



**DA Mogale City Caucus**  
Caucus Leader: Tyrone Gray  
Tel: +27 84 665 5918  
Email: [tyronegmichael@gmail.com](mailto:tyronegmichael@gmail.com)  
[www.da.org.za](http://www.da.org.za)

**07<sup>th</sup> August 2024**

**To: Public Protector**

**Adv Kholeka Gcaleka**

**Hillcrest Office Park,**

**175 Lunnon Street, Brooklyn,**

**Pretoria**

**Per E-mail: [registration2@pprotect.org](mailto:registration2@pprotect.org); [PrinceC@pprotect.org](mailto:PrinceC@pprotect.org); [Dipoum@pprotect.org](mailto:Dipoum@pprotect.org); [khulup@pprotect.org](mailto:khulup@pprotect.org); [johannr@pprotect.org](mailto:johannr@pprotect.org);**

**RE: INADEQUATE PUBLIC PARTICIPATION, DEFICIENT CONSULTATION AS PER MUNICIPAL SYSTEMS ACT NO. 32 OF 2000 (MSA) AND INCREASES OF TARIFFS WITHIN A FINANCIAL YEAR IN CONTRAVENTION OF THE SECTION 28(6) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) NO. 56 OF 2003.**

**Good day, hope this brief finds you well.**

**Mogale City Local Municipality has embarked on inadequate public participation, which has resulted in breach of legislation in general. Executive Mayor Ald. Thupane has specifically failed to effectively communicate the restructuring of the electricity tariffs, this dismal failure to uphold section 52 and 23 of the MFMA which states the following:**

**“52. General responsibilities – The mayor if a municipality –**

**(a) must provide general political guidance over the fiscal and financial affairs of the municipality;**

**23. Consultations on tabled budgets...**

**(2) After considering all budget submissions, the council must give the mayor an opportunity –**

**(a) to respond to the submissions; and**

**(b) if necessary to revise the budget and table amendments for consideration by the council.”**

**During the IDP process, the increase in tariffs was presented as only 12,74% and no presentation was given to the community on the restructuring of the flat rate previously charged, to a changeover to the inclined block tariff, which has a result of triggering an increase when implemented by much more than the presented 12.74% and in some cases triples, quadruples or quintuples the proposed increase. This effect affects households (domestic users) disproportionately, and further exacerbates the cost-of-living crisis, potentially triggering an inflation spiral and causing further pressure to already financially stressed families.**

**FREEDOM. FAIRNESS. OPPORTUNITY. DIVERSITY.**



Lack of clear communication during the publication and consultation, indicates that the purpose of the integrated development planning process has been subverted, because pertinent matters such as the bulk portion of monthly municipal accounts, namely the electricity usage and the restructuring thereof has been inadequately communicated, and without properly consulting the community.

Chapter 4, Community Participation, Section 16 Development of a culture of community participation of the MSA states the following:

- “16. (1) A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-
- (a) encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in -
- ...
- (iv) the preparation of its budget; and...”

Furthermore, the Executive Mayor Ald. Thupane, tabled an item to increase to the approved tariff schedule on the 31<sup>st</sup> July 2024, this is after previously approving a reduced structure on the 26<sup>th</sup> June 2024. Herewith a comparison excerpt for convenience, as can be seen, there is an increase of between 15 to 80 cents on blocks 1-4 for Domestic Indigent tariffs. Each of the charges (c/kWh) is consistently higher across the schedule.

As per section 22 publication of annual budget, and section 17 contents of annual budgets and supporting documents, mandates that the tariffs must be made public after the tabling of the budget, this further proves that during the publication of tabled budget, inadequate consultation was done on the restructuring of the electrical tariffs.

		Submitted to Council	NERSA 2024/25	Approved	
<b>Domestic Tariffs</b>					
<b>1. Domestic Indigent Tariff</b>					
Suitable for domestic or residential customers receiving single-phase low voltage electricity supply with up to 63A Circuit Breaker and registered as indigent in Mogale City Indigent Register					Comments
<b>Tariff Blocks</b>			<b>c/kWh (excl. VAT)</b>	<b>c/kWh (excl. VAT)</b>	
Energy Block 1 (0 - 50 kWh)			-	-	
Energy Block 2 (51 - 450 kWh)		c/kWh	180	195	
Energy Block 3 (451 - 800 kWh)		c/kWh	205,43	253	
Energy Block 4 (more than 800 kWh)		c/kWh	312,14	392	
<b>2. Domestic Standard</b>					
Suitable for domestic or residential customers receiving single-phase low voltage electricity supply with up to 63A Circuit Breaker and not registered as indigent in Mogale City Indigent Register. *Customer who opts for prepayment billing option will not be charged a monthly service charge.					<b>Replaced tariffs</b>
<b>Tariff Blocks</b>			<b>c/kWh (excl. VAT)</b>	<b>c/kWh (excl. VAT)</b>	
Energy Block 1 (0 - 450 kWh)		c/kWh	180	226,13	Domestic Prepaid Single Pha
Energy Block 2 (451 - 800 kWh)		c/kWh	220,43	293,98	Domestic Prepaid Three Pha
Energy Block 3 (801 - 1400 kWh)		c/kWh	260,11	351,3	Domestic 2-Part 60A 1Phase 2-Part 60A 1Phase: ToU



The tariffs presented and approved in council on the 26<sup>th</sup> of June 2024 have been further increased on the 31<sup>st</sup> of July 2024 in contravention of section 28(6) of the MFMA, which states that: “28(6) – Municipal tax and tariffs may not be increased during a financial year.”

This breach of the MFMA needs to be corrected with the necessary billing adjustments to reflect what was presented to the public.

Herewith an excerpt of the tabled budget tariffs found [here](#)

SCHEDULE 3(a)				2024/2025		
MOGALE CITY LOCAL MUNICIPALITY						
PROPOSED ELECTRICITY TARIFFS: 2024/2025						
Excluding VAT	Tariff Code			Mogale City Approved Tariffs 2023/2024	Mogale City % Increase	Mogale City Proposed Tariffs 2024/2025
				15.10%		12.74%
<b>1. Domestic - Single Consumers</b>						
<b>1.1. Pre-Paid</b>						
<b>1.1.1. Pre-Paid: Single Phase</b>						
	0269					
1.1.1.1. Energy (R/kWh)		kWh Consumption: 1 - 1000 kWh / Month		2.6387	12,74%	2.9749
1.1.1.2. Energy (R/kWh)		kWh Consumption: 1 001 - 1 500 kWh / Month		2.8421	12,74%	3.2042
1.1.1.3. Energy (R/kWh)		kWh Consumption: > 1 500 kWh / Month		2.9566	12,74%	3.3333
This tariff is suitable for domestic customers that are supplied with a single phase connection of less than 60A rating						
This tariff (1.1 and 1.2) is based on the inclining block principle, that is, the more units used, the higher the rate becomes.						
<b>1.1.2. Pre-Paid: Three Phase</b>						
1.1.2.1. Energy (R/kWh)		kWh Consumption: 1 - 1000 kWh / Month		2.6348	12,74%	2.9705
1.1.2.2. Energy (R/kWh)		kWh Consumption: 1 001 - 1 500 kWh / Month		2.8217	12,74%	3.2939
1.1.2.3. Energy (R/kWh)		kWh Consumption: > 1 500 kWh / Month		3.0396	12,74%	3.4266
Fixed Charge (R/A/CB rating)						
This tariff is available for all residential customers with a three-phase 400V of less than 100A connections (excluding - bulk residential complexes, body corporats, etc.)						
This tariff (1.1 and 1.2) is based on the inclining block principle, that is, the more units used, the higher the rate becomes.						
<b>1.2. Life Line (Poor Households) (Conventional and Pre-Paid Metering)</b>						
<b>1.2.1. FREE Basic Electricity</b>						
		Indigents Households	50 kWh / Month			
250 kWh / Month and 50 Ampere Connection Maximum						
1.2.3. Energy (R/kWh)	0277	kWh Consumption: 51 - 350 kWh / Month		1.8791	12,74%	2.1185
1.2.4. Energy (R/kWh)		kWh Consumption: 351 - 500 kWh / Month		2.0894	12,74%	2.3454
1.2.5. Energy (R/kWh)		kWh Consumption: 501 - 750 kWh / Month		2.5062	12,74%	2.8255
1.2.6. Energy (R/kWh)		kWh Consumption: > 750 kWh / Month		2.9560	12,74%	3.3326
Fixed Charge (R/A/CB rating)						
This tariff is available for all indigent residential customers single-phase 230V connections (excluding - bulk residential complexes, body corporate, blocks of flats, etc.)						
Free Basic Electricity will be dealt with as specified in the Indigent Management Policy, as revised on an annual basis.						
<b>1.3. Two-Part</b>						
1.3.1. Energy (R/kWh)	0370			2.0042	12,74%	2.2595
1.3.2. Fixed Charge (R/A/CB rating)	0200			8.7763	12,74%	9.8944
This tariff is suitable for domestic customers with conventional meters or customers with large consumption. This tariff can also be used on prepayment						

As can be seen here, the publication, especially the domestic two part is presented as a R2.25c/kWh on a flat rate. The restructuring was therefore never communicated to conventional domestic clients before the approval of the budget. And thereafter to further increase the c/kWh is in breach of legislation. This is proof that the consultation on restructuring the bulk of residential accounts never took place, in contravention of the Municipal Systems Act, and Municipal Finance Management Act.

The approved budget can be found at <https://mogalecity.gov.za/budget/>

Unfortunately, the tariff schedule has been omitted from the approved original budget and only the tabled budget supporting documents are posted onto the municipal website, as at 12H49 07/08/2024.

The relief sought is to prevent the residents from being blindsided by a careless executive, triggering unaffordable increases for most of the accounts in Mogale City, as well as to protect the sustainability of the municipality.



**DA Mogale City Caucus**

**Caucus Leader:** Tyrone Gray

**Tel:** +27 84 665 5918

**Email:** [tyronegmichael@gmail.com](mailto:tyronegmichael@gmail.com)

[www.da.org.za](http://www.da.org.za)

**The process to implement the increased restructured tariff was therefore deficient and adequate public participation and consultation must take place before the implementation can take effect for the municipality to be legislatively compliant, as well as to prevent unjust administrative action.**

**In upholding section 33 of the Constitution of the Republic of South Africa, 1996 namely that:**

**“Everyone has the right to administrative action that is lawful, reasonable and procedurally fair”**

**Kind regards,**

**Yours in Good Governance**

**DA Caucus: Mogale City Local Municipality GT481**