



**By 2030 eThekweni will be Africa's
most caring and liveable city**



VISIT CAMPALA CITY - TANZANIA



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SESSION 1:REVENUE UNIT



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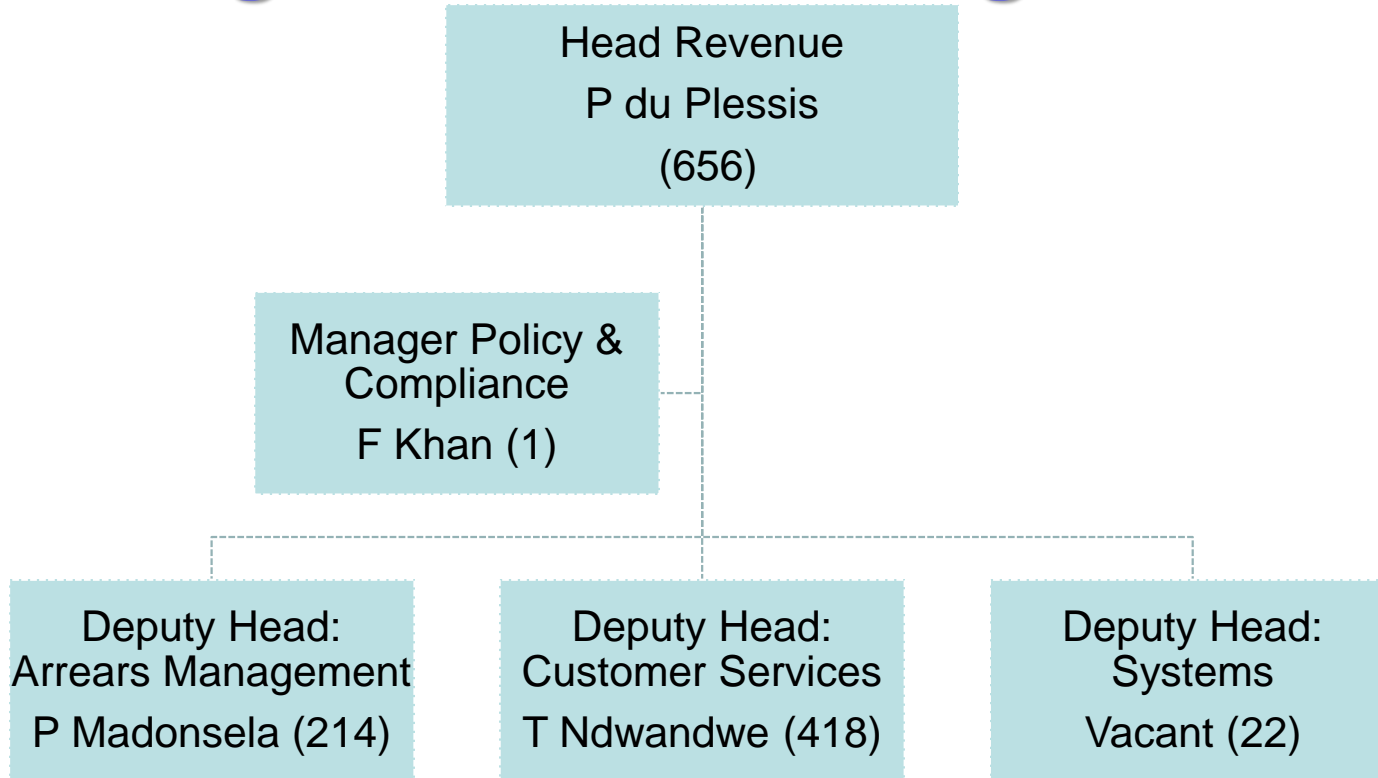
Presenter

Head: Revenue Management Unit

Outline of the Presentation

- Organisational Structure
- Function of Department
- Credit Control Legislation
- Role of Councillors
- Key Challenges and Suggestions
- Conclusion and Recommendation

Organizational Arrangement



Demographics

Staff Demographics	Vacant	F	M	Grand Total
African		169	95	264
Asian		103	61	164
Coloured		18	3	21
White		22	7	29
Vacant Funded to be filled	64	0	0	64
Vacant un-Funded not to be filled	114	0	0	114
Grand Total	178	312	166	656

What our department does

- The Revenue Department Responsibility
 - Rates Policy and Tariffs
 - Credit Control and Debt Collection policy
 - Cash Management (Cashiering to banks)
 - Collection of revenue billed for rates, refuse, water, electricity, sewer, housing rentals and sundry charges e.g. damages to services by contractors
 - Customer Services at counters, correspondence and call centre
 - Training on Revenue Systems and implementation
- The Revenue Department also assist in:
 - Drafting By-Laws
 - Litigation matters
 - Development of systems

The legal/ policy framework guiding what we do

- Constitution
 - Section 152:
 - provision of services to communities in a **sustainable** manner
 - Section 229
 - municipalities are obliged to levy and **collect** rates and taxes from their residents

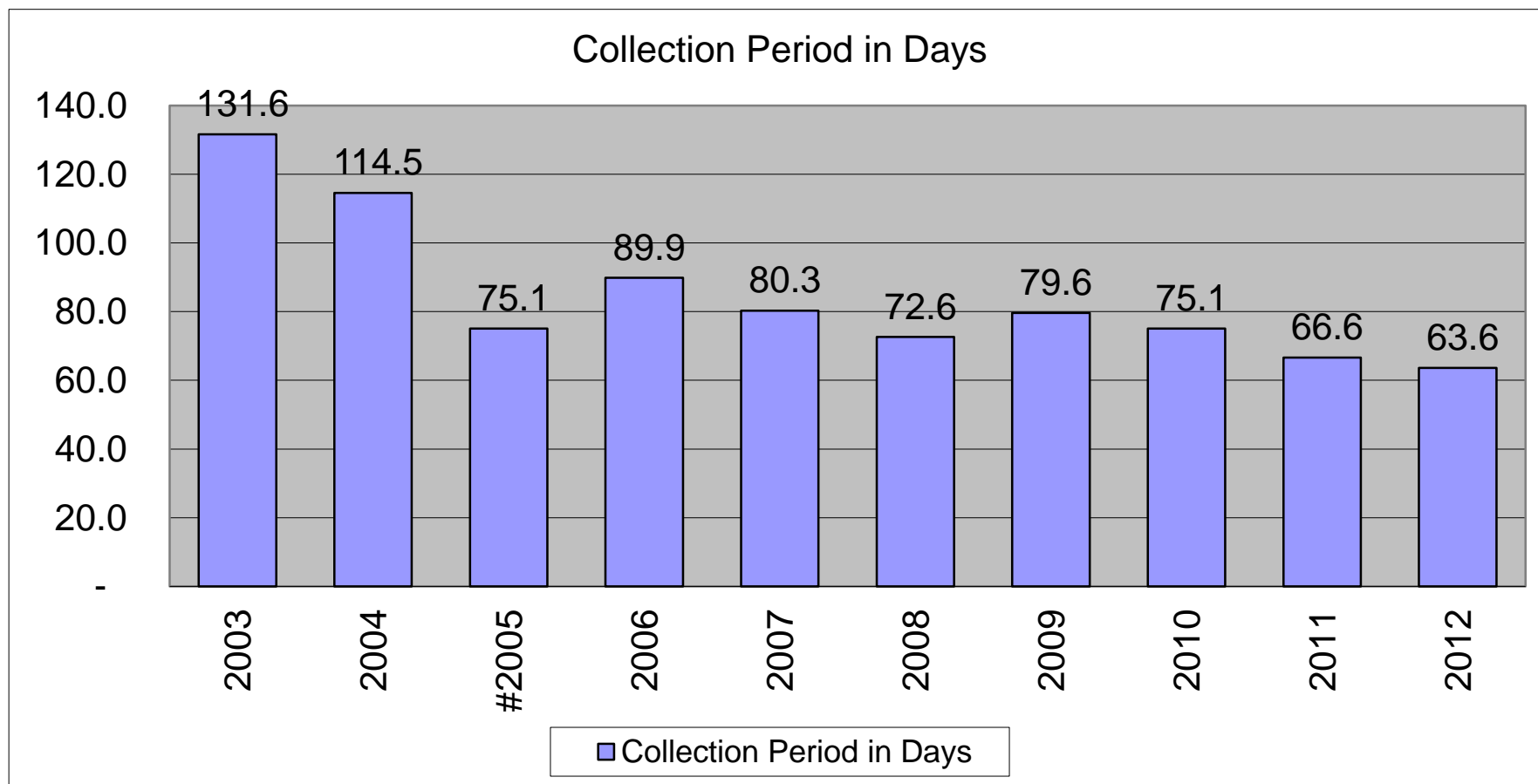
The legal/ policy framework guiding what we do

- Chapter 9 Local Government Municipal Systems Act & regulations
- Local Government Municipal Property Rates Act & regulation
- Local Government Municipal Finance Management Act S64 and SCM regulations
- Magistrates Court Act S58
- Credit Control and Debt Collection Policy & By Law
- Rates Policy and By Law
- Reported and un-reported Judgments in our Courts

The Role of Councillors

- Section 99 of the Local Government Municipal Systems Act
 - Supervisory Authority and must
 - Oversee and monitor the implementation and enforcement of credit control policy and by-laws
 - Oversee and monitor performance of administration in the implementation of credit control policy and by-laws
 - Evaluate and review credit control policy and by-laws to improve the efficiency of the credit control mechanisms
 - Receive regular reports on the implementation from the administration
- To politically back the collection processes, **which was done exceptionally by Council and Councillors**

DEBT RECOVERY DAYS & COLLECTION RATE



- The average collection rate for the Year 2013 to Date (YTD) is 104.2%

The key challenges that we face

CHALLENGE	DISCUSSION ON SOLUTIONS
Managing down government debt	<ul style="list-style-type: none"> • process for collecting from government departments
Consumers not honoring arrangements	<ul style="list-style-type: none"> • lifestyle assessment • conversion to prepaid meters • Consent to Judgment
Conversion to prepaid meters	<ul style="list-style-type: none"> • requirement for reconnection of services and credit agreement
Lack of integration of operational systems	<ul style="list-style-type: none"> • municipal systems should be capable of interfacing and operating on a common platform e.g. SCM Directors in arrears
Capacity to deal with tampering/theft	<ul style="list-style-type: none"> • appointment of panel of prosecutors • enactment of bylaws • physical inspection of properties • establish relationship with local SAPS

The key challenges that we face

CHALLENGE	DISCUSSION ON SOLUTIONS
Registration and management of indigent households	<ul style="list-style-type: none"> • Use targeted approach • installation of water management devices and prepaid meters • assistance of ward councilors • alignment and integration with the social welfare system
Difficulty to collect from deceased estates	<ul style="list-style-type: none"> • Need process to enforce winding up of estates • Possible legislative change (Long Process)
Staff and Councillor debt	<ul style="list-style-type: none"> • municipal employees to be treated like any other customer • full provisions of the policy should be applied • Compulsory deduction from Salaries and Allowances
Using of Vacant Land for Housing projects	<ul style="list-style-type: none"> • Reduce revenue base • Need mixed development • Tax policy to drive Job creation

Big and Critical
Question?



The broad question here, is our current credit control policy adequate and are we doing enough to ensure that we collect all outstanding debt?

Conclusions and Recommendations

- Identify Indigent Households through targeted approach
- Ensure regular revision of policy and by-laws
- Find mechanism to deal with deceased estates

Discussion

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Questions