

BA-PHALABORWA LOCAL MUNICIPALITY



CUSTOMER INCENTIVE POLICY

PROCEDURES AND PRINCIPLES ON CUSTOMER
INCENTIVE

2026-2027

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 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 form, 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.

8. Policy Approval

This policy was formulated by Budget and treasury Management in consultation with the Treasury.

9. Review and amendment of the Policy


1. This Policy must be reviewed periodically in order to ensure continued alignment with the MFMA, applicable regulations, National Treasury guidance, audit findings and the operational needs of the municipality.
2. In addition to periodic review, the municipality must review this Policy where:
3. Legislative or regulatory amendments affect assets Management processes;
4. Audit findings or oversight recommendations indicate weaknesses in assets management;
5. Institutional changes require clarification of roles, procedures or reporting lines; or
6. Practical implementation challenges reveal gaps or ambiguities in the Policy.
7. The Council must approve any amendment to this Policy following consideration of a formal submission setting out the reasons for the amendment, the proposed changes and the implications for financial governance and oversight.
8. Until amendments are approved by Council, the existing provisions of this Policy remain binding on all officials and councillors

10. ADOPTION BY THE COUNCIL

Resolution NO: 461/26	Approved date: 27 May 2026
Effective Date 01 July	Review date: Annually


AUTHORITY

MUNICIPAL MANAGER
MS MOKOBI ST



COUNCIL SPEAKER
MR. NO MABUNDA