



CHAPTER 7

Credit control and Debt collection



KWADUKUZA MUNICIPALITY

BYLAWS RELATING TO CREDIT CONTROL AND DEBT COLLECTION

The Kwadukuza Municipality, acting under the authority of section 156 (2) of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996) read with section 11 and section 98 of the Local Government: Municipal System Act, 200 (Act No.32 of 2000), hereby publishes Credit Control and Debt Collection Bylaws which bylaws will come into effect on the first day of the month following the date of publication hereof.

CHAPTER 1 DEFINITIONS

1. Definitions

For the purpose of these bylaws, any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in these bylaws and unless the context indicates otherwise:-

“account” means any account rendered for municipal services provided;

“Act” means the Local Government: Municipal System Act, 200 (Act No. 32 of 2000, as amended from time to time;”

“actual consumption” means the measured consumption of any customer;

“applicable charges” means the rate, charge, tariff, flat rate, or subsidy determined by the Municipality;

“average consumption” means the average consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing that customer’s total measured consumption of that municipal service over the preceding three months by three;

“agreement” means the contractual relationship between the municipality or its authorised agent and a customer, whether written or deemed;

“area of supply: means any area within or partly within the area of jurisdiction of the municipality to which a municipal service or municipal services are provided;

“arrears” means any amount due, owing and payable by a customer in respect of municipal services not paid on the due date;



“authorised agent” means: -

- (a) any person authorised by the municipality to perform any act, function or duty in terms of, or exercise any power under these bylaws, and/or
- (b) any person to whom the municipality has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and/or
- (c) any person appointed by the municipality in terms of a written contracts a service provider to provide revenue services to customers on its behalf, to the extent authorised in such contract;

“commercial customer” means any customer other than household and indigent customers, including without limitation, business, government and institutional customers;

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

“customer” means a person with whom the municipality or its authorised agent has concluded an agreement for the provision of municipal services;

“defaulter” means a customer who owes arrears;

“due date” means the date on which the amount payable in respect of an account becomes due, owing and payable by the customer, which date shall be not less than 14 days after the date of the account;

“emergency situation” means any situation that if allowed to continue poses a risk or potential risk to the financial viability or sustainability of the municipality or a specific municipal service;

“estimated consumption” means the deemed consumption by a customer whose consumption is not measured during a specific period, which estimated consumption is rationally determined taking into account at least the consumption of municipal services for a specific level of service during a specific period in the area of supply of the municipality or its authorised agent;

“household customer” means a customer that occupies a dwelling, structure or property primarily for residential purposes;

“household” means a traditional family unit consisting of a combination of persons over the age of eighteen and persons eighteen years and younger) living together as a family unit;



“illegal connection” means a connection to any system through which municipal services are provided that is not authorised or approved by the municipality or its authorised agent;

“indigent customer” means a household customer qualifying and registered with the municipality as an indigent in accordance with these bylaws;

“Municipality” means the Kwadukuza Municipal Council and includes the Mayor, Political Office Bearers, Political Structures, Municipal Manager and any Official who has delegated powers in terms of Section 59 of the Local Government Municipal Systems Act (Act 32 of 2000);

“municipal manager” means the person appointed by the Municipality as the manager of the municipality in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and includes any person:

- (a) acting in such position; and
- (b) to whom the municipal manager has delegated a power, function or duty in respect of such a delegated power, function or duty;

“municipal service” means for purpose of these bylaws, services provided by the municipality or its authorised agent, including refuse removal, water supply, sanitation, electricity services and rates or any one of the above;

“occupier” includes any person in actual occupation of the land or premises without regard to the title under which he occupies, and, in the case of premises sub-divided and let to lodgers or various tenants, shall include the person receiving the rent payable by lodgers or tenants whether for his own account or as an agent for any person entitled thereto or interested therein;

“owner” means: -

- (a) the person in who from time to time is vested the legal title to premises;
- (b) in a case where the person in whom the illegal title to premises is vested is insolvent or deceased, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manger, liquidator or other legal representative;
- (c) in any case where the municipality or its authorised agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or buildings thereon



- (d) in the case of premises for which a lease agreement of 30 years or longer has been entered into, the lessee thereof;
- (e) in relation to: -
- (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Act, 1986 (Act No. 95 of 1986), the developer or the body corporate in respect of the common property; or
 - (ii) a section as defined in the Sectional Titles Act, 1986 (Act No. 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;
- (f) a person occupying land under a register held by a tribal authority;

“person” means any natural person, local government body or like authority, a company or close corporation incorporated under any law, body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

“public notice” means publication in an appropriate medium that may include one or more of the following: -

- a) publication of a notice, in the official languages determined by the Municipality,
 - (i) in the local newspaper or newspapers in the area of the municipality; or
 - (ii) in the newspaper or newspapers circulating in the area of the municipality determined by the Municipality as a newspaper on record; or
 - (iii) by means of radio broadcast covering the area of the municipality; or
 - (iv) displaying a notice at appropriate offices and pay-points of the municipality or its authorised agent, or
- b) communication with customers through public meetings and ward committee meetings;

“shared consumption” means the consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the total metered consumption of that municipal service within the supply zone within which a customer’s premises is situated for it for the same period by the number of customers within that supply zone; during the same period;



“subsidised service” means a municipal service which is provided to a customer at an applicable rate which is less than the cost of actually providing the service including services provided to customers at no cost;

“supply zone” means an area, determine by the municipality or its authorize agent, within which all customers are provided with service from the same bulk supply connection; and

“unauthorised services” means receipt, use or consumption of any municipal service which is not in terms of an agreement, or authorised approved by the municipality or its authorised agent.

CHAPTER 2 PROVISION OF MUNICIPAL SERVICES TO CUSTOMERS OTHER THAN INDIGENT CUSTOMERS

Part 1: Application for Municipal Services

2. Application for services

- (1) A customer who qualifies as an indigent customer must apply for services as set out in Chapter 4 of these bylaws.
- (2) No person shall be entitled to access to municipal services unless application has been made to, and approved by the municipality or its authorised agent on the prescribed for attached as Annexure A to these bylaws.
- (3) If, at the commencement of these bylaws or at any other time, municipal services are provided and received and no written agreement exist in respect of such services, it shall be deemed that: -
 - (a) an agreement in terms of subsection (7) exists; and
 - (b) the level of services provided to that customer are the level of services elected, until such time as the customer enters into an agreement in terms of subsection(2)
- (4) The municipality or its authorised agent must on application for the provision of municipal services and the then applicable tariffs and/or charges associated with each level of service.
- (5) The municipality or its authorised agent is only obliged to provide a specific level of service requested if the service is currently being provided and if the municipality or authorised agent has the resources and capacity to provide such level of service.



- (6) A customer may at any time apply to alter the level of services elected in terms of the agreement entered into, provided that such requested level of service is available and that any costs and expenditure associated with altering the level of services is paid by the customer.
- (7) An application for services submitted by a customer and approved by the municipality or its authorised agent shall constitute an agreement between the municipality or its authorised agent and the customer, and such agreement shall take effect on the date referred to or stipulated in such agreement.
- (8) In completing an application form for municipal services the municipality or its authorised agent will ensure that the document and the process of interaction with the owner, customer or any other person making such an application are understood by that owner, customer or other person and advise him or her of the option to register as an indigent customer.
- (9) In the case of illiterate or similarly disadvantaged persons, the municipality or its authorised agent must take reasonable steps to ensure that the person is aware of and understands the contents of the application form and shall assist him or her in completing such form.
- (10) Municipal services rendered to a customer are subject to the provisions of these bylaws, any applicable bylaws and the conditions contained in the agreement.
- (11) If the municipality or its authorised agent: -
 - (a) refuse an application for the provision of municipal services or a specific service or level of service;
 - (b) is unable to render such municipal services or a specific service or level on the date requested for such provision to commence; or
 - (c) is unable to render such municipal services or a specific service or level of services,

the municipality or its authorised agent must, within a reasonable time, inform the customer of such refusal and/or inability, the reasons therefore and, if applicable, when the municipality or its authorised agent will be able to provide such municipal services or a specific service or level of service.

3. Special agreements for municipal services

The municipality or its authorised agent may enter into a special agreement for the provision of municipal services with an applicant: -



- (a) within the area of supply; if the services applied for necessitates the imposition of conditions not contained in the prescribed form or these bylaws;
- (b) receiving subsidies services ; and
- (c) if the premises to receive such services is situated outside the area of supply, provided that the municipality having jurisdiction over the premises has no objection to such special agreement. The obligation is on the customer to advise the municipality having jurisdiction of such special agreement.

4. Change in purpose for which municipal services are used

Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the customer to advise the municipality or its authorised agent of such change and to enter into a new agreement with the municipality or its authorised agent.

Part 2 Applicable charges

5. Applicable charges for municipal services

- (1) All applicable charges may payable in respect of municipal services, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest will be set by the Municipality in accordance with: -
 - (a) Its rates tariff policy;
 - (b) Its credit control and debt collection policy;
 - (c) Any bylaws in respect thereof; and
 - (d) Any regulations in terms of national or provincial legislation.
- (2) Applicable charges may differ between different categories of customers, users of services, types and levels of services, quantities of service, infrastructure requirements and geographic areas.
- (3) Services will be terminated due to non-payment on the terms and conditions as stipulated n the credit control and debt collection policy.
- (4) Deferment for payment of service accounts can be granted to consumers in terms of the Municipality's delegated powers and conditions approved n its credit control and debt collection policy.
- (5) The municipality may consolidate any separate accounts of persons who are liable for payment to the municipality and may credit all payments



received from such a person to any service and order of preference as determined by the Municipality from time to time in its credit control and debt collection policy.

6. Availability charges for municipal services

The Municipality may, in addition to tariffs or charges prescribed for municipal services actually provided, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where municipal services are available, whether or not such services are consumed or not.

7. Subsidised services

- (1) The Municipality may, from time to time, and in accordance with national policy, but subject to principles of sustainability and affordability, by public notice, implement subsidies for a basic level of municipal service.
- (2) The Municipality may, in implementing subsidies, differentiate between types of household customers, types and levels of services, quantities of services, geographical areas and socio-economic areas.
- (3) Public notice in terms of subsection (1) must contain at least the following details applicable to a specific subsidy:
 - (a) Household customers who will benefit from the subsidy.
 - (b) The type, level and quantity of municipal service that will be subsidised.
 - (c) The area within which the subsidy will apply.
 - (d) The rate (indicating the level of subsidy).
 - (e) The method of implementing the subsidy.
 - (f) Any special terms and conditions which will apply to the subsidy.
- (4) If a household customer's consumption or use of a municipal service is:
 - (a) Less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion; and
 - (b) In excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rate.
- (5) A subsidy implemented in terms of subsection (1) may at any time, be withdrawn or altered in the sole discretion of the Municipality, after:
 - (a) Service of notice as contemplated in section 115 of the Act on the person affected by the Municipality's intention to consider such withdrawal or alteration; and



- (b) Consideration by the Municipality of any comments or request received from the person affected.

(6) Commercial customers may not qualify for subsidised services.

(7) Subsidised services shall be funded from the portion of revenue raised nationally which is allocated to the municipality and if such funding is insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.

8. Authority to recover additional costs and fees

- 1) The municipality or its authorised agent has the authority to, notwithstanding the provisions of any other sections contained in these bylaws, recover any additional costs incurred in respect of implementing these bylaws against the account of the customer, including but not limited to: -
 - (a) All legal cost, including attorney and client costs incurred in the recovery of amounts in arrears shall be against the arrears account of the customer, and /or
 - (b) The average cost incurred relating to any action taken in demanding payment from the customer or reminding the customer, by means of telephone, fax, e-mail letter or otherwise.

Part 3: Payment

9. Payment of deposit

- 1) The municipality may, from time to time, determine different deposits for different categories of customers, users of services, debtors, services and service standards, provided that the deposit will not be more than two and a half times the monetary value of the most recent measured monthly consumption of the premises for which an application is made.
- 2) A customer must on application for the provision of municipal services and before the municipality or its authorised agent will provide such services, pay a deposit, if the Municipality has determined a deposit.
- 3) The municipality or its authorised agent may annually review a deposit paid in terms of subsection (2) and in accordance with such review require that an additional amount be deposited by the customer where the deposit is less than the most recent deposit determined by the Municipality.



- 4) If a customer is in arrears, the municipality or its authorised agent may require that the customer: -
 - (a) pay a deposit if that customer was not previously required to pay a deposit, if the Municipality has determined a deposit; and
 - (b) pay an additional deposit where the deposit paid by that customer is less than the most recent deposit determined by the Municipality.
- 5) Subject to subsection (7), the deposit shall not be regarded as being a payment or part payment of an account.
- 6) No interest shall be payable by the municipality or its authorised agent on any deposit held.
- 7) The deposit, if any, is refundable to the customer on termination of the agreement. A deposit shall be forfeited to the municipality if it has not been claimed by the customer within 12 months of termination of the agreement.

10. Method for determining amounts due and payable

- (1) The municipality or its authorised agent must in respect of municipal services that can be metered, endeavour to, within available financial and human resources, meter all customer connections and/or read all metered customer connections, on a regular basis, subject to subsection (2).
- (2) If a service is not measured, a municipality or its authorised agent may, notwithstanding subsection (1), determine the amount due and payable by a customer, for municipal services supplied to him, her or it, by calculating: -
 - (a) The shared consumption; if not possible; and
 - (b) The estimate consumption
- (3) If services are metered, but it cannot be read due to financial and human resources constraints or circumstances out of the control of the municipality or its authorised agent, and the customer is charged for an average 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 adjustment.
- (4) Where water supply services provided through communal water services network (standpipe), the amount due payable by customers gaining access to water supply services through that communal water services network, must be based on the shared or estimated consumption of water supplied to that water services network



- (5) Where in the opinion of the municipality or its authorised agent it is not reasonably possible or cost effective to meter all customer connections and/or read all a metered customer connections within a determined area, the Municipality may, on the reconnection of the municipality or its authorised agent, determine a basic tariff (flat rate) to be paid by all the customers within that area, irrespective of actual consumption.
- (6) The municipality or its authorised agent must inform customers of the method for determining amounts due and payable in respect of municipal services provide which will apply in respect of their consumption or supply of zones.

11. Payment for municipal services provided

- (1) A customer shall be responsible for payment of all municipal services consumed by him/her or it from the commencement date of the agreement until his/her or its account has been settled n full and the municipality or its authorised agent must recover all applicable charges due to the municipality.
- (2) If a customer uses municipal services for a use other than which it is provided by the municipality or its authorised agent n terms of an agreement and as a consequence is charge at a charge lower than the applicable charge the municipality or its authorised agent may make an adjustment of the amount charged and recover the balance from the customer.
- (3) If amendments to the applicable charge become operative on a date between measurements for the purpose of rendering an account in respect of the applicable charges and the date of payment, :-
 - (a) It shall be deemed that the same quantity of municipal services was provided in each period of twenty-four hours during the interval between the measurements; and
 - (b) Any fixed charge shall be calculated on a pro rata bass in accordance with the charge that applied immediately before such amendment and such amended applicable charge.

12. Full and final settlement of an account

- (1) Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in final settlement of such an account.
- (2) Subsection (1) shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full and final settlement, unless the municipal manager or the manager of the municipality's authorised agent made such acceptance in writing.



13. Responsibility for amounts due and payable

Notwithstanding the provisions of any other sections of these bylaws, the owner of premises shall be liable for the payment of any amounts due and payable to the municipality or its authorised representative in respect of the preceding two years, where the owner is not the customer and the municipality or its authorised agent after taking reasonable measures to recover any amounts due and payable by the customer from the latter, could not recover such amounts.

14. Dishonoured payments

Where any payment made to the municipality or its authorised agent by negotiable instrument is later dishonoured by the bank, the municipality or its authorised agent: -

- (a) May recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer; and
- (b) Shall regard such an event as default on payment.

15. Incentive scheme

The Municipality may institute incentive schemes to encourage prompt payment and reward customers that pay accounts on a regular and timeous basis.

16. Paypoints and approved agent

- (1) A customer must pay his/her or its account at pay-points, specified by the municipality or its authorised agent from time to time, or at approved agents of the municipality or its authorised agent.
- (2) The municipality or its authorised agent must inform a customer of the location of the specified pay-points and approved agents for payment of accounts.

Part 4: Accounts

17. Accounts

- (1) Accounts will be rendered monthly to customers at the address last recorded with the municipality or its authorised agent. The customer may receive more than one account for different municipal services if they are accounted for separately.
- (2) Failure to receive or accept an account does not relieve a customer of the obligation to pay an amount due and payable.



- (3) The municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request upon payment of a fee as prescribed in the Municipality's tariff of charges.
- (4) Accounts must be paid not later the last date of payment specified in such account, which date will be at least 14 days after the date of the account.
- (5) Accounts will be reflect at least: -
 - a) The services rendered;
 - b) The consumption of metered services or average, shared or estimated consumption;
 - c) The period stipulated in the account;
 - d) The applicable charges;
 - e) Any subsidies;
 - f) The amount due (excluding value added tax);
 - g) Value added tax;
 - h) The adjustment, if any, to metered consumption which has been previously estimated;
 - i) The arrears, if any;
 - j) The interest payable on arrears, if any;
 - k) The final date for payment;
 - l) The methods, places and approved agents where payment may be made; and state that: -
 - i. The customer may conclude an agreement with the municipality or its authorised agent for payment of the arrear amount installments at the municipality or its authorised agent's offices before the final date for payment, if a customer is unable to pay the full amount due and payable;
 - ii. If no such agreement is entered into the municipality or its authorised agent will limit the services after sending a final demand notice to the customer;
 - iii. legal action may be instituted against any customer for the recovery of any amount 45 days in arrears.
 - iv. The account may be handed over to a debt collector for collection; and
 - v. proof of registration as an indigent customer, in terms of the municipality or its authorised agent's indigent policy, must be handed in at the offices of the municipality or its authorised agent before the final date for payment.

18. Consolidated debt

- (1) If one account is rendered for more than one municipal service provided, the amount due and payable by a customer constitutes a consolidated debt, and any payment made by customer of an amount less than the total amount due, will be allocated at the discretion of the municipality between service debts.



- 1) If account is rendered for only one municipal service provided, any payment made by a customer of an amount less than the total amount due, will be allocated at the discretion of the municipality.
- 2) A customer may not elect how an account is to be settled if it is not settled in full or if there are arrears.

Part 5: Queries, complaints and appeals

19. Queries or complaints in respect of account

- (1) A customer may lodge a query or complaint in respect of any accuracy of an amount due and payable in respect of a specific municipal service as reflected on the account rendered.
- (2) A query or complaint must be lodged with the municipality or its authorised agent before the due date for payment of the account.
- (3) A query or complaint must be accompanied by the payment of the average of the last three month's accounts where history of the account is available or an estimated amount provided by the municipality before payment due date until the matter is resolved.
- (4) The municipality or its authorised agent will register the query or complaint and provide the customer with a reference number.
- (5) The municipality or its authorised agent: -
 - (a) Shall investigate or cause the query or complaint to be investigated; and
 - (b) Must inform the customer, in writing, of its finding within one month after the query or complaint was registered.
- (6) Failure to make such agreed interim payment or payments will render the customer liable for disconnection.

20. Appeals against finding of municipality or its authorised agent in respect of queries or complaints

- (1) A customer may appeal in writing against a finding of the municipality or its authorised agent in terms of section 19.
- (2) An appeal and request in terms of subsection (1) must be made in writing and lodged with the municipality within 21 days after the customer became aware of the finding referred to in section 19 and must:-
 - a) Set out the reason for the appeal; and

- b) Be accompanied by any security determined for the testing of a measuring device, if applicable

Part 6: Arrears

21. Interest

- (1) Interest will be levied on arrears at the prevailing prime interest rate or at a rate prescribed by the Municipality from time to time.
- (2) The costs associated with the limitation or disconnection of municipal services shall be for the cost of the customer and shall be include in the account following the re-connection.

22. Accounts 45 days in arrears

- (1) Where an account rendered to a customer remains outstanding for more than 45 (forty-five) days the municipality or its authorised agent may:
 - a) institute legal action against a customer for the arrears; and
 - b) Hand the customer's account over to a debt collector or an attorney for collection.
- (2) A customer will be liable for any legal fees, cheque costs, postal charges, administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit, as may be determined by the Municipality from time to time.

Part 7: Agreement for the payment of arrears

23. Agreements

- (1) The following agreements for the payment arrears in installments may be entered into:
 - (a) An acknowledgement of debt.
 - (b) A consent to judgment.
 - (c) An emolument attachment order.
- (2) The customer shall acknowledge that interest will be charged at the prescribed rate.
- (3) Customers with electricity arrears must agree to the conversion to a prepayment



meter if and when implementable, the cost of which, and the arrears total, will be paid off either by: -

- (a) Adding it to the arrears account and repaying it over the agreed period; or
 - (b) Adding it as a surcharge to the prepaid electricity cost, and repaying it with each purchase of electricity until the debt is settled.
- (4) The municipality or its authorised agent must require a customer to pay at least its current account on entering into an agreement for the payment of arrears in instalments.
- (5) The municipality reserves the right to raise the security deposit requirement of debtors who seek arrangements.

24. Copy of agreement to customer

A copy of the agreement shall be made available to the customer.

25. Failure to honour agreements

- (1) If a customer fails to comply with an agreement for the payment of arrears in installments, 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 be immediately due and payable, without further notice or correspondence and the municipality or its authorised agent may: -
- (a) Disconnect the electricity services provided to the customer, subject to the provisions of section 4.3.7 of nrs. 047-1-1999 issued by the National Electricity regulator as amended from time to time.
 - (b) In the event that no electricity services are provided by the municipality or its authorised agent, disconnect the water supply services provided to the customer;
 - (c) Institute legal action for the recovery of the arrears; and
 - (d) Hand the customer's account over a debt collector or an attorney for collection.

26. Re-connection of services

- (1) An agreement for payment of arrear amount in installments, entered into after the electricity services was discontinued and/or the water services was limited or disconnected, will not result in the services being restored until: -



- (a) The arrears, any interest thereon, administration fees, cost incurred in taking relevant action and any penalties, including payment of higher deposit, are paid in full; or
- (b) In addition to any payments referred to in subsection (1) the customer shall pay the standard re-connection fee as determined by the municipality from time to time, prior to the

CHAPTER 3 RATES ASSESSMENT

27. Amount due for assessment rates

- (1) The provisions of Chapter 3 shall apply in respect of the recovery of assessment rates.
- (2) All assessment rates due by owners are payable by fixed date as determined by the municipality in its credit control and debt collection policy.
- (3) Joint owners of property shall be jointly and severally liable for payment of assessment rates.
- (4) Assessment rates will be levied in equal monthly instalments. When levied in equal monthly instalments the amount payable will be included in the municipal account.
- (5) A property owner remains liable for the payment of assessment rates included in municipal accounts, notwithstanding the fact that: -
 - (a) The property is not occupied by the owner thereof; and/or
 - (b) The municipal account is registered in the name of a person other than the owner of the property.

CHAPTER 4 PROVISION OF MUNICIPAL SERVICES TO INDIGENT CUSTOMERS

28. Qualification for registration as indigent customer

All households where the combined gross income of all members of the household over the age of 18 years old less than the amount to be determined by the Municipality, qualify for registration as indigent customers.



29. Application for registration

- (1) A household who qualifies as an indigent customer must complete the application form entitled "Application for Registration as Indigent Customer" attached as Annexure B to these bylaws.
- (2) Any application in terms of subsection (1) must be accompanied by: -
 - (i) Documentary proof of income, such as a letter from the customer employer, a salary advice, a pension card, unemployment fund card; or
 - (ii) An affidavit declaring unemployment or income; and
 - (iii) The customer's latest municipal account in his/her possession; and
 - (iv) A certified copy of the customer's identity document; and
 - (v) The names and identity numbers of all occupants over the age of 18 years who are resident at the property.
- (3) A customer applying for registration as an indigent customer shall be required to declare that all information provided in the application form and other documentation and information provided in connection with the application is true and correct.
- (4) The municipality or its authorised agent shall counter-sign the application form and certify that the consequences and conditions of such an application for the customer were explained to the customer and that the customer indicated that the content of the declaration was understood.

30. Approval of application

- (1) The municipality or its authorised agent may send authorised representatives to premises or households applying for registration as indigent customers to conduct an on-site audit of information provided prior to approval of an application.
- (2) An application shall be approved for a period of 12 months only. Subsidies will be forfeited if the applicant fails to submit proof of income or re-apply for the subsidy

31. Conditions

The municipality or its authorised agent may upon approval of an application or any time thereafter: -

- (a) Install a pre-payment electricity meter for the indigent customer where electricity is provided by the municipality or its authorised agent when implemented; and



- (b) Limit the water supply services of an indigent customer to a basic supply of not less than 6 (six) kiloliters per month.

32. Application every 12 months

- (1) An indigent customer must re-apply for indigent support every 12 months, failing which the assistance will cease automatically.
- (2) The provisions of section 33 and 34 of these bylaws shall apply to any application in terms of subsection (1)
- (3) The municipality or its authorised agent cannot guarantee a renewal for indigent support.

33. Subsidised services for indigent customers

- (1) The Municipality may annually, as part of its budgetary process, determine the municipal services and levels thereof which will be subsidised in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.
- (2) The Municipality will in the determination of municipal services which will be subsidised for indigent customers give preference to subsidising at least the following services:
 - (a) Water supply services of 6 kiloliters per household per month.
 - (b) Sanitation services of daily night soil removal or a improved ventilated pit latrine per household per month whichever is most affordable to the municipality or its authorised agent, and
 - (c) Refuse removal services to a maximum of one removal per household per week.
 - (d) All rates levied on properties of which the municipal value is less than R 20 000: provided that if, in the case of any property or category of properties, it is not feasible to value or measure such, property, the basis on which the property rates thereof shall be determined, shall be as prescribed by the Municipality.
- (3) The municipality must, when making a determination in terms of subsection (1) give public notice of such determination.
- (4) Public notice in terms of subsection (3) must contain at least the following:



- (a) The level or quantity of municipal service which will be subsidised
 - (b) The level of subsidy.
 - (c) The method of calculating the subsidy.
 - (d) Any special terms and conditions which will apply to the subsidy, not provided for in these bylaws.
- (5) Any other municipal services rendered by the municipality or municipal services consumed in excess of the levels or quantities determined in subsection (1) shall be charged for and the indigent customer shall be liable for the payment of such charges levied on the excess consumption.
- (6) The provisions of Chapter 3 shall *mutatis mutandis* apply to the amounts due and payable in terms of subsection (5).

34. Funding of subsidised services

- (1) The subsidised services referred to in section 33 shall be funded from the portion of revenue raised nationally which is allocated to the municipality and if such funding is insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.
- (2) The subsidy amount to be funded from revenue raised nationally which is allocated to municipality shall be calculated by dividing the amount allocated by estimated number of customers which may qualify for registration as indigent customers.

35. Existing arrears of indigent customers

Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers will be either: -

- (a) Written off;
- (b) Applied as a surcharge to prepaid electricity coupons; or
- (c) Be attempted to be recovered through legal proceedings and/or extended term arrangements.

36. Audits

The municipality may undertake regular random audits carried out by the municipality or its authorised agent to: -

- (a) Verify the information provided by indigent customer;
- (b) Record any changes in the circumstances of indigent customers; and
- (c) Make recommendations on the de-registration of the indigent customer.

37. De-registration

- (1) Any customer who provides or provided false information in the application form and/or any other documentation and information in connection with the application shall automatically, without notice, be de-registered as an indigent customer from the date on which the municipality or its authorised agent became aware that such information is false.
- (2) An indigent customer must immediately request de-registration by the municipality or its authorised agent if his/her circumstances has changed to the extent that he/she no longer meet the qualifications set out in section 28.
- (3) An indigent customer shall automatically be de-registered in accordance with section 29 is not made or if such application not approved.
- (4) An indigent customer shall automatically be de-registered if an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he/she no longer meet the qualifications set out in 28.

An indigent customer may at any time request de-registration.

CHAPTER 5 BUSINESSES WHO TENDER TO THE MUNICIPALITY

38. Procurement policy and tender conditions

The procurement policy and tender conditions may provide that:

- (1) When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that the consideration and evaluation thereof will necessitate that the tenderer obtain from the municipality a certificate stating that all relevant municipal accounts owing by the tenderer or its directors, owners or partners have been paid or that suitable arrangements (which include the right set off in the event of non-compliance) have been made for payment of any arrears;
- (2) A municipal account shall mean any municipal service charge, tax or other fees, fines and penalties, due in terms of a contract or approved target or rate, which is outstanding after the due date normally appearing on the consolidated account or overdue in terms of the contract or any other due date that has passed; and



- (3) Tender conditions contain a condition allowing the municipality from contract payment in terms of a reasonable arrangement with the debtor.

CHAPTER 6 UNAUTHORISED SERVICES

39. Unauthorised services

- (1) No person may gain access to municipal services unless it is in terms of an agreement entered into with the municipality or its authorised agent for the rendering of those services.
- (2) The municipality or its authorised agent may, irrespective of any other action it may take against such person in terms of these bylaws by written notice order a person who is using unauthorised services to: -
 - (a) Apply for such services in terms of Chapter 2 Part 1;
 - (b) Undertake such work, as may be necessary to ensure that the customer installation through which access was gained complies with provisions of these or any other relevant bylaws.
- (3) Any agreement, entered into before the date of coming into effect of these bylaws, and which is in full force and effect, shall be deemed to have been entered into in terms of these bylaws and shall remain in force and effect until cancelled.

40. Interference with infrastructure for the provision of municipal services

- (1) No person other than the municipality or its authorised agent shall manage, operate or maintain infrastructure through which municipal services are provided.
- (2) No person other than the municipality or its authorised agent shall effect a connection to infrastructure through which municipal services are provided.

41. Obstruction of access to infrastructure for the provision of municipal services

- (1) No person shall prevent or restrict physical access to infrastructure through which municipal services are provided.
- (2) If a person contravenes subsection (1), the municipality or its authorised agent may: -



- (a) By written notice require such person to restore access at his/her own expense within a specified period, or
- (b) If it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

42. Illegal re-connection

- (1) A person who unlawfully and intentionally or negligently reconnects to services unlawfully and intentionally or negligently interferes the infrastructure through which municipal services are provided, after such customers access to municipal services have been limited or disconnected, shall immediately be disconnected.
- (2) A person who re-connects to municipal services in the circumstances referred to in subsection (1) shall be liable for the cost associated with any consumption, notwithstanding any other actions which may be taken against such a person.

43. Immediate disconnection

The provision of municipal services may immediately be disconnected if any person: -

- (a) Unlawfully and intentionally or negligently interferes with infrastructure through which the municipality or its authorised agent provides municipal services;
- (b) Fails to provide information or provide false information reasonably requested by the municipality or its authorised agent.

CHAPTER 7 OFFENCES

44. Offences and Penalties

Any person who: -

- (a) Fails to give information required by the municipality or its authorised agent in terms of these bylaws;
- (b) Assist any person in providing false or fraudulent information or assist in willfully concealing information;
- (c) Uses, tampers or interferes with municipal equipment, service supply equipment, reticulation network or consumption of services rendered;



- (d) Fails or refuses to give the municipality or its authorised such information as may reasonably be required for the purpose of exercising the powers or functions under these bylaws or gives such the municipality or its authorised agent false or misleading information, knowing it to be false or misleading;
- (e) Contravenes or fails to comply with a provision of these bylaws;
- (f) Fails to comply with the terms of a notice served upon him/her in terms of these bylaws, shall be guilty of an offence and liable upon conviction to the fines determined by a Chief Magistrate of the Magistrate's Court with jurisdiction in the area in which the offence has been committed or imprisonment as determined by a competent court.

CHAPTER 8 DOCUMENTATION

45. Signing of notices and documents

A notice or document issued by the municipality in terms of these bylaws and signed by a staff member of the municipality or its authorised agent shall be deemed to be duly issued and must on its mere production be accepted by a court of law evidence of that fact.

46. Notices and documents

- (1) A notice or document issued by the municipality or its authorised agent in terms of these bylaws shall be deemed to duly authorised if an authorised agent signs it;
- (2) Any notice or other document that is served on an owner, customer or any other person in terms of these bylaws is regarded as having been served: -
 - (a) If it has been delivered to that person personally;
 - (b) When it has been left at that person's place of residence, business or employment in the Republic with a person over the age of sixteen years;
 - (c) When it has been posted by registered or certified mail to that person's last known residential address or business in the Republic and an acknowledgement of posting thereof from the postal service is obtained;
 - (d) If that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided in sub-sections - (c); or



- (e) it has been posted in a conspicuous place on the property or premises, if any, to which it relates.
- (3) When any notice or other document must be authorised or served on the owner, occupier or holder of any property it is sufficient if that person is described in the notice or other document as the owner, occupier or holder of the property or right in question, and is not necessarily the name of that person.
- (4) 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.

47. Authentication of documents

Every order, notice or other document requiring authentication by the municipality shall be sufficiently authenticated. If signed by the municipal manager or by a duly authorised officer of the municipality or the authorised agent of the municipality, such authority being conferred by resolution of the municipality, written agreement or by a bylaw.

48. Prima facie evidence

In legal proceedings by or on behalf of the municipality or its authorised agent, a certificate reflecting the amount due and payable to the municipality or its authorised agent, under the hand of the municipal manager, or suitably qualified municipal staff member authorised by the municipal manager or the manager of the municipality's authorised agent, shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness.

CHAPTER 9 GENERAL PROVISIONS

49. Power of entry and inspection

Subject to the Provisions of Section 101 of the Act, the municipality or its authorised agent may enter and inspect any premises for any purpose connected with the implementation or enforcement of these bylaws, at all reasonable times, after having given reasonable written notice to the occupier of the premises of the intention to do so.

50. Exemption

- (1) The municipality may, in written, exempt an owner, customer, any other person or category of owners, customers, ratepayers, users of services from



complying with a provision of these bylaws, subject to any conditions it may impose, if it is of the opinion that the application of operation of that provision would be unreasonable, provided that the municipality or its authorised agent shall not grant exemption from any section of these bylaws that may result in:

- (a) The wastage or excessive consumption of municipal services;
 - (b) The evasion or avoidance of water restrictions;
 - (c) Significant negative effects on public health, safety or the environment;
 - (d) The non-payment for services;
 - (e) The Act, or any regulations made in terms thereof, is not complied with.
- (2) The municipality at any time after giving written notice of at least 30 days, withdraws any exemption given in terms of subsection (1).

51. Availability of bylaws

- (1) A copy of these bylaws shall be included in the Municipality Municipal Code as required in terms of legislation.
- (2) The municipality or its authorised agent shall take reasonable steps to inform customers of the contents of the credit control and debt collection bylaws.
- (3) A copy of these bylaws shall be available for inspection at the municipal offices or at the offices of its authorised agent at all reasonable time.
- (4) A copy of the bylaws be obtained against payment of a fee as prescribed in the Municipality's tariff of charges from the municipality or its authorised agent.

52. Conflict of laws

- (1) When interpreting a provision of these bylaws, any reasonable interpretation which is consistent with the purpose of the Act as set out in Chapter 9 on Credit Control and Debt Collection, must be preferred over any alternative interpretation which is inconsistent with that purpose.
- (2) If there is any conflict between these bylaws and any other bylaws of the Municipality, these bylaws will prevail.

53. Short title and commencement

- (1) These bylaws are called the Credit Control and Debt Collection bylaws of the Kwadukuza Municipality and takes effect on the 1st day of the month following the date of promulgation of these bylaws.
- (2) The municipality may, by a resolution, determine that provisions of these bylaws, listed in the resolution, shall not apply in certain areas within its area of jurisdiction from a date specified in the notice.
- (3) Until any decision contemplated subsection (2) is taken, these bylaws are binding within the area of jurisdiction of the Municipality.

54. Repeal of bylaws

All Municipal Bylaws, and amendments thereto, relating to Credit control and debt collection made by the local authorities of Nkwazi/Zinkwazi Beach Transitional Local Council, KwaDukuza/ Stanger Transitional Local Council and Dolphin Coast Transitional Local Council, disestablished in terms of Provincial Notice No. 345 of 2000 in terms of section 12 of the Local Government: Municipal Structures Act, 1998: Establishment of Municipalities 9DC 29, KZ 291, KZ 292, KZ 293, KZ 294) as published on 19 September 2000, are hereby repealed.



**KWA DUKUZA MUNICIPALITY
APPLICATION FOR MUNICIPAL SERVICES**

Section ACDE - Domestic		Section BCDE – Business
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Section BCDE – Close Corporation

Section A:	Domestic
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1. Consumer Surname	
2. Full Names	
3. I D Number	
4. Occupation	
5. Employer/Business	
6. Marital status	

Single	Married		In Community of Property
			Out Community of Property
			Customary Marriage

7. Full Names Spouse	
8. Occupation Spouse	
9. Employer Spouse	
10. Name and Address of Member of Family or Friend	
11.	
12.	
13. Home Telephone Number	
14. Work Telephone Number	
15. Cell Number	

Section B:	Company Details
-------------------	------------------------

1. Business Name	
2. Business Registration No.	
3. ID Number – Owner (Natural Person) –Partner	



4. Name of Natural Person	
5. Business Telephone Number	
6. Cell Number	
7. Fax/E-mail	

Section C: General

1. Postal Address				Code:
2. List of Other Accounts Held				
(i) Name	Account Number			
(ii) Name	Account Number			
(iii) Name	Account Number			
3. Name of Bank				
4. Branch Code				
5. Account Number				
6. Previous Address And Account Number				
7. If tenant, where is rent paid				
	Total	Over 18	Under 18	
8. Number of people residing on property				
9. Occupies of stand other than family (rental, backyard, lodges, spaza, shops, taxis etc)				

Section D: Service Particular

1. Address where service is required			
2. Lot/Stand Number			
3. Date when services is required			
4. Services Applied for:			
Water			
Communal Standpipe	Yard Tap	House Connection	



Sewerage	
VIP	Water Borne

Electricity	
Prepaid	Credit Meter

Refuse Removal – Mandatory Service

5. Type of supply

Domestic	Commercial	Industrial	Educational	State	Agriculture

6. State whether any type of business activities to be conducted from residential address:

Yes	No
-----	----

7. Method of payment _____

CONSUMER/APPLICANT

DATE

Section E: Declaration

1. I hereby declare that I/we agree to the conditions of supply of the mentioned services as laid down in the bylaws of the Municipality and any other laws that are applicable.
2. I/we hereby accept the street address/stand number specified above as my own *Domicillium citandi et executand* address where I will accept an notice to be served.
3. I/we hereby tender a deposit/bank guarantee of R _____ and agree that this amount or any part thereof may be used to redeem unpaid accounts or any parts thereof and that the surplus if any be paid back to me/us.
4. I/we indemnify the Municipality against any losses which may occur due to claims instituted against the Municipality due to power failure, or just liable discontinuation of services.
5. I/we accept the responsibility for the payment of attorney and client costs should be necessary for the Municipality to hand over outstanding amounts and the accounts as well as giving permission to be listed with the Credit Bureau.



6. I/we received a duplicate of this application form.
7. I/we hereby certify the information provided to be correct.
8. I/we declare that all payments due and payable by me in pursuance of this application shall promptly be paid by me on the due date.

SIGNATURE

DATE

NAME: _____

STATUS: _____





**KWA DUKUZA MUNICIPALITY
APPLICATION FOR REGISTRATION AS AN INDIGENT CUSTOMER**

Note: An application for municipal services must be completed or updated on submission of this application.

Particulars of applicant	
Surname	Initials
ID Number	
Marital Status	
If married – in/out of community of property/customary marriage	

Occupation			
Tel. Number			
Cell Number			
Address of Applicant			
Physical Address		Postal Address	
Number of properties owned by applicant and all members of the household			

Details of properties	
Property 1	Physical address
	Name of owner
	Name of bondholder
	Account number
	Deed Registration
Number	
	Type of structure
Property 2	Physical address
	Name of owner
	Name of bondholder
	Account Number
	Deed Registration
Number	
	Type of structure
Is property/properties or a portion therefore leased to a third person? (Yes/No)	
If leased, rent received	
Number of all members in household	
Combined gross income of all members of the household per month	



Details of all members of household over the age of 18 years resident at the property

1. Surname		2. Surname	
Full name		Full name	
ID Number		ID Number	
Employed (Yes/No)		Employed (Yes/No)	

Salary including benefit, if relevant		Salary including benefit, if relevant	
3. Surname		4. Surname	
Full name		Full name	
I D Number		I D Number	
Employed (Yes/No)		Employed (Yes/No)	

Salary including benefits, if relevant		Salary including benefits, if relevant	
5. Surname		6. Surname	
Full Name		Full Name	
I D Number		I D Number	
Employed (Yes/No)		Employed (Yes/No)	

Salary including benefits, if relevant		Salary including benefits, if relevant	

Details of other income received by household: (i.e. old age pension, disability pension, welfare, etc.)

1. Type Income		2. Type of Income	
Institution		Institution	
Amount		Amount	
Reference number		Reference number	

3. Type of Income		4. Type of Income	
Institution		Institution	
Amount		Amount	
Reference Number		Reference Number	



5. Type of Income		6. Type of Income	
Institution		Institution	
Amount		Amount	
Reference Number		Reference Number	

Details of monthly expenses of household:	
1. Groceries	2. School fees
3. Clothes	4. Rent
5.	6.
7.	8.
9.	10.

Details of current debts of the household: (including insurance policies and credit purchases)	
1. Institution	2. Institution
Account Number	Account Number
Amount owing	Amount owing
3. Institution	4. Institution
Account Number	Account Number
Amount owing	Amount owing
5. Institution	6. Institution
Account Number	Account Number
Amount owing	Amount owing
Details in respect of legal or other actions taken against me in respect of current expenses/debts of the household: (i.e. Administration sequestration, other court orders, listed with a Credit Agency, etc.)	
1. Institution	2. Institution
Type of action	Type of action
Case number	Case number
Amount owing	Amount owing
3. Institution	4. Institution
Type of action	Type of action
Case number	Case number
Amount owing	Amount owing
5. Institution	6. Institution
Type of action	Type of action
Case number	Case number
Amount owing	Amount owing

The following documents must be attached – 1. Documentary proof of income (such as a letter from the customer's employer, salary advice, a pension card, unemployment fund card, etc.); or 2. An affidavit declaring unemployment or



income; and 3. Latest municipal account in the possession of customer; and 4. A certified copy of the applicant's Identity document.

A. I hereby – 1. Apply for registration as an indigent customer for a period of one year; 2. Accept the conditions application as set out the municipality's policy, bylaws and the Conditions of Supply of any service provider of the municipality; 3. Declare that I was informed that the documents referred to in 2 above are available for inspection at the offices of the municipality during office hours; 4. Declare that this application form and the implications thereof was explained me; 5. Declare that all payments due and payable by me pursuant of this application shall promptly be paid by me the due date; and 6. Declare that the information provided in this application form is true and correct.

B. I further declare and accept that the following specific conditions shall apply to this application-

1. The municipality or its authorised agent may send authorised representatives to the premises or households applying for registration as an indigent customers to conduct an on site audit of information provided prior to approval of an application or any time thereafter.

2. An application shall be approved for a 12 months only.

3. The municipality or its authorised agent may on approval of an application or any time thereafter – 3.1 install a pre-payment electricity meter for the indigent customer where electricity is provided by the municipality or its authorised agent; and 3.2 limit the water supply services of an indigent customer to a basic supply of not less than 6 kiloliters per month.

4. An indigent customer must annually re-apply for registration as an indigent customer, failing which the assistance will cease automatically

5. The municipality or its authorised agent gives no guarantee of renewal.

6. The Municipality may annually as part of its budgetary process determine the municipal services and levels thereof that will be subsidised in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.

7. Any other municipal services rendered by the municipality or its authorised agent or municipal services consumed in excess of the quantities specified in 6 above shall be charged for the indigent customer shall liable for payment of such charges levied on the excess consumption. Normal credit control procedures shall apply in respect of such excess consumption.

8. Any customer who provides or provided false information in the application form and/or any other documentation and information in connection with the application – 1. Shall automatically, without notice, be de-registered as an indigent customer from the date on which the municipality or its authorised agent became aware that such information is false; and 2. Shall be held liable for the payment of all services received.

9. An indigent customer must immediately request de-registration by the municipality or its authorised agent if his or her circumstances has changed to the extent that he or she no longer meets the qualifications set out in the bylaws.



10. An indigent customer shall automatically be re-registered if an annual application is not made or if such application is not approved.

11. An indigent customer shall automatically be de-registered if an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he or she no longer meet the qualifications set out in the bylaws.

12. An indigent customer may at any time request de-registration.

CERTIFICATION BY MUNICIPALITY

The consequences of the above declaration made by the applicant were explained to him/her and he/she indicated that the contents of the application were understood.

Municipality/ Authorised Agent

Date

FOR OFFICE USE ONLY	
Account Number	
Date of receipt of application	
First Verification	
Date	
Site Visit (Yes/No)	
Name of verifier	
Designation of Verifier	
Indicate information not verified	
Recommendation	
APPLICATION APPROVED/NOT APPROVED	
Second verification	
Date	
Site visit (Yes/No)	
Name of verifier	
Designation of verifier	
VERIFIED	
Ward Councillor:	Ward Committee Member:
Name:	Name:
Signature:	Signature:
Date:	Date: