

MSUNDUZI ASSOCIATION OF RESIDENTS, RATEPAYERS AND CIVICS (MARRC)

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Msunduzi Municipality
City Hall, Church Street
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CC: Mr. Mododa Khathide
Municipal Manager
Per email: Madoda.Khathide@msunduzi.gov.za

14 September 2020

Dear Zinhle

CREDIT CONTROL AND DEBT COLLECTION POLICY. NOTICE IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT NO 32 OF 2000). COMMENTS AND INPUT ON BEHALF OF MARRC (MSUNDUZI ASSOCIATION OF RESIDENTS, RATEPAYERS AND CIVICS)

We refer to your notice in the print media and attach hereto our input and comments, for inclusion in the finalisation of the credit control and debt collection policy.

1. INTRODUCTION

Revenue collection in municipalities are considered to be a critical function as they are central in ensuring that the local authority has sufficient financial resources to fund and operate a functional and successful municipality. The current draft policy appears to be biased to protect only the interest of the municipality, to the disadvantage of law abiding citizens. Whilst the primary focus of MARRC is to promote active citizenry, it also advocates responsible payment of municipal accounts and for by residents and ratepayers to be in good standing with the municipality at all times.

The purpose of our submission is to create a more equitable, "customer-centric" policy; with the following objectives in mind:

- 1.1 Citizens who are responsible, in good standing and who have legitimate account queries and disputes must have access to services that will facilitate the rapid resolution of their queries and disputes in a simple, effective and efficient manner.
- 1.2 Citizens who have fallen into arrears must be afforded an opportunity to rehabilitate themselves within an environment that is conducive, friendly and respectful.
- 1.3 Consumers who are suspected of tampering and/or involved in the theft of municipal services must be investigated by the municipality with a sense of urgency and offenders must be prosecuted without fear or favour.

2. COMMENTS TO CREDIT CONTROL AND DEBT COLLECTION POLICY

We hereby make the following proposals and comments for inclusion, deletion and/or amendment to your draft policy:

Page 11, paragraph 4.12: Delete the following paragraph:

“However the account holder is also obliged to make enquiries regarding the account with the Municipality within the first two months of receiving the services.

Comment: This is the responsibility of the Municipality in their capacity as the creditor.

Page 11, paragraph 4.13: Delete the following paragraph:

“If the customer does not engage the Municipality, he/she will accept the liability of an account, when provided at a later stage and such bill shall be payable within 30 days of issuing”.

Comment: Non-engagement by a customer cannot be construed as delinquency or default on the part of the customer. This is unconstitutional and severely compromises the rights of the consumer. It is the responsibility of the municipality to ensure that customers receive their statements on time and at the correct address.

Page 12, paragraph 5.2: Addition required:

Include EFT's (electronic funds transfer) or bank deposits as an additional payment method for deposits payable to the Municipality.

Page 14, paragraph 5.8: Addition required:

Include a time frame for account refunds due to consumers. We propose a time period of 30 days for all refunds to be paid.

Page 15, paragraph 6.6: Amend the following paragraph:

“However the Municipality reserves the right to read the electricity and water meters once in twelve (12) months.

Amend timeframe to three (3) months.

Comment: The municipality needs to put more effort and resources to ensure that metres are read more frequently so as to avoid the current challenges with estimated readings.

Page 21, paragraph 8.5.1: Delete the following paragraph in its entirety:

“In the case of arrear rates, a collection charge equal to 10% will be raised sixty (60) days after the date of final instalment on the capital amount in arrears”.

Comment: This paragraph suggests that ratepayers (property owners) are seen to be “soft targets” and prejudices property owners whilst consumers (who may be tenants) appear to get an easy ride. This provision is intransigent, inconsistent, disingenuous and needs to be removed completely.

Page 25, new paragraph 12.5: To Add:

Evidence of water leaks on municipal property is considered to be a legitimate dispute.

Comment: A consumer cannot be held responsible for an account if there is evidence of a water leak on municipal property. In this instance, the consumer must be afforded a mechanism to lodge a formal dispute and to be exempted against any type of credit control measures until the dispute is resolved.

Page 25, new paragraph 12.5: To Add:

In the event that a consumer has a query or dispute with their account, the Municipality will make available a dedicated and specialised “Help Desk” to be manned by qualified personnel who are trained and equipped to analyse queries and resolve them within a period of thirty (30) days. All accounts with queries or disputes will be exempted from credit control measures until the query is resolved.

Comment: At present, there is serious lack of resources to deal with complex customer queries and disputes. Consumers are subjected to wait in long ques at AS Chetty building and most of the staff are not adequately trained to deal with complex queries and disputes. The Municipality needs to adopt a more “customer-centric” approach when it comes to complex queries and disputes. In doing so, this will enhance its ability to generate much needed revenue.

Page 26, new paragraph 13.1.10: To Add:

The Municipality shall operate an “account verification” hot-line to run on extended hours, over weekends and public holidays as well.

Comment: At present, the current billing system is dysfunctional and at times does not capture previous month’s payment by the consumer which shows the consumer in arrears the following month. Despite proof of payment by the consumer there are no mechanisms in place to show contractors that accounts are up to date and no disconnection should happen. The hot-line should be a means of verification of proof of payment by the consumer that the contractor could verify and therefore does not affect the disconnection. Unlawful disconnection by the municipality should be stopped as many consumers who are law abiding and pay their municipal accounts on time should not be targeted and intimidated.

Page 39, new paragraph 20.14: To Add:

Security of the power supply to the property is the responsibility of the municipality. Property owners cannot be required to pay the costs of power usage where illegal connections have been found to have been made by third parties without the knowledge or consent of the property owner.

Comment: This is for the protection of legitimate consumers when illegal connections impact on them.

3. CONCLUSION

The input from MARRC is intended to “strike a balance” between the obligations that are expected of customers in discharging their payment obligations to the Municipality, whilst also ensuring that customers are afforded with the adequate mechanisms to resolve their disputes and queries in a professional, respectful and timely manner.

It is further requested that every effort is made to assist indigents to register for assistance to gain the benefit for the consumer and Municipality in recovering Government moneys allocated for indigent services.

We trust you will give due consideration to our inputs and comments, and we look forward to your favourable reply.

Yours faithfully



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