



MFMA SECTION 33 PROCESS – INFORMATION STATEMENT

**ENTERING INTO A SERVICE LEVEL AGREEMENT ON THE
PREPARATION OF A GENERAL VALUATION ROLL AS WELL
AS SUPPLEMENTARY VALUATION ROLLS UNTIL 30TH JUNE
2031.**

TABLE OF CONTENTS

- 1. BACKGROUND**
- 2. SECTION 33 PROCESS**
- 3. PROPOSED SERVICE LEVEL AGREEMENT**
- 4. WHY THIS AGREEMENT IS PROPOSED AS A LONG TERM
CONTRACT.**
- 5. FINANCIAL IMPLICATIONS FOR RUSTENBURG LOCAL
MUNICIPALITY**
- 6. ACCESS TO INFORMATION REGARDING THE MFMA SECTION
33 PROCESS**
- 7. WHERE TO SUBMIT THE COMMENTS**
- 8. NEXT STEPS**

1. BACKGROUND:

Section 33 of the MFMA prescribes that public participation is required whenever a local authority intends signing an agreement or contract beyond the three (3) municipal financial years in length. In such instance the MFMA also requires the Municipality to provide background information and to write to the relevant sector departments to obtain their comments.

2. SECTION 33 PROCESS:

Where a contract or agreement is intended to span more than three (3) municipal financial years, Section 33 of the Municipal Finance Management Act, No 56 of 2003 (MFMA) requires the municipality to provide background information and to invite written comments from the local community and affected parties or persons and to write to government departments to obtain their comments. Rustenburg Local Municipality (RLM) is required to initiate the public information process by advertising the matter at least 60 days prior to approving the agreement.

The public invitation to comment on the draft contract is planned to be published on 14th November 2025 the municipal website, municipal libraries as well regional community centres.

The purpose of this document is to inform the public, certain government departments and affected stakeholders, parties or persons, as required by the MFMA, of the intention of the RLM to enter into a contract with the service provider to prepare the general valuation roll as well as supplementary valuation rolls for a period exceeding three years in line with the Municipal Property Rates Act.

Where a municipality intends to have a contract with a service provider and the financial obligations span over more than three municipal financial years, it must follow a procedure as set out under Sec 33 of the MFMA. This Information Statement sets out the requirements of Sec 33 and outlines the content, scope and objectives of the agreement involved.

Section 33 of the MFMA requires as follow:

Section 33 (1)(a) that the Municipal Manager must, at least 60 days before the Council meeting where an agreement or contract is to be approved, inform certain parties of the intention to enter in an agreement by:

- Section 33 (1)(a)(i) issuing an Information Statement summarizing the municipalities obligation and draft agreement documents to the public and invite comments and representations; and
- Section 33 (1)(a)(ii) soliciting the views of –
 - National and Provincial Treasury
 - National Department responsible for local government
 - National Department having functional responsibilities related to the service being delivered.

- Section 33 (1)(b) Council must prior to the approval of the agreement, consider:
 - Section 33 (1)(b)(i) the financial obligations for each financial year of the agreement.
 - Section 33 (1)(b)(ii) the impact of these obligations on its revenue.
 - Section 33 (1)(b)(iii) any comments received from the local community and other interested persons.
 - Section 33 (1)(b)(iv) written views and recommendations of the National and Provincial Departments referred above.

- Section 33 (1)(c) Council must adopt a resolution in which it:
 - Determines that it will have sufficient budget or revenue to pay for the agreement.
 - Approves the entire agreement and
 - Authorises the Municipal Manager to sign the agreement.

3. PROPOSED CONTRACT AND PROJECT BACKGROUND:

In terms of Section 30 of the Municipal Property Rates Act (Act 6 of 2004), “A *municipality intending to levy a rate on property must in accordance with this Act cause-*

- (a) A general valuation roll to be made of all properties in the municipality determined in terms of sub section (2); and*
- (b) A valuation roll to be prepared of all properties determined in terms of section (3).*

Section 32 further states that: “A *valuation roll*

- (a) Takes effect from the start of the financial year following completion of the public inspection period required by section 49; and*
- (b) Remains valid for that financial year or for one or more subsequent financial years as the municipality may decide, but in total not more than –*
 - (i) Four financial years in respect of a metropolitan municipality; and*
 - (ii) five financial years in respect of a local municipality”*

The municipality has advertised a bid to appoint the service provider for a period of five years as it is cost effective to have the valuation valid for five years as there is a significant amount incurred by the municipality to prepare the general valuation roll. Less amount is spent when maintaining the valuation roll. In this case the municipality will only incur the significant amount in the fifth year as compared to every second year if the contract is only three years.

In general terms, the summary of the services required are highlighted below.

The draft contract is attached for ease of reference. However, the summary of the key deliverables of this contract will be highlighted in this document.

Municipality’s obligations in terms of this draft contract:

- The municipality retains the right to execute the inspections and to conduct investigations in the area concerned and to have reasonable insight in the documentation of the service provider concerning all valuation matters.
- The municipality must monitor the performance of the service provider and identify any non-performance concerns and address them as they arise.
- The municipality must assist the service provider in terms of access to the communities within the Rustenburg Local Municipality while performing their work.
- The municipality designate a municipal valuer for the service provider to start performing their duties.
- The municipality must determine the date of valuation not more than 12 months before the implementation of the new valuation roll.
- The Municipality shall make available, as far as practically possible, to the service provider at the cost of the municipality the following:
 - 1. Any available information which is in the possession of the

Municipality and required by the service provider in respect of the areas concerned.

2. All Maps (with specific reference to the demarcated area of the administrative unit) and plans, schedule certificates, access in Building plans, amended schemes, etc, as may be required for valuation purposes in terms of the contract.

The service provider will be expected to perform the following:

- assist the municipality regarding the preparation of the Rates Policy and with all the necessary community participation with regard thereto, as contemplated in Section 4 of the Municipal Property Rates Act, as well as with annual review of the Rates Policy as required by Section 5 of the Municipal Property Rates Act.
- In performing its duties in terms of this agreement, the service provider will fully comply with all relevant provisions contained in the Municipal Property Rates Act as regards the compilation of valuation rolls, and in particular with the following provisions of the Rates Act.
 - The valuation of different categories of properties in terms of Section 8(2).
 - The valuation of multiple purpose properties in terms of Section 15 and the review thereof, if required by the municipality.
 - Attending to exemptions, reductions, or rebates in terms of Section 15 and review thereof, if required by the municipality.
 - The compilation of the valuations in terms of Section 7(1), subject to the provisions of Section 30(2), where applicable.
 - The compliance with the provisions of Section 30
 - The compilation of the valuation rolls as at date of valuation in terms of Section 3.
 - Full compliance with Section 34 and the functions of the municipal valuer.
 - Compliance with Section 36, relating to data collectors and the assumption of responsibility for their performance.
 - The compliance with Section 37 delegation where applicable and if necessary.
 - The compliance with Section 39 - qualification of municipal valuer.
 - The compliance with Section 40 - prescribed qualification.
 - The compliance with Section 41 - inspection of property within defined days and times.

- The compliance with Section 42 - access to information.
- The compliance with Section 43 - conduct of valuers.
- The compliance with Section 44 - protection of information.
- The compliance with Section 45 - valuation methodology and Section 13 thereof.
- The compliance with Section 46 - general basis of valuation.
- The compliance with Section 47 - Sectional Title Schemes.
- The compliance with Section 48 - content of the valuation roll including any additional information that the municipality may require in terms of the tender.
- The compliance with Section 51 - processing of objections, if so, required by the municipality.
- The compliance with Section 52 (1) (3) - compulsory review.
- The compliance with Section 53 – notifications
- The compliance with Section 69 - decision of the Valuation Appeal Board and Section 34(f).
- The compliance with Section 78 - supplementary valuations including annual reviews of multiple properties in terms of Section 9 and the properties affected in terms of Section 15 of the Act, if so, required by the municipality.
- The compliance with Section 81 and 82 of the Act. The service provider's nominated person/s shall provide and make available all data and valuations for the purpose of the internal monitoring by the Municipality as well as monitoring by the MEC for Local Government in terms of Section 81 (1) of the Act and the Minister in terms Section 82(1) of the Act. Such data will be available in format that is easy to read, understand and interpret.
- The service provider must ensure that all valuation data is compatible with the Municipality's financial system which will be communicated from time to time, in order to enable the electronic downloading of the valuation data.
- The service provider will be fully responsible to gather all the necessary data to enable the service provider to compile the valuation roll and all supplementary rolls, which data must be capable of being checked, audited, verified and monitored.
- The service provider agrees that all information, graphs and cadastral maps etc. compiled by the service provider that outlines the valuation method used to arrive at a valuation base of formula to arrive at different values, as well as all information collected by the valuer on individual properties as may also be contained in "field sheets" must be available to the municipality on request.

- The service provider in conjunction with the municipality undertakes to monitor proclamations in the provincial Gazette of the Northwest Province and to perform supplementary valuations in this regard to be completed within one month from date of proclamation in the Provincial Gazette.

4. Why is this contract considered a long term:

- The draft contract has been aligned to section 32 of the Municipal Property Rates Act which allows the local municipality's valuation roll to be valid for that financial year or for one or more subsequent financial years as the municipality may decide, but in total not more than five financial years in respect of a local municipality.
- The municipality has opted to have its valuation roll valid for five as it is cost effective to have the general valuation roll every five years, rather than paying for general valuation roll every two years.

5. Financial Implications of implementing the Project

- The cost of implementing the valuation roll in the first is approximately R10 million.
- The budget for subsequent years could not be determined as the supplementary valuation rolls (maintaining the general valuation roll) depends on requests given by the municipality to the municipal valuer. These will depend on new proclamations, subdivisions, consolidations and any other special requests coming from the municipality.
- The revenue that will be generated by the municipality in the first year of implementation will depend on property values which will be determined by market prices at the date of valuation. The property values might go up or down and the municipal revenue will be also be consistent with the property values. The other four years will be based on increases from the National Treasury budget guidelines and these increases will be based on property values determined during the general valuation roll.
- The municipality has sufficient budget to implement the project as **R 8 000 000.00** is budgeted for in the 2025/26 MTREF. The other two years will be catered for in the future budgets as the revenue generated from property rates will fund that budget.

6. Access to information regarding the MFMA Section 33 process:

This information statement as well as the draft contract will be published in the municipal website, municipal libraries as well as Regional Community Centres from the 14th November 2025 until 23 January 2026. Interested parties as well as the members of the community will have an opportunity to comment on this proposed long term contract. The same information will also be sent to National Treasury, Provincial Treasury, National COGHTA as well as provincial COGHTA.

7. Where to send the comments

Comments can be sent to the following email addresses:

Busisiwe Faku - bfaku@rustenburg.gov.za

Thabiso Mkhwanazi - tmkhwanazi@rustenburg.gov.za

Sonto Ntshangase - sntshangase@rustenburg.gov.za

Comments can also be submitted in the municipal tender box or office 155, Missionary Mpheni House, 159 Beyers Naude Drive, Rustenburg. For interested parties who cannot read or write can visit office 155 as per the above address, they will be assisted with their comments or inputs.

8. Next steps

The comments from all interested parties as well as the affected sector departments will be consolidated and presented to Council for final approval after the closing date.