The process will identify both the inputs and data sources (data custodians) that will be required to ensure effective support for the implementation of the Act and the Framework.

The following types of data, among others, will be required: -

- Base data (e.g. topographical, census, land cover, infrastructure, deeds, environmental)
- Dynamic data (e.g. contact and other relevant details of all role players)
- Field data (e.g. features of buildings, infrastructure)
- Situational reporting system (e.g. incidents, local conditions)
- Hazard tracking (e.g. weather conditions, flood, fire hazard conditions, droughts)
- Early warnings

- The responsibilities of the respective data custodians have been defined and assigned.
- Agreements with identified data custodians have been negotiated to ensure availability, quality and reliability of data.

7.6 ENABLER 2: EDUCATION, TRAINING, PUBLIC AWARENESS & RESEARCH

Objective

To promote a culture of risk avoidance among stakeholders by capacitating role players through integrated education, training and public awareness programmes informed by scientific research.

7.6.1 EDUCATION AND TRAINING

7.6.1.1 School Programmes

The PDMC will seek to establish links with existing awareness creation programmes in schools for the purpose of disseminating of information on disaster risk management and risk avoidance. The district municipalities will play an active part in engaging schools to ensure a practical approach to awareness programmes.

7.6.1.2 Dissemination and Use of Indigenous Knowledge

It is imperative that traditional leaders, as custodians of indigenous knowledge, play an active role at the local, district and provincial levels. The indigenous knowledge is an integral part of disaster risk management.

7.6.1.3 Training Programmes for Government Officials and Policy Makers

Training programmes for government officials and policy makers will embrace the multidisciplinary and interdisciplinary dimensions of disaster risk reduction, which will include the following:

- Development planning
- Hazard identification and assessment
- Communicable diseases
- Dry land agriculture
- Participatory rural appraisal
- Applied climate science and GIS

7.6.1.4 Community Training Programmes

Training programmes for communities will focus on disaster risk awareness, disaster risk reduction, volunteerism and preparedness. Communities will be given the opportunity to modify and enhance training programmes through the inclusion of indigenous knowledge, practices and values, and the incorporation of local experience of disasters and disaster risk management.

- There is a widespread evidence of balanced media reports and coverage on hazards, disasters and disaster risk management issues.
- Disaster risk reduction is included as a standard agenda item for consideration at executive meetings of all role players and stakeholders.
- A strategic disaster risk research agenda linked between scientific research and policies, which is accessible to stakeholders, has been established.

7.7 ENABLER 3: FUNDING ARRANGEMENTS FOR DISASTER RISK MANAGEMENT

Objective

To establish a mechanism for funding disaster risk management in the province.

7.7.1 Recommended Funding Arrangements.

Table below provides an overview of the recommended funding mechanisms for each of the five disaster risk management activities.

Activity	Funding source	Funding mechanism
Start-up activities (KPA 1, Enabler 1)	National government	Conditional grant for local government – district and metropolitan municipalities, where necessary
		Conditional grant for provinces with counter-funding component1
		Budget of national departments
Disaster risk management ongoing operations (KPAs 3 and 3)	National and provincial government	Own departmental budgets
	New assignment to local government	Increase in the (Institutional) component of the equitable share of local government
Disaster risk reduction (KPAs 2 and 3)	National departments	Own budgets
	Provincial departments	Own budgets but can be augmented by application for funding to the NDMC for special national priority risk reduction projects
	District municipalities	Own budgets but can be augmented by application for funding to the NDMC for special national priority risk reduction projects
	In the case of low-capacity, resource-poor municipalites2	Additional funding released from the NDMC targeted at these categories of municipalities
Response, recovery and rehabilitation and reconstruction efforts (KPA 4)	National government	Own budget for those departments frequently affected by disasters
		Access to Emergency Relief Fund, and Central Contingency Funds
		Reprioritize within capital budgets for infrastructure reconstruction
	Provincial government	Own budget. Particularly for those departments frequently affected by disasters
		Conditional infrastructure grants
		Access Emergency Relief Fund, and Central Contingency Funds, once threshold is exceed on a matching basis
		Reprioritize within capital budget for infrastructure reconstruction.
	Local government	Access to Emergency Relief Fund, and Central Contingency Funds, once threshold is exceeded

7. ENABLER 1: INFORMATION MANAGEMENT AND COMMUNICATION

Knowledge management, although a very broad term, relates to all the information needs and applications in order for the MLM to effectively reduce disaster risk. This KPA will be addressed by focussing on information management and communication, education and training, public awareness and research.

7.1 Information management and communication

7.1.1 Objective

- To develop a comprehensive disaster risk management information system.

7.1.1.1 The Matjhabeng Local Municipality Disaster Risk Management Information System (DRMIS)

Disaster management is a collaborative process that involves all spheres of government, as well as NGOs, the private sector, a wide range of capacity-building partners and communities. It also requires capabilities to manage risks on an ongoing basis, and to effectively anticipate, prepare for, and respond to a diverse range of natural and other threats.

Effective, co-ordinated and integrated disaster risk management is dependent on an adequate and reliable information system. It is a critical instrument to ensuring that the MLM has the capabilities to manage risk on a continuous basis; to effectively monitor disaster and risk trends and patterns for the municipality for the purposes of planning and preparedness. It is also key to ensuring rapid and effective decision making and response to disasters and major incidents.

The MLM must ensure that the DRMC has the necessary capacity and appropriately skilled human resources to manage and maintain such a system and that the MLM DRMIS is consistent with the national guideline for a disaster management information system.

The MLM and the KKDM DRMC, operating a central communication centre in partnership, should jointly evaluate their capacities and needs, and design and implement a strategic communication system.

7.1.3 Key Performance Indicators

- The disaster risk management information system has been established in accordance with the national framework and is functional.
- Mechanisms have been established to ensure that the disaster management information system including the electronic database is updated, maintained and tested at regular intervals.
- Functional communication links between all necessary role players and systems to support the activities of the DRMC have been established and are maintained.

7.1.5 Monitoring and Evaluation

In order to ensure that an effective communication system is maintained the MLM DRMC must develop and implement mechanisms for ongoing testing of the communication system and the preparation and submission of reports in this regard. The mechanisms must include regular communication exercises and test calls.

A continuous system of updating the information in the database must also be implemented to ensure the data is up to date and relevant.

21. Recommendation
All traditional leaders in the MLM area of responsibility to be made aware of disaster risk management issues, co-opted to the DMAF (where applicable) and traditional knowledge must be incorporated into the MLM disaster risk management planning and awareness programmes.

8.1.4 Community training programmes

Education and training programmes for communities must focus on risk awareness, risk reduction and preparedness. Where appropriate, communities must be given the opportunity to modify and enhance training programmes through the inclusion of indigenous knowledge, practices and values, and the incorporation of local experience of disaster and disaster risk management. Cognisance of the risk assessment for the area must be taken when such programmes are developed.

22. Recommendation
The MLM to utilise the envisaged ward disaster risk management structures to serve as a mechanism for community training.

8.1.5 Government Officials and relevant role players

Training programmes for government officials and policy makers must include modules on planning, hazards, prevention, risk reduction and preparedness.

8.1.6 Key Performance Indicators

- An assessment of disaster risk management education and training needs is conducted annually.
- Appropriate courses have been identified for the relevant interest groups.
- A disaster risk management education and training programme is developed for each financial year and is implemented.
- Comprehensive reports on education and training conducted in the municipality are submitted annually to the District and Provincial DRMCs.

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Public information should be disseminated through the media, schools, and public gatherings and through any other suitable network.

8.2.3 *Media Involvement*

The local print and radio media should be involved in efforts to increase community awareness and therefore should be included in the public awareness campaigns as far as possible.

8.2.4 *Key Performance Indicators*

- A public awareness policy with specific focus on risk reduction has been developed and implemented.
- Risk reduction is the focus of all disaster risk management awareness programmes.
- Awareness of disaster risk management is widespread and risk avoidance behaviour is an integral part of the daily lives and activities of the public of the MLM.

8.2.5 *Monitoring and Evaluation*

The MLM must conduct regular surveys and introduce other innovative mechanisms to evaluate the effectiveness of the public awareness programmes and must compile reports on the findings. The outcome of such initiatives must be used to inform future planning.

24. Recommendation
That the MLM develop a policy with regards to a public awareness programme, and ensure that the necessary funding is available.

8.3 Research

In order to stay abreast with a dynamic changing environment, the MLM must ensure a continued research agenda is developed in order to better disaster risk management practices and information.

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25. Recommendation

That the MLM develop networks with institutions of higher learning and other role-players involved with research in the area, in order to pool information and to include relevant information in training, education and awareness programmes.

These obligations are that the responsible Cabinet member, MEC or other organ of state must take appropriate steps to ensure sufficient funding and capacity-building initiatives as may be needed for the performance of the assigned function. Since disaster risk management at municipal level encompasses a wide range of activities (including disaster risk reduction, preparedness, response and recovery), funding mechanisms must be designed to allocate optimal resources to each of these activities.

Chapter 6 of the Disaster Management Act outlines two principles that should be applied to funding the cost of a disaster when such an event is declared. Firstly, section 56(2) of the Act states that in the event of a disaster, 'national, provincial and local organs of state may financially contribute to response efforts and post-disaster recovery and rehabilitation'. Secondly, the Act assigns the responsibility for repairing or replacing infrastructure to the organ of state responsible for the maintenance of such infrastructure. Section 57 of the Act, however, provides some leeway for a municipality government to request financial assistance for recovery and rehabilitation from provincial and/or national government.

The Act attempts to encourage budgeting for disaster recovery and rehabilitation through threshold funding. Section 56(3) allows the Minister to prescribe a percentage of the budget of a municipal department and entities as a threshold for accessing national funding for disaster response efforts. The extent to which an organ of state has implemented disaster risk reduction efforts will be taken into account when requests for disaster response and post-disaster rehabilitation funding are considered.

The broad funding guidelines set out in sections 56 and 57 of the Act make access to disaster recovery and rehabilitation funding contingent on organs of state earmarking funds for disaster risk reduction activities. This principle reduces the risk of moral hazard behaviour on the part of municipal departments and entities by ensuring that they budget for all disaster risk management activities. In this way, national government does not implicitly guarantee the provision of financial assistance to organs of state for disasters that could have been reasonably prevented or reduced in some way.

Apart from the Act, there are other legislative provisions that govern the release of funds for disaster recovery and rehabilitation. Sections 16 and 25 of the PFMA allow the Minister of Finance or relevant MEC to appropriate funds from their respective revenue funds for use in emergency situations. Funds released in terms of these provisions must be reported to the provincial legislature, and to the Auditor-General within 14 days of

costs associated with the MDRMC must therefore be covered by the normal budgeting process of the MLM. The incorporation of disaster risk management within other MLM departments should also enjoy attention and provision should be made for any costs incurred in this institutional capacity building exercise.

The DMA assigns responsibility for the management of local disasters to municipalities. If municipalities are unable to perform this function because of a lack of institutional capacity, then responsibility for managing the disaster is escalated to provincial level. However, the relevant municipality is generally the organ of state closest to the disaster and can often therefore respond the fastest. The option of providing no funding will thus create inefficiencies in the system by limiting the ability of municipal departments and entities to engage in disaster risk reduction activities and also respond effectively to disasters.

9.3.2 Funding arrangements in the Matjhabeng Local Municipality

Each municipality department must include disaster risk management activities as part of their annual budget. All aspects and responsibilities described in this plan must be taken into consideration when budgeting for disaster risk management. Each department and division should ensure that their budgets for disaster risk management are aligned with the strategic objectives of the MLM. Such alignment must also aim towards the reduction of duplication and/or address the lack of appropriate budgeting for disaster risk management.

9.4 Key performance area 1: Integrated institutional capacity for disaster risk management and Enabler 1: Information management and communication

KPA 1 focuses on creating the institutional capacity within all MLM departments for the purpose of disaster risk management. It describes the various intergovernmental structures that facilitate consultation on issues relating to disaster risk management; key responsibilities of the MDRMC and the minimum infrastructural requirements for the establishment of the MDRMC.

Enabler 1 focuses on the establishment of a comprehensive information management and communication system to ensure that all role-players have access to reliable hazard

9.5.2 Imperatives

Disaster risk assessments must be funded through the recurrent budgets of municipal departments and entities. The costs of initial disaster risk assessments undertaken by municipal departments and entities must be included in the start-up costs and funded through the local government conditional grant.

9.5.3 Key performance indicators

- Disaster risk assessment is a budgeted for and is a cost item on the budget of each municipal department and entity.

9.6 *Key performance area 3: Disaster risk reduction*

In terms of funding arrangements, this KPA can be separated into disaster risk management planning and disaster risk management implementation. The Act requires all spheres of government to plan and implement disaster risk reduction projects and programmes in line with the IDP of the municipality.

9.6.1 Funding options

Disaster risk management planning must be included in the IDP of the MLM. Sectoral plans must also include specific disaster risk management plans for the relevant departments within the municipality. These planning processes must be funded through the budgets of the relevant municipal departments and entities. If disaster risk management planning is integrated into general IDP processes, then little or no additional budgetary allocation for disaster risk management will be required.

Municipal departments and entities must include risk reduction as part of a broader strategy to reduce the overall risk and fiscal exposure of their organisations. In addition, risk reduction activities, including preparedness, must be part of the operational activities of the various municipal departments and entities and must be reflected in their plans and budgets. Any new infrastructure developments should include the costs of structural mitigation measures.

activities may be underfunded. In addition, municipalities may not have sufficient resources to fund the extra costs associated with preparedness.

9.6.3 Imperatives

Cost expenditure on routine disaster risk management activities must be funded through the budgets of the relevant municipal department or entity.

Preparedness must be funded through the budgets of municipal departments and entities as part of their routine disaster risk management activities.

Additional structural mitigation infrastructure must be funded through local government conditional infrastructure grants.

9.6.4 Key performance indicators

- Budgets in all municipal departments and entities include the costs of routine disaster risk reduction measures and activities.
- Preparedness actions are funded through the recurrent budgets of all relevant municipal departments and entities.
- Feasibility studies for capital projects include information drawn from disaster risk assessments and appropriate disaster risk reduction measures.
- Capital budgets clearly reflect the cost of disaster risk reduction.

9.7 *Key performance area 4: Response and recovery*

Chapter 6 of the Act governs the funding arrangements for disaster response and recovery and rehabilitation and reconstruction. Section 56(3) requires that organs of state set aside a percentage of their budgets for post-disaster recovery efforts. Access to national funding is dependent on whether the organ of state affected by the disaster had taken sufficient risk reduction measures to reduce the severity and magnitude of the disaster.

9.7.1 Funding options

The main activities within the broad scope of disaster response and recovery include:

The Act entrenches this principle of self-funding by allowing the Minister designated to administer the Act to prescribe a percentage of the budget of a municipal department and entity that will act as a threshold for accessing future funds from the central contingency fund.

The National Disaster Management Framework suggests that the Matjhabeng Local Municipality allocates a threshold of 1% of its own revenue to funding response and recovery (see Table 7.2 in the National Disaster Management Framework). This threshold must be viewed within the context of the magnitude and extent of a disaster. The threshold must be reviewed at least two years after the publication of the framework, once information on the costs of different disasters are available.

Once the MLM has exhausted its thresholds, it should then request financial assistance from the Northwest Provincial Government. If the equitable share increases, then the basis for determination of the threshold percentages can be changed to the total revenue received by the municipality.

The department must ensure mechanisms are put in place by which funding can be accessed from the MLM central contingency reserve. Such mechanisms must be linked to strict guidelines and should only be accessible once a disaster has been declared in terms of the DMA.

9.7.1.3 Relief measures

The aim of relief measures is to provide immediate access to basic necessities for those severely affected by disasters. The National Disaster Fund, disburses funds for emergency relief to communities.

These funds are budgeted for in the Department of Social Development's vote. Provincial departments of social services and poverty alleviation also provide relief to affected communities. The MLM must establish a mayoral discretionary fund aimed at providing relief to local communities (*need to check if this is viable in the LM*).

Action to be taken:

Measures need to be implemented to ensure that disaster response and recovery operations are funded through the budgets of municipal departments and entities up to the prescribed threshold. Once the threshold is reached, additional funding would be needed to be accessed through the central contingency fund.

Funding mechanisms for relief measures need to be reviewed in order to reduce the time it takes victims of disasters to gain access to relief assistance.

As far as possible municipal departments and entities must fund rehabilitation and reconstruction projects from their own budgets and conditional grants.

Mechanisms for the rapid release of funds from the central contingency reserve for the reconstruction of basic-service infrastructure where infrastructure is needed to safeguard lives and livelihoods must be developed.

9.7.3 Key performance indicators

- The development, implementation and dissemination of early warnings are funded through the recurrent budgets of the relevant municipal department and entities.
- The percentage of the budget of a municipal department and entity as a threshold for accessing additional funding from provincial and national government for response and recovery efforts has been established and implemented.
- Response and recovery efforts are funded through budgeted threshold allocations.
- A mechanism has been developed to ensure rapid access to national funds for disaster response.
- Municipal departments and entities have budgeted for threshold allocations.
- People, households and communities affected by a disaster have immediate access to relief measures.
- Financial thresholds for rehabilitation and reconstruction funding have been set.
- Rehabilitation and reconstruction efforts are funded through a combination of own budgets, reprioritisation, budgeted threshold allocations and conditional grants.

The MLM should also forge links with CBOs, NGOs and the private sector in order to share costs for dedicated public awareness programmes that focus on priority risks.

Research programme and information and advisory services

Once the MDRMC has developed its research agenda, it should approach various other government departments, international donor organisations, private companies, research foundations and NGOs to fund disaster risk management research. The MDRMC must also allocate a portion of its budget to research activities and routine post-disaster reviews. Technical line departments that are regularly affected by disasters must budget for research on priority risks and disaster risk reduction.

The content of the information management database must be electronically accessible to any person free of charge. The cost of information provision and advisory services should be kept to a minimum and funded through the budget of the MDRMC awareness programmes that focus on priority risks.

9.8.2 Imperatives

The costs associated with accredited education and training must be recovered through SETAs. This should be seen as the funding mechanism of choice. The costs associated with education and training programmes that are not accredited must be funded through the budgets of the relevant municipal department and entity.

The cost of research must be funded through the budgets of the MDRMC and by the private sector, research foundations, NGOs and donors.

9.8.3 Key performance indicators

- There is documented evidence of an increase in expenditure on accredited education and training programmes.
- Municipal departments and entities recover their expenditure on accredited education and training from the relevant SETAs.
- The conditions of the MSIG have been extended to cater for disaster risk management education and training programmes.

EXECUTIVE SUMMARY

The Constitution of the Republic of South Africa (Act 108 of 1996) places a legal obligation on the Government of South Africa to ensure the health (personal and environment) and safety of its citizens. In terms of section 41(1)(b) of the Constitution, all spheres of Government are required to "*secure the well-being of the people of the Republic*". Section 152(1)(d) also requires that local government "*ensure a safe and healthy environment*". In the light of the above, and the established understanding of disaster risk management, the primary responsibility for disaster risk management in South Africa rests with Government.

Section 26(g) of the Municipal Systems Act 32 of 2000 as well as sections 52 and 53 of the Disaster Management Act 57 of 2002 compels each municipal entity to develop a disaster risk management plan as part of and an integrated part of their Integrated Development Plans. This plan establishes the arrangements for disaster risk management within the Matjhabeng Local Municipality (MLM) and has been prepared in accordance with the requirements of the Disaster Management Act, 57 of 2002 (the Act) and section 26(g) of the Municipal Systems Act, 2000.

The purpose of the Matjhabeng Local Municipality Disaster Risk Management Plan (DRMP) Level 1 is to document the institutional arrangements for disaster risk management planning which includes the assignment of primary and secondary responsibilities for priority disaster risks posing a threat in the Matjhabeng Local Municipality. It further provides the broad framework within which the departments will implement the disaster risk management planning requirements of the Act and other entities included in the organisational structure of the Matjhabeng LM. It establishes the operational procedures for disaster risk reduction planning as well as the emergency procedures to be implemented in the event of a disaster occurring or threatening to occur in council's area. It aims to facilitate an integrated and coordinated approach to disaster risk management in the municipality which will ensure that the Matjhabeng Local Municipality achieves its vision for disaster risk management which is to build a resilient people in the Matjhabeng LM who are alert, informed and self reliant by establishing risk reduction and resilience building as core principles, and developing adequate capabilities for readiness; and effective and rapid, response and recovery.

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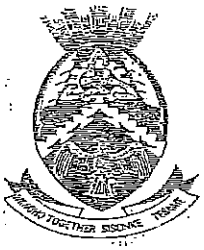
MATJHABENGMUNICIPALITY



INDIGENT POLICY

1. Aim and Objective.

1.1 This policy aims to address the key issues and challenges of indigents. The strategic aim is to create an enabling environment in which the objectives of revenue generation can be realized, given that many of the residents can simply not afford the cost of full provision of services.

1.2 Provide procedures and guidelines for the subsidization of basic service(s) charges to indigent households, using the council's budgetary provisions received from central government in accordance with prescribed policy guidelines.

1.3 Establish a fair and equitable common Indigent Policy throughout the Matjhabeng Municipality.

1.4 Facilitate implementation of effective program to assure free services to those that cannot afford it, while eliminating the booking of these services as outstanding debtors.

1.5 Provide a framework to assist the Municipality in identifying those who qualify for the limited basic services and assuring that the limits are placed as needed.

2. Scope of application

This policy document shall apply to the administration of all indigent determinations and offerings as determined by the Matjhabeng Municipality.

3. Legal Framework

The provision of socio-economic rights, which are third generation human rights by Matjhabeng municipality is in line with the provisions of the South African Constitution, Act 108 of 1996, in particular, section 27 (1) (b) & (c) which reads thus:

3.1 Everyone has the right to have access to:-

(a) Sufficient food and water, and

(b) Social security, and if they are unable to support themselves and their dependents, appropriate social assistance.

3.2 The state must take reasonable legislative steps and other measures within its available resources, to achieve the progressive realization of these rights.

4. Definitions

For the purpose of this document the following definitions will apply unless the context indicates otherwise:

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

4.2 **apparatus:** includes a building, structure, pipe, pump, wire, cable, meter, machine or any fitting,

4.3 **applicant:** means anu occupier of a premises applying to be registered as an indigent,

4.4 **council:** the municipal council of the municipality of Matjhabeng Municipality,

4.5 **credit control and debt collection:** means the functions relating to the collection of all money that is due and payable to the municipality,

4.6 **customer:** means any occupier of any premises to which the municipality has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises,

4.17 premises includes any immovable property or piece of land, the external surface boundaries of which are delineated on

4.17.1 a general plan or diagram registered in terms of the Land Survey Act, 9 of 1927) or in terms of the Deeds Registry Act, 47 of 1937, or

4.17.2 a sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, which is situated within the area of jurisdiction of the Council.

4.18 social development means Provincial Department of Social Development

4.19 tenant: One that pays rent to use or occupy land, a building, or other property owned by another.

5 Responsibilities and Delegated Authority

5.1 The Municipality must create, evaluate, review and adapt the Indigent policy and related by-laws.

5.2 The Council must oversee and monitor the implementation and enforcement of the municipality's policies in this regard.

5.3 The Municipal Manager, as accounting officer, must implement and enforce this policy and any relevant by-laws.

5.4 The Municipal Manager must establish and control the administration necessary to fulfill this policy, and report efficiently and regularly to the Councilin this regard.

5.5 The Municipal Manager may delegate authority in this regard to the Chief Financial Officer

6 Procedures and Program

6.1 Source of Funding

6.1.1 The source of funding for the indigence subsidy is the Equitable Share contribution to the municipality made by the government from the national exchequer.

6.1.2 In exceptional circumstances this can be supplemented from other revenues. Council will determine the subsidy amount or percentage, per service category, per household, on a year-to-year basis, taking into account the Equitable Share allocation.

6.1.3 The subsidy allocation must be contained in the tariff schedule and must be reviewed annually with the annual budget and tariffs.

6.2 Qualifying criteria

In order to qualify for the registration as an indigent, an applicant must satisfy the following criteria:

6.2.1 the usage of the premises must predominantly be for private residential,

6.2.2 the applicant must be legally entitled to occupy and use the premises,

6.2.3 the total household income must not exceed the combined pensions of 2 state pensioners as determined by the state in the National Budget. The under mentioned grants received will be excluded from determining household income:

i. Foster Child Grant,

ii. Child Support Grant, and

iii. Care Dependency Grant.

6.3.5.5 the orphan meets all other applicable qualifying requirements set out in the policy.

6.4 Conditions

6.4.3 The Municipal Manager may instruct that prepaid meters are installed in those properties qualifying for indigent relief on electricity and water so that the consumption is within the prescribed limit.

6.4.4 The Municipal Manager may instruct that water restrictions be inserted in properties qualifying for indigent relief so that consumption is within the required level.

6.5 Application

6.5.3 Consumers that are deemed to be indigent by the Municipality shall formally apply on the prescribed form for the relief and will qualify for the indigent support program according to prescribed criteria and principles laid down in this policy.

6.5.4 The screening of applications will be done by the multidisciplinary committee to be established by the municipal manager on an adhoc bases.

6.5.5 The multidisciplinary committee may be constituted members of the various directorates in the municipality, and in his discretion the municipal manager may bring representatives of other state organs such as social development as he or she deems fits.

6.5.6 The multidisciplinary committee will be guided by the following terms of reference:

6.5.6.1 Screening of application,

6.5.6.2 Vetting applicants and/or applications

6.5.6.3 Sourcing relevant documents and information in support of the decision of the committee

6.5.7 the municipal manager to establish an appeal committee to hear appeals from applicants whose applications have been declined and not happy with the outcome.

6.5.8 The application form must contain, inter alia, the following important information:

i. details of the account holder;
ii. certified copy of applicants identification documents;
iii. number and names of dependents;
iv. applicants latest municipal account and Electricity Meter Number;
v. insert: , salary advice slip, a pension card, unemployment insurance fund card documentary evidence of the applicant's income, such as a letter from an employer and three months bank statements;
vi. if the applicant is unemployed, an affidavit declaring that he is unemployed and stating any income that he may have despite being unemployed in consultation with the Department of Labour;
vii. the names and identity numbers of all occupants and or tenants over the age of 18 years who are resident at the premises,
viii. The ward councilor or PR councilor's recommendation,

vi. The process of transferring the property to the heirs or legal successors is finalized.

8.8 When a non-indigent customer becomes indigent the debt of the customer, excluding the current year's charges must be parked. Interest on arrear charges will not be applicable to indigent customer accounts.

9. Indigent Benefits

The Council shall from time to time determine the overall subsidy for indigent debtors. This amount includes rates, water, sewerage availability, refuse removal and Value Added Tax.

9.1 Reservation

Council reserves the right to decline any application if it appears that consumption of water is likely to exceed the minimum subsidized water consumption (currently 6 kl).

9.2 Water

9.2.1 Indigent households are entitled to free minimum subsidised water consumption as determined by Council (currently 6 kilolitres).

9.2.2 Water consumption in excess of the free allocation will be charged for according to the current applicable water tariff.

9.2.3 The benefit of the "free" water will be based on the tariff of the consumption level above the "free" kilolitres.

9.2.4 The Municipality will put measures in place to install meters which will restrict the flow to the minimum subsidized kilolitres per month, but its failure to do so does not allow for violations of the "free" water limit under this Policy.

9.2.5 Notwithstanding anything else in this Policy, if the resident uses more than the free allocation and does not pay for the additional water by the due date, his service must be restricted.

9.2.6 All water leakages shall be repaired by and at the cost of Matjhabeng provided such leakages are reported within 24hrs of detection.

9.3 Electricity

The indigent debtor is entitled to receivefree minimum subsidized electricity consumption as will be determined by Council (currently 50 kWper month). A pre-paid Electricity Meter must be installed on the premises.

9.4 Sewerage

The indigent debtor is exempted from paying for sewerage.

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12.2.1 Any person found to have illegally connected or reconnected to municipal services, tampered with meters, the reticulation network or any other supply equipment and apparatus or committed any unauthorised service associated with the supply of municipal services, as well as theft and damage to Council property, will be disqualified as indigent, deregistered as such and be liable for penalties as determined from time to time.

12.2.2 Council will immediately terminate the subsidy and the supply of services to an indigent should such conduct as outlined above be detected.

12.2.3 The total bill owing, including penalties, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by council if applicable, becomes due and payable before any reconnection can be sanctioned.

12.2.4 Council's penalties and applicable By-laws will be effected.

12.2.5 The debt collection process as outlined Credit control and Debt Collection policy shall become applicable immediately.

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MATJHABENG MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

(Revised May 2014)

1. SCOPE OF THE POLICY

1.1 This Policy applies to all administrations within the defined boundaries of the Matjhabeng Municipality and all the debtors of these administrations.

1.2 This policy shall be enshrined in a Municipal by-law in terms of the Local Government: Municipal Systems Act No 32 of 2000 and that such Policy will be binding on the public, officials and Councillors of the Matjhabeng Municipality and that no interference in the process will be permitted.

1.3 The policy is applicable until such time as it is reviewed and such revisions to the policy be approved by Council.

2. OBJECTIVE OF THE POLICY

Section 96 of the Local Government Municipal Systems Act requires that the municipality must adopt, maintain and implement a credit and debt collection policy. The responsibility for the credit control/debt collection policy lies with the Municipal Manager as effected by section 99 of the Systems Act. Sect 100 of the Systems Act states that the Municipal Manager must implement and enforce the municipality's credit control and debt collection policy. In terms of Section 99 the Executive Mayor has the supervisory authority to oversee and monitor the implementation and enforcement of the credit control and debt collection policy, and the performance of the Municipal Manager towards implementing the policy. Therefore the Executive Mayor must ensure that a report is submitted to Council at least every quarter.

The objective of this policy is to:

2.1 Focus on all outstanding debt as reflected on the customers accounts.

2.2 Provide for a common credit control, debt collection and indigent policy throughout the Matjhabeng Municipality.

2.3 Facilitate implementation throughout the municipal area.

2.4 Promote a culture of good payment habits and instil a sense of responsibility towards the payment of municipal accounts and reducing debt in order to satisfy the constitutional obligation of the Council. (i.e. service delivery)

2.5 Collect as much of the debt in the shortest possible time without any interference in the process.

2.6. Effectively deal with defaulters in accordance with the terms and conditions of the policy.

"metering period"	the time interval between two successive billed meter readings but shall exclude previous leak periods.
"MPRA"	the Local Government: Municipal Property Rates Act 6 of 2004.
"MSA"	the Local Government: Municiapl Systems Act 32 of 2000
"owner"	the person defined as such in the Municipality's Rates Policy
"prescribed form"	refers to the form required by the Chief Financial Officer from time to time.
"rates"	municipal tax levied on the valuation of property. The rate is expressed as cents in the rand.
"revenue clearance Certificate	a certificate of the kind referred to in Section 118(1) of the Act .
"social housing tenant"	any person renting any residential premises from any public legal body for less than a full rack rental or renting residential premises from a private person and receiving from the National / Provincial Government a subsidy or other amount to empower the tenant to pay the full rack rental.
"sundry charges"	a charge to a customer, not directly linked to a property, and includes charges arising from damage to Municipal property and equipment.
"80/20 pre-payment debt recover"	means a pre-payment system whereby 20% of payment is allocated to arrears and 80% is allocated to the purchase of electricity. This provision excludes Municipal employees and Councillors' arrears.

"**billing**" refers to the process of charging for services provided by issuing accounts.

"**credit control**" refers to where certain basic credit worthiness checks must be completed prior to a municipal service being provided and deposits collected.

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

"**disconnection**" means interrupting the supply of water or electricity to a debtor as a consequence of ignoring a Final Demand for payment.

"due date" refers to the final date of payment as shown on the account.

in each instance.

4.2.7 If there is an outstanding debt on the property, this debt must be settled in full, or suitable payment arrangements must be made by the owner of the property, before any customer/owner is registered for services.

4.2.8 Customers/owner who fail to register and who illegally consume services will be subjected to such administrative, civil or criminal action as the Municipality deems appropriate.

4.2.9 Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the customer/owner to advise the Municipality of such change.

4.3 The policy must be implemented with equity, fairness and consistency.

4.4 All particulars related to debtors and their accounts must be correct at all times.

4.5 Debtors and arrangements to repay debtors shall be treated historically, but different repayment periods may be determined for different types of service, debtors or areas with a general rule that repayment periods should be in accordance with the instalments that the debtors can afford.

4.6 The implementation of this policy shall be based on sound business practices. This includes credit worthiness checks when new application for service is made.

4.7 New services will only be provided if there is a clearance certificate indicating all amounts due in respect of municipal services, surcharge on fees, property rates and other municipal taxes, levies and duties at the customer's previous address, if applicable.

4.8 The policy must be supported by a comprehensive communication and education strategy.

4.9 Where alternatives are available Council may provide reduced levels of service to manage the debt growth.

4.10 Debtor's may be referred to debt collection institutions and may be placed on the National Credit Rating list.

4.11 All cost incurred by Council including collection fees, attorneys fees and client fees relating the collection process shall be deemed to be tariff charges and shall be recovered from debtors.

4.12 Interest charged on overdue accounts will start on due date and shall be calculated until payment is made. The interest charged may appear in the following month's account.

The implementation of the credit control and debt collection policy may be applicable to the total outstanding account/s of a debtor and not selective accounts and it will not reverse any prior policy decision before this one.

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- To assist the Municipal Manager in the execution of his duties, if and when required.
- To provide funds for the training of staff.

6.2 Duties and Functions of the Mayor, or Executive Committee

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

6.3 Duties and Functions of Ward Councillors

- To hold regular ward meetings wherein the Credit Control and Debt Collection policy and procedures of Council are addressed.
- To adhere to and convey council policies to resident and ratepayers and in particular the credit control and debt collection policy and procedure.
- To adhere to the Code of Conduct for Councillors.
- To act in terms of roles and functions as approved by Council and assist in the dissemination and distribution of information.

6.4 Responsibilities of all councilors

- To always pay amounts that are owed in respect municipal rates, taxes and services as required by section 12A of Schedule 1 of the Municipal Systems Act and not to default on payments for a period longer than 3 months.
- The municipality may deduct any outstanding amounts from a councillor's allowance, if the councillor has not paid amounts that are due to the municipality for more than 3 months.
- The normal credit control procedures shall also apply to any arrear account of a councillor.
- All agreements with Councillors must not exceed the expiry date of the term of office.

6.5 Duties and Functions of the Municipal Manager

The Municipal Manager, as the accounting officer of the municipality, must take all reasonable steps to ensure that –

- the municipality has effective revenue collection systems consistent with Section 95 of the Act and the Municipality's Credit Control and Debt Collection bylaws and the National Credit Act;
- revenue due to the municipality is calculated on a monthly basis;
- accounts for municipal tax and charges for municipal services are prepared on a monthly basis;

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7 CREDIT CONTROL

7.1 All new applications for the provision of any service will be subjected to the payment of a deposit and completion of the standard prescribed form.

The Council may from time to time review the deposit to be paid by the consumers in terms of this section and, in accordance with such review;

(a) require that an additional amount be deposited by consumer; or

(b) credit the account of consumer with such amount as may be held by the municipality in excess of the review deposit.

The municipality shall give the owner or the occupier of the premises where municipal services are rendered reasonable notice of any increase of the deposit.

7.2 The Council may determine due to the debtor's municipal payment record or any other credit information of any applicant that an adjustment to the basic deposit be made.

7.3 The application form makes provision for submission of board resolutions delegating authority to the applicant on behalf of any business and all other information required, as well as the commitment by any member, partner, trustee, director or wherever applicable to sign as surety in their individual capacity in the case of non-payment of municipal accounts by any principal on whose behalf the applicant is acting.

7.4 It is the responsibility of all consumers to ensure that he/she/it receives a monthly account, and if no account is received, the consumer should contact the municipal offices in his/her or its area to obtain such an account or amount, whether telephonically or in person, to be paid not later than the due date.

7.5 Should any person, business or other entity be in arrears with any services owing to the municipality tenders for delivery of any service or goods to the municipality, such tender will not be considered until all arrear debts owing to the municipality are liquidated.

7.6 Sequestration or liquidation procedures may be instituted where statutory acts of insolvency are committed.

7.7 However, special arrangement for payment of accounts in arrears for businesses or non-residential consumers may be entered into, subject to the provisions of paragraph 6.5 above.

7.8 Deposits will be payable by all applicants, except those who are exempted from doing so by any relevant act or ordinance applicable and to which provisions the local Government/municipality's authority is subjected to.

7.9 No Councillor or Council employee will be allowed to fall in arrears on services or rates account, should this happen such Councillors or employees will be dealt with in terms of the applicable section of the Municipal Systems Act.

7.10 The Accounting Officer has the right to transfer any property debt owed by a tenant to that same registered owners account, in terms of section 118 (3) of the Systems Act.

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d) The arrangement will be called "Parked Arrears" as in terms of the definition thereof and interest will be raised on parked arrears in terms of Council's policy on interest, unless otherwise decided.

8.1.6 With regard to discontinuing services, the following procedure will be followed and strictly adhered to:

a) The notice must be left at the property of the debtor, advising that the supply has been disconnected and that all electric points should be considered live and water outlets should be closed so that damage is not caused.

b) The notice will also advise that the supply will only be reconnected after the amount specified on the notice has been paid or adequate arrangements be concluded.

c) The notice must also warn about the consequences of unauthorised reconnection.

d) Should any services be reconnected, this will be done as soon as possible after payment is received or arrangements made in terms of the arrangements referred to above.

e) The notice should also advise the debtor that the unauthorised reconnection of a service supply is a criminal offence, and will result in legal action being taken. In this event the water or electricity supply will be so effectively disconnected that it cannot be reconnected. Any reconnection will be considered as a new application for services and the installation costs as determined by Council plus the full amount of the arrears and any unauthorised consumption will have to be paid before reconnection. The installation costs will also be considered as payable before reconnection, which costs will be determined by Council from time to time.

f) However, under exceptional circumstances, adequate arrangements made for payment may in the discretion of the authorised officials be accepted based on merits and in terms of all principles regarding and applicable to this credit policy.

8.1.7 In the Council's discretion, the Council will encourage the installation of energy dispensers at all times, but the policy will be that debtors whose electricity and/or water supply have been disconnected three times because of non-payment, will be compelled to install such a dispenser at own expense before the supply is reconnected, and they should also prove that arrangements for payment of debts and arrears have been made and accepted. It is also to be demanded that 25% of the value of units purchased for electricity or water may be allocated towards the payment of any municipal arrears of any nature.

8.1.8 Dishonoured payments by cheque or otherwise regarding payments for rates, general services, other services or payment of fines such as traffic fines etc. Any dishonoured cheque or other negotiable instrument will be handled as follows:

a) If the drawer of the cheque is an existing debtor of the Council in terms of the application form, bank costs will be debited to the account of the debtor. Debtor will be informed of the dishonoured payment by telephone, fax or personal visit with a letter of notification.

9.2.4 Leases will be drafted and entered into in terms of the applicable Housing Rental Act and the Council's officials will also see to it that all provisions of the said Act be complied with.

10 PAYMENT OF RENTAL

10.1 Should any debtor fail to make payment and do not enter into negotiations with the Council for re-scheduling or re-payment of arrears, the bond may be called up or the necessary steps may be instituted to collect arrear rentals and/or arrear bond payments and necessary steps in terms of the Act for the Prevention of Illegal Eviction, No 19 of 1998, might be enforced through legal action.

10.2 Should negotiations for re-scheduling of payments be successful, it will include payment of current debt plus arrears per month. Should such an arrangement be reached, it will suspend the debt collection process in terms of the negotiated agreement.

10.3 Interest will be charged according to Council policy.

10.4 The Ward Councillor will be informed of defaulting debtors or purchasers of property and will be requested to follow up and to protect the interest of Council as far as possible.

10.5 Statutory Notices are only required in cases where debtors default on payments regarding purchase of property by instalments for a period more than 12 (Twelve) months and the officials concerned will see to it that such notices be sent in terms of the relevant Act.

10.6 The debtor will be responsible to pay all legal costs, including collection fees, attorney client fees and applicable interest and should legal action already have been taken, an acceptable debt re-scheduling agreement must be entered into before legal action is stopped and the costs concerned paid by the debtor.

10.7 In the discretion of the officials concerned on behalf of Council, the following payments will be required from debtor prior to stopping legal action:

10.7.1 After the issue of summons: normal payment plus arrears to be paid in three (3) monthly payments plus all legal costs as in terms of Council's policy;

10.7.2 Judgment having been obtained: normal charges plus 2 time total payments plus all legal costs as in terms of Council's policy;

10.7.3 Eviction day: all legal costs in terms of Council's policy and all arrears.

10.8 Should an arrangement be not adhered to, Council maintains the right to proceed with further legal action without any notice.

10.9 All payments to be made in terms of rental schemes or selling of property contracts are to be made in advance by due date.

10.10 The attorney will only start legal process with letters of demand where applicable and will always act in terms of the general conditions of this policy and in terms

By the debtor

12.2.1 The dispute must be submitted in writing or dictated to the official who will record it in writing and have it signed as correct. The document must then immediately be lodged with the relevant authorised official.

12.2.2 No dispute will be registered verbally whether in person or over the telephone.

12.2.3 The debtor must furnish his full personal particulars including his account number, direct contact telephone number, fax number, e-mail addresses and any other relevant particulars required by the Municipality.

12.2.4 The full nature of the dispute must be described in the correspondence referred to above.

12.2.5 The onus will be on the debtor to ensure that he receives a written acknowledgement of the dispute.

By the Municipality

12.2.6 On receipt of the dispute the following actions are to be taken:

a) All disputes received are to be recorded in a register kept for that purpose. The following information should be entered into this register:

(i) debtors account number;
(ii) debtors name;
(iii) debtors address;
(iv) full particulars of the dispute;
(v) name of the official to whom the dispute is given to investigate and resolve in accordance with the provisions contained in this Policy;
(vi) actions that have, or were, taken to resolve the dispute;
(vii) signature of the controlling official

b) An authorised controlling official will keep custody of the register and conduct a daily or weekly check or follow-up on all disputes as yet unresolved.

c) A written acknowledgement of receipt of the dispute must be provided to the debtor.

12.2.7 The following provisions apply to the consideration of disputes:

a) All disputes must be concluded by the Municipal Manager within 14 (fourteen) calendar days from receipt thereof.

b) The Municipal Manager's decision is final and will result in the immediate implementation of any debt collection and credit control measures provided for in this Policy after the debtor is provided with the outcome of the appeal.

c) The same debt will not again be defined as a dispute in terms of this paragraph and will not be reconsidered as the subject of a dispute.

d) If the debtor is not satisfied with the outcome of his dispute, he or she may lodge an appeal in terms of section 62 of the Systems Act.

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b. The Municipality shall liaise with the relevant staff on repayment of their arrears.

c. The staff member must sign a credit authority in accordance with this Policy.

d. No special treatment shall be afforded to staff in arrears.

14.2 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.

14.3 Where the staff or Councillor's arrears have arisen due to any other reason, such arrear must be paid within 3 months with interest.

14.4 Bonus payments and thirteenth cheques may be appropriated to the whole debt where suitable arrangements have not been made to pay off the debt.

14.5 On appointment to a higher post, employees who have signed a credit authority shall increase their installments on the credit authority in accordance with their new salary increase.

14.6 All new employees to the Municipality are required to sign Direct Debits for the services registered in their names.

15. FULL AND FINAL SETTLEMENTS FOR ACCOUNTS OLDER THAN 2 YEARS

(a) The Chief Financial Officer shall be at liberty to appropriate monies received in respect of any of its municipal services it deems fit.

(b) Where the exact amount due and payable to the Council has not been paid in full, any lesser amount tendered to and accepted by any Council employee, except the Chief Financial Officer and/or his/her fully authorised delegate, shall not be deemed to be in final settlement of such an amount.

(c). The provisions in 2.3(a) above shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full settlement.

(d) The CFO and/or his/her delegate shall consent to the acceptance of such a lesser amount in writing.

(e) In cases where the account is disputed, the Accounting Officer will determine the amount to be written off.

(f) The Accounting Officer and /or his/her delegate shall consent to the acceptance of such a lesser amount in writing.

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MATJHABENG MUNICIPALITY

PROPERTY RATES POLICY

Annual Review 2013/ 2014

IMMOHO TOGETHER SISONKE TESAME

REVIEWD

MATJHABENG LOCAL MUNICIPALITY

PROPERTY RATES POLICY

1. LEGISLATIVE CONTEXT

1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.

1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.

1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a local municipality in accordance with-

a. Section 2(1), may levy a rate on property in its area; and

b. Section 2(3), must exercise its power to levy a rate on property subject to-

i. Section 229 and any other applicable provisions of the Constitution;

ii. the provisions of the Property Rates Act and the regulations promulgated in terms thereof; and

iii. the rates policy.

1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the Council of a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.

1.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.

1.6 This policy must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and the regulations promulgated in terms thereof.

2. DEFINITIONS

2.1 "Act" means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

2.2 "Agent", in relation to the owner of a property, means a person appointed by the owner of the property-

(a) to receive rental or other payments in respect of the property on behalf of the owner; or

(b) to make payments in respect of the property on behalf of the owner;

2.3 "Agricultural purpose" in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game; 2.4 "Annually" means once every financial year;

(c) in relation to a land tenure right referred to in paragraph (c) of the definition of "property", means a person in whose name the right is registered or to whom it was granted in terms of legislation; or

(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled",

provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:-

(i) a trustee, in the case of a property in a trust excluding state trust land;

(ii) an executor or administrator, in the case of a property in a deceased estate;

(iii) a trustee or liquidator, in the case of a property in an insolvent estate or in

(iv) a judicial manager, a legal person and person in the case of a property in the estate of a person under the following:

(v) a curator, in the case of a property in the estate of a person under curatorship;

(vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

(vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or

(viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

2.14 "Person" includes an organ of state.

2.15 **"Privately owned towns serviced by the owner"** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

2.15.1 "Private owned property" means property not owned or vested in the state or an organ of state.

2.16 "Property" means -

(a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;

(b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

(c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or

(d) public service infrastructure.

2.20 "state trust land" means land owned by the state-

(a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;

(b) over which land tenure rights were registered or granted; or

(c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994).

2.21 "Rateable property" means property on which the Council may in terms of sections 2 and 7 of the Act levy a rate ,excluding property fully excluded from the levying of rates in terms of section 17 of the Act.

2.22 "Technical and other colleges" means a public college and a private college as contemplated in the further education and training college act 16 of 2006.

2.23 "Threshold" means the amount , determined from time to time by the Council during its annual budget process referred to in section 12(2) of the act, to be deducted from the market value of residential properties, resulting in rates to be determined on the balance of the market value of such properties only.

3. POLICY PRINCIPLES

3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.

3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.

3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.

3.4 In accordance with section 3(3) of the Act, the rates policy for the municipality is based on the following principles:

(a) Equity

The municipality will treat all ratepayers with similar properties the same.

(b) Affordability

The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.

(c) Sustainability

will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

7. CATEGORIES OF PROPERTY

7.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-

7.1.1 Residential properties;(Includes Town Houses ,Flats, Single Units and Multi Units)

7.1.2 Industrial properties;

7.1.3 Business properties; (Retail shops, Commercial office block)

7.1.4 Shopping Mall/Centre

7.1.5 Agricultural properties;

7.1.6 Small Holdings;

7.1.7 State owned properties;

7.1.8 Municipal properties used for essential services;

7.1.9 Municipal properties leased to private individuals for private use.

7.1.10 Public service infrastructure referred to in the Act;

7.1.11 Properties owned by Public Benefit Organisations;

7.1.12 Public worship

7.1.13 Educational;

7.1.14 Residential Vacant Stands.

7.1.15 Commercial Vacant Stands

7.1.16 Crèche

7.1.17 Guest House

7.1.18 Mining

7.1.19 Multi Purpose

7.1.20 Private Road

9. PROPERTIES USED FOR MULTIPLE PURPOSES

9.1 Rates on properties used for multiple purposes will be levied in accordance with the "dominant use of the property".

9.2 Taverns, Bed and breakfast, Mechanical workshop practices will still need to operate from municipal authorised or zoned properties if not, they will be rated in accordance with "dominant use of the property, in addition, the 35% of the market value will be imposed as a non compliance penalty.

10. DIFFERENTIAL RATING

10.1 Criteria for differential rating on different categories of properties will be according to:-

(a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.

(b) The promotion of local, social and economic development of the municipality.

10.2 Differential rating among the various property categories will be done by way of:-

(a) setting different cent amount in the rand for each property category; and

(b) by way of reductions and rebates as provided for in this policy document.

11. EXEMPTIONS AND IMPERMISSIBLE RATES

11.1 The following categories of property are exempted from rates:-

(a) Municipal properties

All Municipal properties rendering basic services under municipal management are exempted from paying rates as it will increase the rates burden or service charges to property owner, consumers and communities. However, where municipal properties are leased to private individuals, the lessee will be responsible for the payment of determined assessment rates.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. For the 2012/2013 financial year the maximum reduction is determined as R75- 000. The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. The remaining R60 000 is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.

(c) Public Service Infrastructure

The first 30% of the market value of Public Service Infrastructure is exempted from paying rates as allowed for in the Act as they provide essential services to the community.

Property used for purposes declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

(f) *Museums, libraries, art galleries and botanical gardens*

Property registered in the name of private persons, open to the public and not operated for gain.

(g) *Animal welfare*

Property owned or used by organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis sch as SPCA.

(h) *Cemeteries and crematoriums*

Property used for cemeteries and crematoriums.

(i) *Welfare institutions*

Properties used exclusively as an orphanage, non-profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by the inmates, laundry or cafeteria facilities; provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

(j) *Charitable institutions*

Property owned or used by institutions or organizations whose aim is to perform charitable work on a not-for-gain basis.

11.5 All possible benefiting organisations in clause 11.4 must apply annually for exemptions. All applications must be addressed in writing to the municipality by 30 April for the financial year in respect of which the rate is levied. If the exemption applied for is granted the exemption will apply for the full financial year.

11.6 Public benefit organisations must attach a SARS tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962) to all applications.

11..6.1 Grains and Oilseeds Silo Storages.

11.7 The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

11.8 The extent of the exemptions implemented in terms of 11.1 to 11.4 must annually be determined by the municipality and included in the annual budget.

12. REDUCTIONS

12.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:-

12.1.1 Partial or total destruction of a property.

iii. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year.

(b) Privately owned towns serviced by the owner

The municipality grants an additional rebate, to be determined on an annual basis, which applies to privately owned towns serviced by the owner qualifying as defined in clause 2.14 of this policy. All applications must be addressed in writing to the municipality by 30 April for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2013/2014 financial year the rebate is determined as 20%.

(c) Agricultural property rebate

i. When considering the criteria to be applied in respect of any exemptions, rebates and reductions on any properties used for agricultural purposes the municipality must take into account:-

a. the extent of rates related services rendered by the municipality in respect of such properties.

b. the contribution of agriculture to the local economy.

c. the extent to which agriculture assists in meeting the service delivery and developmental objectives of the municipality; and

d. the contribution of agriculture to the social and economic welfare of farm workers.

ii. In terms of section 84 of the Act the Minister for Provincial and Local Government, and in occurrence of the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by the Council on a category of non residential property may not exceed the ratio to the rate on residential property. In the absence of any such promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% rebate on the tariff for residential properties).

iii. An additional rebate of maximum 10% in total will be granted by the municipality in respect of the following:-

a. 2,5% for the provision of accommodation in a permanent structure to farm workers and their dependants.

b. 2,5% if such residential properties are provided with potable water.

c. 2,5% if the farmer for the farm workers electrifies such residential properties.

d. 2,5% for the provision of land for burial to own farm workers and educational and recreational purposes to own farm workers as well as people from surrounding farms.

vi. The granting of additional rebates is subject to the following:-

a. The farm owner must be taxed by SARS as a farmer and proof to this extent in the form of the last tax assessment must be submitted. If no such tax assessment can be submitted, proof is required that income from farming activities exceeds 40% of the household income.

b. All applications must be addressed in writing to the municipality by 30 April indicating

(c) Retired and Disabled Persons Rate Rebate

i. Retired and Disabled Persons, not registered as indigents, qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-

a. occupy the property as his/her normal residence;

b. be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;

c. be in receipt of a total monthly income from all sources as annually determined by the municipality (including income of spouses of owner);

d. not be the owner of more than one property; and

e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.

ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality. Applications must be accompanied by-

a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;

b. sufficient proof of income of the owner and his/her spouse;

c. an affidavit from the owner;

d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and

e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.

iii. All applications must be addressed in writing to the municipality by 31 May for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2013/2014 financial year the total monthly income and corresponding rebate is determined as follows:-

a. R0 to R2 160 per month - 90%.

b. R2 161 to R5 000 per month - 70%.

c. R5001 to R7000 per month - 50%

d. R7 001 to R9 000 per month - 30%.

e. R9 001 to R13 000 per month - 20%

iv. The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

13.3 Properties with a market value below a prescribed valuation level of a value to be determined annually by the Municipality may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.

13.4 The extent of the rebates granted in terms of 13.1 and 13.2 must annually be determined by the municipality and included in the annual budget.

2) Disclosing the name of the owner as registered in the deeds registry and the number and date of the deed relating thereto.

3) Stating that such rates are unpaid and giving particulars thereto.

4) Demanding payment thereof, and

5) Stating that in default of payment thereof together with interest thereon ,within three months after the date of the last publication of such notice ,the council will take possession of and sell such property.

To be published once in the gazette and once a week for the three consecutive weeks in the press.

(b) If after the expiration of the 3 months after the last publication of the notice referred to in paragraph (a) such arrears rates and the interest thereon have not been paid, the council may take possession of such ratable property and sell it by public auction: provided

(i) the auction shall be advertised by notice published once in the gazette and once a week for the consecutive weeks in the press.

(ii) if the property is mortgaged, the council shall, at least 7 days before the first publication of the notice advertising the auction ,give every mortgage a written notice of its intention to sell the property ,and

(iii) if, before the auction is commenced, the owner pays the rates and interest thereon together with the expenses incurred by the council in connection with the ratable property in terms of this sub-section ,the property concern shall not be sold and the owner may resume possession thereof.

14.9.1 Municipal owned Residential Properties that are occupied by the Municipal Employees or any other legal person; the incumbent will be liable for market related payments for rates purposes as per the Valuation Roll.

14,10 IMMOVABLE PROPERTY NOT TO BE TRANSFERED UNLESS RATES etc THEREON PAID.

14.11 RECOVERY OF RATES

(1)Rates levied by a council shall be a debt due to such council, and such council may, in addition to the powers it may exercise in terms of subsection (2) and (3), sue for and recover such rates by action in any court of competent jurisdiction.

(2) whenever any rates are payable to a council by a person in respect of rateable property of which such person is the owner ,the Municipal Council may, after having given written notice to such owner that such rates are due and payable, order the occupier of the rateable property by a notice in writing to pay the rent which is , or may become due and payable by such occupier in

15. ACCOUNTS TO BE FURNISHED

15.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-

(i) the amount due for rates payable,

(ii) the date on or before which the amount is payable,

(iii) how the amount was calculated,

(iv) the market value of the property, and

(v) rebates, exemptions, reductions or phasing-in, if applicable.

15.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.

15.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

16. PHASING IN OF RATES

16.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.

16.2 The phasing–in discount on the properties referred to in section 21 shall be as follows:-

- First year : 75% of the relevant rate;
- Second year : 50% of the relevant rate; and
- Third year : 25% of the relevant rate.

16.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:-

- First year : 100% of the relevant rate;
- Second year : 75% of the relevant rate;
- Third year : 50% of the relevant rate; and
- Fourth year : 25% of the relevant rate.

regarded as 50% plus one of the households affected. Each relevant household within the special rating area, i.e. every receiver of a monthly municipal account, will have 1 vote only.

17.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 7 of this policy.

17.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.

17.7 The municipality shall establish separate accounting and other record-keeping systems for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.

18. FREQUENCY OF VALUATION

18.1 The municipality shall prepare a new valuation roll at least every 4 (four) years.

18.2 In accordance with the Act the municipality, under exceptional circumstances, may decide to extend the validity of the valuation roll to 5 (five) years by applying for approval to the MEC for Local Government and Housing in the province.

18.3 Supplementary valuations will be done on a continual basis but at least on an annual basis.

19. COMMUNITY PARTICIPATION

19.1 Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:

19.1.1 Conspicuously display the draft rates policy for a period of at least 30 days (municipality to include period decided on) at the municipality's head and satellite offices, libraries and on the website.

19.1.2 Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the municipal official website, such notice be on local and provincial news papers for the general public and stakeholders.

19.1.3 Property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a fee as determined by Council as part of its annual tariffs. Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.

19.1.4 Council will consider all comments and/or representations received when considering the finalisation of the rates policy.

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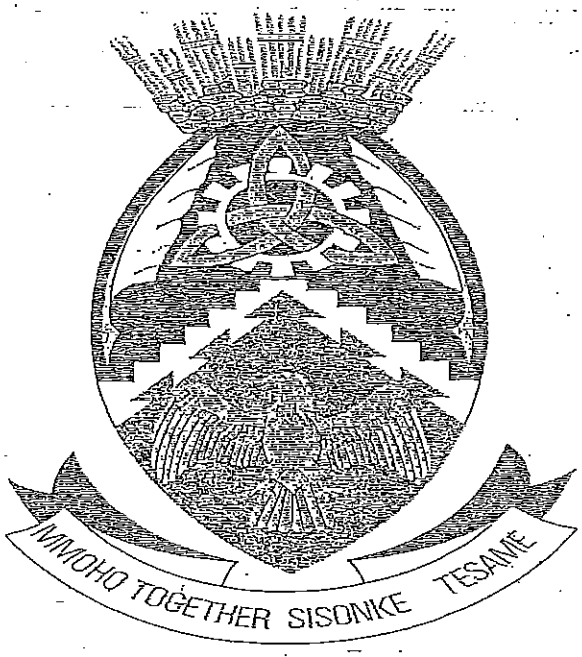
MATJHABENG LOCAL MUNICIPALITY



LIABILITY, INVESTMENT AND CASH MANAGEMENT POLICY

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5.6 Contingent Liabilities

Council may from time to time, provide financial guarantees within its legal capacity. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council will take immediate steps to recover the money. Before granting the guarantee Council can seek to secure collateral guarantees from the organization members.

These actions will be guided by S50 of the MFMA.

5.7 Foreign Currency Borrowing

Council may not raise loans in a foreign currency.

6. INVESTMENT POLICY

6.1 General Policy

Generally Council will invest surplus funds just with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990), for terms not exceeding one year in anticipation of cashflow expectations.

From time to time, with prior Council approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the treasury regulations from time to time.

6.2 Diversification

Council will only make investments with approved institutions which has an A rating as per Appendix B.

Not more than 20% of available funds will be placed with a single institution except at the discretion of the CFO because of improved returns and excluding any investments made per Council resolution.

6.3 Quotations

At least three [3] written quotations must be obtained.

Acceptance of the above must be governed in order of priority by:

6.3.1 Preservation and safety of principal;
6.3.2 Liquidity, and
6.3.3 Yield
6.3.4 Where appropriate, match dates of repayment of maturing loans.

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REGULATIONS

GNR.308 of 1 April 2005: Municipal Investment Regulations

NATIONAL TREASURY

The Minister of Finance, acting with the concurrence of the Minister for Provincial and Local Government, has in terms of section 168, read with section 13 and 99 (2) (*a*), of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made the regulations as set out in the Schedule.

SCHEDULE

ARRANGEMENT OF REGULATIONS

1. Definitions
2. Application
3. Adoption of investment policies
4. Core elements of investment policies
5. Standard of care to be exercised when making investments
6. Permitted investments
7. Investments denominated in foreign currencies prohibited
8. Payment of commission
9. Reporting requirements
10. Credit requirements
11. Portfolio diversification
12. Miscellaneous provisions
13. Existing investments
14. Commencement

1. Definitions.—In these regulations, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act, has the same meaning, and—

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

"**investee**" means an institution with which an investment is placed, or its agent;

"**investment manager**" means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, 1989 (Act No. 55 of 1989

Repealed Act
Act 55 of 1989 has been repealed by s 117 of Act 36 of 2004

), and Stock Exchanges Control Act, 1985 (Act No. 1 of 1985

Repealed Act
Act 1 of 1985 has been repealed by s 117 of Act 36 of 2004

), contracted by a municipality or municipal entity to—

(*a*) advise it on investments;

(*b*) manage investments on its behalf; or

the objectives of the policy, with due regard to the provisions of these regulations relating to—

(*aa*) the preservation and safety of investments as the primary aim;

(*bb*) the need for investment diversification; and

(*cc*) the liquidity needs of the municipality or municipal entity;

(iii) a minimum acceptable credit rating for investments, including—

(*aa*) a list of approved investment types that may be made, subject to regulation 6;

(*bb*) a list of approved institutions where or through which investments may be made, subject to regulation 10;

(iv) procedures for the invitation and selection of competitive bids or offers in accordance with Part 1 of Chapter 11 of the Act;

(v) measures for ensuring implementation of the policy and internal control over investments made;

(vi) procedures for reporting on and monitoring of all investments made, subject to regulation 9;

(vii) procedures for benchmarking and performance evaluation;

(viii) the assignment of roles and functions, including any delegation of decision-making powers;

(ix) if investment managers are to be used, conditions for their use, including their liability in the event of non-compliance with the policy or these regulations; and

(x) procedures for the annual review of the policy.

5. Standard of care to be exercised when making investments.—Investments by a municipality or municipal entity, or by an investment manager on behalf of a municipality or entity—

(*a*) must be made with such judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs;

(*b*) may not be made for speculation but must be a genuine investment; and

(*c*) must in the first instance be made with primary regard being to the probable safety of the investment, in the second instance to the liquidity

of directors of the municipal entity a report describing in accordance with generally recognised accounting practice the investment portfolio of that municipality or municipal entity as at the end of the month.

(2) The report referred to in subregulation (1) must set out at least—

(a) the market value of each investment as at the beginning of the reporting period;

(b) any changes to the investment portfolio during the reporting period;

(c) the market value of each investment as at the end of the reporting period; and

(d) fully accrued interest and yield for the reporting period.

10. Credit requirements.—(1) A municipality or municipal entity must take all reasonable and prudent steps consistent with its investment policy and according to the standard of care set out in regulation 5, to ensure that it places its investments with credit-worthy institutions.

(2) A municipality or municipal entity must—

(a) regularly monitor its investment portfolio; and

(b) when appropriate liquidate an investment that no longer has the minimum acceptable credit rating as specified in its investment policy.

11. Portfolio diversification.—A municipality or municipal entity must take all reasonable and prudent steps, consistent with its investment policy and according to the standard of care prescribed in regulation 5, to diversify its investment portfolio across institutions, types of investment and investment maturities.

12. Miscellaneous provisions.—(1) The responsibility and risk arising from any investment transaction vests in the relevant municipality or municipal entity.

(2) All investments made by a municipality or municipal entity must be in the name of that municipality or municipal entity.

(3) A municipality or municipal entity may not borrow money for the purpose of investment.

13. Existing investments.—Nothing in these regulations compels a municipality or municipal entity to liquidate an investment which existed when these regulations took effect merely because such investment does not comply with a provision of these regulations.

14. Commencement.—These regulations take effect on 1 April 2005.