

City of Johannesburg Council 2022-03-16/17

COJ : MAYORAL COMMITTEE 2022-03-13

GROUP FINANCE

65 DRAFT 2022/2023 PROPERTY RATES POLICY AND RATES BY-LAW

1 STRATEGIC THRUST

A well run City.

2 OBJECTIVE

The objective of this report is:

- To inform Council on the submissions and inputs received during the Rates Policy Review at the first public participation meetings held from 8th February to the 8th March 2022.
- To request Council's approval to engage the public on the tabled 2022/2023 Draft Rates Policy (Annexure A) and Draft Policy By-laws (Annexure B).

3 SUMMARY

The City of Johannesburg is governed by the Local Government: Municipal Property Rates Act 6 of 2004 (Act) (MPRA) as amended, which was implemented together with the City's Rates Policy on 1st July 2008. The Policy guides the property rating process within the City of Johannesburg.

MPRA requires the City to annually review its policy, and this has been done on an annual basis since inception. The City is once more reviewing its Policy as required in terms of the Act.

(1) Public Participation

The Policy review process requires public participation. Councilor's briefing was held on the 8th February 2022.

Subsequent to that, community consultation meetings followed. The process comprises of two phases. The first phase of public meetings started on 8th February and ended on 8th March 2022. Phase two will commence after the tabling of the 2022/23 Rates Policy and the proposed tariffs in Council together with all the other budgeting processes of the City. During the first phase of public participation, property owners were invited to comment on the current Policy 2021/2022, so as to allow the City to consider their input when compiling the draft Rates Policy for the ensuing financial year.

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The City scheduled thirty (30) community meetings using the hybrid format for all the scheduled engagements in the various regions in line with the Disaster Management regulations on gathering. A business meeting was also hosted virtually to give the business community an opportunity to make inputs to the Rates Policy.

The scheduled meeting for Pimville was cancelled at the request of the Ward Councilor due to a clash with a community meeting that was also scheduled to take place at the same time. The Community meeting for Meadowlands which was scheduled for the 1st March 2022 was postponed to the 8th of March due to the hall not having electricity. The meeting for Cosmo City scheduled for the 23rd February was rescheduled to the 28th February 2022.

The table below indicates all the venues where scheduled hybrid public participation meetings were held

Region	Venue	Date	Times	Comments
	Councilors briefing	08 February 2022	14h00-16h00	
	Business meeting	11 February 2022	09h00-11h00	
B	Marks Park Pavillion Hall Judith Road Emmarentia	15 February 2022	18h00-20h00	
B	Ferndale Recreation Centre No 38 Harley Street Ferndale	16 February 2022	18h00-20h00	
B	Riverlea recreational center Corolodo drive Riverlea	17 February 2022	18h00-20h00	
A	Midrand Fire Station Cnr First Street and Smuts Street Midrand	21 February 2022	18h00-20h00	
A	Ivory Park North Hall 8712 Tokoloho St Ivory Park Midrand	22 February 2022	18h00-20h00	Disrupted
A	Rivonia Recreational club 47 Achter Rd Paulshof Sandton	23 February 2022	18h00-20h00	
A	Diepsloot Youth Hall Main road Diepsloot	24 February 2022	18h00-20h00	

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Region	Venue	Date	Times	Comments
C	Roodepoort Civic Centre 100 Christiaan De Wet Road Florida Park	23 February 2022	18h00- 20h00	
C	Cosmo City MPCC Angola Drive Cosmo City	23 February 2022	18h00- 20h00	Postponed
E	Sandton offices (Daisy offices) 137 Daisy Street Sandton	24 February 2022	18h00- 20h00	
E	Marlboro Community Hall Cnr Zinia and Islamabad Road Marlboro	24 February 2022	18h00- 20h00	
E	Norscot Manor Recreational Centre 6B Penguin Drive Norscot Fourways	1 March 2022	18h00- 20h00	
E	Jabula Recreation Centre Cnr. Anne Str and Athlone Avenue Sandringham	28 February 2022	18h00- 20h00	
E	East Bank Hall Cnr Springbok & Impala Str Alex	28 February 2022	18h00- 20h00	
F	Eureka House Wemmerpan No 92 Marlborough Street Springfield	1 March 2022	18h00- 20h00	
F	Kibler Park Recreation Centre Eggy Vera Road & Sunningdale Dr Kibler Park	28 February 2022	18h00- 20h00	
G	Ennerdale Civic Centre Corner Katz and Smit Street Ennerdale	2 March 2022	18h00- 20h00	Disrupted
G	Lenasia Civic Centre No 1 Rose Avenue Lenasia Ext 1	4 March 2022	18h00- 20h00	
D	SAADACC Community HALL 10623 Maseru Str Meadowlands Zone 9	1 March 2022	18h00- 20h00	Postponed
D	Protea Glen Libray	2 March 2022	18h00-	

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Region	Venue	Date	Times	Comments
	1703 Milkwood Street Protea Glen Ext 1 Soweto 1819		20h00	
D	Dhlamini hall Koma Road Soweto	3 March 2022	18h00- 20h00	
D	Diepkloof Hall Corner Immink and Eben Cuyler Drive Diepkloof	4 March 2022	18h00- 20h00	
D	Pimville Community Hall 11624 Modjaji Street Pimville Zone 4	07 March 2022	18h00- 20h00	Cancelled

(2) Communication for public meeting

Communication of all information on the Rates Policy review meetings, dates, venues and times was done through several Media channels including but not limited to:

- Printed Media like Sowetan, Citizen
- Joburg Pulse Radio
- Customer statements
- Joburg website
- Tweeter/ facebook
- SMS

The information was also shared with Councilors through the office of the Speaker so that they could inform their residents.

(3) Attendance of meetings

The Meetings were well attended except for disruptions at the Ennerdale and Ivory Park meetings. The disrupted meetings were discontinued.

(4) Changes to Rates Policy

The two major changes done to the Rates Policy is the inclusion of rating the right-in-land (long term leases) and split values for multipurpose properties. The other changes made were corrections of some the wording in the policy so that it read correctly. The amendment of Municipal Property Rates Act in 2014 gave all municipalities in the country seven years to implement the changes as provided under section 8 of the act. These changes affect the categories of Property that will be used for rating in the financial year 2022/23

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(5) Inputs from stakeholder

Inputs were received from different stakeholders and they are attached to this report as annexure D. This report also contains the summary inputs, comments and queries received during the public consultation meetings in different regions.

Categories of comments

The residents in all the meetings raised concerns on how the debt rehabilitation program was implemented. The concerns raised during the meetings were primarily on how the City decided on the maximum value of property to qualify for debt write-off. The strong message that came out of most meetings were that every property owner was negatively impacted by the COVID-19 pandemic and the prevailing economic condition, and as a result they are all struggling financially, and would want to be granted an opportunity to apply for debt write-off.

The residents in all the meetings held took the opportunity to raise all the queries and complaints related to other service delivery issues. The issues were varying from poor condition of the roads, traffic lights not working, staff in the Customer Walking Centers not being helpful in resolving their queries etc. The Revenue team from the regions noted the queries and responded to some with a provision that the technical queries for water and electricity will be locked with the respective entities. The details of the attendees that raised the queries were taken so that they can be provided with feedback once the entities have responded. Additionally, the following were received:

- For the City to consider charging a flat rate in the poor communities.
- Business community raised concerns on the vacant land tariff that they feel is punitive. They also raised the issue relating to the proposed industrial tariff with fear that it may be excessive.
- Delays in resolving appeals and section 52 reviews relating to General Valuation roll 2018.
- Concerns were raised relating to the finalization of section 52 reviews that are concluded without the property owner's being present to defend their lower values.
- General poor services delivery was raised as a concern.
- Concerns such as rates tariff increases when the economy has deteriorated
- The pensioner threshold rebate to be reconsidered and to be applied as a sliding scale.

The service delivery issues that could not be responded to during the meetings because they would require the expertise of the entities' concerned, were referred to the respective entities provide responses after investigations. Most the queries in this regard were captured by the team from RSSC and CRUM.

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The detailed summary of all the inputs made by attendees of the hybrid meetings were all captured in a table with responses. The table is attached as Annexure C

4 POLICY IMPLICATIONS

The proposed changes are aimed at enhancing the Policy and the City's strategic goals.

5 LEGAL AND CONSITUTIONAL IMPLICATIONS

This report has been finalised in conjunction with Group Legal and Contracts to ensure compliance with all relevant Legislation. The Policy review process is governed by the Act, Chapter Four of the Systems Act and Municipal Finance Management Act. Section 5 (1) of the MPRA states that a municipal council must annually review, and if necessary, amend its Policy. Any amendments to a Policy must accompany the municipality's annual budget when it is tabled in the council in terms of section 16 (2) of the Municipal Finance Management Act.

Section 2 of MPRA goes further to say community participation is required when the City amends its Policy, and this process should be done through the municipality's annual budget process in terms of sections 22 and 23 of the Municipal Finance Management Act.

6 FINANCIAL IMPLICATIONS

The budget for public participation is provided for in the Property Branch budget.

7 ECONOMIC IMPLICATION

(1) Economic development initiatives/projects

The report supports initiatives linked to economic development through rebates

(2) Job creation

The report supports initiatives linked to job creation through rebates

(3) Skills development

None.

8 COMMUNICATIONS IMPLICATIONS

Draft Rates Policy and Rates by-laws will be communicated as per the City communication policy in line with the relevant legislation.

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9 OTHER DEPARTMENTS/BODIES CONSULTED

Budget Office
Valuation Services
Legal and Compliance

10 KEY PERFORMANCE INDICATOR

Implementation of revised annual rates tariffs in alignment with Rates Policy and the Bylaw.

IT IS RECOMMENDED

- 1 That Council takes note of the inputs received during the first phase of public consultation process that were held using the hybrid meetings is attached as Annexure C.**
- 2 That Council takes note of the written inputs received during the first phase of public consultation process that were held using the hybrid meetings is attached as Annexure D.**
- 3 That Council approves the proposed changes to the Draft 2022/23 Rates Policy and the Rates By-Law for further engagement for phase two of public consultation.**
- 4 That Council approves the 2022/2023 Draft Rates Policy and Rates By-Law attached as Annexure A and B for public consultation.**

(GROUP FINANCE)
(Veli Hlophe)
(tc)

THE NEXT ITEM FOLLOWS THE ANNEXURE TO THIS ITEM