



# Government Digest

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Lerato Maloka,  
Executive Mayor of  
Lesedi Municipality,  
speaks on leadership  
and plans for her  
municipality.



## New qualification to bring value to municipalities

**M**unicipal valuations is a specialist field. Too often the skills it requires remain vested with external service providers rather than being transferred to municipalities. Now the development of a municipal qualification aims to change that.

The Municipal Property Rates Act, No 6 of 2004 (MPRA), is a complicated piece of legislation which regulates how municipalities may levy property rates on the properties within their jurisdictions. From early on there were warnings that the competencies required for compliance with the legislative framework were scarce within municipalities.

Generally, with the exception of the metros, municipalities outsource the preparation and maintenance of the valuation rolls to external valuation service providers. Unfortunately the challenge is that these skills remain vested with the service providers and are not transferred to the municipalities themselves.

What is being done to address this? The Local Government SETA (LGSETA) and the South African Council for Property Valuers Profession (SACPVP) have initiated the development of an operational municipal qualification to transfer the skills and competencies required to meet the compliance of the MPRA to municipalities. The aim is to reduce the reliance of municipalities on external valuation service providers and to develop capacity within the public sector.

The solution lies in developing the relevant competencies within municipalities to both understand and administer municipal property data and the relevant statutory processes required for MPRA compliance. This includes budgeting, tariff modelling, rates policy and other municipal-related functions.

The key is clean financial and valuation data. One of the fundamental checks is to align all

the financial system records with the valuation roll, so that the details of each and every account can be spatially mapped. This provides municipal management with a 'dashboard' for accessible and accurate decision-making about revenue performance. This isn't easy. Iterative data cleansing and appropriate software applications are required to manage the extensive property data. This challenge is compounded by the fact that property isn't a static entity: properties are bought and sold, developed, subdivided and consolidated. All these changes must be tracked and captured by the municipality to service their billing obligation to their ratepayers.

The proposed MPRA qualification will focus on the municipal competencies required to administer property data and for the contractual management of external valuer service providers. The proposed qualification,

together with a set of mass appraisal standards, will provide a useful benchmark by which to monitor the performance of valuation service providers.

The Property Valuers Profession Act, No 47 of 2000, was recently amended to include provision for the registration of Public Sector Professional Associated Valuer. Many valuers have experienced that working in the public sector takes a different set of skills to those needed in general practice. The proposed MPRA qualification will service this level of valuer registration.

The Quality Council for Trades and Occupations in collaboration with the LGSETA and the SACPVP, are working hard towards developing this qualification. The aim is to have a curriculum developed for learners from within municipalities to register on 1 July 2014.

