

# Business Report 29 Apr 2011

## Bill steers clear of tribal land issue

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Co-operative Governance and Traditional Affairs Minister Sicelo Shiceka, left, and his deputy, Yunus Carrim, are in the process of changing the laws covering property rates. Photo: Bongwiwe Mchunu

Donwald Pressly

A municipal rates amendment legislation – expected to go through a process of public hearings in the next few months – has avoided creating mechanisms for making traditional lands rateable, which is likely to have created a storm of protest in areas governed by tribal chiefs.

While the local government Municipal Property Rates Amendment Bill was accepted by the cabinet last week, a contentious clause making traditional lands liable for rates has been excised from the bill. Such provision did appear in a previous draft of the bill.

The Financial and Fiscal Commission (FFC), which advises the government on the impact of legislation on its financial flows, said 29 percent of South African land was under traditional authorities. Of the 231 local municipalities of a total of 283 municipalities, 93 have traditional land covering more than half their jurisdictions.

Of these 93 local governments, 58 have more than 80 percent of their land under traditional authorities. Many of these municipalities are included in the most financially distressed local governments.

The commission said it was “a known fact” that municipalities faced many challenges in valuing and rating properties in communal areas – especially where traditional chiefs, “who are the custodians of the land”, have not been keen to get such properties valued or property rates levied on them.

Local Government Research Centre director Clive Keegan said the issue of imposing rates on traditional land had occupied the Co-operative Governance and Traditional Affairs Department for years. It had also been the intention of the previous department of provincial and local government to make traditional land rateable.

Once again the amending legislation has opted to avoid the issue. The bill, which is to be piloted through Parliament by Co-operative Governance Minister Sicelo Shiceka, will exclude indigent people who receive state old age pensions from paying rates to municipalities.

Deputy minister Yunus Carrim presented the amendment bill to the executive last week.

The FFC noted that traditional lands did not provide rates to municipalities outside certain commercial activities.

It also noted that the present act that governed property rates made no provision for addressing the administrative and political difficulties faced in imposing property rates in traditional areas. “This

includes the ownership of such land and subsequently which party is liable for the payment of... rates," the FFC said.

Finally, the commission noted that this still required strengthening in the amendments to the Municipal Property Rates Act.

<http://www.thestar.co.za/bill-steers-clear-of-tribal-land-issue-1.1062385>