OFFICE OF THE EXECUTIVE DIRECTOR:
FINANCE DEPARTMENT

DRAFT
CREDIT CONTROL AND DEBT COLLECTION POLICY
FINANCIAL YEAR 2026/2027

Notice is hereby given that the Municipality has undertaken a review of its existing policy and invites members of the public and all interested stakeholders to submit written comments on the proposed amendments.

1. [ ] Words in bold typeface within square brackets indicate omissions from the existing policy.

2. _____ Words in bold that are underlined with a continuous line indicate insertions into the existing policy.

3. This document reflects proposed amendments only. All provisions of the policy not expressly indicated as deletions or insertions remain unchanged and in full force and effect.

Clause 16.1 In mitigating water losses and promoting responsible water use among domestic customers, the Municipality **shall levy a fixed monthly charge on all domestic water consumers to provide for the adjustment or write-off of water consumption charges arising from undetected underground leaks, which results to wastage of water and high bill to customers.**

Clause 16.2 **The charge contemplated in clause 16.1 shall constitute a municipal fee or surcharge levied in terms of section 75A of the Systems Act and section 229 of the Constitution of the Republic of South Africa, 1996 and shall not constitute an insurance product or premium.**

~~Clause 16.3 Customers who opt to insure their water loss with the private insurance company must notify the CFO in writing of such decision, so that the deduction contemplated in clause 16.1 may not be implemented in their consolidated bill. These customers will not be covered by this programme and any charge raised in their bill for water, including water loss will be due and payable to the Municipality.~~

Clause 16.4 **The** qualifying criteria **is as follows**:

Clause 16.4.2 Customers must submit their requests in a prescribed Water Loss Notification form at any Sizakala Centres or Revenue Customer Services centres for processing within **one hundred and eighty (180) days** after the leak has been repaired.

Clause 24.3 A Person who wishes to lodge a dispute in respect of an account must submit the dispute in writing, on the prescribed form, to the Authorised Official as defined in this Policy stating the reasons for such dispute and any relevant facts, information or representation which the Authorised Official should consider to resolve the dispute. **The Authorised Official is empowered to consider the submission and make a ruling on the dispute in accordance with this Policy.**

Clause 37.1 **In order to monitor, assess, and report on the effectiveness of this Policy, the Municipality shall evaluate its outcomes in accordance with Generally Recognised Accounting Practice (GRAP) and the applicable provisions of the MFMA. In particular, performance shall be measured through the financial indicators required in terms of section 7l of the MFMA, which obliges the Accounting Officer to submit to the mayor and Provincial Treasury, a monthly budget statements reflecting revenue collected, amounts billed, arrears, and the aged analysis of debtors.**

Clause 37.2 **The indicators contemplated in clause 37.1 shall be used to measure collection efficiency, debt recovery trends, cash flow sustainability, and compliance with approved budgets and targets. The following benchmarks shall therefore apply:**

Clause 37.2.1 **The Debt Collection Period, which measures the average number of days it takes the Municipality to collect outstanding revenue. This indicator reflects the efficiency of the Municipality's credit control and debt recovery processes, and calculated as follows:**

Debt Collection Period

$$= \frac{\text{Total Amount Outstanding} \times 365}{\text{Annual Revenue}}$$

Clause 37.2.2 **The Annual Debtors' Collection Rate measures the percentage of billed revenue that has been successfully collected during the financial year. It indicates the Municipality's effectiveness in collecting revenue billed for municipal services and property rates and is calculated as follows:**

Collection Rate

$$= \frac{\text{Total Receipts from Debtors (Last 12 Months for Rates and Services)}}{\text{Total Billing (Last 12 Months for Rates and Service charges)}} \times 100$$

All comments and representations must be submitted in writing to this email address: Fikile.Manqele@durban.gov.za or hand delivered to:
Ground Floor, Florence Mkhize Building,
251 Anton Lembede Street,
Durban.

Please note that the **closing date for submission of comments is 30 April 2026**. No late submissions will be considered.

Full details of the Council resolution and the Municipality's Credit Control and Debt Collection Policy being reviewed are available for inspection on the municipality's offices, website (www.durban.gov.za) and public libraries within the eThekwini Municipality's jurisdiction.

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