



CITY OF JOHANNESBURG

**COUNCILLOR DADA MORERO**

MEMBER OF THE MAYORAL COMMITTEE: FINANCE

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## **MEDIA RELEASE**

**04 September 2023**

### **City of Johannesburg Refutes DA's Misinformation Regarding Debt Collection Strategy**

The recent media release issued by the DA, titled "*DA condemns unlawful debt collection strategy by City,*" has drawn attention from the City of Johannesburg for spreading misinformation and casting unwarranted doubts on the City's Credit Control initiatives.

In its statement, the DA alleges that the City intends to utilize the Johannesburg Metro Police Department (JMPD) for the collection of municipal service debts at roadblocks.

The City currently employs an array of well-considered Credit Control initiatives and campaigns, encouraging residents with outstanding municipal debt to settle their accounts in relation to the services they have consumed.

The undeniable reality is that, like other municipalities across the country, the City of Johannesburg relies on financial contributions from all its ratepayers to facilitate the construction, maintenance, expansion of infrastructure, and the continued provision of essential services. This objective is realized through a robust credit control approach.

Revenue collection efforts by the Group Finance officials will be joining certain roadblocks conducted by JMPD going forward, these finance officials will be equipped to engage with residents on outstanding fees. They will have the capability to help residents with queries, enter into automated Acknowledgement of Debt (AoD); will be able to help with automated reconnection of services for disconnected residents who pay their bills or enter into an AoD. Finance officials will be performing the above tasks and not JMPD officers as alleged.

It is important to emphasise that revenue collection, for municipal services, is a collective effort from all units and departments within the City of Johannesburg. It is undertaken by revenue officials and the participation of JMPD officers is not out of the ordinary, as it involves curbing acts of lawlessness that are evidenced by illegal connections to the City's services; and illegal reconnections by residents and businesses after disconnections have been undertaken by the City's officials following credit control processes.

Within the City's Department of Public Safety exists a dedicated unit responsible for addressing matters related to bylaws, notices, fines, and enforcement, collaborating closely with both municipal and other relevant courts to ensure procedural compliance. The city is currently looking at increasing the resource capacity of this unit to curb instances of bylaw infringements, illegal connections and illegal reconnections. The units capacity with regards

to delivering notices will also be enhanced. This initiative will undeniably help with law enforcement and revenue enhancement, while also curbing the need to use 3<sup>rd</sup> party companies to deliver notices to residents and businesses.

In light of the increasing challenges faced by staff when collecting revenue, either from residents' places of employment or residences, the multi-disciplinary Credit Control Teams, comprising the Revenue Department, City Power, and Joburg Water, will be bolstered by the presence of JMPD officers to ensure their safety while executing revenue collection duties.

Rather than engaging in political rhetoric, the DA would be better served supporting the City's efforts to address the nearly R48 billion debt encompassing rates and taxes, sewage, electricity, and water charges – a financial burden that is ultimately unsustainable. The financial stability of any municipality depends on effective revenue collection. The City remains dedicated to its mission of responsible governance and the well-being of its residents.

**ENDS –**

**Issued by the MMC Finance, Cllr Dada Morero**

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