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Credit Control And Debt Collection Policy Presentation

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Background

- The main objective of the Credit Control and Debt Collection Policy is to:
 - a) Provide a framework within the municipal council to exercise executive and legislative authority with regard to credit and debt collection.
 - b) Ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interests of the community and rate payers and in a financially sustainable manner.
- In terms of the provisions of both the Municipal Finance Management Act of 200 and the Municipal Systems Act, it is required of the City of Johannesburg to review its Credit Control Policy and the applicable By-Laws. This process usually run concurrently with the Rates and By Law review. This is accordingly an annual exercise wherein both Policies and By- Laws are reviewed.
- The annually review of the policy involves all the relevant stakeholders to contribute by making their submissions during public meetings or by sending their inputs to RSSC using relevant communication channels.



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Consultations

- First phase of the review process has been conducted between December 2018 to February 2019 and public meetings were held during the said period. Consultations were conducted with businesses owners, communities, ward councilors. All the seven regions were visited, and all the inputs were fully considered. For the purpose of this policy review Municipal Owned Entities (MOE's) were also consulted for the added input.
- A second phase of public consultation was necessary to provide feedback on the amendments made. On this phase feedback was done through social media platforms as well as the City's website.
- It is important to note that, all comments received from the confirmed above structures and were effected as such.
- **Please refer to slide 4-6 with areas visited per region:**



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Region A	Date	Time
Midrand Fire Station Cnr First Street and Smuts Street Midrand	14 January 2019	18:00-20:00
Rabie Ridge Community Centre (Next to SAPS) 03 Korhaan Street Rabie Ridge, ?e	15 January 2019	18:00-20:00
Rivonia Recreational club 47 Achter Rd Paulshof Sandton	16 January 2019	18:00-20:00
Region D		
Jabulani Civic Centre No J Koma Road Jabulani	21 January 2019	18:00-20:00
Dhlamini hall Koma Road Soweto	22 January 2019	18:00-20:00
Diepkloof Hall Corner Immink and Eben Cuyler Drive, Diepkloof	23 January 2019	18:00-20:00
Protea Glen library Milkwood Street Protea Glen Ext 2 Soweto	26 January 2019	10:00-12:00

Region E	Date	Time
Sandton offices (Daisy offices) 137 Daisy Street Sandton	28 January 2019	18:00-20:00
Marlboro Community Hall Cnr Zinia and Islamabad Road Marlboro	29 January 2019	18:00-20:00
Norscot Manor Recreational Centre 6B Penguin Drive Norscot Fourways	30 January 2019	18:00-20:00
Jabula Recreation Centre Cnr. Anne Sir and Athlone Avenue Sandrin, ?ham	31 January 2019	18:00-20:00



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Region C	Date	Time
<i>Roodepoort Civic Centre JOO Christiaan De Wet Road Florida Park</i>	<i>4 February 2019</i>	<i>18:00-20:00</i>
<i>Cosmo City MPCC Angola Drive Cosmo City</i>	<i>5 February 2019</i>	<i>18:00-20:00</i>
<i>Braam.Fisher MPCC Lorieblaar Ave Braam Fisherville</i>	<i>6 February 2019</i>	<i>18:00-20:00</i>
Region B		
<i>Mark-J Park Pavillion Hall Judith Road Emmarentia</i>	<i>7 February 2019</i>	<i>18:00-20:00</i>
<i>Dannie Van Zyl Recreation Centre Cnre Rex & Plantation Avenue Claremont</i>	<i>9 February 2019</i>	<i>10:00-12:00</i>



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Region G	Date	Time
<i>Ennerdale Civic Centre Corner Katz and Smit Street Ennerdale</i>	<i>11 February 2019</i>	<i>18:00-20:00</i>
<i>Don JMatteman Civic Centre Line Road Eldorado Park Ext 5</i>	<i>12 February 2019</i>	<i>18:00-20:00</i>
<i>Lenasia Civic Centre No 1 Rose Avenue Lenasia Ext 1</i>	<i>13 February 2019</i>	<i>18:00-20:00</i>
<i>Lenasia Sports Complex Cnr Pegasus and Columbia Street Lenasia Ext 9</i>	<i>14 February 2019</i>	<i>18:00-20:00</i>
Region F		
<i>Eureka House Wemmerpan No 92 Marlborough Street Springfield</i>	<i>18 February 2019</i>	<i>18:00-20:00</i>
<i>Mondeor Recreation Centre Cnr Dayeford Road and Columbine Avenue Mondeor</i>	<i>19 February 2019</i>	<i>19:00-21:00</i>



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Suggested Amendments to Policy:

Clause 2.

- The preamble of the definitions was changed from; **The following words have meanings hereby assigned to them to:**
- **In this Policy, any word or expression to which a meaning has been assigned in the Act bears the same meaning, and unless the context otherwise indicates:**

✓ **Clause 2.2** : Words below with no definition were changed from

- Electricity;
- water;
- refuse removal and disposal;
- sewerage/ effluent services and sewer availability fees;
- rates;
- interests;
- connection fees; default administration charges;
- collection charges, miscellaneous and sundry fees.



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Public participation Process for the review of the Credit Control & Debt Collection Policy 2022/2023

First phase of the public participation meetings for the 2022/2023 review:

- Hybrid meetings will start on the 8st of February 2022 with the Councilor briefing session.
- Public meetings will start on 15 February and envisaged date of completion is 7th March 2022.
- The due date for the submission of comments and inputs is 7th of March 2022.

The Second phase of the Credit Control & Debt Collection public participation process and proposed Tariffs will form part of the IDP and Budget meetings which will be scheduled by the office of the Speaker.

The Credit Control & Debt Collection Policy 2021/2022 is available on

www.joburg.org.za

Written comments can be emailed to creditcontrolcomments@joburg.org.za by close of business on 7 March 2022.



Tentative Schedule of public participation meetings

2022/2023

Region	Venue	Date	Times
	Councilors briefing	09 February 2022	14h00-16h00
	Business meeting	18 February 2022	09h00-11h00
B	Marks Park Pavillion Hall, Judith Road, Emmarentia	15 February 2022	18h00-20h00
B	Ferndale Recreation Centre, 38 Harley Street, Ferndale	16 February 2022	18h00-20h00
B	Riverlea Recreational center, Colorado drive, Riverlea	17 February 2022	18h00-20h00
A	Midrand Fire Station, Cnr First and Smuts Streets, Midrand	21 February 2022	18h00-20h00
A	Ivory Park North Hall, 8712 Tokoloho St, Ivory Park, Midrand	22 February 2022	18h00-20h00
A	Rivonia Recreational club, 47 Achter Rd, Paulshof, Sandton	23 February 2022	18h00-20h00
A	Diepsloot Youth Hall, Main road, Diepsloot	24 February 2022	18h00-20h00
C	Roodepoort Civic Centre, 100 Christiaan De Wet Road, Florida Park	23 February 2022	18h00-20h00
C	Cosmo City MPCC, Angola Drive, Cosmo City	23 February 2022	18h00-20h00
E	Sandton offices, 137 Daisy Street, Sandton	24 February 2022	18h00-20h00
E	Marlboro Community Hall, Cnr Zinia and Islamabad Roads, Marlboro	24 February 2022	18h00-20h00



Tentative Schedule of Credit Control & Debt Collection Policy review meetings 2022/2023

E	Norscot Manor Recreational Centre, 6B Penguin Drive Norscot Fourways	1 March 2022	18h00-20h00
E	Jabula Recreation Centre, Cnr. Anne Str and Athlone Avenue Sandringham	28 February 2022	18h00-20h00
E	East Bank Hall, Cnr Springbok & Impala Strs, Alexandra	28 February 2022	18h00-20h00
F	Eureka House, Wemmerpan, 92 Marlborough Street, Springfield	1 March 2022	18h00-20h00
F	Kibler Park Recreation Centre, Peggy Vera Road & Sunningdale Dr, Kibler Park	28 February 2022	18h00-20h00
G	Ennerdale Civic Centre, Corner Katz and Smit Streets, Ennerdale	2 March 2022	18h00-20h00
G	Lenasia Civic Centre, No 1 Rose Avenue, Lenasia Ext 1	4 March 2022	18h00-20h00
D	SAADACC Community HALL, 10623 Maseru Str, Zone 9 Meadowlands	1 March 2022	18h00-20h00
D	Protea Glen Libray 1703 Milkwood Street, Protea Glen, Ext 1 Soweto	2 March 2022	18h00-20h00
D	Dhlamini hall, Koma Road Soweto	3 March 2022	18h00-20h00
D	Diepkloof Hall, Corner Immink and Eben Cuyler Drives, Diepkloof	4 March 2022	18h00-20h00
D	Pimville Community Hall, 11624 Modjaji Street Zone 4 Pimville	07 March 2022	18h00-20h00



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Suggested Amendments to Policy:

To the following:

- electricity consumption based on a meter reading or estimated consumption or availability fees;
- water consumption based on a meter reading or estimated consumption or availability fees;
- refuse removal and disposal;
- sewerage services and sewer availability fees;
- rates;
- interest;
- connection fees, default administration charges and
- miscellaneous and sundry fees and collection charges

✓ Clause 2.4

- Abbreviated (**AOD**) corrected and written in full as **Acknowledgment of Debt**
- **Consumer** replaced **Customer** on the definition
- **Clause 2.5 Arrears** Collection **charges** replaced collection **costs**

✓ Clause 2.7

- “**Clearance Certificate**” means the prescribed certificate as envisaged in Section 118(1) of the **Municipal Systems Act** 32 of 2000 replaced **Systems Act**.

Suggested Amendments to Policy:

✓ **Clause 2.8 : Clearance Figures application process was fully detailed:**

- **“Clearance Figure”** refers to the amount which must be paid to the City in terms of Section 118(1) of the Municipal Systems Act 32 of 2000 in order to obtain a clearance certificate, including any advance amounts due thereof.

Clause 3. On Application of the policy; the following wording were replaced by the ones further below:

- water, refuse removal, sewerage and the removal and purification of sewerage, electricity (hereinafter referred to collectively as “services)
- Fees, surcharges on fees, charges and tariffs in respect of the provision of the following municipal services:
 - the provision of water and the availability thereof;
 - refuse removal and disposal;
 - sewerage and the availability thereof; and
 - electricity consumption and the availability thereof;

✓ **Clause 3.9 Word replacement:**

- **Systems Act** was replaced by **Municipal Systems Act 32 of 2000**



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Suggested Amendments to Policy:

✓ **Clause 3.12 Word replacement:**

- **Immovable** was replaced by **immovable property**.

Clause 8 Deposits process was fully explained:

■ **Point 8.7 to 8.9** had been added

- All account holders who are Extended Social Package grant (ESP) beneficiaries should be exempt from paying a security deposit.
- All customers who receive PENSIONER'S rebate should also be exempted from paying a security deposit.
- All customers with a property market value not exceeding R500 000 should also be exempted from paying a security deposit.

✓ **Clause 10.2.1 Word deletion :**

- City reserves the right to, was **deleted** from (City reserves the right to levy administration fees on certain payment methods.)

✓ **Clause 10.4 Word replacement:**

- **Due** was replaced by **An account due**

Suggested Amendments to Policy:

- ✓ **Clause 12.2 City's Expanded Social Package grant process was fully detailed:**
 - A person registered as an indigent under the City's Expanded Social Package grant will be entitled to the relief and benefits afforded by the package.

- ✓ **Clause 12.3 Grammar correction:**
 - The City may install prepaid meters for indigent customers and in such cases the City **will** is replaced with **may** bear the cost of installation.

- ✓ **Clause 13.1 "Hijacked/abandoned" buildings detailed credit control process was fully detailed:**
 - services to these hijacked/abandoned properties shall be restricted or disconnected upon non-payment of an account for any services to the property, or at the request of the owner of the building.

Suggested Amendments to Policy:

- ✓ **Clause 14.1.1 Word replacement:**
 - **Customer** replaced **consumer**,
 - Means of electronic means available was replaced by available electronic means, to the most recent recorded address.

- ✓ **Clause 14.1.16 d. Tampering with supply process was fully detailed:**
 - The illegal reconnection and/or tampering with water or electricity supply is a criminal offence, which may result in legal action been taken against the offending customers

- ✓ **Clause 14.1.17 Sentence below has been deleted:**
 - The above notices must also warn of the consequences of illegal reconnection

- ✓ **Clause 21.5.2 Payment Arrangements on Domestic customers was inserted:**
 - The balance will be payable over a mutually agreed period as prescribed by the City.



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Suggested Amendments to Policy:

Clause 21.6 Payment Arrangements on Non-Domestic Customers process was fully detailed:

- Different requirements are set out which are applicable for different customers. The Non-domestic customers includes, Banks, CC's, Partnerships, Sole Proprietorships, Attorneys firms, Cooperatives, Mines and Companies. Payment plans in respect of arrear amounts may be for the period not exceeding six months for accounts which are in arrears but whose services are not terminated. In case of terminated services, an applicable reconnection fee is payable and the 50 % deposit is required before the conclusion of the payment plan which may not exceed three months.
- On instances where the customer is unable to pay the debt within the prescribed period, the City will request the Non-Domestic customer to furnish the City with the latest three (3) year audited financial statements and the six (6) months bank statements for the City to consider concluding the payment plan of up to six (6) months or more.

Clause 26.9 Clearances Figures process was fully detailed:

- Upon application for clearance figures and the consequent issuing of the certificate, the City may require the purchaser to pay for all the services linked to the premise/property. In other words by virtue of registration of the property, the registered owner accepts liability for all services rendered by the City to the said property/premise unless otherwise provided for in any other policy, legislation or court order.



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Suggested Amendments to Policy:

- ✓ **Clause 29.1.18 Restriction or Disconnection of services process was inserted :**
 - The City shall terminate the prepaid account where there is other services owed by the customer.

- ✓ **Clause 35.1 Staff Debtors and Councillor Accounts the following regulations and grammar were added:**
 - Councillors, staff members of the City and Municipal owned Entities(MOE's). This is regulated by the Local Government Municipal Systems Act 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003 and the Local Government Municipal Systems Amendment Act 42 of 2003.
 - The City may as per the Local Government Municipal Systems Act 32 of 2000,

- ✓ **Clause 35.6 was inserted**
 - In the event of termination of employment, clearance figures must be requested and on confirmation all arrear amounts are to be captured on the payroll system for deduction from the employee's final salary. Section 10(1) of the Payroll Policy provides that the arrears on municipal rates and services accounts of employees is seen as a statutory employee deduction.

Suggested Amendments to Policy:

Clause 36 Credit Control Measures during the State of Disaster:

The following was inserted:

- **Clause 36.1** - Despite the City of Johannesburg Municipality's legal obligations in terms of the Systems Act, the City may reserve its rights and may consider to suspend any/or all credit control measures during a declared National/Provincial disaster of any kind whatsoever.
- **Clause 36.2** - The City at its discretion during the declared disaster may consider measures under its credit control policy to assist customers during the said period, notwithstanding the customer's duties to service their/its respective municipal services.
- **Clause 36.3** - Such considerations may be considered during the declared period and the City declares that any suspension during the declared disaster is only temporary and all customers are obliged to fulfil their obligations to their respective municipal accounts.
- **Clause 36.4** - Should the said declared disaster cease to exist/suspends, the City further reserves its rights to resume its credit control measures in line with its obligations under the Systems Act.



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THANK

YOU