

Media release
11 March 2022

COJ dragged to court over strong-arm tactics

A R21 million-rand – and growing – refuse removal bill is at the center of a court application brought by the Johannesburg Property Owners and Managers Association (JPOMA) against the City of Johannesburg and its contracted refuse collector Pikitup this week. The punitive amount was arrived at by a recalculation of refuse backdated to 2018 on 93 different accounts, which JPOMA and its legal team believe to be both invalid and unlawful in terms of COJ’s own bylaws.

“This is the tip of the iceberg – these back-billed charges continue to grow month on month as more members are coming forward when they see this on their accounts. Instead of engaging our members to find an equitable resolution, the COJ is employing strong-arm tactics to bully owners into signing admissions of debt or face disconnection of other services, unrelated to refuse collection.” So says Angela Rivers, General Manager of JPOMA, a non-profit organisation which represents the interests of property owners and managers and well over 150 000 tenant households in Johannesburg, which collectively pay over R80 million to the City every month.

“Our members’ accounts affect 7 333 separate dwellings in the inner city that house lower- and middle-income tenants, many of whom are economically vulnerable and in no way able to settle three and a half years’ worth of questionable backdated fees,” Rivers elaborates.

The recalculations emanated from a “Revenue Enhancement Project” initiated by the City of Johannesburg, through its Legogo Team. It resulted in the affected properties’ classification being changed without consultation with the owners, or due and consistent consideration of how properties and their refuse requirements are differentiated. JPOMA believes that this resulted in blatantly incorrect classification in many of the cases, with vague, or no substantiation offered. Properties valued at less than R350 000 are not liable for these fees, yet the City is attempting to attach a cost to every single unit, regardless of value, and to backdate claims for refuse that was already removed and paid for.

“It is the City’s duty in terms of the Constitution to provide democratic and accountable governance for local communities, to provide municipal services in a way that is financially and environmentally sustainable and to involve communities in matters of local governance while promoting social and economic development,” states JPOMA in its application. “Users of these services should be treated equitably in the application of tariffs, and poor households should have access to at least basic services that cover no more than operating and maintenance costs.”

The properties in question are all multi-unit residential buildings, inhabited by tenants ranging from the most vulnerable to middle income earners; all people who are sensitive to price shocks, especially

Johannesburg Property Owners and Managers Association (JPOMA) NPC
(Reg. no.2011/110042/08)

Directors: S Streaton (Chairman), R Plit, M Taitz, A Schaefer, G Holtzhausen, K van den Heever, K Cox, G Twise, R Reyneke (A)
General Manager: Angela Rivers Cell: 084 291 9087 Email: angela@jpoma.co.za
Website: www.jpoma.co.za Twitter: JPOMA @JPOMA_ZA

in the wake of the National State of Disaster declared in response to the COVID-19 pandemic on 23 March 2020. As COJ completes its backdating process more and more of these tenants will be presented with refuse bills that they cannot pay, severely compromising the affordable rental market.

Most of the affected buildings fall within the Urban Development Zones (UDZs) that were demarcated for tax incentives by the minister as part of the national economic policy initiative designed to invigorate inner city nodes. JPOMA's members have been active participants in the City Improvement Districts which were formed in the mid-90s to stave off the degradation and dilapidation that plagued the inner city. "Instead of valuing our members doing the work that COJ should be doing, it is trying to squeeze more water from the stone," says Rivers. She notes, for instance, that their members voluntarily contribute over R630 000 per month to private companies to clean and secure the public spaces in the inner city, which the City has failed to do over a number of years.

In its application, JPOMA highlights a number of irregularities which suggest that the decision to impose these increased, backdated tariffs was taken with an ulterior motive, namely, to target and mulct entities that can nominally pay, with increased and artificial municipal accounts in order to cover shortfalls in the city's collection process. "It suggests that certain types of owners were targeted, while the City and Pikitup customers are in fact primarily the tenants, not the owners," states JPOMA.

The result of this action by the City is that owners are held accountable for the past accounts of tenants who in many instances have since moved out of the various properties, which means costs cannot be defrayed.

The affected JPOMA members, which include several emerging black entrepreneurs, all run businesses with very small margins and in many cases will be forced into either down-sizing or liquidating should the retroactive charge go through, states the application. "The knock-on effect will be that there will be a reduction in quality housing supply in the inner city, limiting Johannesburg residents' ability to work and live in close proximity, as was the explicit intention behind creating the UDZs in the first place," says Rivers. "This short-sightedness will lead to the City actually losing paying tenants, as these people will move to informal accommodation where no services are paid for. No-one wins in this situation." ENDS

Johannesburg Property Owners and Managers Association (JPOMA) NPC
(Reg. no.2011/110042/08)

Directors: N Barnes (Chairman) R Plit R Reyneke S Streaton M Taitz G Papadopoulos A Schaefer
Manager: Angela Rivers Cell: 084 291 9087 Email: angela@jpoma.co.za
Website: www.jpoma.co.za Twitter: JPOMA @JPOMA_ZA