

INDIGENT MANAGEMENT POLICY 2026/2027



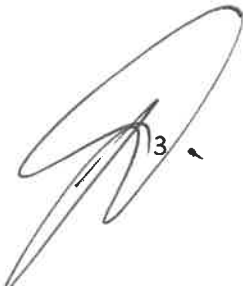
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DEFINITIONS

Basic Municipal Services:

- Basic Municipal Services means a municipal service that is necessary to ensure an acceptable and reasonable quality of life that if not provided, would endanger public health or safety or the environment. For the purposes of this policy “Basic Municipal Services” refers to the following services supplied and subsidized by Govan Mbeki Municipality:
 - Water and Sanitation
 - Electricity

Child headed households:

- Child headed households for the purposes of this policy refers to households headed:
 - By a person under the age of 18 years or a dependent above the age of 18 who has assumed the role of management and responsibility of the household, due to the parent/s, guardian and/or care-giver of the household who was the registered owner/account holder of the property who is terminally ill, deceased or abandoned the children in that household.

Child headed household under guardianship:

- Child headed household under guardianship for the purpose of this policy refers to:
 - Those exceptional cases where a guardian is appointed for the household but who does not have to:
 - Reside on the property.
 - Be a registered indigent.
 - Reside in the boundaries of Govan Mbeki Municipality.

House owner:

- House owner for the purposes of this policy refers to:
 - Registered owner or Title Deed holder.
 - A person appointed by a competent court of law as a responsible person to take care of all the affairs of the deceased.

Indigent Household:



- Any household of which the members are South African Citizens / permanent resident and tenants who are also South African Citizens, who due to a number of economic or social factors are unable to pay for Municipal services.

Minor:

- A person who has not attained the legal age of majority and, thus, has restricted or no legal capacity.

Days:

- Refers to calendar days.

Registered Indigent Household:

- Registered Indigent household for purposes of this policy refers to those households who have met the indigent registration criteria.

Suspended:

- To stop or to cause to be in-active either temporarily or permanently.

Tenant:

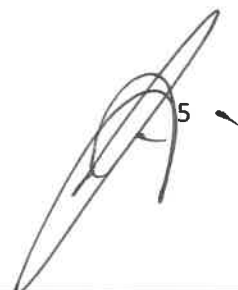
- Tenant in terms of this policy refers to a person residing in a property and who has a:
 - Formal lease agreement with the Govan Mbeki Municipality / the title holder thereof is Govan Mbeki Municipality and the property is used for housing purposes.

Written off:

- A cancelation of an item in account books.

Asset Indigent household/Deemed Indigent:

- Is a household where the beneficiary is exempted from paying municipal services through the provisions set out in the Indigent Management Policy, beneficiaries do not have to apply for this exemption.

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Income Indigent household:

- Is a household when the applicant meets the criteria for indigent status based on income where such applicant does not meet the criteria for "Asset indigent Household"

Estate Indigent household:

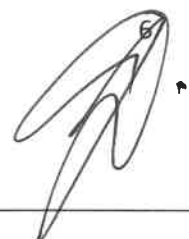
- Is a household when the applicant meets the criteria for indigent status; where such applicant does not meet the criteria for "Asset Indigent Household" and/or "Income Indigent Household" based on the "deceased estate" and/or "law of succession"

Special Indigent Approval Form:

-Is an application form designed specific for debtors without letters of authority, which **must** also be completed by the Ward Councilor, Ward Committee, and approved by the Chief Financial Officer.

1. INTRODUCTION

- 1.1 The Municipal Council recognizes that it 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 municipal services in terms of Section 152(1) (b) and 153(b) of the Constitution.
- 1.2 The Constitution acknowledges local government as a distinct sphere of government and as such also entitles it to an equitable share of nationally raised revenue, which will enable it to perform its basic function of providing essential services to the community.
- 1.3 Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay the normal tariffs for municipal services. The municipality therefore adopts this Indigent Management Policy to ensure that these households have access to at least basic municipal services.
- 1.4 Govan Mbeki Municipality encompasses primarily agricultural and rural



areas, along with key urban areas being Leandra, greater Secunda and Bethal/Emzinoni. The recorded population by census in 2022 was 310 117 with a total number of 103 864 households in the municipality.

2. PURPOSE OF THIS POLICY

- 2.1.1 Ensure the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Municipality.
- 2.1.2 Provide procedures and guidelines for the subsidization of basic services to its indigents, using the Municipality's budgetary allocations through the equitable share.
- 2.1.3 Set fair criteria and a consistent, transparent and reasonable threshold for the determination of indigent households and set appropriate subsidies consistent with the Municipality's Tariff Policy.

3. LEGISLATIVE FRAMEWORK

Constitution of the Republic of South Africa, (Act No 108 of 1996) The Local Government: Municipal Systems Act (Act No. 32 of 2000) Municipal Finance Management Act (Act No. 56 of 2003)

4. FINANCING OF THE PROGRAMME

- The Municipality must make provision on its annual Operating budget to subsidize the tariffs of registered indigent. Registered Indigent households will receive a pre-determined quantity of electricity, water and sanitation free of charge on a monthly basis.
 - The Municipality must look at the provision of other sources of energy e.g., paraffin, Gas, solar energy or Candles



- The arrears on services covered by the indigent programme may be written off against the provision of bad debt.

5. CRITERIA FOR QUALIFICATION

- (a) Indigent households are categorized into three components viz: Asset Indigent, Income Indigent and Estate Indigent.
- (b) The applicant must be the owner of the property/properties;
- (c) A Tenant, Guardian or Executor as described in the definitions above
- (d) Such property/properties may not be used for business purposes;
- (e) Households where the combined and verified total gross monthly income of all occupants over 18 years of age and does not exceed R 8000 per month shall qualify for an indigent subsidy. The threshold amount may be varied from time to time by the Municipal Council, Municipal Manager or its delegated Official or may be varied in line with the increase of Social Pension Grants for Senior Citizens as determined from time to time by National Government.
- (f) The applicant must ordinarily reside at the premises concerned. Should the qualifying applicant (debtor) own more than one property, the Indigent subsidy will only be applicable to the property where the applicant resides.
- (g) Only households where the account-holder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted, verified and entered into the register of indigents shall qualify.
- (h) An approved registered applicant remains enlisted until he/she applies in writing to be deregistered or be requested to apply to be deregistered from the indigent register or is disqualified through the vetting processes of the Municipality.
- (i) Debt write-off for indigent households should occur every Twelve (12) months, subject to re-verification of indigent status.
- (j) To register as an indigent, the relevant property owner, account-holder or Guardian/Executor must personally complete and sign the

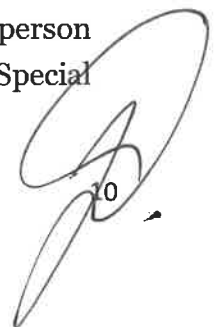
registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies. Indigent support shall only be given to South African citizens.

- (k)** Municipal value of property does not exceed maximum R1 500 000 as reflected in the valuation roll of Govan Mbeki Municipality except pensioners who qualify for indigent status.
- (l)** An application in terms of this paragraph shall be made on the prescribed application form and shall be accompanied by;

 - (i) A Municipal sworn affidavit form stating the gross total monthly household income of all persons ordinarily residing at the address concerned;
 - (ii) the applicant's latest pay slip or SASSA bank statement, if she/he is employed and the latest pay slip and bank statement of any other persons ordinarily residing on the property concerned who are employed and a copy of the latest Municipal account.
 - (iii) a certified copy of the applicant's identity document; and certified copies of all persons above eighteen years who ordinarily reside at the address concerned.
 - (iv) In the event that an application for Indigent is made by a successor, heir or guardian on behalf of the household who is not in possession of the letter of authority, the Applicant will have to complete the Indigent Special Approval Form, which must be accompanied by an affidavit from the Applicant, stating why the letter of authority could not be obtained.
 - (v) Where the Applicant for Indigent is a divorcee, a certified copy of the decree of Divorce must accompany the application.

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- (vi) The Municipality will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place. Registration will take place on dates and at times and places determined by the Municipal Council or Municipal Manager.
 - (vii) In the instance the account holder has passed on and beneficiaries are elected within the family, they may be added on the council system as care taker for the respective account which will enable them to apply for indigent. The beneficiary must bring an affidavit, death certificate or a letter of authority and their ID to be added on the system.
 - (viii) Efforts should be made to assist indigents whose consumptions of metered water services are excessive due to leakages. Special care will also be exercised to assist indigent child-headed households.
- (l)** The party to whom the property is awarded in the event of a divorce. A decree of divorce must be accompanied by the application for Indigent.
- (m)** Where a deceased estate has not been wound up a letter of authority is needed.
- (n)** In the case of a deceased estate, in whose name the property is registered, any heir to whom the registered property has been bequeathed a letter of authority is needed.
- (o)** Where a letter of authority cannot be obtained due to family feuds or as a result of the unavailability of some of the family members, such applicants must be referred to the Ward Councillor and/or Chairperson of the Ward Committee for a resolution and/or completion of the Special Indigent Approval form.



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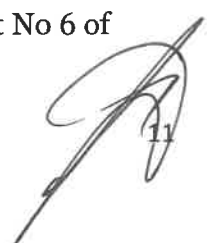
- (p) Whenever the ward councilor has reason to believe that premises are occupied by a child-headed household (regardless whether municipal services are supplied to such premises), she/he shall make such enquiries, which may include inspecting the premises concerned, as she/he may deem necessary to establish the facts.
- (q) If the belief of the councilor is confirmed, she/he shall forthwith in writing report the matter to the relevant authority responsible for child welfare and thereafter to the Chief Financial Officer.
- (r) **If it is established on a balance of probabilities that the adult person(s) who previously occupied premises together with children –**
- (i) is dead and that her/his heir(s) is a child, the Municipal Manager may write off the debt owing in respect of services supplied to the premises and rates as irrecoverable debt.
 - (ii) On receipt of a report from the authority responsible for child welfare that confirms that the household is child-headed.

Indigent households are categorized into three components viz: Asset Indigent, Income Indigent and Estate Indigent.

6. ASSET INDIGENT/DEEMED INDIGENT

(A) Households within the following categories of properties will be deemed to be indigent households, if -:

- (i) The property is used for residential purposes only as reflected in General Valuation roll; and
- (ii) The residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property; and



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- (iii) The municipal value of property does not exceed maximum value R150 000.

(B) Households within Govan Mbeki Municipality listed as/under Un-proclaimed townships will be deemed to be indigent households, if:

- (i) Property identified as Un-proclaimed Township is not registered at the in Deeds Office. That all informal settlement be registered as deemed as they consume services without account numbers.
- (ii) Proclaimed property is registered in the name of Govan Mbeki Municipality and included in general valuation roll; and
- (iii) Provisional value of individual developed residential property, as determined by Govan Mbeki Municipality valuer, will not exceed maximum value of R150 000 on date of valuation.

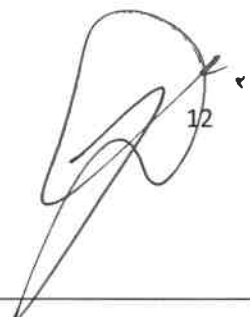
(C) Deemed Indigent relief will be withdrawn where the owners, occupants, residents and or dependents residing on the property, as the case may be,

- (i) Owns more than one property, registered individually or jointly;
- (ii) Rents or leases the property to any third party;
- (iii) Property is owned or leased by a government employee;
- (iv) Deemed indigent household tampers or illegally connects or reconnects services;
- (v) Business activities are being conducted on property and the monthly income exceeds three times maximum old age pension
- (vi) Properties registered in name of National, Provincial or Local Government;
or
- (vii) Owner of property applies to be excluded from deemed indigent relief.
- (viii) Debt written off previously will be reinstated immediately.

7. INCOME INDIGENT

7.2.1 The applicant may not own, either on her/his own or together with other persons, more than one fixed property.

The applicant must ordinarily reside at the premises concerned



8. ESTATE INDIGENT

- 8.3.1 Is an occupier of a child-headed household where the property is registered in the name of the deceased parent or deceased parents.

9. SERVICES TO BE SUBSIDISED

- 9.1 The subsidies on rates and basic charges will be 100%.
- 9.2 In respect of water, a 100% subsidy up to 10 kl per household per month will apply; however, if consumption exceeds 10 kl per metering period (month) the consumer will be charged at normal indigent tariff for actual consumption on the quantity exceeding 10 kl.
- 9.3 With regard to electricity, a 100% subsidy up to 50 kWh per household per month will apply; however, if consumption exceeds 50 kWh per metering period (month), the consumer will be charged at normal indigent tariff for actual consumption on the quantity exceeding 50 kWh.
- 9.4 In respect of sewerage charges and charges for household refuse removal, the relief granted shall be as determined by council as part of each annual budget, for the monthly amount billed for the service concerned.
- 9.5 Council may from time to time review these subsidized services with its annual budget increase or at any time the Municipal Council resolves as such.

10. APPLICATION FOR REGISTRATION

- 10.1 A household wishing to apply as an indigent customer must complete the Municipality's indigent application form; it shall be accompanied by the following documents:



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- (i) an affidavit declaring unemployment or income;
 - (ii) documentary proof of income, such as a letter from applicant's employer; a salary advice, a pension card, or any such proof confirming unemployment status;
 - (iii) the municipality's latest municipal account where possible.
 - (iv) a certified copy of the applicant's identity document; and the names and identity numbers of all occupants over the age of 18 years who are resident at the property.
 - (v) A letter of authority in the case of deceased estates or a Special Indigent Approval Form.
 - (vi) A letter of guardianship in the case of the applicant not being the owner and the occupant of the property concerned
- 10.2 Applicants will be required to sign and submit a sworn affidavit, to the effect that all information supplied is true and that all income, i.e. from formal and/or informal sources, is declared.
- 10.3 The applicant shall give permission to the Municipality to verify the indigent status of the applicant through access to the applicant's information at the South African Revenue Service or any other such agency as the Municipality may determine.
- 10.4 The Municipality/its authorized official shall counter-sign or stamp the application form and certify that the conditions and consequences of such an application were explained to the applicant and that the latter indicated that the contents of the declaration were understood.



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11. APPROVAL OF REGISTRATION

- 11.1 The municipality or its authorized official may send authorized representatives to premises or households applying for registration as indigent customers to conduct an on-site audit of information provided prior to the approval of the application.
- 11.2 An application received shall be considered by the Municipality or its authorized official and the applicant shall be duly advised of the outcome of the application. If the application is not approved, the applicant shall be advised of the reasons thereof.
- 11.3 An application shall be approved for a period of 24 months, pending the annual verification process.
- 11.4 The approved indigents register will be published onto the Municipal notice boards and on the local newspaper for duration of 30 days
- 11.5 The entire indigent registration process must be completed within a period of 3 (Three) months.
- 11.6 **An applicant whose application –**
- (a) is successful, will be informed in writing of that fact; and/or published on the prescribed notice boards.
- (b) is unsuccessful applicants will be published on the prescribed notice boards and reason can be obtained from the Indigent office.
- 11.7. A debtor who is registered as indigent shall receive discounts in respect of municipal services and property rates (if applicable) as determined by the Council from time to time.

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11.8. Any charges accruing to a debtor account of an indigent debtor in excess of the amount of the discounts granted by the Municipality shall be payable by the debtor concerned on or before the due date.

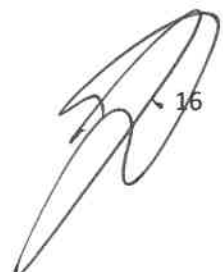
11.9. Re-evaluation

(a) the decision whether an indigent household remains satisfied with the restriction to the supply of free basic services lies with the member of the household responsible for the payment of services.

(b) regular physical inspections will be carried out at the premises of each of the registered indigents to ensure that the supply installations including the supply limitation are intact.

(c) should an applicant in his application present any fraudulent statement he/she will be denied approval or, if already been approved, will immediately be deregistered. He/she will be held responsible for any monies written off and will repay all benefits received at the discounted rates.

11.10. In the event of the death of an indigent debtor a relative or an adult member of the household of the deceased must provide a certified copy of the death certificate in respect of the debtor issued in terms of section 22 of the Births and Deaths Registration Act 1992 (Act No 51 of 1992) to the Municipality. The Chief Financial Officer shall, as soon as practicable after receipt of a death certificate, cancel the registration of the deceased as an indigent debtor. The deceased's heir may, if she/he is an adult person, apply to be registered as an indigent household in the manner prescribed in this policy.



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- 11.11. When a debtor is registered as indigent the debt of the consumer existing on the day of registration shall be parked and such a person's name be given through to the credit bureau. The Chief Financial Officer shall as often as is necessary report to the Municipal Manager regarding any debts parked in terms of this paragraph, and may recommend that such debts be written off.
- 11.12. That if a person who was or who is enlisted as indigent sell his property, the arrears written-off be paid before a clearance certificate can be issued.
- 11.13. Interest shall not be charged on arrear charges owing by indigent debtors.

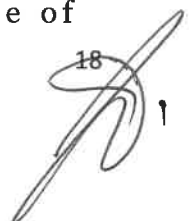
12. INDIGENT REGISTRATION AND POPULARIZATION

- 12.1 The income indigent applicant must re-apply for registration as an indigent every after 24 months, failing which the status as an indigent will cease automatically.
- 12.2 The municipality's indigent registration process will be opened throughout the financial year in order to accommodate as many applicants and to ensure that no qualifying consumer is left out.
- 12.3 The Municipality shall, with the aid of Ward Councilors and Ward Committees, embark on an extensive community outreach programme annually aimed at informing communities of the content of this policy and the registration periods.
- 12.4 The Municipality does not give any guarantee of renewal.

13. NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENTS



- 13.1 When a property owner or account-holder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigent relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or account-holder for the financial year concerned.
- 13.2 The Municipality at its own discretion may consider criminal charges against any applicant who submitted false/fraudulent information/documentation in order to be registered as an Indigent.
- 13.3 The onus is on each registered indigent to advise the municipality of any change in indigent status or change in financial status.
- 13.4 The relief to indigents will be withdrawn if a registered indigent:
- (a) Fails to keep to the terms of the policy agreement.
 - (b) Tampers with the installed electricity and water meters.
 - (c) Household income increasing beyond the threshold prescribed.
 - (e) Property is turned into a business.
 - (f) Owner is renting or leasing out the property.
 - (g) The Property is sold.
- 13.5 If a registered indigent is found to have provided fraudulent information to the Municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the indigent register, and shall be liable to repay the municipality with immediate effect the cost of all indigent relief measures received from the date of



such fraudulent registration.

13.6 Should Indigents whose debt has been written off by the Municipality sell their properties within a period of a year from date of last registration as an Indigent household, such indigent subsidies received within this period shall be recovered prior to the issuance of a signed property rates clearance certificate.

13.7 The write-off of indigent debts shall be reversed on request for a rates clearance certificate, in cases where the property concerned is sold within two years after the write-off has been made.

14. DRAFTING AND MAINTENANCE OF AN INDIGENT REGISTER

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

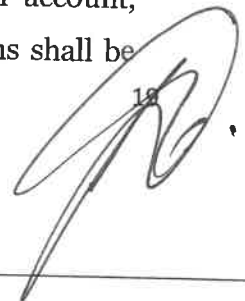
14.2 Council reserves the right to send its officials to premises/households receiving relief from time to time for the purpose of conducting an on-site audit of the details supplied and to verify applications.

14.3 The Indigent applications meeting criteria as per the Indigent policy and the debt write-offs thereof will be approved by Council.

15. ARREARS OF INDIGENTS ON APPROVAL OF REGISTRATION

15.1 Accumulated arrears in respect of the indigent's municipal account, prior to the registration of the approved indigent applications shall be

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written-off, and interest shall not accumulate in respect of such arrears for the period that a resident remains registered as an indigent.

15.2 Accumulated arrears so suspended, shall become due and payable by the resident as determined by the credit control and debt collection policy of the Govan Mbeki Municipality. Accumulated arrears so suspended, shall be subject to write-off

15.3 Arrears suspended for a period of One (1) year or longer shall not be recovered from an indigent on de-registration.

16. **DE-REGISTRATION**

16.1 An indigent household shall be automatically de-registered if an audit or verification concludes that the financial circumstances of the indigent household has changed to the extent that he or she no longer meets the qualification criteria set out in sections Three (5) of this policy.

16.2 An indigent may at any time request de-registration in writing.

16.3 In the event of de-registration, the Municipality shall notify the indigent household of such de-registration in writing.

17. **REPORTING REQUIREMENTS**

17.1 The municipal manager shall submit a written report on a monthly basis, to the executive mayor concerning:

- (a) The number of households registered as indigents and a brief explanation of any movements in such numbers;

- (b) The monetary value of the actual subsidies and rebates granted;
- (c) The budgeted value of the subsidies and rebates.
- (d) The executive mayor shall submit the above reports on a quarterly basis to council.

18. ARCHIEVE AND REPORTING REQUIREMENTS

- All Indigent records and/or applications must be on file and stored with Record Management.
- After the lapse of the 24 months period, all those applications and applications of preceding years will be archived and disposed by Records Section in the department of Corporate Services in line with their Disposal Policy or laws.

19. IMPLEMENTATION AND REVIEW

- 19.1 The implementation of the amendments of this policy shall take effect on the 1st July 2026.
- 19.2 This policy shall be reviewed annually.

20. RIGHT TO APPEAL

(a) An applicant living within the municipal jurisdiction and therefore feels aggrieved by a decision taken in respect of his/her application may lodge an appeal in terms of Section 62 of the Municipal Systems Act, Act 32 of 2000 as amended.

(b) The Municipal Manager or the authorize official shall appoint- without any undue delay- an Appeal Committee that will consider all appeals.

© The Municipal Manager or authorized official shall appoint the

chairperson of the Indigent Appeal Committee to be a person vested in Law in the Govan Mbeki Municipal employ.

(d) The Indigent Appeal Committee will have to review and preside over all appeals lodged, within 30 calendar days. The appellant may be afforded an opportunity to state his or her case and substantive facts should be provided in favour or contrary to the appeal at hand.

(e) The Appeal's Committee shall consist of representatives from the following departments or Sections:

- Community Services
- Finance
- Corporate Services under Legal Services

(f) All appeals shall be lodged in writing through the Appeal form and should state the nature and reasons for appeal.

(g) Until reviewed by the Indigent Appeals Committee, the Indigent application will remain pending and Credit Control actions will be implemented.



Mr. E.N. Maseko
Municipal Manager

Date