



a world class African city

City of Johannesburg Metropolitan Municipality
Revenue & Customer Relations Management Department

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MEDIA RELEASE

To: News Editors

From: Kgamanyane Maphologela
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Date: 2nd October 2009

CLOSURE OF TENANT ACCOUNTS

Tenants of rented property in the Johannesburg municipal area will no longer be able to open services accounts with the City of Johannesburg.

As of the 1st of October 2009, no more tenant accounts for residential properties will be opened. Municipal accounts will in future have to be opened in the name of the property owner who, in turn, will have to pass on the cost for municipal services to their tenants. The property owner will be liable for the payment of all municipal services linked to the residential property.

There are a large number of tenants who default on payment for municipal service accounts resulting in the City being unable to recover the debt.

Both rented property for residential and business use will be affected by the policy change.

Existing tenants will, for the moment, carry on paying their accounts to the City directly as the introduction of the policy will be phased in over a period. When new tenants occupy the properties, owners will have to open accounts.

All existing residential tenant accounts that are in arrears will be closed. The City will transfer the arrears to the owner's account where a signed service agreement is in place and has the consent of the tenant and owner. In cases where no signed consumer agreement exists, accounts will be classified and approached individually.

Property owners are encouraged to visit their nearest Customer Service Centre together with the tenant to make an arrangement with the City of Johannesburg in cases where the tenant is unable to settle the arrear amounts in order to avoid being cut off when credit control action is implemented.

The City of Johannesburg has experienced great difficulty in collecting arrear revenue from tenant accounts and has resulted in loss of revenue for the City. There are various reasons for this difficulty, but mainly a lack of security, difficulty in enforcing credit control, and the

accumulation of defaulting tenants huge arrears amounts in arrears due to difficulty of credit control at certain times and areas are the most obvious.

Once a customer's account has fallen in arrears or is not settled in full by the due date stipulated on the statement, credit control action is implemented. A cut off and reconnection fee will be added to the account in addition to the normal costs.

It is therefore essential that ratepayers ensure that they pay their account in full and on time to avoid the abovementioned credit control action.

Customers that have queries can log a query with Joburg Connect at (011) 375-5555 or email them at joburgconnect@joburg.org.za.

Issued by:

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