



**MEDIA BRIEFING STATEMENT BY HER WORSHIP,
CLLR. MAGDALENA LOMBARDT, DEPUTY MAYOR OF
WINDHOEK, ON THE MATTER CONCERNING THE
KATUTURA RESIDENTS' COMMITTEE PETITION**

12 SEPTEMBER 2023

11H00

COUNCIL CHAMBERS, CITY OF WINDHOEK

Honourable Local Authority Councillors, present

Mr. Faniel Maanda, Acting CEO

Strategic Executives and Officials, present

Members of the media

Ladies and gentlemen,

Good morning,

I appreciate the opportunity to address you today regarding the Katutura Residents' Committee Petition and the City of Windhoek's response to this matter.

On June 27, 2023, the City of Windhoek received a petition from concerned residents from the Katutura Residents' Committee, followed by a meeting between the Mayor of Windhoek, Cllr. Joseph Uapingene and the said group in on 19 July 2023. During this meeting, the group also submitted recommendations, to which a formal response was provided on 4 September 2023.

Today, I want to touch on a few pertinent points and provide context to the issues raised in the petition:

1. Interruption of metered services:

The City of Windhoek has the mandate to suspend pre-paid services to recover outstanding debts for various services rendered. This is in accordance with the Electricity Regulation 20 as amended, which states that:

“(a) by the substitution for subregulation (l) of the following subregulation:

..(l) If an account rendered by the Council in respect of

(i) the supply of electricity.

(ii) rates leviable in respect of such premises in terms of the Act. or

(iii) the fees, charges or other monies due to the Council in respect of any service, amenity or facility supplied to the premises in terms of the Act, inclusive of any availability charge or minimum charge leviable under section 30(l)(u) of the Act, whether it relates to a service rendered in terms of these regulations or not, is not paid by a consumer before the expiry of the last day for such payment specified in the account. the

Council may forthwith suspend the supply of electricity to such consumer until the amount due is paid by the consumer, together with the charges referred to in sub regulation (3).";

2. Introduction of Pre-paid Electricity and Water meters:

The installation of pre-paid water and electricity meters has faced challenges due to financial constraints and limited manpower. It is important to note that the electricity pre-paid installations have always been free for pensioners. However, the only requirement is that the pensioners apply for the installation of pre-paid electricity meters.

As for the pre-paid water meters, there are currently payment options available to pensioners and general residents, which are upfront payments or repayment of the pre-paid meter installation cost, over a maximum period of five years, deducted through the purchase of the unit at an interest rate of 11%.

3. Elimination of consumption estimates:

When there is a pipe burst or leakage on the main line, the City of Windhoek bears the cost of the repairs as well as the losses - not the residents. However, when there is a leak on the resident's property or after the water meter installation, the resident or owner is responsible for fixing the leak and the consumption. Therefore, we encourage residents to use the SMS system for self-meter readings to monitor consumption and detect leaks early.

4. Ending the Contract with Redforce:

The City charges 20% per annum on arrears, while Redforce charges 10% on amounts paid. Prior to the appointment of Redforce, clients' accounts were handed over to attorneys for further debt collection. Those accounts handed over for legal collection to external attorneys, accumulated vast amounts of debt, which placed a significant financial burden on the City and the clients, since the attorneys charged legal fees even if they had not collected the amount from the defaulters. Whereas Redforce claims only 10% on

actual payment received by Council. The previous collection process proved to be costly, with no surety of financial benefit to the City or the client. Thus, the appointment of Redforce to collect debts on behalf of the City, was deemed more financially viable.

It should be noted that **no pensioners' residential properties accounts are handed over to Redforce**, and there is **no interest charged** on accounts handed over to Redforce for all residents, apart from the collection fee of 10% of each payment made.

5. Debt Write-off:

The City is currently working on a proposal to write-off debt for pensioners and interest for all residents. However, this process must be executed cautiously to ensure long-term sustainability.

6. Effective Debt Management:

We are actively considering various debt management modalities and are bound by legal mandates such as the Prescription Act and interest charges as per the

Local Authorities Act. Therefore, we cannot freeze interest on arrears, and I urge the public to familiarise themselves with the relevant amendments. However, for pensioners' payment arrangements, a principal decision was taken by the City to charge only a 15% down-payment, instead of the 33.33% requirement as per the City's Credit Control Policy.

Honourable Councillors, Ladies and Gentlemen,

Before I conclude, I would also like to take this opportunity to express my concern about **individual cases**, which are currently under investigation:

We are concerned about residents who are not pensioners and who use opportunities to petition and rally support whilst having arrears themselves, and who shy away from their obligations to pay for their consumption. Therefore, such cases, including repeated re-connections of defaulters' services, will be thoroughly investigated, and addressed.

Finally, I want to emphasise that the City of Windhoek takes this matter very seriously. We are committed to a thorough, policy-driven approach and will not be rushed into hasty decisions. Therefore, I kindly ask for our residents' patience, as we conduct the necessary due diligence in line with our approval processes, which we hope to conclude by the end of October 2023.

Let us remain calm and objective and allow for the administrative processes to reach definitive conclusions and resolutions.

This concludes my statement for today and I thank you for your time and co-operation.