

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER 2015/3880**

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**Mr K J Mileham (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

(1) Whether any investigation is currently underway and/or was conducted into the non-compliance of municipalities with the Local Government: Municipal Property Rates Act, Act 29 of 2014, in the 2014-15 financial year; if not, why not; if so, which municipalities (a) are being and/or (b) have been investigated;

(2) (a) what is the current status of each of the specified investigations and (b) when is it anticipated that the investigations will be completed;

(3) what has he found are the causes for the municipalities’ non-compliance with the specified Act;

(4) whether he is taking any steps to ensure the compliance of the municipalities with the specified Act; if not, why not; if so, what are the relevant details? NW4692E

**Reply:**

1. In the 2014/15 financial year 40 municipalities were assessed regarding compliance with the rating aspects of the Municipal Property Rates Act (the Act). 29 of the 40 municipalities were found not to be compliant with certain provisions of the Act. These include the requirement for adopting and publishing in the *Provincial Gazette* the by-law to give effect to the implementation of the municipal rates policy as well as the resolution levying rates (section 6 and 14 of the Act).

The department wrote letters to the 29 of the 40 municipalities that were found to be non-compliant. The letters outlined issues of non-compliance and how those matters should be addressed. Monitoring of municipal progress towards resolution of those matters indicate that as of 9 October 2015, 15 of the 29 previously non-compliant municipalities are now in compliance. The department will continue monitoring municipal compliance with the Act with the objective of addressing non-compliant matters as part of the 2016/17 municipal budget preparation process.

1. Please refer to (1) above and (4) below.
2. From the monitoring and assessments conducted, some of the causes were lack of understanding that Council adopted documents (i.e by-laws to give effect to rates policies and resolution levying rates) must be published in the relevant *Provincial Gazette* as required by the law. After identifying these kinds of non-compliance, a Circular (with specimen by-law and resolution levying rates) was issued to all municipalities on 10 April 2015.
3. Yes. As already indicated in (1) and (3) above, the department is continuing to monitor municipal compliance with the critical provisions of the Act and where required it provides the necessary guidance. Whilst in the 2014-15 financial year only 40 municipalities were assessed for compliance, for the 2015/16 financial year the number is 152, and this is envisaged to increase to 193 in 2016/17 financial year, and thereafter all municipalities will be assessed on an annually basis. The objective is to institutionalise municipal compliance with critical provisions of the Act.

