

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER 2017/995**

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

(1) What number of municipalities have implemented Special Rating Areas (SRAs) as contemplated in section 22 of the Local Government: Municipal Property Rates Act, Act 6 of 2004, as amended;

(2) has the SRA achieved the objectives for which it was established in each case; if not, why not; if so, what are the relevant details in each case;

(3) whether SRAs is an effective method of enhancing localised service delivery, if not, why not; if so, what are the relevant details?NW1123E

**Reply:**

1. As at 15 December 2016, information at our disposal indicates that 7 municipalities have established 49 Special Rating Areas (SRAs) between them in terms of section 22 of the Local Government: Municipal Property Rates Act, Act 6 of 2004 (“the Act”). The 7 municipalities are Breede Valley, City of Cape Town, eThekwini, KwaDukuza, Mossel Bay, Stellenbosch, and Nelson Mandela Metro.
2. Taking into account that the establishment of SRAs is a voluntary arrangement, we are not in a position to provide an independent authoritative view because we have not undertaken an assessment of whether the 49 SRAs that have been established by the 7 municipalities have achieved the objectives for which they were voluntarily established for.

Section 22(2) of the Act requires a municipality to consult and *“obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate”.* Accordingly, it is reasonable to conclude that if the majority of the affected members of the community are of the view that the SRA is not achieving its objectives, they can call for its dissolution. In this regard, the policies of all 7 municipalities provide for the municipality to dissolve the SRA upon written application by the majority of the owners of rateable properties within the SRA.

The establishment of SRAs is normally initiated by property owners (and not by municipalities) who make proposals to municipalities and these are established for a fixed period, which is ordinarily not more than five years, but their geographic boundaries and life spans can be amended by the municipality after consultations with the affected property owners if the majority are in favour of such amendment.

1. Following from (2) above, we are not in a position to answer this question at this point in time.

