

20 February 2024

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## **MARRC REJECTS PROPOSED TARRIFF INCREASES, CALLS FOR COMPLETE TARIFF REVIEW**

Msunduzi Association of Residents, Ratepayers and Civics (MARRC) strongly opposes the proposed increase as tabled in the *2024/25 draft Register of Tariffs and Charges*.

Each year we go through the same process which lacks proper public participation and merely requesting stakeholders to attend a public hearing and to make submission and is not what public participation entails.

We still have not had our submissions as far back as 2020 to date not being acknowledged and responded to. This demonstrates the lack of genuine public participation and non-compliance with s152 of the South African Constitution and the Municipal Systems Act s16 and s17 – provisions for public participation by Msunduzi Municipality.

But for the past two years (including the current), the municipality has not complied but only consulted the community on the draft rates and tariff charges. We need to ensure compliance by Msunduzi Municipality with its legal obligations to encourage the involvement of communities and community organisations in the affairs of the municipality.

Also, our perception is that the imbizo is not an effective and inclusive process; community submissions have no bearing on the prioritisation of development; no feedback is provided to communities on what is prioritised and how; and there is no process for communities to engage in the review and implementation of the IDP.

It must be noted that the Speaker's office is the champion of public participation but has actively discourages community involvement and has reneged on undertakings to advance the public participation agenda.

We are under administration for the past four years and we do not see any recovery by the municipality. It is disappointing to note the municipality's regression to a qualified audit opinion for 2022/2023.

We have seen service delivery in Msunduzi Municipality has deteriorated significantly over several years and includes poor value for service that we pay for. This has resulted in widespread consumer frustration and anger, many negative media reports, customer complaints and the formation of Civic Associations.

We find the rates and tariff increases unwarranted and are always targeted to paying consumers. There needs to be a turnaround strategy that would provide solutions to all the challenges the city faces now.

The proposed Municipal Tariff increases for 2024/2025 come at a time when many households are in extremely difficult financial positions *with any increase in monthly expenditure* placing them in further difficulty. For this reason, we request further information on the following issues:

- Will the municipality be making a submission in time to the National Energy Regulator of South Africa, NERSA, on the proposed increase of 17% for consumers within Msunduzi Municipality?
- We note the 12% increase of water, and would the municipality align their increase with Umgeni Water?

We want to find out, is the 12% increase to subsidise the multibillion-rand uMkhomazi Water Project. This is not a UW charge but a Water Affairs charge and why is the buck passed onto the consumer. Is it not possible for the National Water Affairs department to fund this project?

We find it alarming that the Msunduzi Municipality wants to charge this high-water rate when there are multiple water leaks that take place throughout PMB on a daily basis. Of these water leakages that are reported and to date are not repaired for years on end.

Both electricity and water increases are also unjustifiable above the [CPIX](#) of 5.10% and cannot be supported.

- Please provide detailed information on how the municipality intends to improve their process of revenue collection from all consumers.
- We also find that residents who are lawfully paying their dues must dig deep into their pockets to cover costs of cutting verges, clean-ups, repairing potholes, etc which is the responsibility of the municipality.

MARRC urgently request that the Msunduzi Municipality to engage with resident and ratepayer associations to implement the Special Rating Areas. This would take the load off the municipality and provide much employment opportunities.

Further the municipality needs to as a matter of urgency to implement proactive and decisive steps to secure payments from the residents who are able to pay, but do not pay for services. In addition, indigent applications must be fast tracked immediately across the entire municipal area of jurisdiction. The two major interventions, securing non-compliant payments and efficient applications for indigent support would make up the shortfall in the budget and there is then no need to increase the tariffs.

Local government must recognize that it has a moral, legal, and constitutional mandate to ensure residents and ratepayers receive service of value in respect the fees being collected.

A case study report and proposals were submitted to the Msunduzi Municipality by MARRC in 2020 detailing many billing errors and examples of inefficiency, incompetency, and maladministration. To date no response has been received to this submission and thus evidently none of the proposals to improve service delivery, customer satisfaction or increase revenue from defaulters/illegal consumers have been implemented.

The municipality must utilize effective and efficient measures to operate in the best interests of residents and ratepayers who are effectively funding their salaries. Lean governance principles must be employed to reduce wasteful expenditure and maladministration.

We have noted that the Council is not able to play the oversight of managing the municipal budgets and is unable to prioritize service delivery to residents. The focus has been to prioritize unnecessary expenditures on vanity projects instead of towards service delivery issues.

Why does the municipality want to increase the rates and tariffs increase for what?

- Five years under administration and still counting;
- R28million on sponsoring Royal AM Football Club;
- Poor service delivery;
- Residents doing the work of the municipality;
- Dysfunctional billing system that you invoice a consumer for [R35,6million](#);
- Political interference and cadre deployee;
- No tools of the trade for municipal staff;
- ETC, ETC, ETC!

**Recommendations: MARRC would like to propose that there be no rates and tariff increases until there has been an overhaul of the municipality, service delivery is improved substantially, improved, and equitable revenue collection across the whole of Pietermaritzburg, employment of qualified and experienced staff and political interference is removed completely.**

We hope that the Council will support our recommendations and to recognise the overwhelming financial challenges faced by consumers on a daily basis. MARRC believes that local government must recognize that it has a moral, legal, and constitutional mandate to ensure residents and ratepayers receive service of value in respect the fees being collected.

With these points in mind, it is clear that there are many other avenues to improve revenue rather than increasing the already large load on those residents and ratepayers who are already paying too much for poor service and governance.

We encourage the Speaker to become more proactive in the public participation process and to review the municipality's public participation policy with all stakeholders.

We look forward to contributing towards a positive process that would be beneficial to all and make our city a success.

We would appreciate your acknowledgement and response in compliance with Chapter 2, Section 5(1) (b) and Chapter 4, Section 17(2)(a) of the Municipal Systems Act.

Yours faithfully



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