LEGAL REPORT: HANDLING MUNICIPAL DISPUTES UNDER SOUTH AFRICAN LAW

With Special Reference to the Rademan Judgment (Paragraphs [42] and [43])

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1. INTRODUCTION AND PURPOSE

Municipal billing disputes are among the most common legal conflicts between South African residents and their local governments. Disputes arise over incorrect meter readings, charges for services not rendered, inflated tariffs, erroneous property valuations, and the unlawful consolidation of accounts. The consequences of such disputes can be severe: municipalities may disconnect electricity or water supply, issue summonses, and blacklist consumers with credit bureaus.

This report provides a comprehensive, point-by-point analysis of the legal framework governing municipal disputes in South Africa. It draws on the Constitution, primary national legislation,

municipal by-laws, and a body of case law — including the landmark Constitutional Court judgment in *Rademan v Moqhaka Local Municipality* [2013] ZACC 11 — to explain both the rights of consumers and the obligations of municipalities.

Each point in this report identifies the source document, the specific section or article number, a direct statement of the legal provision, and a plain-language explanation of its meaning and practical effect.

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2. CONSTITUTIONAL FOUNDATION

The Constitution of the Republic of South Africa, 1996 forms the supreme legal foundation for all municipal conduct. Any municipal action that is inconsistent with the Constitution is invalid.

POINT 1 — Objects of Local Government

Source: Constitution of the Republic of South Africa, 1996
Section: Section 152(1)(b) and Section 152(2)

Legal Text:

> *"Section 152(1): The objects of local government are — (b) to ensure the provision of services to communities in a sustainable manner."*
> *"Section 152(2): A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)."*

Plain-Language Explanation: Every municipality in South Africa has a constitutional duty to provide services — such as electricity, water, refuse removal, and sanitation — to the people living in its area. This is not optional. It is a constitutional obligation. However, this duty is balanced against the municipality's financial capacity, meaning that if residents do not pay, the municipality's ability to provide services is compromised.

POINT 2 — Right to Just Administrative Action

Source: Constitution of the Republic of South Africa, 1996
Section: Section 33(1) and Section 33(2)

Legal Text:

> *"Section 33(1): Everyone has the right to administrative action that is lawful, reasonable and procedurally fair."*
> *"Section 33(2): Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons."*

Plain-Language Explanation: When a municipality makes a decision that affects you — such as disconnecting your electricity, issuing a summons, or refusing to adjust an incorrect bill — that decision is an "administrative action." The Constitution guarantees that such actions must be (a) lawful (based on a valid law), (b) reasonable (not arbitrary or disproportionate), and (c) procedurally fair (you must be given a chance to be heard). If the municipality acts against you without following these principles, you can challenge the decision in court. You are also entitled to written reasons for any adverse decision.

POINT 3 — Public Administration Accountability

Source: Constitution of the Republic of South Africa, 1996
Section: Section 195(1)(f) and (g)

Legal Text:

> *"Section 195(1): Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles: (f) public administration must be accountable; (g) transparency must be fostered by providing the public with timely, accessible and accurate information."*

Plain-Language Explanation: Municipal officials are public servants bound by the Constitution. They must be accountable for their decisions and must provide residents with accurate and timely information about their accounts. A municipality that issues incorrect bills and then refuses to provide clear explanations or account statements is violating this constitutional principle.

POINT 4 — Right to Equality and Dignity

Source: Constitution of the Republic of South Africa, 1996
Section: Section 9 (Equality) and Section 10 (Dignity)

Plain-Language Explanation: Municipal billing and debt collection practices must not discriminate unfairly against any person. Furthermore, the manner in which debt collection is conducted must respect the dignity of residents. Aggressive or humiliating debt collection tactics that violate human dignity may be challenged on constitutional grounds.

3. PRIMARY LEGISLATION GOVERNING MUNICIPAL DISPUTES

3.1 Local Government: Municipal Systems Act 32 of 2000 (Systems Act)

The Systems Act is the most important piece of legislation governing the day-to-day relationship between municipalities and their residents. It establishes the framework for service delivery, billing, credit control, and dispute resolution.

POINT 5 — Community Members' Right to Municipal Services

Source: Local Government: Municipal Systems Act 32 of 2000
Section: Section 5(1)(g)

Legal Text:

> *"Members of the local community have the right to have access to municipal services which the municipality provides, provided the duties set out in subsection (2)(b) are complied with."*

Plain-Language Explanation: Residents have a legal right to receive municipal services, but this right comes with a corresponding duty: they must pay for those services. The right to services and the duty to pay are two sides of the same coin. You cannot claim the right to services while refusing to pay for them without a valid legal reason (such as a bona fide dispute).

POINT 6 — Community Members' Duty to Pay

Source: Local Government: Municipal Systems Act 32 of 2000
Section: Section 5(2)(b)

Legal Text:

> *"Members of the local community have the duty to — (b) pay promptly service fees, surcharges on fees, rates on property and other taxes, levies and duties imposed by the municipality."*

Plain-Language Explanation: The law places a clear obligation on every resident to pay their municipal account promptly. Failure to do so — even if you are unhappy with service delivery — is a

breach of this legal duty. The *Rademan* case confirmed that withholding payment as a form of protest is unlawful.

POINT 7 — Municipality's Obligation to Collect Revenue

Source: Local Government: Municipal Systems Act 32 of 2000
Section: Section 96(a) and Section 96(b)

Legal Text:

> *"Section 96: A municipality must — (a) collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and (b) for this purpose, adopt, maintain and implement a credit control and debt collection policy."*

Plain-Language Explanation: Municipalities are legally required to collect money owed to them. They cannot simply write off debts or ignore non-payment. They must have a formal credit control and debt collection policy in place. This policy governs how they deal with residents who do not pay — including the procedures for sending notices, restricting services, and taking legal action. Importantly, the phrase "subject to this Act" means that the obligation to collect is limited by the protections given to consumers elsewhere in the Act, including the dispute provisions in Section 102.

POINT 8 — Credit Control and Debt Collection Policy Requirements

Source: Local Government: Municipal Systems Act 32 of 2000
Section: Section 97(1)

Legal Text:

> *"Section 97(1): A credit control and debt collection policy must — (a) be consistent with this Act and any other applicable legislation; (b) provide for — (i) credit control procedures and mechanisms; (ii) debt collection procedures and mechanisms; (iii) provision for indigent debtors that is consistent with its rates policy and any national norms and standards; and (c) not be unreasonable."*

Plain-Language Explanation: The municipality's credit control policy must be fair and consistent with the law. It cannot be unreasonable or discriminatory. Importantly, it must make provision for indigent (very poor) residents who cannot afford to pay. This means municipalities cannot simply apply a one-size-fits-all disconnection policy without considering the circumstances of individual residents.

POINT 9 — Mechanisms for Querying Accounts

Source: Local Government: Municipal Systems Act 32 of 2000
Section: Section 95(f)

Legal Text:

> *"Section 95: A municipality must, in relation to the provision of services, take reasonable steps to — (f) provide accessible mechanisms for dealing with complaints from the local community, together with prompt reply and corrective action by the municipality."*

Plain-Language Explanation: The municipality is legally required to have an accessible and functional complaints system. When you lodge a query or dispute about your account, the municipality must respond promptly and take corrective action where warranted. A municipality that ignores complaints or fails to respond within a reasonable time is in breach of this statutory duty.

POINT 10 — The Consolidation Power and the Dispute Clause (THE KEY PROVISION)

Source: Local Government: Municipal Systems Act 32 of 2000
Section: Section 102(1) and Section 102(2)

Legal Text:

> *"Section 102(1): A municipality may — (a) consolidate any separate accounts of persons liable for payments to the municipality; (b) credit a payment by such a person against any account of that person; and (c) implement any of the debt collection and credit control measures provided for in this Chapter in relation to any arrears on any of the accounts of such a person."*
> *"Section 102(2): Subsection (1) does not apply where there is a dispute between the municipality and a person referred to in that subsection concerning any specific amount claimed by the municipality from that person."*

Plain-Language Explanation: Section 102(1) gives municipalities powerful tools: they can combine all your accounts into one, apply your payments to any debt you owe them, and take debt collection action (including disconnecting services) for any arrears on any of your accounts. This is why a municipality can cut off your electricity because you haven't paid your rates — even if your electricity account is up to date.

However, Section 102(2) is the critical exception. It is the consumer's shield. If you have a genuine, specific dispute about a particular amount on your account, the municipality CANNOT use those powerful debt collection tools against you for that disputed amount while the dispute is unresolved.

This is the legal protection that prevents municipalities from using service disconnection as a weapon to force payment of amounts that may not even be lawfully owed.

3.2 Local Government: Municipal Property Rates Act 6 of 2004 (Rates Act)

POINT 11 — The Right to Object to Property Valuations

Source: Local Government: Municipal Property Rates Act 6 of 2004
Section: Section 49 and Section 50(1)

Legal Text:

> *"Section 49: A municipality must give notice to the public of the completion of a valuation roll and must invite persons whose properties are included in the roll to inspect the roll."*
> *"Section 50(1): Any person may, in the prescribed manner, object to — (a) the valuation of any property in the valuation roll; (b) the inclusion of any property in the valuation roll; (c) the exclusion of any property from the valuation roll; (d) the category in which any property has been placed; or (e) any other matter reflected in or omitted from the valuation roll."*

Plain-Language Explanation: Property rates are calculated based on the value of your property as determined by the municipality's valuation roll. If you believe your property has been incorrectly valued (either too high or too low), or placed in the wrong category (which affects the rate applied), you have the legal right to formally object. This objection must be lodged in the prescribed manner and within the prescribed time period after the municipality publishes its valuation roll.

POINT 12 — The "Pay Now, Argue Later" Rule for Rates

Source: Local Government: Municipal Property Rates Act 6 of 2004
Section: Section 50(6)

Legal Text:

> *"Section 50(6): The lodging of an objection does not defer liability for the payment of rates beyond the date determined for payment."*

Plain-Language Explanation: This is an important and often misunderstood provision. Even if you have formally objected to your property valuation, you are still legally required to continue paying the rates as billed until the objection is resolved. You cannot withhold rates payments simply because

you have lodged an objection. If your objection is ultimately successful, the municipality must refund the overpaid amounts. This is the "pay now, argue later" principle as it applies specifically to property rates.

Important Caveat: This provision applies to objections about property valuations under the Rates Act. It does not override the protection in Section 102(2) of the Systems Act where a dispute concerns the accuracy of a specific service charge (such as electricity or water consumption). The two provisions operate in different contexts.

POINT 13 — The Objection and Appeal Process

Source: Local Government: Municipal Property Rates Act 6 of 2004
Section: Section 51 (Objection Decision) and Section 54 (Appeal Board)

Legal Text:

> *"Section 51: The municipal valuer must consider an objection lodged in terms of section 50 and must — (a) disallow the objection; (b) adjust the valuation of the property; or (c) alter any other particulars of the property as the case may be."*
> *"Section 54: An appeal board must hear and decide appeals against decisions of the municipal valuer."*

Plain-Language Explanation: Once you lodge an objection, the municipal valuer must formally consider it and make a decision. If you are unhappy with the valuer's decision, you have the right to appeal to an independent valuation appeal board. The appeal board's decision is binding on the municipality. This creates a structured, two-tier process for resolving property valuation disputes.

3.3 Promotion of Administrative Justice Act 3 of 2000 (PAJA)

POINT 14 — Right to Procedurally Fair Administrative Action

Source: Promotion of Administrative Justice Act 3 of 2000
Section: Section 3(1) and Section 3(2)

Legal Text:

> *"Section 3(1): Administrative action which materially and adversely affects the rights or legitimate expectations of any person must be procedurally fair."*

> *"Section 3(2): (a) A fair administrative procedure depends on the circumstances of each case. (b) In order to give effect to the right to procedurally fair administrative action, an administrator, subject to subsection (4), must give a person whose rights or legitimate expectations are materially and adversely affected — (i) adequate notice of the nature and purpose of the proposed administrative action; (ii) a reasonable opportunity to make representations; (iii) a clear statement of the administrative action; (iv) adequate notice of any right of review or internal appeal, where applicable; and (v) adequate notice of the right to request reasons in terms of section 5."*

Plain-Language Explanation: Before a municipality takes a significant action against you — such as disconnecting your services, issuing a final demand, or taking legal action — it must follow a fair procedure. This means you must be given proper notice of what the municipality intends to do and why, and you must be given a reasonable opportunity to respond or make representations before the action is taken. A municipality that disconnects your services without proper prior notice is acting unlawfully.

POINT 15 — Right to Written Reasons

Source: Promotion of Administrative Justice Act 3 of 2000
Section: Section 5

Legal Text:

> *"Section 5(1): Any person whose rights have been materially and adversely affected by administrative action and who has not been given reasons for the action may, within 90 days after the date on which that person became aware of the action, request that the administrator concerned furnish written reasons for the action."*
> *"Section 5(2): The administrator to whom the request is made must, within 90 days after receiving the request, give that person adequate reasons in writing for the administrative action."*

Plain-Language Explanation: If the municipality takes an action that harms your rights — for example, if they disconnect your services or refuse to adjust an incorrect bill — you have the right to demand written reasons for that decision. The municipality must provide these reasons within 90 days. This is important because it creates a paper trail and forces the municipality to justify its actions. Written reasons also form the basis for any subsequent legal challenge.

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4. MUNICIPAL BY-LAWS AND THEIR ROLE

Municipal by-laws are local laws made by the municipal council. They provide the detailed operational procedures for implementing the national legislation discussed above. Each municipality has its own by-laws, but they must all be consistent with national legislation and the Constitution.

POINT 16 — By-Laws as Binding Conditions of Service

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11
Paragraphs: [26], [27], and [28]

Legal Text (from judgment):

> *"[28] It is also clear from a reading of the Systems Act and the by-laws that residents and ratepayers are bound by the by-laws. Indeed, in the application for municipal services that a resident or ratepayer makes to the municipal Council, he or she agrees to be bound by the by-laws, regulations and policies of the respondent relating to the control and distribution of supplies and for the collection or enforcement of payment thereof."*

Plain-Language Explanation: When you apply for municipal services (water, electricity, etc.), you sign an agreement with the municipality. By signing that agreement, you are legally bound by the municipality's by-laws. This means the by-laws are not just bureaucratic rules — they are part of your contract with the municipality. You cannot later claim ignorance of the by-laws as a defence for non-compliance.

POINT 17 — Typical By-Law Provisions for Lodging Disputes

Source: Moqhaka Local Municipality Credit Control and Debt Collection By-Laws (as cited in *Rademan*); typical municipal by-laws across South Africa
Section: Section 19 of the Moqhaka By-Laws (as referenced in *Rademan* at paragraph [24])

Legal Text (from judgment):

> *"[24] Section 19(1) allows a customer to lodge a query or complaint 'in respect of a specific municipal service as reflected on the account rendered.' Section 19(4) provides: 'A query or complaint must be accompanied by the payment of at least the total amount, excluding the amount in respect of which a query or complaint is lodged, due and payable in respect of the account.' If a customer lodges a query or complaint in accordance with section 19 of the by-laws, the Municipal Council (Council) or its authorised agent is required to investigate the complaint and make a finding within nine days of the lodgement of the complaint. There is a right to appeal against the finding of the Council. The appeal goes to an appeals committee whose decision is final in terms of the procedures and mechanisms in the by-laws."*

Plain-Language Explanation: Most municipal by-laws allow you to lodge a dispute or query about a specific charge on your account. Crucially, most by-laws require you to pay the undisputed portion of your account at the same time as lodging the dispute. The municipality is then required to investigate your complaint and make a decision within a set time period (often 9 to 21 days, depending on the

municipality). If you are unhappy with the outcome, you can appeal to an internal appeals committee. The internal process must be exhausted before you approach a court.

POINT 18 — Consolidated Debt and Payment Allocation

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11
Paragraphs: [23], [30], [31], and [32]

Legal Text (from judgment):

> *"[23] Section 18(1) reads: 'If one account is rendered for more than one municipal service provided the amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order — (a) towards payment of the current account; (b) towards payment of arrears; and (c) towards payment of interest where applicable.'"*
> *"[32] The effect of the various accounts becoming one consolidated account is that it is not open to the customer who is presented with such an account to speak about an electricity account or a refuse removal account or a rates account or to say that he or she will pay one or more of those accounts and not others."*

Plain-Language Explanation: When a municipality issues you a single combined account for all services (electricity, water, rates, refuse removal, etc.), all those charges are merged into one consolidated debt. You cannot decide to pay only the electricity portion and ignore the rates portion. Your payment will be allocated first to the current charges, then to any arrears, and then to interest. If you only pay part of the account, you are in breach of your obligations, and the municipality may be entitled to disconnect any of your services — not just the one you haven't paid for.

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5. WHAT CONSTITUTES A VALID "DISPUTE"

The protection of Section 102(2) of the Systems Act is only triggered by a valid, bona fide dispute. Courts have developed clear criteria for what qualifies.

POINT 19 — The Croftdene Mall Test for a Valid Dispute

Source: *Body Corporate Croftdene Mall v Ethekwini Municipality* 2012 (4) SA 169 (SCA)
Paragraphs: [21], [22], and [23]

Legal Text (from judgment):

> *"[21] Neither the Systems Act nor the policy defines the term 'dispute'. Some of the definitions ascribed to it include 'controversy, disagreement, difference of opinion', etc. This court had occasion to interpret the word in Frank R Thorold (Pty) Ltd v Estate Late Beit and said that a mere claim by one party, that something is or ought to have been the position, does not amount to a dispute: there must exist two or more parties who are in controversy with each other in the sense that they are advancing irreconcilable contentions."*
> *"[22] It is, in my view, of importance that s 102(2) of the Systems Act requires that the dispute must relate to a 'specific amount' claimed by the municipality. Quite obviously, its objective must be to prevent a ratepayer from delaying payment of an account by raising a dispute in general terms. The ratepayer is required to furnish facts that would adequately enable the municipality to ascertain or identify the disputed item or items and the basis for the ratepayer's objection thereto."*
> *"[23] Whether a dispute has been properly raised must be a factual enquiry requiring determination on a case-by-case basis."*

Plain-Language Explanation: The SCA laid down the test for a valid dispute. It is not enough to simply say "I dispute my bill." You must:

13 Point to a specific rand amount on a specific invoice that you believe is wrong.

14 Explain clearly why you believe that amount is incorrect.

15 Provide enough factual information for the municipality to understand what you are disputing and why.

A vague complaint that your bill is "too high" or that you are "unhappy with services" does not meet this test and will not protect you from disconnection.

POINT 20 — The Van Der Merwe Street Refinement

Source: *Van Der Merwe Street Properties (Pty) Ltd v City of Johannesburg Metropolitan Municipality* (Gauteng High Court)
Paragraph: [27]

Legal Text (from judgment):

> *"[27] Croftdene Mall thus imposes the following requirements before a consumer of municipal services may rely on the protection from disconnection afforded by section 102(2) of the Systems Act: 27.1 there must be a dispute, in the sense of a consumer, on the one hand, and the municipality, on the other, advancing irreconcilable contentions; 27.2 the dispute must be properly raised, which would require, at least, that it be properly communicated to the appropriate authorities at the municipality and that this be done in accordance with any mechanism and appeal procedure provided in terms of section 95(f) of the Systems Act for the querying of accounts; 27.3 the dispute must relate to a specific amount or amounts or a specific item or items on an account or accounts, with the corollary that it is insufficient to raise a dispute in general terms; 27.4 the consumer must put up enough facts to enable the municipality to identify the*

> *disputed item or items and the basis for the ratepayer's objection to them; 27.5 it must be apparent from the founding affidavit that the foregoing requirements have been satisfied."*

Plain-Language Explanation: This case summarized the Croftdene Mall requirements into a clear five-point checklist. To be protected under Section 102(2), your dispute must: (1) be a genuine two-sided disagreement; (2) be communicated to the right person at the municipality in the right way; (3) identify a specific amount; (4) provide enough facts to explain the basis of the dispute; and (5) be provable from your written records. If you cannot prove all five requirements, the municipality may be entitled to proceed with debt collection.

POINT 21 — Civil Protest is NOT a Valid Dispute

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11
Paragraphs: [4] and [46]

Legal Text (from judgment):

> *"[4] Ms Rademan decided not to pay her rates in respect of her property in Kroonstad because she was unhappy about what she regarded as poor or inefficient service delivery by the Municipality." "46 the applicant failed to settle her account in full as she withheld payment for the rates; (b) the fact that the applicant had paid the electricity component of her account did not preclude the respondent from cutting off her electricity supply after she had failed to pay her account in full."*

Plain-Language Explanation: The Constitutional Court was unequivocal: you cannot withhold payment of municipal rates or service charges as a form of protest against poor service delivery. Even if the municipality is genuinely providing poor services, the correct remedy is to lodge a formal dispute about specific incorrect charges, approach the courts, or engage with the municipality through formal channels — not to simply stop paying. Withholding payment as a protest is unlawful and will not protect you from service disconnection.

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6. STEP-BY-STEP PROCEDURE FOR LODGING A MUNICIPAL DISPUTE

The following is a point-by-point guide to the correct procedure for lodging a municipal dispute, derived from the applicable legislation and case law.

POINT 22 — Step 1: Identify the Specific Disputed Amount

Source: Section 102(2) of the Systems Act; *Body Corporate Croftdene Mall v Ethekwini Municipality* 2012 (4) SA 169 (SCA)

Procedure: Carefully examine your municipal account and identify the specific line item or amount that you believe is incorrect. Note the invoice number, the date of the invoice, and the exact amount in dispute. Do not dispute the entire account if only a portion is incorrect.

Plain-Language Explanation: Before you do anything else, you need to know exactly what you are disputing. Look at your bill carefully. Is the electricity reading wrong? Is there a charge for a service you don't receive? Is the property valuation incorrect? Pinpoint the exact rand amount and the specific service or charge. This is the foundation of your dispute.

POINT 23 — Step 2: Gather Supporting Evidence

Source: *Body Corporate Croftdene Mall v Ethekwini Municipality* 2012 (4) SA 169 (SCA), paragraph [22]; Section 95(f) of the Systems Act

Procedure: Collect all evidence supporting your position. This may include previous account statements showing normal consumption, photographs of your meter, independent meter readings, correspondence with the municipality, or any other documentation that supports your claim that the amount is incorrect.

Plain-Language Explanation: You need proof that the amount is wrong. Gather your previous bills to show what you normally pay. If your electricity reading seems too high, take a photograph of your meter. If you are being charged for a service not connected to your property, get written confirmation of this. The stronger your evidence, the more likely the municipality is to resolve the dispute in your favour, and the more likely a court is to protect you if the municipality acts unlawfully.

POINT 24 — Step 3: Consult the Municipality's By-Laws and Credit Control Policy

Source: Section 97(1) of the Systems Act; Section 5(2)(e) of the Systems Act

Procedure: Obtain a copy of your municipality's credit control and debt collection by-laws and credit control policy. Identify the specific procedure for lodging a dispute, including the correct form to use, the correct office to submit it to, and any deadlines.

Plain-Language Explanation: Every municipality has its own rules about how to lodge a dispute. Some require a specific form. Some require submission to a specific office or email address. Some

have deadlines. If you do not follow the correct procedure, your dispute may be declared invalid, and you will lose the protection of Section 102(2). Always check the rules first.

POINT 25 — Step 4: Lodge the Dispute in Writing

Source: Section 95(f) of the Systems Act; *Schindlers Attorneys — "What Counts as a Dispute" (2018)*

Procedure: Submit your dispute in writing, in the prescribed form, to the correct municipal office. Your written dispute must:

- Clearly state that you are lodging a "dispute" in terms of Section 102(2) of the Local Government: Municipal Systems Act 32 of 2000.
- Identify the specific invoice number and date.
- Identify the specific amount in dispute.
- Provide a clear factual explanation of why the amount is incorrect.
- Attach all supporting evidence.
- Request acknowledgement of receipt.

Plain-Language Explanation: Always put your dispute in writing. A phone call is not enough. An email may not be enough if the by-laws require a specific form. Write a formal letter or complete the prescribed dispute form. Be specific: state the invoice number, the amount, and the reason. Explicitly use the words "dispute" and "Section 102(2) of the Municipal Systems Act" so there is no ambiguity about what you are doing. Keep a copy of everything you submit and get written proof that the municipality received it.

POINT 26 — Step 5: Pay the Undisputed Amount

Source: Section 19(4) of the Moqhaka By-Laws (as cited in *Rademan* at paragraph [24]); typical municipal by-laws; *ENSafrica — "Navigating the Municipal Utility Maze" (2024)*

Procedure: At the same time as lodging the dispute, pay all undisputed amounts on your account. If you are disputing the electricity charge, pay the rates, water, and refuse removal charges in full. For the disputed service, pay a reasonable average amount based on your historical consumption.

Plain-Language Explanation: The protection of Section 102(2) does not excuse you from paying the portions of your account that you are not disputing. If you stop paying everything because you dispute one item, the municipality can still take action against you for the undisputed amounts. Pay what is not in dispute. For the disputed amount, pay a reasonable average based on your previous bills. This shows good faith and reduces the risk of a large debt accumulating.

POINT 27 — Step 6: Await the Municipality's Response

Source: Section 95(f) of the Systems Act; Section 19 of the Moqhaka By-Laws (as cited in *Rademan*); Section 3 of PAJA

Procedure: The municipality is required to investigate your dispute and provide a written response within the time period specified in its by-laws (commonly 9 to 21 days). Keep records of all communications.

Plain-Language Explanation: Once you have lodged a valid dispute, the ball is in the municipality's court. They must investigate and respond. If they do not respond within the prescribed time, or if their response is inadequate, you may have grounds to escalate the matter. Keep a file of all correspondence, including the date you submitted the dispute, any acknowledgement of receipt, and any response received.

POINT 28 — Step 7: Exercise the Right of Appeal

Source: Section 20 of the Moqhaka By-Laws (as cited in *Rademan* at paragraph [24]); Section 62 of the Systems Act

Procedure: If you are dissatisfied with the municipality's decision on your dispute, you have the right to appeal to the municipality's internal appeals committee. This internal appeal must be exhausted before you can approach a court.

Plain-Language Explanation: If the municipality investigates your dispute and decides against you, you do not have to accept that decision. You can appeal to an internal appeals committee. This is an important step because courts generally require you to exhaust all internal remedies before they will hear your case. The appeals committee's decision is final within the internal process.

POINT 29 — Step 8: Approach a Court if Necessary

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11, paragraph [43]; Section 6 of PAJA

Procedure: If the internal process has been exhausted and you remain aggrieved, you may approach a court of competent jurisdiction (typically the High Court) to review the municipality's decision under PAJA, or to seek a declaratory order regarding the disputed amount.

Plain-Language Explanation: If the municipality's internal process fails to resolve the dispute fairly, you can take the matter to court. You can ask the court to review the municipality's decision (i.e., to check whether it was lawful, reasonable, and procedurally fair) or to declare what the correct amount is. The *Rademan* judgment specifically noted that either party — the resident or the municipality — can approach a court to have a judge decide whether a service was actually rendered and what amount is lawfully owed.

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7. THE MUNICIPALITY'S RESPONSIBILITIES ONCE A DISPUTE IS SUBMITTED

Once a consumer has lodged a valid dispute in terms of Section 102(2) of the Systems Act, the municipality is subject to a number of specific legal obligations.

POINT 30 — Immediate Suspension of Credit Control Measures

Source: Section 102(2) of the Systems Act; *City of Tshwane Metropolitan Municipality v Glofurn (Pty) Ltd* (SCA, 2024); *Eli & LA Sheepskin Products (Pty) Ltd v Lesedi Local Municipality* (unreported)

Legal Principle: Once a valid dispute is lodged, the municipality is immediately precluded from implementing any of the credit control and debt collection measures in Section 102(1) in relation to the disputed amount. This includes:

- Disconnecting electricity supply.
- Disconnecting water supply.
- Discontinuing any other municipal service.
- Issuing a summons for the disputed amount.
- Blacklisting the consumer with a credit bureau for the disputed amount.

Plain-Language Explanation: This is the most powerful protection the law gives you as a consumer. Once you have lodged a valid dispute, the municipality must stop all debt collection actions related to the disputed amount. They cannot cut off your electricity, cut off your water, or take you to court for that specific amount while the dispute is unresolved. If they do, they are acting unlawfully, and you can approach a court urgently to stop them and have your services restored.

POINT 31 — The Glofurn Case: Confirmation of Disconnection Prohibition

Source: *City of Tshwane Metropolitan Municipality v Glofurn (Pty) Ltd* (SCA, 2024) [ZASCA 101/2024]

Legal Principle: The SCA held that in terms of Section 102(2) of the Systems Act, a municipality is precluded from taking any debt enforcement action — including disconnecting services — against a consumer pending the resolution of a dispute. The court upheld an interdict preventing the City of Tshwane from disconnecting Glofurn's electricity supply while a billing dispute remained unresolved.

Plain-Language Explanation: In 2024, the Supreme Court of Appeal confirmed the rule in a clear and direct way. Glofurn had installed solar panels but was still receiving very high electricity bills. They lodged a dispute and continued paying an average amount. Tshwane threatened to cut off their electricity. The court said: No. While the dispute is unresolved, the municipality cannot disconnect services. This case is directly applicable to any consumer who has lodged a valid dispute and is being threatened with disconnection.

POINT 32 — Obligation to Investigate and Make a Finding

Source: Section 95(f) of the Systems Act; Section 19 of the Moqhaka By-Laws (as cited in *Rademan*, paragraph [24]); Section 3 of PAJA

Legal Principle: The municipality must investigate the dispute in good faith, review the account, verify the issues raised, and make a formal finding within the time period prescribed by its by-laws. The investigation must be genuine and not merely a rubber-stamping exercise.

Plain-Language Explanation: The municipality cannot simply ignore your dispute or issue a form letter dismissing it without proper investigation. They must actually look into the matter: check the meter readings, review the billing records, investigate whether the service was actually rendered, and make a genuine determination. If they fail to do this, their decision can be challenged in court as being procedurally unfair under PAJA.

POINT 33 — Obligation to Communicate the Outcome in Writing

Source: Section 5 of PAJA; Section 95(f) of the Systems Act

Legal Principle: The municipality must communicate the outcome of its investigation in writing, providing adequate reasons for its decision. If the dispute is resolved in the consumer's favour, the account must be adjusted accordingly. If the dispute is not resolved in the consumer's favour, the consumer must be informed of their right to appeal.

Plain-Language Explanation: You have the right to receive a written response to your dispute. The response must explain what the municipality found and why they made the decision they did. If they found in your favour, they must fix the account. If they found against you, they must tell you why and

inform you of your right to appeal. A municipality that simply sends a final demand without addressing your dispute is acting unlawfully.

POINT 34 — Obligation Not to Demand Payment for Services Not Rendered

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11, paragraphs [42] and [43]

Legal Principle: A municipality is only entitled to payment for services it has actually rendered. No money is "due and payable" to a municipality for a service not rendered. The municipality cannot use its debt collection powers to force payment of amounts that are not lawfully owed.

Plain-Language Explanation: This principle, articulated in the *Rademan* judgment, is fundamental. The municipality's powerful collection tools — account consolidation, service disconnection, legal action — can only be used to collect money that is actually owed. If the municipality is billing you for something it did not provide, that amount is not a valid debt. The municipality cannot use coercive measures to collect it. If there is a genuine dispute about whether a service was provided, the municipality must prove it through the proper legal process, not by cutting off your services.

POINT 35 — Obligation to Provide Account Statements and Records

Source: Section 102(3) of the Systems Act; Section 32 of the Constitution (Right of Access to Information)

Legal Text:

> *"Section 102(3): A municipality must provide an owner of a property in its jurisdiction with copies of accounts sent to the occupier of the property for municipal services supplied to such a property if the owner requests such accounts in writing from the municipality concerned."*

Plain-Language Explanation: If you are a property owner and your tenant is responsible for paying municipal services, you have the right to request copies of the accounts sent to your tenant. This is important for landlords who may be held liable for unpaid municipal accounts on their properties. More broadly, the constitutional right of access to information (Section 32 of the Constitution, given effect by the Promotion of Access to Information Act 2 of 2000) entitles you to request your billing records from the municipality.

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8. THE RADEMAN JUDGMENT — PARAGRAPHS [42] AND [43] IN DETAIL

The Constitutional Court judgment in *Rademan v Moqhaka Local Municipality* [2013] ZACC 11, delivered on 26 April 2013 by Justice Zondo (as he then was), is a landmark ruling on the relationship between municipal billing, service delivery, and consumer rights.

Case Details:

Detail	Information
Case Name	*Rademan v Moqhaka Local Municipality and Others*
Citation	[2013] ZACC 11; 2013 (4) SA 225 (CC)
Court	Constitutional Court of South Africa
Judge	Zondo J (Mogoeng CJ, Moseneke DCJ, and others concurring)
Date of Judgment	26 April 2013
Legislation Considered	Constitution; Systems Act (s 102); Electricity Regulation Act 4 of 2006 (s 21(5)); Moqhaka By-Laws

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POINT 36 — Background Facts of the Rademan Case

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11, paragraphs [4] to [9]

Summary: Ms. Olga Rademan, a resident of Kroonstad, refused to pay her property rates as a form of protest against what she regarded as poor service delivery by the Moqhaka Local Municipality. She continued paying her electricity and other service charges, but withheld the rates component. The municipality consolidated her accounts and, when she failed to pay the full consolidated debt, disconnected her electricity supply. Ms. Rademan sought a court order for the restoration of her electricity supply, arguing that her electricity account was not in arrears and that the municipality had no power to disconnect electricity for non-payment of rates.

Plain-Language Explanation: Ms. Rademan's situation is one many South Africans can relate to. She was frustrated with poor service delivery and decided to withhold her rates as a protest. The municipality responded by cutting off her electricity — even though she had paid her electricity bill in full. The case went all the way to the Constitutional Court, which had to decide whether the municipality acted lawfully.

POINT 37 — The Court's Ruling on Account Consolidation

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11, paragraphs [30] to [34] and [46]

Legal Principle: The Constitutional Court upheld the municipality's power to consolidate accounts under Section 102(1) of the Systems Act and the by-laws. Once accounts are consolidated, they become a single debt. A resident who pays only part of the consolidated debt (e.g., electricity but not rates) is in breach of the municipality's conditions of payment and has contravened the conditions of the Electricity Regulation Act (ERA), entitling the municipality to disconnect electricity.

Plain-Language Explanation: The court ruled against Ms. Rademan. Because the municipality had consolidated all her accounts into one debt, she could not pick and choose which components to pay. By paying electricity but not rates, she was in breach of the consolidated debt obligation. The municipality was therefore entitled to disconnect her electricity. The lesson: once your accounts are consolidated, you must pay the full amount or make a formal arrangement with the municipality.

POINT 38 — Paragraph [42]: The Right to Dispute Non-Rendered Services

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11
Paragraph: [42]

Full Legal Text:

> *"[42] Before dealing with the question of what remedy a resident has in a case where the municipality is demanding payment for services not rendered, it is necessary to point out that in the present matter it was not Ms Rademan's case that the Municipality claimed payment for services that it had not rendered. Indeed, in the present matter it has not been proved that the Municipality was claiming payment for services that had been rendered poorly or inefficiently. However, where a municipality claims payment from a resident or ratepayer for services, it is only entitled to payment for services that it has rendered. By the same token, where a municipality claims from a resident, customer or ratepayer payment for services, the resident, customer or ratepayer is only obliged to pay the municipality for services that have been rendered. There is no obligation on a resident, customer or ratepayer to pay the municipality for a service that has not been rendered. Accordingly, where, for example, a municipality included in a customer's account for services an item for electricity when in fact no electricity has been connected to the particular property and, therefore, no electricity was supplied, the customer is entitled to take the stance that he or she will pay the total bill less the amount claimed for electricity supply."*

Plain-Language Explanation (Layman's Terms): This paragraph establishes one of the most important consumer protection principles in South African municipal law: **you only pay for what you actually receive.**

The court was careful to note that Ms. Rademan's situation was different — she was not claiming that the municipality had failed to provide services; she was simply protesting poor quality. But the court used the opportunity to state the general principle clearly.

The principle works as follows: A municipality can only legally demand payment for services it has actually provided. If your bill includes a charge for electricity, but your property was never connected to the electricity grid, that charge is not lawfully owed. You have the right to deduct that specific charge from your total bill and pay only the remainder.

This principle is critically important for consumers who are being billed for:

- Electricity or water they did not consume (e.g., due to meter errors).
- Services that were not connected to their property.
- Periods during which the service was not available (e.g., extended power outages).

In such cases, the consumer is legally entitled to dispute the charge and withhold payment of that specific amount — provided they follow the correct dispute procedure.

POINT 39 — Paragraph [43]: The Mechanism for Resolving Non-Rendered Service Disputes

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11
Paragraph: [43]

Full Legal Text:

> *"[43] Section 10 of the by-laws requires the Council to 'ensure that all money that is due and payable to the Municipality is collected, subject to the Municipal Systems Act.' (Emphasis added.) No money is due and payable to a municipality for a service not rendered. If a dispute arises between the resident or ratepayer or customer, on the one hand, and the Municipality, on the other, about whether or not electricity was supplied to the particular property during the relevant period, either party may institute legal proceedings to have a court adjudicate that dispute. In this regard section 17(5)(b)(iii) of the by-laws envisages the Municipality instituting legal action to recover an amount that has been due for forty days."*

Plain-Language Explanation (Layman's Terms): This paragraph builds directly on paragraph [42] and explains the legal mechanism for resolving disputes about non-rendered services.

The court makes two crucial points:

First, the municipality's own by-laws require it to collect "all money that is due and payable." The court emphasises the words "due and payable" — because money is only due and payable if it is for a service that was actually rendered. A charge for a service not provided is simply not a valid debt. The municipality cannot collect it.

Second, when there is a genuine factual dispute about whether a service was provided (for example, the municipality says it supplied electricity for a certain period, but the consumer says no electricity was supplied), either party can go to court to have a judge decide the facts. This is important because it means:

16 **The municipality cannot simply insist it is right and cut off your services to force payment.** If you genuinely dispute whether a service was rendered, the municipality must prove its case in court — it cannot use service disconnection as a substitute for legal proceedings.

17 **The consumer can also approach a court** to get a declaration that the amount is not owed, rather than being forced to pay and then seek a refund.

18 **The by-laws themselves contemplate legal action** as the mechanism for recovering genuinely disputed debts — not unilateral service disconnection.

The Significance of Paragraphs [42] and [43] Together: These two paragraphs are the foundation of the principle that a municipality's debt collection powers are limited to collecting amounts that are *lawfully owed*. The municipality cannot use the threat of service disconnection to bully consumers into paying amounts that are genuinely in dispute. If the municipality believes the money is owed, it must prove it through the proper legal channels. This principle protects consumers from municipalities that issue incorrect bills and then use the threat of disconnection to force payment before the error is corrected.

POINT 40 — Paragraph [44]: The Complaint and Query Mechanism

Source: *Rademan v Moqhaka Local Municipality* [2013] ZACC 11
Paragraph: [44]

Full Legal Text:

> *"[44] In addition to the option – not an obligation – referred to above, the resident, ratepayer or customer may also lodge a complaint or query concerning 'the accuracy of an amount due and payable in respect of a specific municipal service as reflected on the account rendered.' In terms of section 19(4) of the by-laws such a query or complaint must be accompanied by the payment of the undisputed amount. The result of this is that the customer does not have to pay the disputed portion of the account pending the outcome of his or her appeal to an appeals committee provided for in the by-laws. The decision of the appeals committee is final. That, of course, is final in terms of internal remedies. There is nothing in the Systems Act that confers upon a municipality the right or power to claim payment for services not rendered nor is there anything obliging residents or ratepayers to pay municipalities for services not rendered."*

Plain-Language Explanation: The court confirms that consumers have two options when they believe a service was not rendered: they can go directly to court, or they can use the municipality's internal dispute resolution process (lodging a complaint or query). The internal process is simpler and cheaper. If you use the internal process, you must pay the undisputed portion of your account, but you do not have to pay the disputed portion while the process is ongoing. The court also reiterates the

fundamental principle: the Systems Act does not give municipalities the power to demand payment for services not rendered.

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9. KEY CASE LAW SUMMARY TABLE

The following table summarises the most important cases governing municipal disputes in South Africa.

Case	Court	Year	Key Principle	Relevant to
Rademan v Moqhaka Local Municipality [2013] ZACC 11	Constitutional Court	2013	Municipality can consolidate accounts; civil protest is not a valid dispute; municipality cannot demand payment for services not rendered (paras [42] & [43])	Account consolidation; valid disputes; non-rendered services
Body Corporate Croftdene Mall v Ethekwini Municipality 2012 (4) SA 169 (SCA)	Supreme Court of Appeal	2012	Dispute must relate to a specific amount; consumer must provide facts enabling municipality to identify disputed item	What constitutes a valid dispute
City of Tshwane Metropolitan Municipality v Glofurn (Pty) Ltd [ZASCA 101/2024]	Supreme Court of Appeal	2024	Municipality precluded from disconnecting services while a valid Section 102(2) dispute is unresolved	Disconnection prohibition during dispute
Mkontwana v Nelson Mandela Metropolitan Municipality [2004] ZACC 9	Constitutional Court	2004	Municipality has constitutional duty to provide services; non-payment negatively impacts service sustainability	Reciprocal obligations of service delivery and payment
Joseph and Others v City of Johannesburg and Others [2009] ZACC 30	Constitutional Court	2009	Electricity is a basic municipal service; municipalities have constitutional and statutory obligations to provide it; termination must follow fair procedure	Pre-termination procedure; right to basic services
Dunrose Investments 224 (Pty) Ltd v City of Johannesburg Metropolitan Municipality (Gauteng High Court)	Gauteng High Court	2019	Section 50(6) of the Rates Act does not defer payment of rates during valuation objection, but Section 102(2) still protects specific service charge disputes	Pay now argue later; rates vs service charges
Eli & LA Sheepskin Products (Pty) Ltd v Lesedi Local Municipality (unreported)	High Court	—	Section 102(2) prohibits disconnection of services where a dispute regarding a specific amount has been declared	Disconnection prohibition during dispute

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10. PRACTICAL CHECKLIST FOR CONSUMERS

The following checklist summarises the key steps a consumer should take when disputing a municipal account.

Step	Action	Legal Basis
1	Identify the specific invoice number, date, and rand amount in dispute	Section 102(2) of the Systems Act; *Croftdene Mall*
2	Gather documentary evidence supporting your position	*Croftdene Mall*, para [22]
3	Obtain and read the municipality's credit control by-laws	Section 97(1) of the Systems Act
4	Lodge the dispute in writing on the prescribed form, explicitly referencing "Section 102(2) of the Municipal Systems Act"	Section 95(f) of the Systems Act; *Schindlers Attorneys*
5	Pay all undisputed amounts on your account simultaneously	Section 19(4) of Moqhaka By-Laws; *Rademan*, para [44]
6	Pay a reasonable average for the disputed service	Practical recommendation; *ENSafrica*
7	Obtain written proof of receipt of the dispute	Section 3 of PAJA
8	Await the municipality's written response within the prescribed period	Section 95(f) of the Systems Act
9	If disconnected during a valid dispute, approach the court urgently for an interdict	*Glofurn* (SCA, 2024)
10	If dissatisfied with the outcome, appeal to the internal appeals committee	Section 62 of the Systems Act; *Rademan*, para [24]
11	After exhausting internal remedies, approach the High Court for review under PAJA	Section 6 of PAJA; *Rademan*, para [43]

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11. CONCLUSION

The South African legal framework governing municipal disputes reflects a careful balance between two competing imperatives: the municipality's constitutional obligation to collect revenue to sustain service delivery, and the consumer's constitutional right to fair, lawful, and procedurally correct administrative action.

The *Rademan* judgment, while ultimately ruling in favour of the municipality on the specific facts, made a lasting contribution to consumer protection law through paragraphs [42] and [43]. These paragraphs establish the inviolable principle that a municipality's debt collection powers are bounded by the lawfulness of the underlying debt. No money is "due and payable" for a service not rendered, and the municipality cannot use the threat of service disconnection to collect amounts that are genuinely in dispute.

The 2024 *Glofurn* judgment of the Supreme Court of Appeal reinforced this framework, confirming that a valid Section 102(2) dispute creates an immediate legal shield against all credit control measures for the disputed amount. Together, these cases, read with the Systems Act, the Rates Act, PAJA, and the Constitution, create a robust framework that protects consumers from unlawful billing while preserving the municipality's legitimate revenue collection mandate.

For consumers, the key takeaway is procedural: protection is only guaranteed if the dispute is lodged correctly — in writing, identifying a specific amount, providing factual reasons, following the prescribed by-law procedure, and paying undisputed amounts. For municipalities, the key takeaway is substantive: the power to collect is limited to amounts lawfully owed, and the dispute mechanism must be respected as a genuine administrative process, not circumvented through coercive disconnection.

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12. REFERENCES

No.	Source	Details
[1]	*Rademan v Moqhaka Local Municipality and Others*	[2013] ZACC 11; 2013 (4) SA 225 (CC). Constitutional Court of South Africa. Judgment by Zondo J, 26 April 2013.
[2]	Local Government: Municipal Systems Act 32 of 2000	Published in Government Gazette No. 21776 of 20 November 2000. Sections 5, 95, 96, 97, 102.
[3]	Local Government: Municipal Property Rates Act 6 of 2004	Published in Government Gazette No. 26296 of 2 July 2004. Sections 49, 50, 51, 54.
[4]	Promotion of Administrative Justice Act 3 of 2000	Published in Government Gazette No. 20853 of 3 February 2000. Sections 3, 5, 6.
[5]	Constitution of the Republic of South Africa, 1996	Sections 9, 10, 33, 152, 154, 195.
[6]	*Body Corporate Croftdene Mall v Ethekwini Municipality*	2012 (4) SA 169 (SCA). Supreme Court of Appeal.

No.	Source	Details
[7]	*City of Tshwane Metropolitan Municipality v Glofurn (Pty) Ltd*	[ZASCA 101/2024]. Supreme Court of Appeal, June 2024.
[8]	*Mkontwana v Nelson Mandela Metropolitan Municipality*	[2004] ZACC 9; 2005 (1) SA 530 (CC). Constitutional Court.
[9]	*Joseph and Others v City of Johannesburg and Others*	[2009] ZACC 30; 2010 (4) SA 55 (CC). Constitutional Court.
[10]	HBGSchindlers Attorneys	"What Counts as a 'Dispute' with a Municipality?" (14 October 2024). Available at: https://hbgschindlers.com/what-counts-as-a-dispute-with-a-municipality-3/
[11]	HBGSchindlers Attorneys	"Municipalities and the 'Pay Now Argue Later' Principle in Relation to Rate Charges" (5 March 2025). Available at: https://hbgschindlers.com/municipalities-and-the-pay-now-argue-later-principle-in-relation-to-rate-charges/
[12]	ENSafrica	"Navigating the Municipal utility maze: How dispute resolution mechanisms impact municipal service disconnections" (9 July 2024). Available at: https://www.ensafrica.com/news/detail/8833/navigating-the-municipal-utility-maze-how-dis/
[13]	Dullah Omar Institute, Local Government Bulletin	"The Supreme Court reaffirms municipalities' power to cut electricity supply to combat non-payment" (June 2024). Available at: https://dullahomarinstitute.org.za/multilevel-govt/local-government-bulletin/

This report is prepared for informational and reference purposes. It does not constitute legal advice. Persons facing municipal billing disputes should consult a qualified attorney for advice specific to their circumstances.