



# CITY OF JOHANNESBURG

## RATES POLICY & RATE BYLAW REVIEW 2019/2020

- 1 . Legislative background**
- 2. Rates Policy review process**
- 3. Current condition under which the review is taking place**
- 4. The risk that might impact the revenue**
- 5. Proposed changes in draft Rates Policy**
- 6. Property categories, Ratios and Rates for 2018/2019**
- 7. Venues , dates and times for meetings**
- 8. Communication strategy**
- 9. Questions and discussion**



- Property rates is a tax
- In terms of Section 11 of the Prescription Act 68 of 1969 and the Council may recover rates in arrear for a period of up to 30 years
- The Rates Policy guides the City in all aspects of levying rates on property owners as required by the Local Government Municipal Property Rates Act 6, of 2004 (MPRA)
- Property Rates are levied as a cent in the Rand based on the market value of the property as reflected in the valuation roll
- Council levies different rates for different categories of rateable property based on zoning
- Council through the Rates Policy gives reductions and rebates on certain categories of properties as promulgated
- Council must review Rates Policy annually
- Council must conduct public participation on the draft Rates Policy in accordance with Chapter 4 of the Systems Act

- First phase public input into the Rates Policy for 2019/2020
- First phase starts on the 14<sup>th</sup> January 2019
- Due date for comments, submission and inputs is 19<sup>th</sup> February 2019
- Second phase proposed Rates Policy and proposed Tariffs (April 2019)
- Rates policy is available on : [www.joburg.org.za](http://www.joburg.org.za)
- Written comments can be:
  - Emailed to : [RatesComment@joburg.org.za](mailto:RatesComment@joburg.org.za),  
[pumzaj@joburg.org.za](mailto:pumzaj@joburg.org.za), [tandisizwes@joburg.org.za](mailto:tandisizwes@joburg.org.za)

### **The Rates Policy review process for 2019/2020 financial year is done under the following background :**

- City has implemented its third Valuation roll under the MPRA as amended
- The Rates Policy has been reviewed annually since 2008 to take into account legislative changes and City policy direction and public input
- The review of the Policy is done to support Diphethogo
- The review is done to enhance policy while ensuring that the required revenue is realized.
- A balance is maintained between affordability and revenue increase when proposing new tariff increases
- The review of the Rates Policy aligns City strategic directive of being pro-poor
- Alignment of Rates policy and other policies that have direct impact on Rates as well as the Strategic Direction adopted by the City
- Maintaining affordability, competitive and promote economic development as provided for by the Tariff Policy.
- Civic education on the Rates policy, Rates By-law and its impact
- Implementation of the City's strategic direction.

- Credit rating of the Country has dropped and the forecast is not looking good
- Economic growth of the Country has slowed down and the projected grow is not looking positive
- CPI target set by the Reserve Bank and it is almost closer to the maximum limit
- Future Electricity increase
- Increase on Vat has impacted the consumer negative
- Basket of household goods have increased
- Reduction in disposable income
- More property owner depending on social grants
- Business requesting more relief
- Determination of ratios by CoGTA with immediate implementation
- Reduction of Grants
- Reduction of Business ratio to 1:2

- Aligning the Rates Policy with the decision of Valuation Appeal Board decisions
- Rewording the sections of the Rates Policy to read correctly.
- Aligning the Rates Policy with other City Policies
- Complying with the provision of Property Rates Act(Section 93A)
- Reformulating of Corridors of Freedom
- Rebate for new investment in Industrial zones
- Special Rating areas Policy
- Land base financing instrument

No	Category	Ratio 2018/2019	Rates for 2018/2019 (amount in the rand )
1	Agricultural Residential	1:1	0.007345
2	Agricultural Business	1:2.6	0.019097
3	Agricultural other	1:1	0.007345
4	Residential	1:1	0.007345
5	Consent use	1:2	0.014691
6	Business and Commercial	1:2.6	0.019097
7	Sectional title business	1:2.6	0.019097
8	Sectional title residential	1:1	0.007345
9	Sectional title other	1:1	0.007345
10	Municipal property	1:0	0
11	Farming	1:0.25	0.001836
12	Mining land	1:2.6	0.019097
13	Vacant land	1:4	0.029380



<b>14</b>	<b>PSI</b>	<b>1:0.25</b>	<b>0.001836</b>
<b>15</b>	PSI privately owned	1:0.25	0.001836
<b>16</b>	Private open spaces	1:0.25	0.001836
<b>17</b>	Public Open Space	1:0	0
<b>18</b>	State	1:1.5	0.011017
<b>19</b>	Public benefit	1:0.25	0.001836
<b>20</b>	Education	1:0.2	0.001836
<b>21</b>	Religious	1:0	0
<b>22</b>	Multipurpose Residential	1:1	0.007345
<b>23</b>	Multipurpose Business	1:2.6	0.019097
<b>24</b>	Re of a township	1:2.6	0.019097
	Penalty tariff		
<b>1</b>	Unauthorised use	1:6	0.04407

## 2019/20 Rates Policy Public meetings

Region A	Date	Time
Midrand Fire Station Cnr First Street and Smuts Street Midrand	14 January 2019	18:00-20:00
Rabie Ridge Community Centre (Next to SAPS) 03 Korhaan Street Rabie Ridge	15 January 2019	18:00-20:00
Rivonia Recreational club 47 Achter Rd Paulshof Sandton	16 January 2019	18:00-20:00
Region D		
Jabulani Civic Centre, No 1 Koma Road Jabulani	21 January 2019	18:00-20:00
Dhlamini hall Koma Road Soweto	22 January 2019	18:00-20:00
Diepkloof Hall Corner Immink and Eben Cuyler Drive, Diepkloof	23 January 2019	18:00-20:00
Protea Glen library Milkwood Street Protea Glen Ext 2 Soweto	26 January 2019	10:00-12:00
Region E	Date	Time
Sandton offices (Daisy offices) 137 Daisy Street Sandton	28 January 2019	18:00-20:00
Marlboro Community Hall, Cnr Zinia and Islamabad Road Marlboro	29 January 2019	18:00-20:00
Jabula Recreation Centre Cnr. Anne Str and Athlone Avenue, Sandringham	30 January 2019	18:00-20:00
Norscot Manor Recreational Centre, 6B Penguin Drive Norscot Fourways.	31 January 2019	18:00-20:00
Region C	Date	Time
Roodepoort Civic Centre 100 Christiaan De Wet Road Florida Park	4 February 2019	18:00-20:00
Cosmo City MPCC Angola Drive Cosmo City	5 February 2019	18:00-20:00
Braamfisher MPCC Lorieblaar Ave Braamfisherville	6 February 2019	18:00-20:00

<b>Region B</b>		
<b>Marks Park Pavillion Hall Judith Road Emmarentia</b>	7 February 2019	18:00-20:00
<b>Dannie Van Zyl Recreation Centre, Cnre Rex &amp; Plantation Avenue Claremont</b>	9 February 2019	10:00-12:00
<b>Region G</b>		
<b>Ennerdale Civic Centre Corner Katz and Smit Street Ennerdale</b>	11 February 2019	18:00-20:00
<b>Don Matteman Civic Centre Line Road Eldorado Park Ext 5</b>	12 February 2019	18:00-20:00
<b>Lenasia Civic Centre No 1 Rose Avenue Lenasia Ext 1</b>	13 February 2019	19:00-21:00
<b>Lenasia Sports Complex Cnr Pegasus and Columbia Street Lenasia Ext 9</b>	14 February 2019	18:00:20:00
<b>Region F</b>		
<b>Eureka House Wemmerpan ,No 92 Marlborough Street Springfield</b>	18 February 2019	18:00-20:00
<b>Mondeor Recreation Centre Cnr Dayeford Road and Columbine Avenue Mondeor</b>	19 February 2019	19:00-21:00



- Internal GroupFin Newsletter – to be emailed to all staff
- All Rates Policy review information to be emailed to all Councillors
- Posters to be put up in all Customer Service Centres
- Pamphlets to be placed in all Customer Service Centres
- Newspaper ads in all Caxton (regional) and daily newspapers
- Rates Policy Booklet – to be handed out at meetings
- Electronic media pack (to be emailed to journalists)
- Public meeting dates schedule (1<sup>st</sup> round) placed on website
- MMS campaign (3-4 days to be send before meetings starts)

Email your comments to: [ratescomments@joburg.org.za](mailto:ratescomments@joburg.org.za)

Questions and Discussion

Thank you

