BA-PHALABORWA MUNICIPALITY

Draft CUSTOMER INCENTIVE POLICY

2026/27

1. BACKGROUND

- The domestic debt has been growing at an alarming rate despite implementation of the debt and credit control policy.
- Several consumers have defaulted on their arrangements as such normal agreements are not effective, hence the need to introduce incentive schemes.
- The policy also aims to promote the Municipal Systems Act 32 of 2000, Sec 97(F) which relates to the extension of time for payment of services. The focus of the Policy is to institute incentive schemes to encourage prompt payment of debtor accounts.
- This policy shall become effective only upon approval by Council.

2. OBJECTIVE OF THE INCENTIVE

- To outline the parameters, criteria and procedures within which arrear debts of the participants to the scheme is written off in exchange for prompt and timeous payment of future accounts rendered by the Municipality.
- The purpose of the policy is to encourage the residents of Ba-Phalaborwa Municipality to pay for services and to promote the culture of payment amongst its citizens.
- The policy also aims to promote the Municipal Systems Act 32 of 2000, Sec 97(F) which relates to the extension of time for payment of services.
- The focus of the policy is to institute incentive schemes to encourage prompt payment of debtor accounts.

3. CRITERIA FOR THE INCENTIVE

- Accountholders with long outstanding debts (180 days and above) will be given a settlement discount of (50% for residents and 30% for Business) on debts from 180 days and above, debts sitting on 150 days, 120 days, 90 days, 60 days, 30 days & Current Account will be paid in full.
- Customers who benefited from the settlement discount before will not be eligible to receive the above incentive
- Customers who want to participate in this incentive will be required to sign a debt agreement and maintain current account payments.
- Government departments and State-Owned Entities do not qualify for this incentive /program
- An Application letter, accompanied by copy of ID of the Property Owners or Applicant (Incase the owner is late), Copy of Death Certificate (If Applicable) and Customer Statement

4. BENEFIT TO COUNCIL

- The arrear debt that has been growing over several years will decrease significantly
- Improved cash flow will improve the liquidity of the municipality and thereby allow municipality to finance service delivery projects.
- The municipality could increase reserves for asset replacement and budget for repairs and maintenance
- Promotes sustainable and reliable revenue for the Council for future years.

5. PUBLICATION OF THE INCENTIVE

- The incentive scheme will be advertised in different Platforms.

6. REVIEW

- This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and regulations.

7. SHORT TITLE AND COMMENCEMENT

- This policy will be known as the Debt Incentive Policy of Ba-Phalaborwa Municipality and shall commence on the date of adoption by municipal council resolution.