MOQHAKA MUNICIPALITY

"People's power in action"

ANNEXURE

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DRAFT POLICY ON SUBSIDY SCHEME FOR INDIGENT HOUSEHOLDS FINANCIAL YEAR 2026/27

MEETING TO BE HELD ON | **29 MAY 2026**

"People's power in action"

POLICY ON SUBSIDY SCHEME FOR INDIGENT HOUSEHOLDS

2026-2027 FINANCIAL YEAR

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1. ACRONYMS/ABBREVIATIONS

"AO" – Accounting Officer in terms of Section 60 of MFMA

"AG" – Auditor General in terms of Section 193 of the Constitution

"AFS" – Annual Financial Statements as prescribed

"CFO"- Chief Financial Officer in terms of Section 80 (2) (a) & 81 of MFMA

"CoGTA" – Co-operative Governance & Traditional Affairs

"DoE"- Department of Energy

"DWS" – Department of Water and Sanitation

"ESKOM or ESCOM" – Electricity Supply Commission by Government of South Africa

"FBS" – Free Basic Services

"IDP" – Integrated Development Plan

"ITC" – Information Trust Corporation

"LED" – Local Economic Development

"MLM" – Moqhaka Local Municipality

"MM" – Municipal Manager in terms of Section 82 of MFMA

"MFMA" – Municipal Finance Management Act.56 of 2003

"MSA" – Municipal Systems Act 32 of 2000 (Not Municipal Structures Act 117 of 1998)

"MPRA" – Municipal Property Rates Act 6 of 2004

"NERSA"- National Electricity Regulator of South Africa

"NT" – National Treasury

"PT" – Provincial Treasury

"SALGA" – South African Local Government Association

"SAPS" – South African Police Services

"SASSA" – South African Social Services Agency

"SDA" – Service Delivery Agreement

"SDBIP" – Service Delivery & Budget Implementation Plan

2. DEFINITIONS of TERMS

In this Policy, unless the context indicates otherwise –

"accounting officer" – in relation to a Municipality, means the official referred to in section 60 of the Municipal Finance Management Act;

"approved budget" – means an annual budget approved by a municipal council, provincial or national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustment budget in terms of section 28 of Municipal Finance Management Act;

"allocation", in relation to a Municipality, means –

a) A Municipality's share of the local government's equitable share referred to in section 214 (1) (a) of the Constitution;
b) An allocation of money to a Municipality in terms of section 214 (1) (c) of the Constitution;
c) An allocation of money to a Municipality in terms of a provincial budget; or

d) Any other allocation of money to a Municipality by an organ of state, including by another Municipality, otherwise than in compliance with a commercial or other business transaction;

"annual Division of Revenue Act" – means the Act of Parliament which must be enacted annually in terms of section 214 (1) of the Constitution;

"basic municipal services" – means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"budget related policy" – means a policy of a Municipality affecting or affected by the annual budget of the Municipality, including:

a) the tariffs policy which the Municipality must adopt in terms of section 74 of the Municipal Systems Act;

b) the rates policy which the Municipality must adopt in terms of legislation regulating municipal property rates, or

c) the revenue and debtors management policy which the Municipality must adopt in terms of section 96 (b) of the Municipal Systems Act;

"budget year" – means the financial year for which an annual budget is to be approved in terms of section 16 (1) of MFMA;

"chief financial officer" – means a person designated in terms of section 81of MFMA; "councillor" – means a member of a municipal council;

"current year" – means the financial year which has already commenced, but not yet ended; "debt" – means:

a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments, or

b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

"delegation" – means in relation to a duty, includes an instruction or request to Perform or to assist in performing the duty;

"financial year" – means a year ending 30 June;

"local community", in relation to a Municipality, means that body of persons comprising:

a) the residents of the Municipality;

b) the ratepayers of the Municipality;

c) any civic organization and non-governmental, private sector or labour organizations or bodies which are involved in local affairs within the Municipality, and;

d) visitors and other people residing outside the Municipality who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality;

and includes, more specifically, the poor and other disadvantaged sections of such body of persons;

"local Municipality" – means a category B Municipality envisaged in section 155 (1) (b) of the Constitution (a Municipality that shares municipal executive and legislative authority in its area with a district Municipality within whose area it falls);

"municipal council" or "council" – means the council of a Municipality referred to in section 18 of the Municipal Structures Act;

"Municipal Finance Management Act" – means the Local Government: Municipal Finance Management Act No.56 of 2003, and any regulations made under that Act;

"Municipality", when referred to as –

a) a corporate body, means a Municipality as described in section 2 of the Municipal Systems Act; or

b) a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act No.27 of 1998;

"municipal manager" – means a person appointed in terms of section 54 (a) of the Municipal Systems Act (is the head of administration and also the accounting officer of the Municipality); "municipal service" – means a service that a Municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether:

a) such a service is provided, or to be provided, by the Municipality through an internal mechanism contemplated in section 76 of Municipal Systems Act or by engaging an external mechanism contemplated in the same Act; and
b) fees, charges or tariffs are levied in respect of such a service or not;

"Municipal Systems Act" – means the Local Government: Municipal Systems Act No.32 of 2000;

"municipal tariff" – means a tariff for services which a Municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

“municipal tax” – means property rates or other taxes, levies or duties that a Municipality may impose;

“property” – means

a) immovable property registered in the name of a person, and includes a unit as defined in section 1 of the Sectional Title Act No.95 of 1986;
b) a right registered against immovable property in the name of a person;

“ratepayer”, in relation to a Municipality, means a person who is liable to the Municipality for the payment of –

a) rates on property in the Municipality;
b) any other tax, duty or levy imposed by the Municipality, or fees for services provided either by the Municipality or in terms of a service delivery agreement;

“resident”, in relation to a Municipality, means a person who is ordinarily resident in the Municipality;

“service delivery agreement” – means an agreement between a Municipality and an institution or a person mentioned in section 76 (b) of Municipal Systems Act in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality;

“service delivery and budget implementation plan” – means a detailed plan approved by the mayor of a Municipality in terms of section 53 (1) (c) (ii) of MFMA for implementing the Municipality’s delivery of municipal services and its annual budget, and which must indicate:

a) projections for each month of revenue to be collected, by source, as well as operational and capital expenditure by vote;
b) service delivery targets and performance indicators for each quarter, and any other matters that may be prescribed; and includes any revisions of such plan by the mayor in terms of section 54)1) (c) of MFMA;

3. INTRODUCTION/PREAMBLE

The Municipal Council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the Municipality have access to at least the minimum level of basic services in terms of Section 152 (b) and 153 (b) of the Constitution of the Republic of South Africa.

The constitution recognizes Local Government as a distinct sphere of Government and as such also entitles it to a share of nationally raised revenue, which will enable it to perform its basic function of providing essential services to the community within its respective boundaries.

Basic services are generally regarded as to be access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads.

4. LEGISLATIVE FRAMEWORK

The Municipal indigent policy should be designed and implemented within the framework of the following legislations:

- The Constitution of the Republic of South Africa, Act No.108 of 1996;
- The Municipal Systems Act No.32 of 2000;
- The Promotion of Access to Information Act No.2 of 2000;
- Property Rates Act No.6 of 2004;
- Municipal Finance Management Act No.53 of 2003

5. POLICY BACKGROUND & PURPOSE

The key purpose of an indigent subsidy policy is to ensure that households with lower income are not denied a reasonable service, and on the contrary the Local Authority will not be financially burdened with non-payment of services. Provided that grants are received and funds are available, the indigent subsidy policy should remain intact.

To achieve the purpose, it is important to set a fair threshold level, and then to provide a fair subsidy of tariffs. A household, in order to qualify for indigents subsidy, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by the Municipality.

The purpose of this policy is also to ensure that the subsidy scheme for indigent household's forms part of the financial system of the Municipality and to ensure that the same procedure be followed for each individual case.

6. POLICY PRINCIPLES

- To ensure that Equitable Share received annually will be used for the benefit of the poor only not to subsidize rates and service charges of those who can afford to pay.
- To link this policy with the Municipality's IDP, LED initiatives and poverty alleviation programmes.
- To promote an integrated approach to free basic service delivery; and
- To engage the community in the development and implementation of this policy.

7. POLICY OBJECTIVES

- To provide basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization.
- Establish of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy.
- The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; and Co-operative government with other spheres of government.

8. SCOPE OF APPLICATION

8.1. WATER

Where the supply is metered, a subsidy of 10 (ten) kilo liters of water per month will be provided for free to indigent households. Where the supply is not metered, the subsidy will be based on flat rate charged per month in line with the approved tariff schedule. Where the account holder exceeds 10 (ten) kilo liters of water per month, he/she will be charged for the actual consumption in excess of 10 (ten) kilo liters per month at the approved tariffs. The Municipality may assist indigent households with leakages within their properties at Council's cost, with the objective of mitigating the losses that Council experience as a result of these leakages.

8.2. ELECTRICITY

The general subsidy of 50 (fifty) Kw units of electricity per property per month to all individual households will apply. Where the consumption exceeds 50 (fifty) units per month, the account holder will be charged for actual consumption exceeding 50 (fifty) units per month at the approved tariff. An amount as determined by the Council of the Municipality will be paid for first time electricity connection on a stand, unless otherwise decided by the Chief Financial Officer or the Municipal Manager.

The account holders owning individual flats will receive free 50 Kw units of electricity per month for their electricity usage/consumption if they qualify for the subsidy indigent. Indigent households will have their conventional electricity meters replaced with prepaid electricity meters at Council's cost and the households cannot negotiate this measure.

8.3. REFUSE REMOVAL

A subsidy determined at the beginning of every financial year will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff schedule applicable for the financial year. The subsidy only covers the current account and cannot be retrospectively applied to the arrears.

8.4. SEWERAGE

A subsidy determined at the beginning of every financial year will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff schedule applicable for the financial year. The subsidy only covers the current account and cannot be retrospectively applied to the arrears.

8.5. ASSESSMENT RATES

All residential properties (inclusive of indigents) will receive an exemption value as determined in the approved tariffs schedule for the financial year on the first value of the property as determined by an independent valuer appointed by the Municipality. This is income foregone and not indigent contribution

8.6 OTHER ACCOUNTS AND SERVICES

All other accounts or services belonging to the indigent households will be treated as indigent, even though it may not have a debtor type that reflects as such on the financial system. Electricity shall not be blocked or disconnected for the indigents due to these accounts. In cases of outstanding balances for empty stands on same erven where services are rendered, the balance will be qualified as indigent. If one account is in credit, credit will be transferred to another outstanding account, but never paid out as a refund, unless evidence exists that payment was made wrongly or in a wrong account.

9. TARGETING APPROACH

The effective targeting of indigent households will depend on the social analysis included in the IDP, LED initiatives and other poverty relief programs of the Municipality.

The socio-economic information and performance indicators contained in these documents must form the basis for the targeting of indigent households.

Against the background of such socio-economic analysis Municipality must within its financial and institutional capacity decide which targeting approach or option should be applied.

Depending on the capacity the Municipality may apply any or a combination of the following methods:

- Service Levels – lowest service levels normally in informal settlements and rural areas;
- Property Value – Applicable only to registered indigents in respect of subsidized or RDP housing to a value determined in as per approved Council Resolutions;
- Household Income – Threshold shall be determined in terms of socio-economic analysis equaling not more than an annual amount determined by Council or in the case of pensioners equaling two state pension grants per indigent household;
- Geographical (Zonal) Targeting – Specific areas (rural or urban) where households are regarded as poor irrespective of service level.

Moqhaka Local Municipality uses the household income as the approach for the registration of indigent households.

Where a child buys property for parents, or parents buying property for a child, while remaining as the title deed holder for the purpose of servicing the bond account, should be permitted to apply for the subsidy or remain indigent in the municipal records. Provided that all the required documentation like contract of purchase, proof of where the bond/loan payer is residing, verification of combined properties valuation is within the approved threshold, recommendation letter from a relevant ward councilor, affidavit from SAPS, etc. are submitted and verification results are positive**.**

Marabastad residents who have occupied stands for over 10 years without knowing the legal properties owners of the stands, or lost contact with legal properties owners, wishing to apply for the free basic subsidy scheme must first attain permission letters from the Housing Section and recommendation letters from the relevant Ward Councilors before being considered for applications.

Households struggling with their loved one's death certificates & in needs of Free Basic Services should approach the funeral Undertakers who assisted with the burial, or CDWs and obtain a letter from Home Affairs confirming the non-existence Households or the inability to issue a death certificates by the department of Home Affairs. They should also request letters of recommendation from the relevant ward councilors and attach SAPS affidavits.

10. QUALIFYING CRITERIA

Grants-in-aid may within the financial ability of the Municipality be allocated to account holders who receive electricity, water, sewerage or refuse removal services from the Municipality, in respect of charges payable to the Municipality for such services.

These grants for households may be allocated if an account holder can submit proof that the household has no income or a verified total gross monthly income equals to or less than the sum of 2 (two) state funded social pension grants. The household income determination shall exclude both child support grant and disability grant.

Only 1 (one) application per account holder in respect of one property with a municipal valuation of R500 000 or less shall qualify for consideration. If the applicant has two properties or more with a combined municipal valuation not exceeding R500 000, only one property where he/she resides will be subsidized. A business, body association, club or governing body shall not qualify for consideration. The subsidy will apply to the account holders only. In cases where account holder is deceased, the applicant directly related to the deceased and consuming Municipal services will produce a copy of death certificate, an affidavit for application, recommendation letter from a relevant ward councilor, and the Revenue Manager or the CFO will grant permission for the application to be approved. In a case where the account holder is missing and cannot be traced, the applicant directly related to the missing person and consuming services shall produce evidence where a case of a missing person was filed with SAPS and an affidavit for application.

11. APPLICATION AND AUDIT FORM

An application form for indigent household subsidy must be completed by all account holders or representatives of account holders who qualify in terms of this policy.

The account holders must apply in person except in Special Merit Cases or circumstances beyond their control.

In cases where account holder is unable to apply in person due to unavoidable circumstances, an affidavit detailing the whereabouts or circumstances preventing the account holder from applying in person should be presented. A municipal official will verify the presented circumstances before the application is considered. A municipal official may drive to the house or hospital, etc. to verify the circumstances or for assistance in registering the applicant for the subsidy.

The applicant must present the following documents upon application:

(a) The latest municipal account.
(b) The account holders or applicant's identity document.
(c) Proof of income, if employed.
(d) A stamped letter from SASSA, if receiving a state grant/pension.
(e) A sworn affidavit from the SAPS if unemployed & not a pensioner;
(f) Medical certificate or an affidavit stating circumstances preventing the account holder from making an application.
(g) A death certificate if the account holder is deceased.
(h) Recommendation letter from a relevant ward councilor, where necessary.

(i) And any other document that the Municipality may need to verify the status of the applicant (like Income & expenditure or proof of incarceration or rehabilitation center or old age home).
(j) In cases where employment is terminated due to retrenchment or company/business closing, the applicant will have to submit a letter from the employer indicating termination of service and additional letter stating all monies owed to him/her by the company/pension fund with possible dates of payment. The applicant will not be considered for application until full analysis of household's circumstances has been made and the household will be expected to settle the account before an application is made. Where full payment is not possible, current account payment must be adhered to until the household can be certified or verified as indigent.

Special Merit cases where special circumstances prevail must be treated individually and could amongst others include the following categories of service users:

a) Deceased estates.
b) Certain categories of struggling pensioners.
c) Child headed families.
d) Struggling Single parents.
e) Any other case may be deemed fit by the Revenue Manager or the Chief Financial Officer

Identity number of the deceased will not be amended/replaced until a change of ownership process is complete or a letter of authority has been attained from a competent Court of law. No disqualification of an applicant will be administered with supporting documentation or verification results being presented.

Where households share a supply of water or electricity or communal tap, households may be subsidized individually, using the function on the system.

Community members staying at unallocated sites or where owners are not known (cannot be located) will first be assisted at Housing Section to have files updated, data-input forwarded to Finance Department for registration for the subsidy and the relevant ward councilor should submit a written recommendation.

12. PENALTIES AND DISQUALIFICATION FOR FALSE INFORMATION

Applicants are required to sign a sworn statement on the application form to the effect that all information supplied is true and that all income from formal or informal sources is declared.

Any Person who supplies false information will be disqualified from further participation in the scheme. He/she will also be liable for the immediate repayment of subsidies received dating backwards until the beginning of the financial year. If the correction for disqualification is discovered and done within the first (3) three months into the new financial year, the correction will be effected including the old financial year that was just concluded. The CFO and the Manager Revenue may extend the correction period according to the prevailing circumstances.

The onus rests on indigent support recipients to immediately notify Council of any changes in their status.

13. EXIT MECHANISMS & DEATH OF REGISTERED APPLICANT

(a) Economical and Poverty Alienation:

In the event that the approved applicant passes away, the subsidy shall be stopped and the heir/s of the property should re-apply for the indigent support, provided that the stipulated criteria are met. Should the process of verification indicate that the status of the applicant receiving the subsidy has improved or false information was provided, the subsidy shall be stopped with immediate effect. The household has a responsibility to inform the Municipality when the financial circumstances or status changes for the better.

(b) The Municipality resolved not to have the Free Basic Services Committee to speed up the verification and allocation of the subsidy and assist the poor households as quickly as possible.

14. MONITORING & EVALUATION

Chief Financial Officer as delegated by the Accounting Officer, with the assistance of the Revenue Manager shall be responsible for monitoring & evaluating the implementation of this policy. The CFO and Manager Revenue shall ensure that poor and qualifying households are registered for this scheme and those households, individuals, Officials, Councilors, Government employees, Body Corporates, Trusts, Businesses, etc. that do not qualify are excluded from this register.

15. VERIFICATION OF THE INDIGENT HOUSEHOLDS

A verification of information supplied must be completed by an official or municipal agent appointed by the Council, as this is to audit/verify the information submitted by applicants. The list of indigent households shall be available at any time to the office of the Auditor General for the purpose of auditing the records.

If an application is favorably considered in the current financial year, a subsidy will be granted with no restriction to duration, except where the beneficiary's circumstances have changed to the extent that he/she no longer qualifies for the subsidy. No additional deposit will be applicable for indigent account holders.

Once the consumers have been registered as indigents, their status must be verified before allocation of the subsidy. Subsidy will be allocated within a period of 60 (sixty) days. All applications should be verified before the allocation of the subsidy is captured/processed.

Verification of the entire indigents register will be completed in cycles of three (3) financial years. Proof of verifications and where subsidized applicants were disqualified and the subsidy reversed will be made available for audit, if requested by AGSA.

16. COMMUNICATION STRATEGY

The Municipality has developed a communication strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy, and its implementation.

Regular information dissemination through local radio stations, social media platforms, website, ward meetings & ward committees, community based organizations and face-to-face contact by means of public meetings are undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general.

17. DRAFTING AND MAITENANCE OF AN INDIGENT REGISTER

The Chief Financial Officer and the Revenue Manager will monthly be responsible to compile and administer a database for households registered in terms of this policy.

Council reserves the right to send officials or its agents to premises/households receiving relief for the purpose of conducting an on-site verification of the details supplied.

Registration for new applications will be performed throughout the financial year (July to June) and Councilors will be responsible for community meetings or gatherings where poor households are informed to register.

18. TARIFF POLICY

Section 74 (1) of The Municipal Systems Act No.32 of 2000 stipulates that a Municipal Council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreement and which complies with the provision of the Municipal Finance Management Act No.56 of 2003 and with any other applicable legislation.

A tariff policy must reflect amongst other things the amount individual users should pay for their services in proportion to their use of that service

Poor households must have access to at least basic services through:

a) Tariffs that cover only operating and maintenance costs;
b) Special tariff or lifeline tariff for low levels of use or consumption of services or for basic levels of service;
c) Any other direct or indirect method of subsidization of tariffs for poor households;
   The extent of subsidization of tariffs for poor households and other categories of users should be fully disclosed.

19. SOURCES OF FUNDING

The amount of subsidization will be limited to the amount of the equitable share received on annual basis. This amount may vary yearly according to the new allocation for a particular financial year.

If approved as part of the tariff policy, the amount of subsidization may be increased through cross subsidization.

20. METHOD OF TRANSFERENCE AND THE VALUE OF THE SUBSIDY

No credit refund shall be paid to any household, but shall be transferred as a credit towards the approved account holder's municipal services account in respect of the property concerned or sundry account. The Chief Financial Officer or the Revenue Manager will use their discretion after analyzing evidence present to them to refund credit where there is supporting evidence that payments were mistakenly made towards an indigent account.

Arrear amounts on the date of approval shall not qualify for any assistance on monthly basis and shall be transferred to an abeyance account. Calculations shall be based on the monthly current accounts only and in accordance with the approved tariff policy.

If there's a credit balance on an account of an indigent account holder after subsidy has been allocated, the credit amount will remain on the account if it was not a mistake, and no refunds will be made to indigent account holders. This credit may be used to clear a sundry account that the indigent customer may have or it will eventually be written back. Unless evidence is provided to the Manager Revenue or the Chief Financial Officer for approval.

21. ARREAR ACCOUNTS, TAMPERING & RECONNECTION

The owner or an approved account holder shall remain responsible for any outstanding amount in excess of the subsidy. The arrears on the accounts of households approved as indigent will be suspended (including interest) until such time as the status of the approved account holder has changed. Interest shall not accrue on arrear amounts from the date of suspension. Total or partial arrears may be considered for write-off by Municipal Council in terms of the policy.

Write-off of indigent accounts are highly recommended because the outstanding balances are irrecoverable. Evidence of verification and efforts made to confirm indigent applicant status must be available for audit purposes and submitted to Council as support for the request for a write-off.

Special Merit cases where special circumstances prevail in terms of unblocking of electricity meters and tampering (criminal activity) must be treated individually and could amongst others include the following categories of service users:

Tampering by indigent households will be strictly treated as theft or criminal activity. In complicated circumstances, it will solely be decided by the Manager Revenue or the Chief Financial Officer or the Municipal Manager, if the household cannot afford to pay the fine as required. The ward Councilor must accompany the household to assist in solution finding. No electricity may be restored until a fine is paid or approval is granted by the Chief Financial Officer or the Municipal Manager.

Tampering fine may not be negotiated, paid in instalments or waived off. Other charges relating to tampering may be debited to the services account with the exclusion of the fine. Tampering more than twice may be reported to SAPS and a case opened. A fee for damaged keypads, electricity cables that were stolen or damaged by mistake by indigent households and more will be replaced and the cost thereof will be debited to the services account, with a recommendation from the ward Councilor. Indigent households will be required to pay the tariffs that are applicable as per the tariff structure in cases of theft or criminal activities. The municipality' infrastructure requiring repairs/replacement affecting the indigent households like street light poles will be for the account of the municipality.

If an application for the subsidy is approved and the supply of electricity has been restricted, services will be restored free of charge. If services are to be suspended thereafter in terms of the approved revenue and debt management policy, the approved tariff may be applicable on the account including arrears, depending on the circumstances. All lawful measures should be taken to assist indigent households when their services have been restricted. Revenue Manager and the Chief Financial Officer will monitor the water and electricity consumption of the indigent households to keep it within the subsidy allocation. Indigent households consuming too much water than expected will have their meters inspected for possible replacement or their electricity supply may be restricted if there is negligence on their side.

22. SERVICES IN EXTENT TO AVAILABLE FUNDING

Where restriction of consumption applies to a particular service, applicants may not refuse to be restricted in terms of Council policy. Where restrictions are not possible, the account holder will be responsible for the consumption in excess of the approved subsidy.

23. INDIGENT HOUSEHOLDS IN BODY CORPORATE & RETIREMENT CENTERS

Indigent households living in the body corporate or Retirement Centers shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:

23.1 The onus will be on the account holders to apply to the Municipality for indigent status to be approved;

23.2 Whether an application is successful or not, the Municipality will notify the account holder or the representative of the decision and the account holder or the representative about the decision with regard to the Property Rates and other related charges;

24. RIGHT TO APPEAL

An applicant who feels aggrieved by a decision taken in respect of his/her application may visit the office to enquire about the circumstances informing the decision by the Municipality not to approve the application submitted before lodging an appeal in writing (either by; registered mail, hand delivery or email) with the Revenue Manager or the Chief Financial Officer or the Municipal Manager within 30 (thirty) days from the date on which the decision was made known to the applicant.

25. CAPACITY BUILDING

The Municipality must ensure that all officials and Councilors are appropriately capacitated in Free Basic Services in terms of the following key areas:

a) Database Management.
b) Demand and by-law implementation; and
c) Policy and by-law implementation.

26. REVENUE AND DEBTORS MANAGEMENT POLICY TO BE APPLIED FOR INDIGENT HOUSEHOLDS

26.1 AIM OF THE POLICY

The Revenue and debtors' management Policy aims to achieve the following:

a) To distinguish between those who can and cannot genuinely pay for services;
b) To get those who cannot pay to register with the Municipality so that they could be given subsidies;
c) To enable the Municipality to determine and identify defaulters to ensure appropriate Revenue and debtors management procedures.
d) To establish an indigency directory of all persons who comply with the policy.

26.2 OBLIGATION TO PAY

The policy on provision of services should endeavor to provide services in accordance with the amount available for subsidization.

It is however important to note that the subsidy received in some of the cases, does not cover the full monthly account. In such event, the account holder is still responsible for the balance between the monthly account and the subsidy received.

Where applicable, Revenue and debtors' management processes must still be applied in accordance with the approved Revenue and debtors' management Policy.

27. STAKEHOLDERS TO THE POLICY

(a) Councilors

(b) Directorates

(c) Community Members

(d) Business Community

(e) Provincial Treasury

(f) National Treasury

(g) CoGTA

(h) SALGA

(i) ESKOM

(j) NERSA

(k) DWS

(l) DoE

28. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented at the beginning of the new financial year following approval by Council and may be reviewed annually for amendments if any.

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29. CONTACT PERSONS FOR CLARITY

Vacant	: Chief Financial Officer
Tel Work	: 056 216 9140/1
Email Address	: cfomoqhaka@moqhaka.gov.za
Mr Sammy Theletsane	: Revenue Manager
Tel Work	: 056 216 9158
Email Address	: sammy@moqhaka.gov.za
Mrs Mamotollo Modise	: Indigency Sub-Accountant
Tel Work	: 056 216 9238/9516
Email Address	: mamollom@moqhaka.gov.za
