

Reddersburg Ratepayers Union Case Analysis

Case Details

- Case Number: 5451/2024
- Court: High Court of South Africa, Free State Division, Bloemfontein
- Judge: JJ Mhlambi
- Date of Hearing: October 1, 2024
- Applicant: Reddersburg Ratepayers Union (RBBU)
- Respondent: Kopanong Local Municipality
- Second Respondent: The Municipal Manager, Kopanong Local Municipality

Court Order

The High Court issued the following orders:

1. Application Heard as Matter of Urgency: The application was heard as a matter of urgency in terms of rule 6(12) and non-compliance with the rules and the Practice Directive on urgency pertaining to periods and service is condoned.
2. Immediate Restoration of Water Supply: The 1st Respondent (Kopanong Local Municipality) shall immediately restore the water supply to the Applicant's members in Reddersburg.
3. Interdiction Against Service Termination: The 1st Respondent is interdicted and restrained from henceforth terminating or restricting the water and/or electricity supply to the Applicant's members for as long as the disputes between the 1st Respondent and members of the Applicant concerning amounts on their accounts remain unsolved.
4. Protection from Service Fees: Members of the Applicant may not be held liable for service fees pertaining to the current disconnection and/or re-connection of the water supply to their residence by the 1st Respondent.
5. Payment of Costs: The 1st Respondent shall pay the costs of this application on Scale B as between attorney and client.

Background and Context

The 2017 Initiation

In October 2017, exactly seven years before the court order, the National Taxpayers Union (NBU) was invited to address a residents' meeting in Reddersburg to discuss how residents could address the decline in service delivery. The NBU proposed that residents declare disputes over unpromulgated property taxes—a strategy based on the principles that would later be confirmed in the Koster, Derby, Swartruggens case.

The Koster Case as Foundation

At the time of the October 2017 meeting, the Koster, Derby, Swartruggens case was still ongoing. The NBU could not yet present a court order confirming the legality of the disputes,

although they were confident of success. The Koster ruling came on February 8, 2018, confirming the legality of reclaiming unpromulgated property taxes.

Implementation in Reddersburg

After the Koster ruling confirmed the legality of reclaiming unpromulgated property taxes, it took another ten months to convince the residents of Reddersburg to implement this strategy. In January 2019, the Reddersburg Ratepayers Union (RBBU) began declaring disputes, and residents paid their funds to the RBBU instead of the municipality.

Community Transformation

The implementation of the dispute strategy led to a remarkable transformation of Reddersburg:

Initial Phase (2019-2021):

- Residents had funds available to start repairing infrastructure
- Community members began repairing potholes, unblocking sewer blockages, cleaning up garbage, maintaining the cemetery, monitoring the landfill, cutting grass, and painting curbs
- There was initial resistance and skepticism from some residents

Expansion Phase (2021-2024):

- The municipal garbage removal service collapsed, and the RBBU stepped in to provide the service more effectively and cost-efficiently
- The RBBU used non-participation in garbage removal as a gentle way to encourage participation in community activities
- Participation grew to 90-95% of the community
- The RBBU accumulated several hundred thousand Rand in the bank while the municipality struggled to pay its workers
- The neighborhood watch and RBBU began cooperating, eventually achieving full cooperation
- The town was well-secured with cameras in strategic locations

The Trigger for the October 2024 Case

On a Wednesday in late September 2024, municipal officials decided to cut off the water supply to two businesses due to outstanding municipal accounts. Simultaneously, municipal officials encouraged "hotheads in the black residential area" to break shop windows. The neighborhood watch, with the help of cameras, was able to apprehend the culprits, who were subsequently jailed with criminal charges.

On Thursday morning, Advocate Greeff was asked to bring an urgent application in the Bloemfontein High Court. The case was heard on October 1, 2024, and the court issued the order protecting the Reddersburg community.

Current Status

Today, Reddersburg is described as a clean, neat town with proper service delivery comparable to its pre-1994 condition. There is high demand for houses as many people from Bloemfontein and surrounding towns want to live in a clean, neat town.

Confirmations with Rademan and Koster Cases

1. Right to Declare Disputes Over Unpromulgated Taxes

The Reddersburg case confirms the principle established in Rademan that residents have the right to withhold payment for services not rendered or for taxes levied unlawfully. The case demonstrates that this right extends to declaring formal disputes over unpromulgated property taxes.

2. Protection from Service Disconnection During Disputes

The court's order interdicting the municipality from terminating water and electricity supply while disputes remain unsolved directly confirms the principle from the Koster case that municipalities cannot use service disconnection as a weapon against residents who have declared legitimate disputes.

3. Illegality of Service Fees for Disconnection

The court's order protecting residents from liability for service fees pertaining to disconnection and re-connection confirms that municipalities cannot profit from their own unlawful actions. This extends the principle from Koster that unlawful actions cannot generate valid financial obligations.

4. Costs Awarded on Scale B

Consistent with both the Koster and Laingsburg cases, the court awarded costs on Scale B against the municipality. This demonstrates a consistent pattern across multiple cases of imposing financial consequences on municipalities for unlawful conduct.

Legal Significance and Implications

1. Confirmation of Dispute Strategy

The Reddersburg case confirms that the dispute strategy advocated by the NBU is legally sound and enforceable. Residents who declare disputes over unpromulgated taxes have a legal right to withhold payment and cannot be punished through service disconnection.

2. Expansion of Protections

The case expands the protections established in Koster by explicitly interdicting the municipality from terminating services while disputes remain unsolved. This is a stronger protection than simply declaring rates unlawful—it is a proactive prevention of unlawful action.

3. Practical Application of Legal Principles

The Reddersburg case demonstrates how the legal principles from Rademan and Koster can be practically applied to transform communities. The RBBU's experience shows that when residents collectively declare disputes and redirect funds to community service delivery, they can achieve remarkable results.

4. Pattern of Judicial Support

The Reddersburg case continues the pattern of judicial support for ratepayers' associations that we have seen in Rademan, Koster, and Laingsburg. The courts are consistently ruling in favor of communities challenging municipal non-compliance and unlawful actions.

Key Outcomes and Community Benefits

Immediate Outcomes for Reddersburg

1. **Restoration of Water Supply:** The court ordered immediate restoration of water supply to community members, preventing potential health crises.
2. **Protection from Future Disconnections:** The interdiction prevents the municipality from using service disconnection as a weapon during disputes.
3. **Financial Protection:** Community members are protected from liability for disconnection and re-connection fees.
4. **Financial Consequence for Municipality:** The cost award on Scale B imposes a financial penalty on the municipality for its unlawful conduct.

Broader Implications for South African Communities

1. **Legal Validation of Dispute Strategy:** The case validates the strategy of declaring disputes over unpromulgated taxes as a legal and effective tool for community action.
2. **Protection of Community Service Delivery:** The case confirms that communities can legally redirect funds to their own service delivery when municipalities fail to provide services.
3. **Prevention of Retaliation:** The interdiction against service termination prevents municipalities from retaliating against residents who declare disputes.
4. **Encouragement of Community Organization:** The success of the RBBU demonstrates the power of organized community action and is likely to encourage similar organizations in other municipalities.
5. **Demonstration of Transformation:** The Reddersburg case provides a powerful demonstration of how the legal principles from Rademan and Koster can be applied to transform a community from decline to prosperity.

Connections to the Broader Movement

The Reddersburg case is part of a broader movement for municipal accountability in South Africa, championed by organizations like the NBU. The case demonstrates how the legal victories in Rademan and Koster can be translated into practical community action that improves the lives of residents.

The timeline of the Reddersburg case is particularly significant:

- October 2017: NBU addresses residents, proposes dispute strategy
- February 8, 2018: Koster case decided, confirming legality of disputes
- January 2019: RBBU begins declaring disputes
- October 1, 2024: High Court confirms protection of residents declaring disputes

This timeline shows how legal victories can be translated into practical community action over time, with cumulative benefits for the community.

Conclusion

The Reddersburg Ratepayers Union case represents a powerful confirmation of the principles established in Rademan and Koster, while also demonstrating the practical application of these principles in transforming a community. The court's order protecting residents from service disconnection while disputes remain unsolved is a significant expansion of the protections available to communities.

The case also provides a compelling example of how organized community action, grounded in legal principles and supported by competent legal counsel, can achieve remarkable results. The transformation of Reddersburg from a town in decline to a clean, neat town with proper service delivery and high demand for housing is a powerful testament to the effectiveness of the dispute strategy and the legal principles underlying it.