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MUNICIPAL NOTICE

No. 119**25 August 2014****CREDIT CONTROL AND DEBT COLLECTION BYLAWS**

The Uthungulu District Municipality, acting under the authority of section 11, read in conjunction with section 98 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), hereby publishes Credit Control and Debt Collection Bylaws.

**CHAPTER 1
DEFINITIONS****1. Definitions**

For the purpose of these bylaws, any word or expression 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 and district levies ;

“act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

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

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

“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 and or levies not paid on the due date;

“authorised agent” means –

- (a) any person authorised by the municipal council 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 municipal council has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and/or
- (c) any person appointed by the municipal council in terms of a written contract as 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;

“**levy payer**” means any person who is liable for the payment of the regional services levy or the regional establishment levy:

“**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 is determined by council:

“**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 maximum of eight persons (being a combination of four persons over the age of eighteen and four persons eighteen years or younger);

“**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;

“**tampering fee**” means a fee charged for the illegal connection, adjustment or bypassing of a consumption meter or the siphoning of a supply of electricity or water supply to an unmetered destination, for which a fee will be determined annually.

“**reconnection fee**” means the fee charged for reconnection of electricity/water supply when the supply has been disconnected due to non-payment, for which the fee will be determined. :

“**variable flow-restrictor device**” means a device that is coupled to the water connection that allows the water supply to be restricted or closed:

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

“**municipality**” means –

- (a) the Uthungulu District Municipality or its successors-in-title; or
- (b) the Municipal Manager of the Uthungulu council in respect of the importance of any, or exercise of any right duty, obligation or function in terms of these bylaws;

“**municipal council**” means the municipal council as referred to in section 157 of the Constitution, 1996 (Act 108 of 1996);

- (a) **“municipal manager”** means the person appointed by the municipal council as the municipal manager of the municipality in terms of section 54A of the Act.

“municipal services” means for purposes of these bylaws, services provided by the municipality or its authorised agent, including refuse disposal, water supply and sanitation, 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 the 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 legal 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 a curator, trustee, executor, administrator, judicial manager, 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 a building 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 Titles 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; or
- (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, a 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 municipal council. –
 - (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 municipal council as a newspaper of record; or
 - (iii) by means of radio broadcasts 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 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, determined by the municipality or its authorised agent, within which all customers are provided with services 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 or 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 Councils approved Indigent policy.
- (2) A person who requires who requires a municipal service must, where possible enter into a written agreement with the municipality, before the municipal service is rendered.
- (3) If at the commencement of these bylaws or at any other time, municipal services are provided and received and no written agreement exists in respect of such services, it shall be deemed that –
 - (a) An agreement exists as from the date when such services were rendered for the first time; and
 - (b) The level of services provided to that customer is the level of services elected, until such time as the customer enters into an agreement in terms of subsection
- (4) The municipality or its authorised agent must on application for the provision of municipal services inform the applicant of the then available levels of 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 other applicable bylaws and the conditions contained in the agreement.
- (11) If the municipality or its authorised agent –
 - (a) Refuses an application for the provision of municipal services or a specific service or level of service; or
 - (b) Is unable to render such municipal services or a specific service or level of service on the date requested for such provision to commence; or
 - (c) Is unable to render the municipal services or a specific service or level of service,

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

- (1) 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; and/or
 - (b) receiving subsidised services; and/or
 - (c) if the premises to receive such services are 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 payable in respect of municipal services, including but not limited to the payment of the connection charges, fixed charges or any additional charges or interest will be set by the District Municipality in accordance with –
 - (a) its rates and tariff policy;
 - (b) any bylaws in respect thereof; and
 - (c) any regulations in terms of national or provincial legislation.

- (2) Applicable charges may differ between different categories of customers, users of service, types and levels of services, quantities of services, infrastructure requirements and geographic areas.
- (3) Deferment for payment of service accounts can be granted to consumers in terms of council's delegated powers and conditions approved in these bylaws.
- (4) 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 council from time to time in its credit control and debt collection policy.
- (5) The Municipality will be entitled to limit or disconnect any Municipal Services due to non-payment, in terms of Section 14.

6. Availability charges for municipal services

The municipal council may, in addition to the tariffs or charges prescribed for municipal services actually provided, levy a monthly fixed charge, annual fixed charge, availability 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 municipal council 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 municipal council 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) The 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; or
 - (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 municipal council, after –
 - (a) Service of notice as contemplated in section 115 of the Act of on the person affected by the council's intention to consider such withdrawal or alteration; and
 - (b) consideration by the council 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, 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 costs, including attorney and client costs, interest on arrears and collection commission incurred; ; and/or
 - (b) The average costs 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; and/or
 - (c) Any costs due to use of an illegal connection or due to unauthorised services, including the tampering fee, but not limited thereto.

Part 3: Payment

9. Payment of deposit

- (1) The municipal council 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 three times the monetary value of the most recent measured monthly charges of the premises for which an application is made, subject to a minimum deposit which will be determined by Council from time to time.
- (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 municipal council 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 municipal council.
- (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; and/or
 - (b) Pay an additional deposit where the deposit paid by that customer is less than the most recent deposit determined by the municipal council; and/or
 - (c) Pay an additional deposit where the deposit has been used to set off any outstanding or arrears amounts on the customer's account.
- (5) Subject to the Municipality's exclusive discretion, the deposit shall not be regarded as being in 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, subject to sub-sections 4(c) and 5 above. 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.
- (8) Consumer deposits are to be paid for all separately metered services.

- (9) Deposits must be paid in cash or by cheque. Council will accept an irrevocable bank guarantee in cases where the deposit exceeds R 5.000.00. Such original bank guarantee has to be hand delivered during normal office hours to the applicable office.
- (10) No service deposit is required if a pre-payment meter is installed for the particular service.

10. Methods for determining amounts due and payable

- (1) The municipality or its authorised agent must in respect of municipal services that can be metered, endeavor 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 and/or metered, 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; or if not possible;
 - (b) the estimated consumption; or
 - (c) the average consumption.
- (3) 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 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 are provided through a communal water services network (standpipe), the amount due and payable by a customer 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 metered customer connections within a determined area, the municipal council may, determine a basic tariff (flat rate), and/ or an availability charge, 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 provided which will apply in respect of their consumption or supply 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 in 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 in terms of an agreement and as a consequence is charged 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 monthly basis in accordance with the charge that applied immediately before such amendment and such amended applicable charge.

12. Cash Allocation

- (1) In accordance with section 102 of the Act, the Municipality may:
 - (a) Consolidate any separate accounts of persons liable for payments to the Municipality;
 - (b) Credit a payment by such a person against ANY account of that person; and
 - (c) 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.
- (2) Any amounts paid may be appropriated to the oldest debt first.
- (3) Any amount paid by the customer in excess of an existing debt maybe held in credit for the customer in anticipation of future charges and fees for municipal services, and no interest will be payable on that amount.
- (4) The Municipality's allocation of payment is not negotiable and the customer may not choose which account to pay.

13. 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.

14. 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.

15. Dishonoured payments and default on payment

- (1) 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.
- (3) In the event of any default on payment, the Municipality or its authorised agent, without limitation to any other rights or recourse available to the Municipality, may –
 - (a) Levy interest on arrears at the prevailing prime interest rate or at a rate prescribed by the Municipal Council from time to time; and/or
 - (b) Limit or disconnect any Municipal Services provided to a customer; and/or
 - (c) Take the necessary legal action to recover any amounts due and outstanding, including legal costs as between attorney and client and collection commission.

16. Incentive schemes

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

17. Pay-points and approved agents

- (1) A customer may 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 specified pay-points and approved agents for payment of accounts.

Part 4: Accounts**18. 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. In cases where the customer has no official municipal address, the municipality will make the account available at the nearest pay point. In the case of any fixed charge no account will be send out by the municipality.
- (2) Failure to receive or accept an account does not relieve a customer of the obligation to pay any 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 Council's tariff of charges.
- (4) Accounts must be paid not later than the last date for payment specified in such account, which date will be at least 14 days after the date of the account.
- (5) Accounts will reflect at least –
 - (a) the services rendered;
 - (b) the consumption of metered services or average, shared, estimated consumption, flat and or availability charge;
 - (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;

19. 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 a customer of an amount less than the total amount due, will be allocated at the discretion of the municipality between service debts.
- (2) If an 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.
- (3) 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

20. Queries or complaints in respect of an account

- (1) A customer may lodge a query or complaint in respect of the 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. Failure to make such interim payment or payments will render the customer liable for limitation or disconnection of the Municipal Services provided.
- (4) The municipality or its authorised agent will register the query or complaint.
- (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.

21. 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 made in terms of section 20.
- (2) An appeal 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 20 and must –
 - (a) set out the reasons for the appeal; and
 - (b) be accompanied by any security determined for the testing of a measuring device, if applicable.

Part 6: Agreement for the payment of arrears**22. Accounts 30 days in arrears**

- (1) Where an account rendered to a customer remains outstanding for more than 30 (thirty) days the municipality or its authorised agent may –
 - (a) issue a final demand for payment of arrears in respect of all debtor accounts reflecting an amount outstanding for more than 30 (thirty) days, after which the account will be referred for debt collection, in addition to the disconnection/restriction of the supply of services if applicable; and/or
 - (b) institute legal action against a customer for the recovery of the arrears; and/or
 - (c) institute a restriction to the supply of services. The restriction will be based on the Free Basic Services policy of the municipality, which is applicable at the time.
- (2) A customer will be liable for any 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 municipal council from time to time.

23. Agreements and Arrangements with consumers in arrear

- (1) The following agreements for the payment of arrears in installments may be entered into:
 - (a) An acknowledgement of debt.
 - (b) A consent to judgement.
 - (c) An emolument attachment order.
- (2) The customer shall acknowledge that interest will be charged at the prescribed rate.
- (3) Customers with water arrears must agree to the conversion to a prepayment meter if and when implemented, the cost of which, and the arrears total, will be paid off by –
 - (a) Adding it to the arrears account and repaying it over the agreed period.
- (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 installments.
- (5) The municipality reserves the right to raise the deposit requirement of debtors who seek arrangements.

24. Acknowledgement of Debt

- (1) Only debtors with positive proof of identity or an authorized agent with a Power Of Attorney will be allowed to complete an Acknowledgement of Debt- Agreement.
- (2) An Acknowledgement of Debt-Agreement must contain all arrangements for paying off arrear accounts. One copy of the document will be handed to the customer and another filed at Council's Credit Management section.
- (3) A customer who has already been summoned by Councils attorneys may apply for credit facilities. However, all legal costs already incurred will be for his/her account and an initial payment of at least half of the total resultant outstanding debt will be required. The customer must also sign an Acknowledgement of Debt- Agreement, which will include a provision for legal fees.

- (4) Failure to honour the acknowledgement of debt-agreement may lead to immediate blocking, disconnection or restriction of services without further notice, and the resumption of legal action.
- (5) In all instances where the customer in arrears is employed, Council may obtain a Garnishee Order or Emolument Attachment Order.

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) institute legal action for the recovery of the arrears; and
 - (b) hand the customer's account over to a debt collector or an attorney for collection.

26. Re-connection of services

- (1) Re-connection of services which were discontinued and/or the water services which were limited, shall not be restored until -
 - (a) the arrears, any interest thereon, administration fees, costs incurred in taking relevant action and any penalties, including payment of a 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 re-connection of municipal services by the municipality or its authorised agent.
 - (c) The debtor enters into a reasonable agreement subject to sub-section 22

27. Uthungulu District Municipality Staff and Councillors in arrears

- (1) Staff members –
 - (a) Item 10 of Schedule 2 to the Act states that: - "A staff member of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than three(3) months and a Municipality may deduct any outstanding amounts from a staff member's salary after this period."
 - (b) The Municipality shall liaise with the relevant staff on repayment of their arrears.
 - (c) The staff member must sign an acknowledgement of debt in accordance with this Policy.
 - (d) No special treatment shall be afforded to staff in arrears.
- (2) Councillors –

- (a) Item 12A of Schedule 1 to the Act states that: -“A Councillor may not be in arrears to the Municipality for rates and service charges for a period longer than three months.”
 - (b) The Municipal Manager shall liaise with the Mayor and issue the necessary salary deduction instruction where appropriate.
- (3) Where the staff or Councillor’s arrears have arisen due to any other reason, such arrear must be paid within 3 months with interest.
 - (4) Bonus payments and thirteenth cheques may be appropriated to the whole debt where suitable arrangements have not been made to pay off the debt.
 - (5) On appointment to a higher post, employees who have signed an acknowledgment of debts shall increase their installments on the payment agreement in accordance with their new salary increase.
 - (6) All new employees to the Municipality may be required to sign Direct Debits for the services registered in their names.

28. Consent to Judgement and Offers to Settle in terms of SECTION 58 OF the Magistrates Court Act

- (1) The Municipality may, at its discretion, enter into a consent to judgement and an admission of liability, with customers and owners in arrears with municipal service fees, surcharges on fees, and sundry charges.
- (2) Before any consent to judgment is concluded, all services must be consolidated on to one account (if not done previously) and a credit authority concluded for the full debt of all services where possible.
- (3) The customers’ current account must be paid in full, and maintained, for the duration of the agreement.
- (4) The owner of a property must consent in writing to a consent to judgement and admission of liability with the Municipality and his tenant.
- (5) Re-connection and disconnection fees, where applicable, must be paid in full before any consent to judgement can be entered into.
- (6) By entering into a consent to judgement the debtor(s), and where applicable, the owner, acknowledge that failure to meet any installment will result in prompt disconnection action being taken, without prejudice to any legal action that the Municipality may take to recover the arrears.
- (7) Consent to judgements negotiated on business accounts shall require:
 - (a) the agreement to be signed by a duly authorised Director / Member of the business; and
 - (b) personal sureties, to the value of the debt plus current accounts, or increased deposits;
- (8) A consent to judgement may **not** be granted where:
 - (a) arrears have arisen due to dishonoured cheques, direct debit reversals etc;
 - (b) instances of repeated meter tampering have been identified;
 - or
 - (a) the services have been removed.
- (9) Where any debt has arisen as a result of the Municipality having applied an incorrect charge and / or tariff, or faulty meter, the customer may arrange to pay

the debt over a maximum period at the discretion of the Chief Financial Officer and any interest or penalties may be waived.

- (10) Should any dispute arise with respect to the amount owing, the debtor will continue to make regular payments based on the average charges for the preceding three(3) months prior to the dispute, plus interest where applicable.
- (11) The consent to judgement shall be terminated if a debtor relocates from the property. The balance owing shall become immediately due and payable.
- (12) The monthly installments on a consent to judgement are payable within twenty one(21) days from the date of the account notwithstanding any further extension of time printed on the face of the account.
- (13) A consent to judgement shall be cancelled upon application for a revenue clearance certificate on the property, and the whole debt shall become due, owing and payable, notwithstanding any agreement to the contrary.
- (14) Where the consent to judgement is based on interim readings, the amounts on the credit authority will accordingly be adjusted once the actual readings are taken.
- (15) A consent to judgement is automatically cancelled when an award is made in favour of a tenderer.
- (16) A consent to judgement for staff and councillors would be in accordance with clause 27 hereto.
- (17) The customer who signs a consent to judgement must, as far as possible, make payment to the Municipality via a Debit Order.

29. Debt Recovery using the Pre- Payment Metering System

- (1) A property may at the discretion of the Municipality qualify for the pre payment meter retrofit and 80/20 prepayment debt recovery facility if the arrears on such property remains unpaid for more than ninety(90) days.
- (2) The customer of a private residential property may apply for a pre-payment meter and qualify for the 80/20 pre-payment debt recovery facility, (at the discretion of the Municipality and within the Municipality's budget and resource availability) provided the following conditions are met:
 - (a) The account must be in arrears by not less than R500.00;
 - (b) The applicant / owner must not own any other immovable property;
 - (c) The customer, with the consent of the owner, must sign an Acknowledgement of Debt with the Municipality for any outstanding debt.
 - (d) The owner must complete a "change – over" form at the Municipality changing from a conventional meter to a pre-paid meter ;and
 - (e) Certified copies of the Identity Documents of the owner and his / her spouse must be produced.
- (3) The services of customers on pre-paid meters, who tamper with their services, will be disconnected and any outstanding debt will become due and payable immediately. The services may be reconnected on a 50%/50% pre-payment debt recovery plan. In this regard to 80/20 payment basis will be replaced with the 50/50 plan.
- (4) Customers cannot belong to more than one scheme simultaneously.

- (5) Customers who supply false information will be disqualified .If the false information is discovered after the pre-payment system is installed, the benefits of the 80/20 principle will be cancelled and all arrears will become immediately due and payable.
- (6) The Municipality may deviate from the above criteria in exceptional and motivated circumstances, where the property is valued under R400000 and is occupied by a pensioner, disabled or is a Child Headed Household. The authorized delegate of the Municipality may hear representations in accordance with the principles of administrative justice and determine the matter in accordance with such principles.
- (7) On special projects identified by the Municipality, the pre-paid meters may be zero costed.

CHAPTER 3

BUSINESSES WHO TENDER TO THE MUNICIPALITY

30. 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 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 to set off in the event of non-compliance) have been made for payment of any arrears;
- (2) reference to a municipal account shall include any municipal service charge, tax or other fees, fines and penalties, due in terms of a contract or approved tariff 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 to deduct monies owing to the municipality from contract payments in terms of a reasonable arrangement with the debtor.

CHAPTER 4

UNAUTHORISED SERVICES

31. 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, by written notice order a person who is using unauthorised services to –
 - (a) apply for such services in terms of Chapter 2 Part 1; and/or
 - (b) undertake such work as may be necessary to ensure that the customer installation through which access was gained complies with the provisions of these or any other relevant bylaws.
- (3) If the customer does not comply with the written order of the municipality or its authorised agent within 21 days, then the municipality or its authorised agent may

limit or disconnect any municipal services in addition to taking any other action available in terms of these bylaws, common law or other statutory provisions.

32. 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.

33. 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.

34. Illegal re-connection

- (1) A person who unlawfully and intentionally or negligently reconnects to services or unlawfully and intentionally or negligently interferes with infrastructure through which municipal services are provided, after such customer's access to municipal services has been limited or disconnected, shall immediately be disconnected from all municipal services.
- (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, the cost of de- and/or re-connection and all other costs incurred by the municipality or its authorised agent pursuant to the customer's conduct, notwithstanding any other actions which may be taken against such a person.

35. Immediate disconnection

- (1) 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 provides false information reasonably requested by the municipality or its authorised agent and relevant to the rendering of municipal services.

CHAPTER 5**OFFENCES****36. Offences**

(1) Any person who –

- (a) fails to give access required by the municipality or its authorised agent in terms of these bylaws;
- (b) assists any person in providing false or fraudulent information or assists in wilfully 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 agent such information as may reasonably be required for the purpose of exercising the powers or functions under these bylaws or gives to 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 for prosecution by the relevant authorities on conviction to a fine or imprisonment for a period not exceeding 12 months or both.

CHAPTER 6**DOCUMENTATION****37. Signing of notices and documents**

A notice or document issued by the municipality in terms of these bylaws by a staff member of the municipality or its authorised agent shall be deemed to be duly issued whether signed or not.

38. 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 be duly issued and 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 address 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 subsections (a) – (c); or
 - (e) if that person's address and agent or representative in the Republic is unknown, when 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) 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 persons place of residence, business or employment in the republic with a person over the age of 16 years,
 - (c) When it has been posted by mail to that persons last known residential address or business address within the republic

39. 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.

40. *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 7

GENERAL PROVISIONS

41. Power of entry and inspection

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.

42. Exemption

- (1) The municipality may, in writing, exempt an owner, customer, any other person or category of owners, customers, 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 or 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, not being complied with.

43. Availability of bylaws

- (1) A copy of these bylaws shall be included in the municipality's Municipal website 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 times.
- (4) A copy of the bylaws may be obtained against payment of a fee as prescribed in the Council's tariff of charges from the municipality or its authorised agent.

44. Conflict of law

- (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 8 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 council, these bylaws will prevail.

45. Short title and commencement

- (1) These bylaws are called the Credit Control and Debt Collection Bylaws of the Uthungulu District Municipality and takes effect on the date of promulgation of these bylaws.
- (2) The municipality may, by notice in the Provincial Gazette, determine that provisions of these bylaws, listed in the notice, do not apply in certain areas within its area of jurisdiction from a date specified in the notice.
- (3) Until any notice contemplated in subsection (2) is issued, these bylaws are binding.
- (4) These bylaws will be deemed to be adopted as the municipality's credit control and debt collection policy.

Chapter 8**46. Irrecoverable Debts**

- (1) The Municipal Manager may from time to time motivate to Council to authorize the write off of outstanding debts by consumers in instances where;
 - (a) All reasonable attempts that have been made to recover such outstanding debts have yielded no positive results.
 - (b) The value of the debt does not justify the legal costs that may be incurred in the recovery.
 - (c) The debtor has provided certified evidence that he is unable to pay the arrears due to the current financial situation.
 - (d) The debts are provided for in terms of the provision for doubtful debts and the applicable accounting policy

47. Provision for Doubtful Debts

In the determination of the amounts deemed to be doubtful at financial year end, an analysis of each debtor may be undertaken. The debtors are thereafter classified into one of three categories.

Category A	Regular payers, government accounts, consumers with amounts owing not older than 60 days
Category B	Irregular payers

Category C Indigent customers, customers with debts older than 60 days with no payments made within the last 6 months and inactive debtor accounts

The value of the provision for the detailed categories shall be deemed as follows

Category A	0% of consumer's total debt
Category B	50% of consumer's debt less or equal to 180 days
	100% of consumer's debt > than 180 days
Category C	100% of consumer's total debt.

NOTICE – CHANGE OF TELEPHONE NUMBERS: GOVERNMENT PRINTING WORKS

As the mandated government security printer, providing world class security products and services, Government Printing Works has adopted some of the highly innovative technologies to best serve its customers and stakeholders. In line with this task, Government Printing Works has implemented a new telephony system to ensure most effective communication and accessibility. As a result of this development, our telephone numbers will change with effect from 3 February 2014, starting with the Pretoria offices.

The new numbers are as follows:

- Switchboard : 012 748 6001/6002
- Advertising : 012 748 6205/6206/6207/6208/6209/6210/6211/6212
- Publications Enquiries : 012 748 6052/6053/6058 GeneralEnquiries@gpw.gov.za
 - Maps : 012 748 6061/6065 BookShop@gpw.gov.za
 - Debtors : 012 748 6060/6056/6064 PublicationsDebtors@gpw.gov.za
 - Subscription : 012 748 6054/6055/6057 Subscriptions@gpw.gov.za
- SCM : 012 748 6380/6373/6218
- Debtors : 012 748 6236/6242
- Creditors : 012 748 6246/6274

Please consult our website at www.gpwonline.co.za for more contact details.

The numbers for our provincial offices in Polokwane, East London and Mmabatho will not change at this stage.