

Customer service, billing and credit control

26 January 2011

Statement by the Executive Mayor of the City of Johannesburg, Clr Amos Masondo, on the occasion of the media briefing on issues relating to customer service, billing and credit control in the City of Johannesburg, held at the Metropolitan Centre, Mayoral Parlour, Braamfontein – Johannesburg

MMC for Finance: Clr Parks Tau

Members of the Mayoral Committee

City Manager: Mr Mavela Dlamini

Fellow Councillors

Official and Managers

The Media

Ladies and Gentlemen

We have convened this media briefing to provide clarity on service delivery, give an update on the implementation of Programme Phakama, our response to billing queries and the mayoral committee decision on credit control and recovery of all revenue owed to the municipality.

It is important that we should have the same understanding and context of the Johannesburg reality. This includes, amongst others, the fact that the City handles over one million accounts monthly, over ten thousand properties that change hands every three months (quarterly), the delivery of a multiplicity of services including water, electricity, waste removal and management, rates, sewer and sanitation etc.

In the course of doing our work, we have had to contend with ongoing integration of different IT systems, data bases and business processes.

The City of Johannesburg is aware of the fact that some residents and customers of the City have been experiencing problems relating to municipal accounts and incorrect billing. Some of these issues have been reflected in the print and electronic media.

Let me acknowledge that are those residents and citizens who may have been inconvenienced and negatively affected. The process of credit control and cut offs are meant to recover all revenue due to the municipality.

The City of Johannesburg has implemented a number of initiatives to improve the quality of services to the public, with a specific focus on customer service, billing and credit control.

On Programme Phakama

On the 1st August 2010, the city introduced and implemented Programme Phakama, whose main objectives were:

to have a single service utility (for managing the revenue value chain),  
to be responsible for the overall revenue and customer services,  
to operate from a single common database and  
to use a single IT system robust enough to run the integrated and complex operations of the City.  
To date, these are the different modules we have implemented:

SAP Human Resources;

SAP Finance;

SAP Industry Specific for Utilities for billing and revenue management;

SAP Customer Relations Management; and the

Land Information System (LIS) for providing a single repository of land and properties.

The first two of the aforementioned, have been successfully implemented and have been working well for the past two years. Evidence of this include consolidated finances of the city and the municipal entities, integrated banking processes, management accounts issued on a monthly basis as well as asset recording and management. With regards to Human Resources (HR), profiling of all our staff, leave and personal records and personnel policies that are easily accessible.

Whilst the latter three may have been implemented elsewhere on their own, it is worth noting that the integration of the Land Information System (LIS) and SAP Industry Specific for Utilities (ISU), is the first of its kind in South Africa.

In the implementation of this Programme Phakama, data had to be migrated from multiple data sources namely, Joburg Water, City Power, Pikitup and other City departments.

One of the outcomes of the system was to identify any inconsistencies in the migrated data. One of the outcomes, was the fact that some accounts could not be processed until such inconsistencies were resolved. But how were these issues then dealt with?

As from the 1st of July 2010 when we completed migration, we were only able to bill 744 852 customers. Through our data cleansing efforts we have progressively been able to increase the number of customers billed to 1 040 648. Of this number, no more than 8% of customers registered queries in respect of their bills. We are working hard, toiling around the clock, to reduce this percentage even further.

The perception to say that the City's billing system is not yielding appropriate results is therefore, far from correct.

In collecting the revenue due to the City, it is necessary to pursue all customers whose accounts have not been paid. In December 2010, 13 404 residents were issued with final notices for unpaid accounts. Of these 8333, who collectively owed the City R320 million, had to be cut-off. This represents less than 1% of the customers billed.

All the customers who paid or made arrangements to pay their accounts were reconnected as soon as practicable.

In the process of investigation, we have realised that some of the queries emanated from systems interfaces whilst others are human and process related.

In the process of implementation of IT projects of this complexity and magnitude, glitches and other post implementation challenges do arise.

It is therefore not unique for the City of Johannesburg to have experienced hiccups during and post implementation of the Enterprise Resource Planning system (Phakama).

Some of the challenges relating to systems included the following:

Interface between SAP/billing system and Deeds Office. This affected property transfers, clearances and refunds.

Interface between credit control management system and the SAP/billing system. This resulted in balances on the cut-offs and account statements not corresponding.

In other cases the consumption data and billed amount did not correspond.

Our dedicated team, assisted by experts, are daily finding solutions to these and other challenges.

The City of Johannesburg subscribes to the view that government is about the well being of people. We have adopted a people centered approach. This commitment is demonstrated in the number of access points for service delivery and query reporting.

The Call Centre is but one of these interventions. In addition, we also have an open door policy that allows for an ongoing interaction with individuals, business, civil society organisations as well as communities. In doing this, the City seeks to achieve a positive customer experience.

During the last customer satisfaction survey conducted by an independent service provider, citizens of Johannesburg have rated the service of the City above 70%. It is important, to note, however, that we have not allowed this to lull us into a sense of complacency. We continue to raise the bar and improve our performance.

Our investigations have revealed that in the course of doing our work, certain inexplicable errors have been committed. These include grossly exaggerated bills that have been sent to individual households and at time to business. Although these are by far a minority, they deserve serious and special attention.

The City will be holding management, individual and collectively accountable for poor performance, negligence as well as any malicious intent. The City will not tolerate mediocrity and poor performance in serving the public. All of us must learn that the customer is King!

We do, however, commend the majority of the employees, managers and personnel, for their dedication, commitment and diligence.

In compliance with Municipal Systems Act, municipalities are obliged by law to collect all revenue due to the municipality.

A customer has 21 days to pay an account. On failure to pay within these stipulated days, the City will further send a 14 day demand notice for payment. If customers do not respond to the letter of demand, their services are cut off. In this instance, customers will have to settle the full outstanding amount, plus a re-connection fee before services are reinstated.

It is also important to note that the City has designed an Expanded Social Package (ESP) / Siyasizana programme, aimed at providing social relief to indigent individuals and house holds. Those who meet the ESP criteria are encouraged to register for this program at the nearest People's Centre.

This program supports poverty alleviation and is aimed to ease pressure on ratepayers. It provides social relief and creates a safety net for vulnerable groups, which includes the poorest of the poor, pensioners, and disabled persons.

Customers who cannot afford to pay their arrears in full are encouraged visit nearest People Centres to make an arrangement.

We remain committed to building Johannesburg into a World Class African City. This will be an inclusive City, that is more equitable and spatially integrated – a non-racial, non-sexist, democratic and prosperous society. To succeed, we need to develop a strong partnership across the different spheres of government, together with civil society organisations and all residents and communities.

Thank you.