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MEDIA STATEMENT ON REVENUE AND BILLING ROADMAP

22 November 2011

It is of paramount importance to Johannesburg's Leadership that the City becomes much more customer and citizen-centric. Today we launch a Revenue Step Change Roadmap which sets out how the City will address and move to higher level of service, over a period of 19 months.

The main objectives of this initiative include improving the accuracy of billing and customer data integrity; enhancement of the City's customer engagement model; to ensure better responsiveness; the eradication of property change-of-ownership backlogs and the implementation of a "standard of services charter" for our customers within the first phase of 3 months. A timeframe of 19 months is realistic for the implementation of a complete customer and citizen friendly model, and service standards.

This structured approach ensures that benefits will be realised for customers and the City throughout the journey, with the final systems in place by the end of June 2013. We believe it represents a "step change" for Johannesburg and will result in an integrated system which clearly serves the needs of our citizens and meets the expectations of our customers, ratepayers and stakeholders including the suppliers of bulk services.

We listened to the voices and opinions of our customers – both residential and business – as expressed through their correspondence with the City; their interaction with call-centres and in comment by and to the print and electronic media. We also facilitated a wide-ranging process of research and introspection to identify the reasons for deficiencies in the revenue and billing systems and to come up with the solution for fixing it. In addition to our internal processes with departments and Municipal-owned Entities we also consulted independent experts in the fields of information technology, risk management, process improvement, operational efficiency and skills development and training – all important building blocks in "getting it right" for our customers.

The public consultation process or outreach programme that aided in crafting our new Growth and Development Strategy (Joburg 2040) afforded us additional opportunity to interact with customers, citizens and stakeholders. This was a comprehensive, city-wide process and an important listening opportunity for decision-makers and senior management. It again underlined the value of empowered residents who participate in the city's processes and structures resulting in new initiatives and outcomes.

We must emphasise that the cash position of the city has improved significantly in the first quarter of the current financial year – 2011/12. The number of accurately billed customers have increased significantly and we have achieved a 102% collection level for old debt during this period.

With the Roadmap we are building on the foundation laid by the systems and processes that we introduced through Programme Phakama in 2006. Over time we have had successes brought about by these systems and processes, but we also identified deficiencies in the systems and processes – and the way it was managed. This, of course, does not mean an investment of the same scale. The

implementation of the Roadmap will be funded from the improved collections from customers and will not impact funding earmarked for service delivery. The Roadmap is designed to build on the foundation laid and focuses on our people, processes, technology and structures.

During the exercises described above a number of shortcomings in the revenue management system were confirmed and others became apparent. Among these are:

- The quality of meter reading should be improved;
- Certain of our customers still receive incorrect bills;
- We have to improve the turnaround time on query resolution
- Customer information for a part of our customer base remains inconsistent and is located on various databases;
- Our frontline staff turnover rate is not ideal – which impacts on service to the public;

We acknowledge these deficiencies and realise that they mainly impact the balances that have accrued on customer accounts. To address these accrued balances a team of skilled people has been put together and supported by appropriate data mining and management tools, to expedite the identification of incorrect billing that may have happened. Errors found will be corrected and the accounts presented for payment arrangements to our customers. This initiative will be run parallel to the Roadmap implementation.

Our customers and citizens of course have an important role to play in this initiative. It is our sincere intention to work with our customers and citizens to make Joburg work for all of us. There will from time to time be calls upon our people and feedback from the City, to provide information and assist us in getting your accounts accurate.

The core team responsible for the delivery of the Revenue Step Change Roadmap comprise the Chief Operating Officer as overall Project Manager, the Group Chief Financial Officer, the CEO's of Joburg Water, City Power and Pikitup, the Heads of Department for Rates and Valuations and the Revenue Management and Customer Relationship Management Unit.

This team which reports directly to the City Manager as Main Sponsor and, through him to the Executive Mayor, the Mayoral Committee and Council, has been called together to ensure that this initiative is taken care of at the appropriate level - to firstly ensure that it is driven from the top and secondly to make sure that the customer centricity remains the guiding principle.

The Roadmap is forward looking and designed to provide a positive strategy with clearly defined deadlines to benchmark our progress and provide our customers, citizens and stakeholders with feedback on our collective progress. Feedback will be provided as a minimum at each milestone date that is 28 February 2012, 30 June 2012, 31 December 2012 and 30 June 2013. The main thrust of the Roadmap is to ensure the quality of billing going forward and the implementation of sustainable solutions for the City and its customers.

The Roadmap is based on two key areas of improvement to achieve a step-change in revenue management. It has improvement of Customer Insight and Experience and Management Effectiveness as over-arching objectives. This initiative is different in that it will be delivered by a committed team, in a highly structured manner across all relevant departments and MOEs, leveraging independent advice to ensure the correctness of customer bills going forward. The key thrust is customer centricity whilst the accrued customer balances will be addressed in parallel to resolve errors and incorrect data.

A project nerve centre is being established to implement the Roadmap and coordinate the activities of the relevant departments and MOEs.

We appeal to our customers – the people of Johannesburg – to be patient while we introduce and implement this very detailed plan. We assure you that our objective is to clean-up our billing and land information systems and significantly improve the quality of our customer relations.

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Issued by:

Gabu Tugwana
Communication Director
City of Johannesburg
Tel: 011 407 7162