

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 1236**

**1236. Mr. H.C.C. Kruger (DA) to ask the Minister of Cooperative Governance and Traditional Affairs.**

a) What specific benefits and services are provided by municipalities to farmers who continue to pay municipal rates to ensure that the agricultural sector remains sustainable and competitive and (b) how does her department ensure that the specified benefits are effectively delivered to farmers? NW1377E

**REPLY:**

Sections 152(1)(c) and 153 of the Constitution state that one of the objectives of local government is to promote social and economic development. These objectives are further articulated in the Municipal Systems Act (2000). The Property Rates Act No. 6 of 2004 enjoins municipalities to *impose rates on property, exclude certain properties from rating in the national interest* and *make provision for municipalities to implement a transparent and fair system of exemptions, reductions, and rebates through their policies.*

The Property Rates by laws of municipalities make provision for the following types of Agricultural properties,

(i) agricultural purposes;

(ii) business and commercial

 purposes;

 (iii) residential purposes;

(iv) eco-tourism or conservation; or

(v) trading in or hunting of game and

(vi) farm properties not used for these purposes.

Successful rural development is critical for the long-term sustainability of rural municipalities. Vibrant local economies generate both demand for basic municipal services and the resources to pay for them.

**The Municipalities provide the following services to farmers directly;**

**Road infrastructure** that connects rural areas to urban centres and facilitates the mobility of goods and people within the area. Roads provide the connections necessary for local markets to develop and facilitate the provision of public services, such as ambulances and policing. Good feeder roads (access roads) can allow the supply of perishable foods to high-value urban markets.

The supply of **water infrastructure**, water treatment plants, sewer treatment plants and distribution networks are maintained by the municipalities. The importance of **electricity infrastructure** in rural areas cannot be over emphasised. Most municipalities who distribute electricity are responsible for the infrastructure installation, repairs and maintenance of the electricity network on farms.

The rate payable by agricultural properties is usually a maximum seventy five percent (75%) of the residential rate payable. The differential rates are calculated as a percentage differential if the municipality does not provide that service to farms for instance; a 20% differential because the farm owner provides more than ten (10) houses to farm workers or a 5% differential due to the fact that the municipality does not provide rural roads.

Municipal bylaws and policies also provide for the granting of a ***agricultural rebate*** in respect of agricultural properties which are solely used for agricultural purposes.

(b) Section 154 of the Constitution enjoins national and provincial government to provide support packages to Municipalities. Multi - sectoral Teams led by the Departments’ senior officials have developed support packages for municipalities in general and those that are dysfunctional in particular. The District Development Model is the mode through which this support packages are imported to the Municipality.

**End.**