Western Cape Government

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TREASURY CIRCULAR MUN NO.12/2025

THE MAYOR, CITY OF CAPE TOWN
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY
THE MAYOR, MATZIKAMA MUNICIPALITY
THE MAYOR, CEDERBERG MUNICIPALITY
THE MAYOR, BERGRIVIER MUNICIPALITY
THE MAYOR, SALDANHA BAY MUNICIPALITY
THE MAYOR, SWARTLAND MUNICIPALITY
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY
THE MAYOR, WITZENBERG MUNICIPALITY
THE MAYOR, DRAKENSTEIN MUNICIPALITY
THE MAYOR, STELLENBOSCH MUNICIPALITY
THE MAYOR, BREEDE VALLEY MUNICIPALITY
THE MAYOR, LANGEBERG MUNICIPALITY
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY
THE MAYOR, OVERSTRAND MUNICIPALITY
THE MAYOR, CAPE AGULHAS MUNICIPALITY
THE MAYOR, SWELLENDAM MUNICIPALITY
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY
THE MAYOR, KANNALAND MUNICIPALITY
THE MAYOR, HESSEQUA MUNICIPALITY
THE MAYOR, MOSSEL BAY MUNICIPALITY
THE MAYOR, GEORGE MUNICIPALITY
THE MAYOR, OUDTSHOORN MUNICIPALITY
THE MAYOR, BITOU MUNICIPALITY
THE MAYOR, KNYSNA MUNICIPALITY
THE MAYOR, CENTRAL KAROO DISTRICT
THE MAYOR, LAINGSBURG MUNICIPALITY
THE MAYOR, PRINCE ALBERT MUNICIPALITY
THE MAYOR, BEAUFORT WEST MUNICIPALITY

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR L MBANDAZAYO
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR L PHILLIPS
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR R ESAU (ACTING)
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR D LUBBE
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR R BOSMAN
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR W HENDRIKS
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: DR D O'NEILL
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR H KRÖHN (ACTING)
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MS A VORSTER
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: ADV D SEREO
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR A DE KLERK
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: MR C PUREN
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR G LOUW
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR M YEKANI
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR C MAPEYI (ACTING)
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR L MAPHOLOBA
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: (ADV T MEA) (ACTING)
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR J BOOYSEN
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: ADV T GILIOMEE
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR A MAKENDLANA (ACTING)

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: DR J TESSELAAR
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR E ALFRED
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR J BOOYSEN
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR P ERASMUS
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS F DU RAAN-GROENEWALD
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR B BROWN
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR K CAROLUS
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR R ONTONG
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR A MATI (ACTING)
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR S STANLEY
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR P MABHENA (ACTING)
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MR D LOUW (ACTING)
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR W JONKER
THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MS E WASSERMANN
THE CHIEF FINANCIAL OFFICER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR R BOSHOFF
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR L STEENKAMP (ACTING)
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MR G GOLIATH
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR S THYS
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR R DU PLESSIS
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR G DE JAGER
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR C MAPEYI
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR C JULIES
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MS K MAKALIMA
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS L MOKGOJE
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR B METEMBO
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR B JACOBS

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THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR I SMITH)
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THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE (MR I SMITH) (PRO TEAM)
THE CHIEF FINANCIAL OFFICER (MS A SMIT)
THE HEAD OF MINISTRY (DR G CASWELL)
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
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THE DIRECTOR: INFRASTRUCTURE (MR Z MAJIET)
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR A RASOOL) (ACTING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS K NEETHLING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR D CRONJE)
THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS S ROY)
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THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
THE DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS M NICHOLAS)
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS L CUPIDO) (ACTING)
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR X SPELETE) (ACTING)

THE ACCOUNTING OFFICER: DEPARTMENT OF LOCAL GOVERNMENT: LOCAL GOVERNMENT (MR G PAULSE)
CHIEF DIRECTOR, DEPARTMENT OF LOCAL GOVERNMENT: MUNICIPAL PERFORMANCE MONITORING AND SUPPORT (MS S GREYLING)
CHIEF DIRECTOR, DEPARTMENT OF LOCAL GOVERNMENT: INTEGRATED SERVICE DELIVERY (MS N ZAMXAKA)
CHIEF DIRECTOR. DEPARTMENT OF LOCAL GOVERNMENT: DISASTER MANAGEMENT & FIRE RESCUE SERVICES (MR C DEINER)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

CONSISTENT ENFORCEMENT OF CREDIT CONTROL OVER THE FESTIVE SEASON

1. PURPOSE

1.1 This circular is issued to reiterate the importance of consistently applying credit control measures throughout the year, including during the festive season. Municipal revenue is essential for the provision of services, and failure to bill or collect revenue undermines the financial sustainability of a municipality (outlined in sections 73(2)(b) and (c)of the Municipal Systems Act (No. 32 of 2000) ("the MSA"). Failure to consistently enforce the credit control and debt collection policies also places the municipality at risk of compromising section 9(1) of the Constitution, which provides that everyone is equal before the law and has the right to equal protection and benefit of the law. Failure to enforce applicable by-laws consistently may mean that municipalities are wilfully or inadvertently practising selective prosecution of debt, which infringes the equality provision of the Constitution.

1.2 This circular provides guidance to ensure that enforcement complies with statutory and constitutional obligations, safeguards vulnerable residents, and mitigates legal and financial risk.

2. LEGAL CONTEXT

2.1 The duty for municipalities to collect revenue for services is firmly established in the law. Section 96 of the MSA prescribes that, "A municipality must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariffs policies and complies with the provision of this Act". For this purpose, municipalities shall adopt, maintain, and implement a credit control and debt collection policy which is consistent with rates and tariffs policies, complies with the provisions of the MSA, and is given effect through municipal by-laws as required in terms of section 98 of the MSA.

2.2 Section 100 of the MSA requires that the Municipal Manager must implement the municipality's credit control and debt collection policy and related by-laws. While section 100(3) further requires the Municipal Manager to report to the council on its implementation.

2.3 A council's role, as set out in section 99 of the MSA is to oversee and monitor the implementation of the policy and to evaluate and review the policy where necessary. The law makes clear that the council's role is in policy-making and oversight. The operational execution is delegated to the municipal administration.

2.4 The Mayor, as the executive authority, is responsible for providing general leadership and guidance in terms of section 52 of the Municipal Finance Management Act (No. 56 of 2003)("the MFMA"), to ensure the Municipality meets its obligations. Section 52 prescribes that: "The mayor of a municipality must provide general political guidance over the fiscal and financial affairs of the Municipality; in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer; but may not interfere in the exercise of those responsibilities."

2.5 Interference in the implementation of the municipality's approved credit control policy may constitute an offence in terms of section 173(5)(a) of the MFMA. Offences in terms of the MFMA can result in a fine or imprisonment for up to five years, if convicted.

2.6 In addition, the failure to properly implement the approved credit control policy of the municipality by an official may constitute financial misconduct in terms of section 171 of the MFMA. In such a case, the municipality must investigate and, where necessary, institute disciplinary proceedings.

2.7 All enforcement actions shall comply with procedural fairness requirements, including the provision of written notice, the opportunity to lodge disputes, and consideration of residents' circumstances prior to disconnection (see Joseph v City of Johannesburg [2009] ZACC 30). Pending disputes under section 102(2)of the MSA must be verified and resolved prior to any enforcement (City of Tshwane v Glofurn (Pty) Ltd (136/2023) [2024] ZASCA 101).

2.8 Notices shall be issued to the account holder and, where relevant, to property occupants. Indigent or vulnerable households shall be treated in accordance with the municipality's indigent policy (section 74 of the MSA; read with section 71 of the MFMA).

2.9 Enforcement actions shall only be undertaken in terms of the approved credit control policy and the corresponding municipal by-law.

3. FINANCIAL RISKS

3.1 Ensuring the long-term sustainability of municipal finances, and municipal service delivery, requires the consistent application of credit control policies throughout the year. Provincial Treasury has in the past observed a decline in municipal collection rates over the festive season in certain municipalities. These municipalities have struggled to recover from this loss of revenue, and it has led to financial difficulties in the new year, and in some cases to a financial crisis requiring intervention in terms of section 139(5) of the Constitution.

3.2 Municipalities should maintain proper records of notices issued, disputes lodged, and enforcement actions taken, to ensure that decisions can withstand review (City of Tshwane Metropolitan Municipality v Vresthena (Pty) Ltd [2024] ZASCA 51).

3.3 Lastly, failure to observe statutory or procedural requirements, including verification of disputes, protection of indigent households, and compliance with enabling by-laws, exposes municipalities to administrative review, urgent interdicts, and financial or criminal liability under the MFMA.

4. ACTIONS

4.1 This circular must be tabled at the next available council meeting to inform councillors and officials of their legal, financial risks, and procedural obligations regarding the credit control enforcement. This includes the risks associated with any interference or suspension of credit control measures.

VICTOR SENNA
DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES
PROVINCIAL TREASURY
28/11/2025