



15 January 2021

Nokuthula Ntuli  
Senior Reporter  
Witness

Dear Nokuthula

**Media query: Threat to withhold rates**

I refer to your email where you requested comment from MARRC on the threats by ratepayers to withhold rates due to poor service delivery by Msunduzi Municipality.

In order to respond we need to look in detail of the problems, capacity issues, negative perception of the municipal executive and employees and the fiscal health of the Municipality as outlined below.

**Focused problem statement:**

**MARRC wishes to highlight a number of disturbing issues perceived during interactions over the last year since the founding of MARRC in December, 2019**

- the apparent lack of experience, training, capacity, and professionalism of many municipal councillors, Public Officials and employees, factors often compounded by a lack of leadership and integrity of various managers and executive members.
- well qualified leaders, and members of the executive and administration, often seem to lack the will to counter poor accountability and management practices, requirements essential for the successful administration of a municipality of the size and complexity of the Msunduzi Municipality.
- the residents and rate payers now lack confidence and trust in Municipal councillors and employees due to their continued poor performance and perceived malfeasance (real or perceived) reflected in abuses such as the abuse of subcontractors, and overtime and their unwillingness to support the prosecution of those found guilty of fraud and corruption.
- the apparent inequitable collection of monies for rates, taxes and services received is troubling; some residents not being billed for rates, water or electricity, or have illegal connections, while other residents are overbilled, are unable to obtain their bill or are wrongfully disconnected when they are actually paying their bill.
- the near collapse of the SAPS billing system and lack of faith in rates and billing calculations is the final financial straw that will certainly result in the final demise of any hope of regaining financial recovery in the Msunduzi fiscus.

**1. On capacity issues:**

Starting from the top executive positions and working down through the ranks (both political and administrative), it is MARRC's opinion that all members should submit their qualification to public scrutiny to demonstrate their suitability for the positions they hold (and that their qualifications match that for the job descriptions and key performance indicators already be established for the position they hold). Such employees should be selected on an apolitical and non-racial basis and on past performance.

Where members are not suitably qualified, they should either a) be demoted to a suitable position while they acquire the skills they need to reapply for their position once judged suitable; or b) resign and be replaced by a candidate who has the suitable qualification and track record.

## **2. Negative perception of municipal executive and employees:**

### **It is MARRC's opinion that:**

- vastly improved transparency on tender processes, hiring processes (especially key positions), strategic decision making, etc. is required.
- The residents and ratepayers are exceedingly weary of the infighting and consistent unprofessionalism of the council members. ALL council members need to demonstrate a greater awareness of their role in
  - a) the current disastrous financial and administrative state of the municipality;
  - b) the negative impact their ongoing combative and often divisive rhetoric in various situations where ownership of previous failures is required.
- Tougher measures need to be taken on councillors who are not fulfilling their obligations to their communities and action by the speaker must be seen to have consequences.

## **3. Fiscal health:**

- Billing issues need to be resolved urgently and the public need to be informed of the steps being taken.
- the ratepayer base needs to be expanded urgently and inclusively.
- Greater engagement with communities and community leaders about the issues of illegal connections and their negative impact is needed.

Suggestions on how to more successfully discourage and report illegal connections should be sought and punitive measures should be taken against communities with illegal connections.

Income generation projects and prepaid metered electrical connections should be established in poor communities so that community members can afford to pay for utilities. Incentives should be offered for reporting and supporting the disconnection of illegal connections (not monetary for individuals, but rather a service that would benefit the entire community - engage the community to find out what they want).

Taking the above into account, MARRC discourages and is against the withholding of rates as it is currently against the law and would further negatively impact on the functionality of the municipality in the long-term. This is highlighted in the following articles of which ratepayers withheld rates and were taken to court and the Municipalities lost.

<https://www.news24.com/southafrica/news/concourt-questions-withholding-of-rates-20130205>

<https://northcoastcourier.co.za/163119/is-withholding-rates-from-kwadukuza-municipality-even-legal/>

During our engagements with the municipality in July and September 2020 (via Zoom and MS Teams), we alerted the Mayor and Municipal Manager that residents and ratepayers were becoming increasingly frustrated by the lack of service delivery. MARRC's preferred strategy is to use a diplomatic approach in the hope of finding solutions. However, we also warned the municipality that the continuous lack of service delivery was compromising MARRC's ability to pacify members.

Over the past 6 months of discussions, the municipality has either not responded to our various communication and/or have reneged on their commitments. We have reached a point where residents and ratepayers have lost trust and patience with the Msunduzi Municipality.

Whilst we do not encourage a rates boycott (as we consider it to be irresponsible and illegal), we have little influence on individuals who elect to vent their frustrations by withholding payment of their municipal bills.

MARRC has witnessed two court judgements against the municipalities of Makana, where their municipality has been dissolved, and in Kgetlengrivier, where the Kgetlengrivier Ratepayers Association in the North West took over the running of the water and sewerage provision in Koster, Swaruggens. These court judgements have set an important legal precedent for holding municipalities accountable. These successes and current deepening crisis in the Municipality, has spurred MARRC on to begin considering engaging attorneys to take legal action against the Msunduzi municipality where evidence of malfeasance is found.

While continuing to try to assist those officials who strive to improve service delivery and accountability, MARRC will continue to establish more resident and ratepayer associations throughout Msunduzi, to give a greater voice to the previously voiceless residents and ratepayer communities, to re-establish a City of Choice, serviced by professional and highly efficient, competent and honest public servants and leaders.

I hope this response would assist you with the query and to do the article. If you have any queries, please do not hesitate to contact me.

Kind regards,



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