



SUMMARY OF SARPA CONVENTION 2013 PRESENTATIONS

Dr MICHELLE GATZ – Municipal Manager Mosselbay Municipality

- ❖ Welcomes everyone and explained the dynamics of the Mosselbay Municipality
- ❖ The high demand for services need income need to be well managed
- ❖ Revenue Protection is therefore very important
- ❖ Water is very important for consumers, but in the current environment we cannot survive without electricity as well
- ❖ Explained the functions of the new desalination plant
- ❖ Highlighted the huge risk of corruption and fraud
- ❖ Need to develop strategies to minimize losses
- ❖ Estimated R 4 billion losses on electricity yearly in South Africa
- ❖ Estimated losses R 7 billion for water
- ❖ Syndicates involved in theft and vandalism of electricity, water and municipal infrastructure
- ❖ Revenue protection processes necessary to combat these threats and minimize losses
- ❖ Smart meter brings a new risk of cyber attacks
- ❖ We need to be more innovative in finding solutions
- ❖ Explained all the systems that are currently put in place by utilities to ensure policies and bylaws are adequately enforced.

MIKE WILKINSON – United Kingdom Revenue Protection Association

- ❖ Provided an overview of Revenue Protection strategies implemented by Utilities in the United Kingdom, in order to minimize revenue losses
- ❖ Explained the purpose, strategies and key services provided by UKRPA
- ❖ Estimated 400 – 700 million pounds of energy theft yearly in the UK
- ❖ Discussed the value of Revenue Protection
- ❖ Explained the Government driven scheme on how to tackle energy theft namely the “Theft Risk Assessment Scheme (TRAS)”
- ❖ Syndicates operating in the UK and theft for the purpose of cannabis cultivation makes out a third of all energy theft cases
- ❖ Explained the key challenges for the industry
- ❖ Government informed Utilities to install smart Metering in the UK by 2019 but not going according to plan due to specification delays.
- ❖ Explained the anticipated impacts of the introduction of smart metering

ITZICK MICHAELI – Israeli Electricity

- ❖ Explained the progress made in the smart metering projects in IEC
- ❖ Highlighted the recent gas discoveries offshore
- ❖ The increase in electricity rates are encouraging electricity theft
- ❖ Explained the processes of Combating Electricity Theft
- ❖ Highlighted the establishment of the new Investigation and Intelligence Unit
- ❖ Combined forces with the police to gear up Israel Electric Revenue Protection Efforts".
- ❖ Several cases of large scale power theft been uncovered, which in some cases involved utility employees
- ❖ More assistance also from police re electrical infrastructure vandalism and exposed a few fraud cases at the company offices.
- ❖ Conducting sting operations with law enforcement and government agencies
- ❖ Involved with the prevention efforts of electricity infrastructure theft
- ❖ Exposing cannabis grow houses

PANEL DISCUSSION - It is time for change!

- ❖ A discussion was held on how do we improve service delivery, reduce risk and ensure governance in the electricity and water service delivery industries.
- ❖ Questions were posed to the audience namely: -
 - 1) What are the 5 major threats in water and electricity distribution?
 - 2) What is the potential business impact on service delivery?
 - 3) How do we address these threats?
 - 4) What needs to change and over what time period?
 - 5) Who has the authority to change everything?
 - 6) Do we have a focused approach to fixing problems?7.Are we making people “accountable”?
 - 8) How can we change society’s mind-set that electricity or water theft is a right?
 - 9) How to minimize the impact politics play in removing illegal electricity connections?
 - 10) How can we obtain funding of electrification projects to counter illegal connections?
 - 11) Are we protecting our staff adequately whilst removing illegal connections?
 - 12) Do we have enough dedicated and trained staff in the field to perform all tasks?
- ❖ Panellist gave their viewpoints on some of the questions and the audience responded with some solutions and also counter questions, which was answered by the panel
- ❖ It turned out to be a very interactive session enjoyed by everyone.

DOUGH BASHFORD - Eskom

- ❖ **Losses stats very alarming**
- ❖ **Losses 5 Billion in Gauteng (8 – 12 billion country wide)**
- ❖ **We do not have enough resources**
- ❖ **Reasons for losses not detected timeously**
- ❖ **Simple strategies to minimize the losses**
- ❖ **Follow the cycle till it is resolved**
- ❖ **Have the right people to the job**
- ❖ **Chain of evidence critical**
- ❖ **Now your facts**
- ❖ **Showed some tamper methods**

PAUL SMITH – Kagiso Trust Consultancy

- ❖ **Noted that their key focus is rebuilding Revenue Management Integrity**
- ❖ **Integrity is based on trust, truth, respect, reliability and efficiency**
- ❖ **Debt is a symptom of deeper underlying problems**
- ❖ **Asked the question - are we billing the right person?**
- ❖ **Explained the “Revenue Data Management System”**
- ❖ **This is the integration and cleaning of data basis**
- ❖ **Explained the “Collections Prioritisation System”**
- ❖ **It is important to implement a Municipal indigent verification process**
- ❖ **100 million debt down to 16 million**
- ❖ **Get rid of debt by tracing debtors**
- ❖ **Utility employees must have 24 /7 access to all data systems**

IMRAAN MOHAMMED

- ❖ **Provided a study of a revenue management project**
- ❖ **Gave feedback regarding the World bank report**
- ❖ **50% generated electricity not paid for in Sub Sahara Region**
- ❖ **30% Revenue losses in Sub Sahara Region**
- ❖ **Very important to implement “energy balancing” to id energy diversions**
- ❖ **Explained “Primary and secondary energy balancing processes**
- ❖ **Need to identify where to start looking for losses**
- ❖ **Focus on non technical losses first**
- ❖ **Meter fraud rife in Southern Africa**
- ❖ **Need to integrate between multi systems**
- ❖ **Need to address the culture of non payment**
- ❖ **Showed the “summary dashboard” which would help Utilities to get the “full picture”**

ANDRE DU TOIT - MBD Credit Solutions

- ❖ **Provided the Provincial Debt breakdown – Gauteng highest with R 37.3 billion**
- ❖ **National Debt - approximately R85 Billion**
- ❖ **Highlighted the Municipal Challenges in collection of debt**
- ❖ **Government owing Municipalities big amounts**
- ❖ **Tips to financial competence namely making use of the right skills, meter readings and audits, Revenue Management, customer profiling, data segmentation, query resolution process, effective communication**
- ❖ **Data Management systems do not help debt collections**
- ❖ **Showed different Management systems**
- ❖ **Gave a summary of drop-offs**
- ❖ **Data integrity, enhancement and segmentation are the cornerstones of effective collection and revenue management.**
- ❖ **A query solution process should be in place in every Utility**

RENS BINDEMAN – SARPA

- ❖ **Explained the process of combating non-ferrous losses on a National level**
- ❖ **Gave an overview of the strategy of the National Non-ferrous Metal Crime Combating Committee (NFMCCC)**
- ❖ **Explained the challenge to obtain cooperation between the role players**
- ❖ **Explained the new Second Hand goods Act**
- ❖ **Highlighted the importance of Police Governance**
- ❖ **Gave feedback regarding the “Flash units” and their duties**
- ❖ **Highlighted SARPA’s efforts to support the cause by means of training, compiling guidelines as well as taking part in operations and meetings**

JOHN SMITH – Telkom

- ❖ **Highlighted he Telkom experience with regard to “Cable Theft”**
- ❖ **With it’s widely spread network, Telkom is a prime target for the theft of copper cable and other infrastructure.**
- ❖ **Explained the measures that Telkom has at its disposal.**
- ❖ **Explained the problems and the reason for the high losses**
- ❖ **Analysed the trends of the thief’s and the correlation with the copper price**
- ❖ **Gave feedback regarding the different technology utilized to counter thefts**

LEON VAN DER BERG - Eskom

- ❖ **Explained the impact of the network equipment theft on Eskom**
- ❖ **Highlighted the problems and the amount of losses**
- ❖ **Gave feedback regarding successes in prosecutions**
- ❖ **Highlighted the different “Awareness programs”**
- ❖ **Interaction with other African countries ongoing**
- ❖ **Explained how they use technology and identification to minimize losses**

COLLEEN TSHIKOMBA - Tshwane Municipality

- ❖ Explained the different illegal connections and tampering offences in the City Of Tshwane.
- ❖ Highlighted the methods of tampering.
- ❖ Problems encountered during remedial actions are very dangerous for revenue protection staff members

WILLIAM OLIVIER – SARPA President

- ❖ SARPA Strategy was discussed
- ❖ Explained the different marketing initiatives
- ❖ Highlighted the Branch support and governance processes
- ❖ Highlighted the support give to combat non ferrous metal thefts
- ❖ Gave feedback regarding outstanding achievements

MICHAEL RHODE- Knysna Municipality

- ❖ Explained what is a smart meter
- ❖ Asked the question “Is there a need for Smart meters”
- ❖ Explained what benefits it bring for a Utility
- ❖ Gave feedback regarding the international experience
- ❖ Explained what does the law say regarding Smart meters / Smart grids
- ❖ Problem statement
- ❖ Highlighted the financial benefits to implement such a system
- ❖ Highlighted the benefits to Revenue Protection

LEON VERMAAK – UMS

- ❖ Provided feedback regarding a case study of the Mogale City pre-paid water meter installation project in an effluent secure estate namely Featherbrooke
- ❖ Problem setting
- ❖ Found that the Bulk supply was not adequately measured
- ❖ New meters was installed
- ❖ Technical results very good

MARTIN LABUSCHAGNE - Department of Water Affairs Eastern Cape

- ❖ Highlighted the importance of Water Conservation Demand Management
- ❖ Identified the problems in the water supply system in South Africa
- ❖ Explained how to timeously rectify such issues in order to prevent further losses to Service Providers
- ❖ Explained the Legal requirements
- ❖ Explained “Water demand Management processes”
- ❖ Stressed the importance of water conservation

DES PARKER – Bothongo

- ❖ Explained how to “put a clamp on power losses” and protect your revenue
- ❖ Gave an overview of a complete solution for identifying and measuring power losses

- ❖ **It is a sophisticated way of verifying meter identify, meter malfunctions and installation problems**
- ❖ **Explained what is the best way to tackle theft**
- ❖ **Highlighted the process of “Phase Balancing”**
- ❖ **This will increasing staff safety**