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MUNICIPAL NOTICE

No. 96**25 June 2015****KWA DUKUZA MUNICIPALITY****AMENDMENTS TO BYLAWS RELATING TO CREDIT CONTROL AND DEBT
COLLECTION**

The Kwa Dukuza 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 the Amendments to the Credit Control and Debt Collection Bylaws which bylaws will come into effect on the 01 day of July 2015.

CHAPTER 2**PROVISION OF MUNICIPAL SERVICES TO CUSTOMERS****PART 1: APPLICATION FOR MUNICIPAL SERVICES**

Clause 2.2.3 is amended to read as follows:

- 2.2.3 No application or amendment to the customer database can be processed unless legal documentation acceptable to the Chief Financial Officer or in his absence the Director Revenue has been produced in each instance;

PART 3: PAYMENT**9. PAYMENT OF DEPOSITS**

Clause 9.9 is amended to read as follows:

- 9.9 At the time of registration for a municipal service, a cash deposit, a bank cheque, an electronic fund transfer will be required based on the following criteria:

Insert Clause 9.9.4.c to read as follows:

- 9.9.4.c Where the account is in arrears for more than 60 days the deposit shall be increased by three months average consumption.

13. RESPONSIBILITY FOR AMOUNTS DUE AND PAYABLE

Insert Clause 13.4 and 13.9 to read as follows:

- 13.4. Where the property is owned by more than one person, each such person shall be liable jointly and severally for all Municipal debts charged on the property.
- 13.9 When the property is owned by a company or close corporation, each member or director shall be liable jointly and severally for all municipal debts charged on the property.

13.9 DECEASED ESTATES

Insert Clause 13.9.4 to read as follows:

- 13.9.4 failure to inform the Municipality that the property forms part of the deceased estate may result in the disconnection of services, until an executor has been appointed.

14. DISHONOURED PAYMENTS

Delete Clause 14 a, 14 b and 14c.

15. INCENTIVE SCHEME

Clause 15 is amended to read as follows:

The Municipality may institute incentive schemes to encourage prompt payment.

PART 4: ACCOUNTS

17. ACCOUNTS

Insert Clause 17.8r to read as follows :

- 17.8. r. any other adjustments

18. PAYMENT OPTIONS

Clause 18.3 is amended to read as follows:

- 18.3. The methods of payment shall be pronounced by the Council from time to time.

20. PROPERTY RATES AND CONSOLIDATED BILLING

Clause 20.7 is amended to read as follows:

- 20.7 The municipality shall follow the legal process to recover any portion of the debt outstanding for more than forty five (45) days.

21. LEGAL ACTION

Clause 21.1 is amended to read as follows:

- 21.1 Where an account rendered to a customer remains outstanding for more than forty five (45) days the Chief Financial Officer or in his absence the Director Revenue shall :
- a) Hand the customer's account over to a debt collector or an attorney for collection.

- b) Institute legal proceedings through its authorised agents or attorney against a customer for the arrears; or

Insertion of the following Clauses 21.1.1, Clause 21.1.2; 21.1.3; 21.1.4; 21.1.5 and 21.1.6 to read as follows:

21.1.1 If the Chief Financial Officer is of the opinion that the institution or continuation of proceedings for the recovery of any amount shall be fruitless or not cost effective the Chief Financial Officer may recommend the Council that such action not be commenced or discontinued or terminated.

21.1.2. Legal steps shall be taken to collect arrears such as in the following cases;

- Where cut-off action yielded no satisfactory result;
- Where no cut off action is possible due to the nature of the services for which the account has been rendered
- Where the arrears are older than 45 days

21.1.3 A pre-investigation into the account and debtor details is carried out before the preparation of a summons. The data of an appointed Credit Bureau is utilized. Telephonic or other forms of contact may be made with the debtor, at the municipality's discretion, prior to the issue of summons and / or other legal proceedings;

21.1.4 The following table shall be utilized to show the thresholds in respect of the debt value and the recovery action therein:

DEBT VALUE RAND	RECOVERY ACTION
Up to R500	Letter of Demand and/or Summons at the discretion of the C.F.O.
from R501 to R1000	Letter of Demand - Proceed to the issue of summons should the debtor appear to be of sufficient financial stature. <u>Any further legal action is at the discretion of the Chief Financial Officer or the Director Revenue in his absence.</u>
From R1000 onwards	Letter of Demand – Proceed to the issue of summons. Assess the likely financial stature of the debtor, incur tracing costs where appropriate and proceed along the legal route reviewing at each stage whether it is viable to continue incurring costs.

21.1.5 If the Chief Financial Officer or in his absence the, Director Revenue is of the opinion that the institution or continuation of proceedings for the recovery of any

amount shall be fruitless or not cost-effective, the Chief Financial Officer may recommend to the Council that such action be not commenced, or be discontinued or terminated.

21.1.6 The council shall then approve the write-off of such arrears, if it is satisfied with the reasons provided.

Clause 21.2 is amended to read as follows:

21.2 All Offers of Compromise, out of court settlement offers and/ or settlement offers for full and final payment received are to be approved by the Council.

22. TERMINATION / TRANSFER OF ELECTRICITY ACCOUNTS

Clause 22.3 and 22.4 is amended to read as follows:

22.3 If a current tenant terminates his/her account, the meter and the outstanding debt on that property automatically reverts back to the owner account and no further applications for tenants will be accepted

22.4. A final account that remains unpaid for a period of 30 days shall be:-

- (a) transferred to that owners current account;
- (b) recovered through our debt collection procedure.

PART 5: QUERIES, COMPLAINTS AND APPEALS

27.1 CONVENTIONAL ELECTRICITY METERS

Clause 27.1.2. be deleted.

27.2 PREPAID METERS

Clause 27.2.1 and Clause 27.2.2 is amended to read as follows:

27.2.1 Applications for prepaid electricity meter shall only be accepted from the Owner of the property.

27.2.2 The owner shall ensure that:

29. DEBT COLLECTION

Clause 29.3 is amended to read as follows:

29.3 In the event of an occupier account being in arrears for more than 30 days, the registered owner will be informed of the arrears on the account and Council's intention of terminating the account and services and linking the meter to the owner's account. The debt will revert to the owner's account.

PART 7: ARRANGEMENT FOR THE PAYMENT OF ARREARS**30. ARRANGEMENT**

Clause 30.1 a) and f) is amended to read as follows: ;

- 30.1. A customer may enter into an arrangement with the Municipality for the repayment of an arrear account by concluding:
- (a) An acknowledgement of debt duly signed by both parties.
 - (f) Only account holders with positive proof of identity or an authorised agent with a power of attorney will be allowed to enter into an arrangement for the payment of arrear accounts in instalments

Clause 30.4; Clause 30.6; Clause 30.7; Clause 30.8 is amended to read as follows:

- 30.4. The municipality or its authorised agent shall require a customer to first pay its current account before entering into an agreement to pay the arrears and shall pay every current municipal account in full and on time during the period over which such arrangement extends.
- 30.6. Electricity/Consolidated Bill: each defaulting account holder will be allowed to make a first Payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current account, plus the disconnection and re-connection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 6 months or at the discretion of the Chief Financial Officer or in his absence Director Revenue. No further arrangements will be entertained unless sanctioned by the Chief Financial
- 30.7. Reconnection of the electricity services is not guaranteed to be effected on the same day of payment.
- 30.8. Consolidated Consumer Account/Sundry Debtors: Payment of arrears together with the current account shall be paid over a maximum period of 6 months, or at the discretion of the Chief Financial Officer or in his absence, the Director Revenue.

31. Arrangement for Payment of Arrear Accounts

Clause 31.1 to Clause 31.8 is amended to read as follows:

- 31.1 The Municipality may, at its discretion, enter into a Credit Arrangement with customers in arrears for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and community charges. Such agreement must include maintenance of the current monthly charges.
- 31.2 All services must be consolidated into one account before an acknowledgement of debt is entered into.
- 31.3 The owner of a property must consent in writing to a Credit Agreement with the municipality and his tenant, whereby he acknowledges
—that he is jointly and severally liable for all arrears should his tenant default and that :

31.3.1 Re-connection and disconnection fees, where applicable, must be paid in full before any Credit Agreement can be entered into.

31.3.2 By entering into a Arrangement to Pay the customer acknowledges that failure to meet any installment will result in prompt disconnection action being taken or will be blocked from buying electricity on the Prepayment System and the balance of the arrear account together with the balance of interest raised on such account will immediately become due and payable to the Municipality. This does not preclude any legal action that the Municipality may take.

31.4 Arrangement to Pay negotiated on business accounts shall require the agreement to be signed by a duly authorized Director / Member of the company and or close corporation. Such director and member shall be obliged to sign a personal surety to secure the payment of the company and or close corporation's liability to the Municipality. Under no circumstances are agreements to be completed without such sureties.

31.5 Arrangement to Pay negotiated with Trusts shall require such agreement to be signed by a duly authorized trustee of the trust. However, all trustees are obliged to secure the indebtedness of the trust by signing a personal surety jointly and severally to secure the payment of the trusts liability to the Municipality. Under no circumstances are agreements to be completed without such sureties.

31.6 Details of the original amount of the Credit Agreement, the monthly installments and the current balance outstanding thereon are included on each subsequent account until such time as the Credit Agreement is liquidated by full payment of the debt.

31.7 Arrangement to Pay may not be granted where:

- a. Arrears have arisen due to dishonored cheques, direct debit reversals etc;
- b. Instances of repeat meter tampering have been identified, or
- c. The services have been removed.

31.8 Telephonic and SMS request for payment. Council shall authorize credit control to:-

- a) Telephone customers between the hours of 18h00 to 20h00 to advise of the arrear account and request payment
- b) To engage the services of a service provider to forward SMS messages to all customers in arrears

32. DEBT ARRANGEMENT

Clause 32.3 and Clause 32.5 is amended to read as follows:

32.3 Indigent Customers (Prepaid)

- (a) All indigent customers with arrears will be put on the 40% percentage block type and a 40% percentage of payment received to purchase electricity will be allocated to arrears.
 - c The debt as per arrangement must be settled over a period of 36 months.

32.5. Non-Indigent Customers

- (a) Non-indigent customers with arrears will be put on the information block, which will notify them that a purchase can be made but that after the purchase the information block will be converted to total block, and that the total block can only be removed after the necessary payment arrangement with Council.
- b) Payment of 40% of the arrears, together with current monthly installment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 6 months or at the discretion of the CFO or in his absence, the Director Revenue.

33. Debt arrangement – Prepayment system**33.5 Percentage Blocking**

Clause 33.5 is amended to read as follows:

Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtors arrear balance and debtors are also blocked from buying electricity for monthly charges.

40. MUNICIPAL CLEARANCE CERTIFICATES**40.1 Assessments**

Clause 40.1.8 (iii) is amended to read as:

40.1.8 Municipal Clearance Certificates

- iii An unconditional letter of undertaking maybe accepted in lieu of a cash payment in fully motivated exceptional circumstances, and subject to the written approval of the Chief Financial Officer or in his absence the Director Revenue of the Municipality.

SHORT TITLE AND COMMENCEMENT

The amendments to the Credit Control and Debt Collection Bylaws shall be called Amendments to the Credit Control and Debt Collection Bylaws of Kwa Dukuza Municipality and shall come into force and effect on 01 July 2015.

IMPORTANT Information from Government Printing Works

Dear Valued Customers,

Government Printing Works has implemented rules for completing and submitting the electronic Adobe Forms when you, the customer, submits your notice request.

Please take note of these guidelines when completing your form.

GPW Business Rules

1. No hand written notices will be accepted for processing, this includes Adobe forms which have been completed by hand.
2. Notices can only be submitted in Adobe electronic form format to the email submission address submit.egazette@gpw.gov.za. This means that any notice submissions not on an Adobe electronic form that are submitted to this mailbox will be **rejected**. National or Provincial gazette notices, where the Z95 or Z95Prov must be an Adobe form but the notice content (body) will be an attachment.
3. Notices brought into GPW by "walk-in" customers on electronic media can only be submitted in Adobe electronic form format. This means that any notice submissions not on an Adobe electronic form that are submitted by the customer on electronic media will be **rejected**. National or Provincial gazette notices, where the Z95 or Z95Prov must be an Adobe form but the notice content (body) will be an attachment.
4. All customers who walk in to GPW that wish to submit a notice that is not on an electronic Adobe form will be routed to the Contact Centre where the customer will be taken through the completion of the form by a GPW representative. Where a customer walks into GPW with a stack of hard copy notices delivered by a messenger on behalf of a newspaper the messenger must be referred back to the sender as the submission does not adhere to the submission rules.
5. All notice submissions that do not comply with point 2 will be charged full price for the notice submission.
6. The current cut-off of all Gazette's remains unchanged for all channels. (Refer to the GPW website for submission deadlines – www.gpwonline.co.za)
7. Incorrectly completed forms and notices submitted in the wrong format will be rejected to the customer to be corrected and resubmitted. Assistance will be available through the Contact Centre should help be required when completing the forms. (012-748 6200 or email info.egazette@gpw.gov.za)
8. All re-submissions by customers will be subject to the above cut-off times.
9. All submissions and re-submissions that miss the cut-off will be rejected to the customer to be submitted with a new publication date.
10. Information on forms will be taken as the primary source of the notice to be published. Any instructions that are on the email body or covering letter that contradicts the notice form content will be ignored.

You are therefore advised that effective from **Monday, 18 May 2015** should you not comply with our new rules of engagement, all notice requests will be rejected by our new system.

Furthermore, the fax number **012- 748 6030** will also be **discontinued** from this date and customers will only be able to submit notice requests through the email address submit.egazette@gpw.gov.za.

