



a world class African city

City of Johannesburg Metropolitan Municipality
Communications & Stakeholder Management
Group Finance

Thuso House
61 Jorissen Street
Braamfontein

PO Box 5000
Johannesburg
South Africa
2000

Tel +27(0) 11 358 3420

www.joburg.org.za

MEDIA RELEASE

To: News Editors
From: Kgamanyane Maphologela
Director: Communications & Stakeholder Management
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City of Johannesburg scores an appeal judgment against fancy residential estates operating restaurants but refusing to pay “business tariff”.

The City of Johannesburg is pleased that the rule of law is maintained against especially big businesses and massive residential estates, who are hell-bent to drag the City to court to avoid paying municipal services.

In yet another scathing appeal Judgment, the High Court Gauteng Local Division on 15 April 2024, ruled in favour of the City against Malakite Body Corporate and Greenstone Crest Body Corporate. The two appellants had sought to appeal the earlier judgment which found the City was indeed correct to charge the appellants commercial/business tariff because the estates fall under “mixed domestic and non-domestic loads” due to the presence of the Lifestyles Centres within the estates.

The appeal was dismissed with costs, as the Court found the argument by the body corporates that they should not be charged business tariff not persuasive. The appellants did not challenge the City’s existing policy, By-laws and tariffs in their submission to Court.

The Court had this to say: “there can be no dispute that the restaurant is a business. It sells food to residents and their guests at a profit. The fact that a business is located in an estate, surrounded by residential dwelling units does not make it ancillary to the residential use. It is merely convenient for the residents of the dwelling units to have a restaurant in the estate. It does not change the status of the restaurant from non-domestic to domestic. To have a restaurant in an estate is clearly a ‘perk’, but at the end of the day the restaurant is commercial in nature and non-domestic. It is not merely ‘ancillary’ to the residential units.”

The Court also dismissed the body corporates argument that the Lifestyles centres within the estates should be seen as part residential components.

“The tariff applied is determined by the nature of the service availed. For instance, if a property designated for residential use is utilized for commercial purposes, such as operating a law practice, the appropriate commercial tariff would be applied due to the electricity consumption associated with activities like operating photocopy machines, computer services, printers, and other business-related equipment. Similarly, the electricity usage patterns of establishments like gyms or restaurants differ from those of residential dwellings, thereby warranting disparate tariff structures,” reads the Judgment.

The Court agreed with the City for invoicing the body corporates under a business/commercial tariff, because of the restaurants and gyms within their Lifestyle Centres which consume electricity.

Customers who are in arrears on their municipal accounts and who wish to make payment arrangements and do not wish to visit any of the abovementioned walk-in-centres may contact the City’s Credit Control Department by emailing them on creditcontrol@joburg.org.za

ENDS –

Issued by:

Kgamanyane Maphologela

Director: Communications and Stakeholder Engagement

Group Finance

Email: stanmapho@joburg.org.za

For interviews, please contact Nkosana Lekotjolo on 082 467 9429
or Nyaniso Jeku on 081 441 8118.