for accuracy at the tariff as per council's latest tariff policy. If the test indicates that the meter is within the thresholds, the meter test fee will be forfeited, and no adjustment will be made to the water levies.

If the test indicates that the meter is defective, the meter test fee will be refunded, and an adjustment will be made to the water levy as follows:

- (i) The original levy will be reversed for the period affected;
- (ii) The consumer's most recent fair 6 months' average consumption will be calculated and levied for the period affected.

The following supporting documentation must be submitted before any adjustment will be made:

- (i) Affidavit from the consumer giving the background to the water consumption on the premises for the period under question and stating the reasons why they believe the meter is defective.
  - (ii) Meter test outcome report from external service provider appointed by the municipality after payment of the test fee as per tariff list.
  - (iii) Memo from technical services with a recommendation.
- b) In the case where the consumer / municipality believes that there was a meter reading error because of a mechanical reason / unexplainable consumption, an inspection of the meter will be done, and circumstances of the meter reading will be investigated by the technical department. If the consumer believes the meter is faulty, the meter must be externally tested for accuracy at the tariff as per council's latest tariff policy at the consumer's expense.

If there is merit to believe that there was a meter reading error because of a mechanical reason / unexplainable consumption, the meter test fee will be refunded, and an adjustment will be made to the water levy as follows:

- (i) The original levy will be reversed for the period affected;
- (ii) The consumer's most recent fair 6 months' average consumption will be calculated and levied for the period affected.

The following supporting documentation must be submitted before any adjustment will be made:

- (i) Affidavit from the consumer giving the background relating to the water consumption on the premises for the period under question, confirmation that the premises was inspected for any leakages and stating the reasons why they believe there was a meter reading error because of a mechanical reason / inexplicable consumption.
- (ii) Meter test outcome report from external services provider if requested by the consumer.
- (iii) A memo from the technical and financial department giving the result of the inspection of the meter and the findings relating to the investigation of the circumstances of the meter reading, together with a recommendation. This memo must be approved by the Director: Infrastructure Services and the Chief Financial Officer or their delegates.

## 17. REFUSE REMOVAL TARIFF STRUCTURES

### 17.1 General

- (a) **The factors and principles that impact on tariff structures are:**
  - (i) Operating cost of vehicles;
  - (ii) The cost of labor, fuel and maintenance of vehicles. This is a labor-intensive service and changes in any of these cost elements may have drastic influence on the total cost;
  - (iii) National and regional standards in respect of dumpsites and transfer stations must be adhered to and may necessitate additional expenditure.
- (b) **In general refuse volumes are influenced by the following factors:**
  - (i) the number of occupants on a property;
  - (ii) garden refuse that is produced;
  - (iii) the nature and volumes of business and industrial refuse; and
  - (iv) habits of consumers and facilities available to them.
- (c) Each consumer pays for the privilege to have a certain volume of refuse removed from his/her premises. Should certain consumers have a need for increased volumes, they must bear the additional cost themselves. This principle has the result that a more affordable service is supplied to the average consumer, while large consumers pay for their additional volumes.



- (d) A consumer who chooses to do his/her own refuse removal will still be liable for paying the refuse tariff, as the service is available to all consumers.
- (e) Tariffs are based on units of refuse removal. For household purposes a flat tariff is charged for refuse removed once a week and for bulk/commercial purposes one unit is defined as one wheelie bin or five bags and the rate is determined by the number of removals per week.
- (f) For each additional residential unit, an additional domestic refuse unit removal will be levied.
- (g) Refuse removal at accommodation establishments (1 to 4 rental units) will be levied at domestic tariffs.
- (h) Refuse removal at accommodation establishments (5 or more rental units) will be levied at bulk/business tariffs.
- (i) In caravan parks or camping areas or any other accommodation establishments one refuse removal unit will be levied per month per accommodation unit, as defined in the tariff list, on application.
- (j) A refuse fee will be charged for each dwelling on an improved property or where an occupation certificate has been issued, whether or not an electricity meter has been installed. A refuse levy will still be payable where a building/house is unoccupied or under construction, where an electricity meter has been installed. The levy will be from the installation date of the electricity meter or occupation date.
- (k) Tariffs as well as units to be removed from categories of consumers will be revised annually during the budgetary process.
- (l) Only refuse in the prescribed black/green plastic bags should be removed.
- (m) Only refuse in the prescribed blue plastic bags should be removed for recycling.
- (n) In the event of business being conducted from a residential property the business tariff will be levied for refuse removal. This does not apply to spaza shops.
- (o) Refuse levy will be payable on properties used as storage. This however is not applicable to individual garages / hangers with their own electricity meter.
- (p) Public Benefit Organisations with frail care facilities may apply for a 50% rebate on bulk refuse removal.

- (q) Gated complexes / developments that want to apply for bulk refuse removal or opt not to make use of the municipality's refuse removal service, may only do so once 75% of registered properties within the complex have been developed and occupation certificates have been issued. Once the bulk refuse removal has been approved, the individual registered properties will not be charged for refuse removal. The bulk refuse removal charge may not be less than 50% of the combined refuse charges if the individual registered properties was levied separately based on 100% completion of development.

## 17.2 Categories of Consumers

### **Provision is made for the following categories of consumers:**

- (a) Household consumers;
- (b) Additional household units;
- (c) Municipality;
- (d) Crèches, Old Age Homes and Public Benefit Organisations;
- (e) Churches;
- (f) All Bulk/businesses removal (Including Hospitals, Clinics, Schools, Old Age Homes, Frail care, Shops/Malls/Offices, Taverns, Accommodation establishments (5 or more rental units and gated/security complexes);
- (g) Special refuse removal arrangements – Accommodation Units;
- (h) Removal of perishable foods on request;
- (i) Sale of refuse containers;
- (j) Disposal Fee at the waste disposal facilities for waste transports for gain;
- (k) Provision of Bulk containers for special events;
- (l) Disposal fee for asbestos during household hazardous waste open days only
- (m) Collection and disposal of asbestos

## **18. SEWERAGE TARIFF**

### 18.1 General

- (a) Tariffs will be revised annually during the budgetary process. Sewerage is levied and payable on a monthly basis;

### 18.2 Services Rendered

The following services are rendered in the Municipal area:

- (a) An internal water borne sewerage system consisting of reticulation network and sewerage works;
- (b) A small number of properties are serviced by a septic tankservice.

### 18.3 Fixed Rate Structure

A fixed rate structure is applicable, which only differentiate between groups of properties:

- (a) Single residential;
- (b) Sectional title units;
- (c) Rondawels/chalets with own facilities;
- (d) Rondawels (without own facilities);
- (e) Granny flats;
- (f) Additional residential units;
- (g) Accommodation Establishments;
- (h) Business and other properties;
- (i) Availability fee – vacant erven
- (j) Churches;
- (k) Night soil bucket;
- (l) Industrial effluent.

### 18.4 Discount to Pensioners

#### (a) Requirements

- (i) occupy the property as his/her Primary Residence, and
- (ii) be at least 60 years of age, or
- (iii) has been declared medically unfit even if not yet 60 years of age, and
- (iv) be in receipt of a gross monthly household income not exceeding the amount determined by Council during the Municipality's budget process.
- (v) The applicant must be the registered owner of the property; and

#### (b) Discount to qualifying Pensioners

The percentage discount will be determined by council during the compilation process of the annual budget. This discount will apply to basic charges / availability charges / emptying of septic tanks.

### 18.5 Discounts to Schools

Schools receive a net sewerage account based on the number of learners and calculated as below:

The different components used for the calculation is as follows:

- (i) Liter per learner per day is 6.5 liter;
- (ii) Number of learners;
- (iii) Capital cost per kl (which is determined by dividing the capital cost (interest and redemption) by the cost per kiloliter purified sewerage);

- (iv) Operating cost per kl. (which is determined by dividing the operating cost by the cost per kiloliters purified sewerage;

The capital cost recovery is as follows:

1 learner per day x 365 days x number of learners x capital cost per kl  
divided by 1000

The operating cost recovery is as follows:

1 learner per day x 202 days x number of learners x operating cost per kl  
divided by 1000

The discount to schools are equal to the actual debits raised less the actual cost as calculated above.

#### 18.6 Miscellaneous

- (a) An availability fee, except in cases where the site has been declared inhabitable by the municipality, will be charged on vacant properties not connected to the sewage system should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. Vacant / unimproved properties with a value up to R125 000 will be exempted from availability fees.
- (b) A fixed tariff is charged for:
- (i) sewerage connections;
  - (ii) larger connection;
  - (iii) inspections for blockages;
  - (iv) opening of sewage blockages;
  - (v) emptying of septic tanks.

#### 18.7 Accommodation Establishments

- (a) Accommodation (1 to 4 rental units) will be levied at Residential tariffs.
- (b) Accommodation (5 to 7 rental units) will be levied at Business tariffs with a rebate of 30%.
- (c) Accommodation (8 to 11 rental units) will be levied at Business tariffs with a rebate of 15%.
- (d) Accommodation (12 or more rental units) will be levied at Business tariffs with no rebate calculated on the actual number of pans.

#### 18.8 Emptying of Septic/Conservancy Tanks

- (a) Consumers may apply for their septic/conservancy tank to be emptied.
- (b) A consumer can apply to be put on the monthly tariff, which entitles the tank to be emptied once a month by the municipality. Application for or Removal of this tariff may only be done once per financial year.
- (c) For any additional removals or if not on the above monthly tariff, the consumer may apply for an additional removal at tariffs set out in the tariff list.

### 19. SUNDRY SERVICE TARIFF STRUCTURES

- (a) A variety of sundry tariffs are applied to recoup costs of sundry services provided to the public. All such tariffs are based on cost of supply, but individual tariffs may be set at:
  - (i) subsidised levels;
  - (ii) levels reflecting actual cost; or
  - (iii) levels producing profits.
- (b) The level, at which the Council sets a sundry service tariff, takes into account factors such as:
  - (i) affordability;
  - (ii) socio-economic circumstances;
  - (iii) utilisation of amenities and resources;
  - (iv) national and regional agreements and provisions; and
  - (v) any other factors influencing such decisions.
- (c) These tariff structures and tariffs will be revised at least once a year, during the annual budgetary process.

### 20. CONCLUSION

- (a) Tariffs represent the charges levied by Council on consumers for the utilisation of services provided by the Municipality and rates on properties. Tariffs may be calculated in various ways, dependent upon the nature of the service being provided. Tariffs may be set in such a manner so as to recover the full cost of the service being provided or to recover a portion of those costs.
- (b) The same principles stipulated in this policy will unilaterally apply in Trading-, Economical-, Subsidised and Community Services.

### 21. ADJUSTMENTS OF SERVICES

Where incorrect debits were raised regarding service charges, the accounts under query will be rectified for the year in which the error was found or reported, and two preceding years. The Municipal Manager may extend the period of corrections in cases of incorrect debits due to administrative errors.

**22. CONFLICT**

In the event of an inconsistency between the English, Afrikaans or Xhosa text, the English text shall prevail.

**23. COMMENCEMENT**

This policy will come into effect on 1 July 2024.

**DOCUMENT AND VERSION CONTROL**

Version: **Revision 19**

Date: **May 2024**

Summary: This document describes the Tariff Policy that will be applicable to the Mossel Bay Municipality, with effect from

**1 July 2024**



