FINAL MAY 2018

Medium Term Revenue & Expenditure Framework
2018/2019 – 2020/2021

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Abbreviations and Acronyms

BSC	Budget Steering Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IMFO	Institute of Municipal Finance Officers
INEP	Integrated National Electrification Programme
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	Kilowatt hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

Alderman Pat Hutcheson to deliver the budget speech on 31 May 2018 - speech to be circulated under separate cover at the Council meeting.

Budget Speech - Council Meeting: 31/05/2018

Introduction

Speaker,
Executive Mayor,
Fellow MMC's,
Councillors,
Municipal Manager,
HOD's,
Representatives from COGTA, Treasury and Auditor General, Ladies and Gentlemen,
Good Afternoon

The past couple of months, and in fact years I may say, have been particularly tough for our country's economy.

Bad policy decisions, political instability and poor leadership have all lead us down a road that will require an equal, if not greater, amount of sound policy and decision making, political stability and good leadership -making decisions which have our people at heart, and not personal gains – in order to realise the extent of economic growth we ought to have been seeing at this stage of our country's young democracy.

The ancient African proverb which says "If you climb up a tree, you must climb down the same tree" reminds us that actions have consequences, and it will require the same amount of energy and commitment it took to get to a certain point to return to the point at which you started.

In our case as a country, it will in fact take far more commitment to get the economy to work for every South African.

This means that it will be a couple of years before we start to see the fruit of our work in the form of a self-sustaining and thriving economy.

An economy that is able to create jobs for the millions of unemployed people living in this country.

An economy that sees the income gap between the richest and the poorest in society grow narrower.

An economy which sees all working South Africans make a decent living and therefore, more people living dignified lives.

This is the South Africa we here at Midvaal have in mind when making decisions and/or implementing policies that have an impact on people's livelihoods.

Speaker,

While I will admit that the state of the economy has made putting this budget together that more difficult for us as a team, I find comfort in our understanding of our collective mandate as a municipality, which is essentially to carry out our constitutional responsibility to serve the people of Midvaal to the best of our abilities and resources, bearing in mind our vision to inclusively serve the needs of our community.

Putting together this final budget has reminded us of the increased need for good governance within our municipalities. A trait we have shown time and again to exceptionally possess as a leadership.

With the increasing need for leaders to take a non-compromising approach towards corruption, wasteful and misdirected expenditure and sound decision making, we are honoured that the fruits of our labour continue to be legitimised through acknowledgements such as the Auditor General's report which has confirmed Midvaal's 4th consecutive clean audit and the recent Municipal Finance Sustainability report by Ratings Afrika, as mentioned by the Executive Mayor.

Ladies and Gentlemen,

It is a great honour and privilege for me to be able to present a community centred and good governance driven medium-term revenue and expenditure framework for the 2018/2019 – 2020/2021 financial year to you today.

Speaker,

The Municipal Systems Act compels municipalities to prepare an Integrated Development Plan (IDP).

The projects within the IDP must be linked to the municipality's budget, to ensure that the IDP is an actionable document.

The draft IDP and Budget were tabled before Council on 22 March 2018, with the intention of giving all stakeholders the opportunity to comment on the draft IDP and budget prior to it being finally approved by Council today.

The documents were available for public inspection and comments were opened to the public from 23 March 2018 to 4 May 2018 on the Midvaal website, at all Midvaal libraries and pay-points, as well as at the Meyerton municipal office building.

To facilitate the public participation process, the municipality held various public meetings to highlight the key issues in the budget.

The information disseminated in these sessions included, among others, proposed policy changes, tariff increases to be implemented from the 1st of July and the accounts that community members can expect, as well as information on capital projects to be undertaken in the various wards in the coming year.

The public meetings also dealt with the new proposed property rates policy as well as the new valuation roll.

The meetings were characterised by robust discussions and whilst the various areas highlighted varying issues affecting their communities, a few main topics emerged, which included:

- The new valuation roll and property rates policy, specifically changes to the categories of properties in line with the amendments to the Municipal Property Rates Act;

- Housing – particularly wards 6, 8 and 10;

- Electricity – particularly Savanna RDP housing;

- Youth development programmes and unemployment.

Speaker,

The community members of Blue Saddle Ranches, Walkerville, De Deur and surrounding areas, Savanna City and Mooilande were very vocal about their dissatisfaction with the new property rates policy.

So much so that a complaint was lodged with the Organisation Undoing Tax Abuse, also known as OUTA.

A meeting was held with OUTA where the legality of the proposed policy was tested, and resulting from this meeting, a change to the policy was mandated, stating that vacant land which was initially proposed to be considered under three categories, namely: residential, business and/or industrial and agricultural would now be classified under a single category with a ratio of 1:3.

This has consequently led to the initially published vacant land tariff now having been changed accordingly.

The community of Savanna City had proposed tariff increases below inflation, but due to cost pressures, tariff hikes below inflation would not be financially viable.

Should such a proposal have been accepted, a reduction in the standard of service delivery would have been unavoidable.

Ladies and gentleman, whilst we are unable to accede to all the requests made by our communities, we certainly strive to address as many issues as possible given the resources at our disposal, and here are just some examples of where we can implement proposals received through the consultation processes:

- Savanna City residents called for a special rebate for Flisp housing in the IDP meetings. We have heard their plea and will provide a 75% rebate on their property rates up to a maximum property value of R500 000.

- Owners of small holdings that are not predominantly used for agricultural purposes and who are now classified as residential properties under the new valuation roll, will receive a 50% rebate on their property rates up to a maximum property value of R750 000.

- Property owners who are not in agreement with their proposed property categories or values were given a 60-day objection period instead of the legislated 30 days to ensure every resident has the opportunity to lodge an objection if they so wish.

  The municipal valuer is currently busy with the process of re-assessing those property categories and values and property owners will receive an indication of the outcome of their objections within the coming months.

  Property owners will still have the right to appeal these findings should there still be disagreement after objections have been finalised.

- We understand that many households are struggling to make ends meet and with the ever-increasing cost of living, coupled with the recent hike in the VAT rate, we know that this will unfortunately become more of a reality for additional families. It is for this reason that we have proposed that the indigent threshold be reviewed.

  It is proposed that the threshold for combined monthly household income be increased from the current R3 500 per month to R4 000 per month.

  In addition, we are proposing that beneficiary households of RDP housing where the title deeds have not yet been registered in the name of the beneficiaries also qualify for indigency status.

  Previously it was a requirement that the property be registered in the name of the applicant before indigency status could be considered.

  These adjustments are expected to benefit some 2 000 additional households.

  Speaker,

  The housing shortage issue affecting many of our residents is not one that is unique to Midvaal.

  As we have seen in recent months, communities across the country are growing more and more agitated at the backlog in housing delivery.

  In Gauteng alone, we know that government has a backlog of more than eight hundred thousand houses.

  Studies show that by 2017, the national backlog in RDP housing would've grown to some 2,3 million, with the demand growing by about 178 thousand units by year.

  The sporadic rise in protests which we have seen across many parts of the country, and even in our own municipality – as we have seen in Mamello and Sicelo recently are matters that need to be addressed with urgency.

  However, as mentioned by the Executive Mayor, we cannot wage war against ourselves by destroying the same property and infrastructure meant to service us as a means of wanting to be heard.

  This only draws away from the genuine grievances of the community and delays progress and other forms of service delivery as we saw in the previous financial year, where funds meant to be spent on certain projects had to be redirected to fix damaged roads and infrastructure following violent protest action.

  We cannot continue cutting off our nose to spite our faces, because in the end it is ultimately us who suffer.

  The housing issues in both Sicelo and Mamello, as well as other parts of the municipality like Savanna City and Boitumelo are being treated with great urgency by us as a municipality.

We continue to work with all sectors of government responsible for providing housing to ensure that our communities have access to adequate and decent housing as stipulated in our constitution, and that it is done as speedily as possible because we understand that many of those people on these waiting lists have been without decent housing for over decades.

Another issue hampering on the municipality and country's ability to grow is that of unemployment.

The country's unemployment rate stands at 26,7% as of the first quarter of 2018. This excludes those who are unable to work or those who have given up on actively searching for employment.

This figure would climb up to a staggering 36.3% if we included those discouraged job seekers.

We also know that young people aged 15-24 are the most vulnerable in the labour market, with an unemployment rate of more than 52% and 38,2% for those aged 15 to 34 years old, according to Stats SA's first quarter of 2018 report.

It is for this reason that we continue to invest our operating budget in funding programmes such as the Kgatelopele Youth Development Programme, which has since its inception recruited more than 200 candidates, 99 of which successfully completed the programme.

Many of the participants have gone on to establish successful small businesses which are now servicing other businesses and communities within the municipality, as well as the municipality itself.

As a way of responding to the increasing unemployment crisis, we also set up a municipal labour register to assist those seeking employment as well as recruiters and employers in gaining access to each other.

Since the creation of the labour register, more than 4000 Midvaal residents have applied to have their names included on the list, with nearly 600 of those placed in temporary employment, while more than 50 others are now in permanent employment.

In the new financial year, we hope to see these numbers grow exponentially as we strive towards our goal to grow the economy and create jobs.

Speaker,

While we strive to consider the needs of our residents as far as possible when drafting a budget, the reality is that we operate within a national and global economic environment, which affects our revenue collection rate, the amount of money we are allocated to spend, as well as the factors which will impact on municipal, business, and individual spending patterns for the coming year.

The budget for the 2018/2019 financial year was prepared with due consideration of the economic situation in the country, which is currently characterised by slow growth, a growing unemployment rate and the effects of the downgrading of the country's credit rating to junk status by the international rating agencies.

National Treasury, in their Budget Circular 89 issued in December 2017, contextualised the global economic outlook, highlighting some of these factors:

"In the 2017 Medium Term Budget Policy Statement the Minister of Finance stated that, improving the country's economic growth in the period ahead remains the biggest challenge. This undoubtedly echoes the sentiments expressed in the previous year's annual budget circular, that the South African economic outlook is bleak.

The National Treasury's macroeconomic projections show that per capita income will continue to stagnate unless appropriate financial decisions are taken. This implies that a new course of action is required to break the cycle of weak growth, escalating government debt, increasing unemployment and declining investment and business confidence.

It is important to note that the 2017 projected Gross Domestic Product (GDP) growth forecast of 1.3 per cent in the 2017/18 budget was revised down to 0.7 per cent. The rate of recovery will be slow and, at this time, it is anticipated that growth of 1.9 per cent may be reached by 2020.

Notably, the anticipated economic improvements, employment opportunities and business recovery have not materialised hence the economy remains unstable. The impact of the decline in mining growth and the struggle in the agriculture sector because of the persistent drought influence on the low economic growth.

The mining outlook remains subdued due to continued domestic policy uncertainty and rising production costs. Fixed-capital stock in manufacturing has declined every year since 2009, indicating a gradual erosion of capacity. Formal non-agricultural employment declined by 0.2 per cent in the first half of 2017 compared to the same period last year. Employment prospects in manufacturing remain constrained. Similarly, employment growth in the trade sector is likely to remain under pressure given low consumer confidence and weak credit growth.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. Unfortunately, a similar decline cannot be measured in expenditure and this means that deficits are growing."

On 30th March 2016, National Treasury issued the MFMA Circular 82 dealing with cost containment measures to be implemented from 2016.

Subsequently, National Treasury also issued the Draft Cost Containment Regulations.

I am proud to say that whilst the Regulations are still in draft format, the Midvaal Local Municipality is already applying the principles contained in the Draft Regulations to ensure that we do not waste a cent of our rate payers' hard-earned money and that public funds are utilised prudently and to the benefit of the community.

Speaker,

Our mission statement is to strive daily to enrich the lives of our people.

This budget was prepared with this mission statement in mind, as we work to inclusively serve the needs of our communities and ensure that we do not compromise on the quality of services we are rendering.

Every year, National Treasury advises that municipalities should carefully consider affordability of tariff increases, especially as they relate to domestic consumers, while considering the level of services versus the associated cost.

Our expected collection rate for the 2017/2018 financial year is 94% and we have set a target of 95% for the coming financial year, but to achieve this, a lot of hard work will have to be done.

We have also reviewed our debt collection strategy to ensure this target is achieved.

Part of the strategy is to have a community outreach programme which has been dubbed the Mayor's Extension Officers' Programme.

This programme will enlist the services of trusted community members, who will be entrusted with the task of engaging, educating and informing residents on matters relating to municipal accounts, how to make payment arrangements, understanding your account status and many other aspects that will be mutually beneficial to the municipality and our communities.

Speaker,

In this budget, electricity charges will increase by 6.84% as recommended by NERSA.

The municipality will pay Eskom 7.32% more as of 1 July 2018 and as such a lower increase is given to our customers than what the municipality will be charged by Eskom.

Water will increase by 9.5%. As with electricity, the full increase received from Rand Water is not given through to the customer – we will pay Rand Water 12.2% more as of 1 July 2018.

Refuse collection charges will increase by 9.5%. The service is currently being rendered at a deficit – in other words, the cost of collecting refuse, is being subsidised by other services.

The cost of sanitation services will also increase by 9.5%. The rate in the rand for property rates will decrease significantly as a result of the new valuation roll.

We will be maintaining the social package which we provide to our residents at an annual revenue cost of R86 million – this will increase to a cost of R111 million in 2020/2021. The social package is funded from the equitable share grant.

Speaker,

The total capital budget for the MTREF period amounts to just under R300 million. Of this, R110 million will be spent in the next financial year.

Funding comes primarily from external loans – loan funding of R33 million will be used in the coming financial year as our government grants alone are not sufficient to eradicate the backlogs.

Government grants amount to R57 million for the coming year.

In addition, we will use R12 million of our internal funds, being a combination of cash backed accumulated reserves and cash to be generated during the year. R8 million will be contributed by developers.

The most significant projects that we plan to implement in the next three financial years include further work to be done on the bulk electrical supply to Sicelo at a cost of R54 million, the new reservoir for Sicelo/Highbury at a cost of R40 million, roads resurfacing for R24 million, aged Bulk Water Pipe replacement at R23 million, rebuilding of roads at a cost of R12 million and the Sicelo North outfall sewer at an estimated R10 million.

Over the period we will also provide R9 million to rehabilitate our landfill sites to ensure compliance with environmental legislation.

Our water losses will be limited through the implementation of Pressure Management Infrastructure at a cost of R7.5 million, installation of Bulk Water Meters to the value of R6 million, the Refurbishment and Replacement of Water Supply Valves for R4.5 million as well as Water Meter Replacement Programme at a cost of R3 million.

We will invest R7 million in Gravel to Tar projects and a further R6 million in the construction of new roads. Savanna City residents can look forward to new parks amounting to R5.5 million. In addition, trees will be planted in Savanna City to enhance the ambiance of the area. The Lakeside community will also benefit from a further R5.5 million that will ensure the completion of the Lakeside Sport Centre.

Speaker,

This is not an exhaustive list of capital projects but only examples of some of our key projects. The full list of capital projects is contained in the budget before of us today. These projects will surely go a long way in ensuring that we inclusively serve the needs of our communities.

Speaker,

The operating budget before us today totals R1.1 billion rand, an increase of 4.9% from the current financial year.

Operating expenditure budgeting is done on a zero-base budget approach insofar as practically possible. Where it is not cost effective to do zero based budgeting, incremental budgeting is applied.

Operating expenditure further includes infrastructure repairs and maintenance as a priority; budgeted expenditure is funded by realistically anticipated cash backed revenues; and, operational gains and efficiencies that result in operating surpluses will be used to fund capital expenditure – thus from our own cash backed funds.

Our budget calculations are done on the assumption of a 95% collection rate in Midvaal – this is an increase from the previous 94% target meaning that debt collection will have to be intensified this year.

We need to thank our residents for paying their rates and taxes on time, and we need to ensure that we put measures in place that will allow us to maintain our high debt collect rate because failure to do so would result in a decrease in the quality of services currently being rendered.

We encourage all persons with a combined household income of less than four thousand rand per month to register as indigents – registered indigents qualify for a monthly subsidy on their municipal accounts.

Indigents will continue to receive 6 kilolitres of water per month, free of charge.

All indigent households with a pre-paid metre will also receive 50 kilowatt hours of free electricity per month.

Such households will also receive their sanitation and refuse collection at no charge.

They will furthermore not pay assessment rates on the first five hundred thousand rand of their property value. Indigent pensioners will not pay any property rates.

The biggest portion of our budget, of which is 34%, goes towards the payment of bulk purchases from Eskom and Rand Water.

This cost is not within our control as the increases are approved by NERSA and Rand Water.

26% of the operating budget will be spent on salaries for employees. We believe that our employees are our greatest asset and as such we are implementing strategies to not only recruit highly skilled individuals, but also continually seeking ways to retain them.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. 11% of the budget has been allocated to depreciation.

Operational repairs and maintenance is a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance.

To this end, a budget of R112 million has been provided for repairs and maintenance. This represents 10% of the operating budget.

Other allocations include councillor's allowances, interest on external loans, contracted services, operational cost, inventory and provision for bad debt.

Provision for bad debt equates to 8% of the operating budget and the strict enforcement of the credit control and debt collection policy is therefore of vital importance to ensure the financial viability of the municipality.

In terms of Midvaal's liquidity ratio, the municipality has set a limit of 1 as a benchmark.

The liquidity ratio shows the ability of the municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately, and ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.

It is projected that the implementation of this budget will result in a liquidity ratio of 1.84 meaning that we will not have any challenges in settling our short-term liabilities.

Speaker,
Midvaal has proven itself time and again to be a trusted champion of the interests of the people we serve.

Our recent 4th consecutive clean audit, and rating as the most financially sustainable municipality in the country's economic hub of Gauteng tells only a portion of our story.

Midvaal is not only committed to ensuring good governance, rooting out corruption in all structures of governance, but most importantly we want to ultimately see the everyday lives of the people we serve change for the better.

Whether this is by ensuring safer roads, access to adequate housing, sport and recreational facilities, libraries, social packages for indigents, creating employment and other services which are made possible through the due management of the public purse, regular and rigorous monitoring and evaluation of processes and administration to ensure that money is spent on what it ought to be used for and remaining transparent and accountable to our communities.

I ask that we duly consider and adopt this budget, to allow us to continue with delivering quality services to our communities in the manner we have in the past.

As we begin a new financial year, I call upon each of us who has a responsibility in stewarding the municipality's budget to do so with the poorest among us in mind.

May we set aside our individual impulses and remember the many people whose livelihoods depend on us.

May we also remember our constitutional obligation to serve all our communities to the best of our capabilities.

In closing, I would like to thank the Executive Mayor for his leadership, as well the full team of MMCs, our Municipal Manager, Mr Albert de Klerk, our CFO, Ms Annette van Schalkwyk and all HOD's who have worked tirelessly to ensure that Midvaal lives by its pledge to be a well governed, effectively managed, financially viable and sustainable organisation.

Thank you!

1.2 Council Resolutions

1. **That** the Council of Midvaal Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) **APPROVES AND ADOPTS**:

    1.1. The annual budget of the municipality for the financial year 2018/19 and the multi-year and single-year capital appropriations as set out in the following tables:

        1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 12 of Annexure A;
        1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 13 of Annexure A;
        1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 14 of Annexure A; and
        1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 15 of Annexure A.

    1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

        1.2.1. Budgeted Financial Position as contained in Table 16 of Annexure A;
        1.2.2. Budgeted Cash Flows as contained in Table 17 of Annexure A;
        1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 18 of Annexure A;
        1.2.4. Asset management as contained in Table 19 of Annexure A; and
        1.2.5. Basic service delivery measurement as contained in Table 20 of Annexure A.

2. **That** the Council of Midvaal Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES AND ADOPTS** with effect from 1 July 2018 the tariffs as contained in Annexure D:

    2.1. the tariffs, rebates and exemptions for property rates
    2.2. the tariffs for electricity
    2.3. the tariffs for the supply of water
    2.4. the tariffs for sanitation services
    2.5. the tariffs for solid waste services

3. **That** the Council of Midvaal Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES AND ADOPTS** with effect from 1 July 2018 the tariffs for other services, as set out in Annexures D.

4. To give proper effect to the municipality's annual budget, the Council of Midvaal Local Municipality **APPROVES** that cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

5. **That** the Council of Midvaal Local Municipality, acting in terms of section 17 of the Municipal Finance Management Act, (Act 56 of 2003) **APPROVES AND ADOPTS** with effect from 1 July 2018 the following budget related policies for the 2018/2019 financial year:

    5.1. Tariff By-Law
    5.2. Tariff Policy
    5.3. Property Rates By-Law
    5.4. Property Rates Policy
    5.5. Credit Control and Debt Collection By-Law
    5.6. Credit Control and Debt Collection Policy
    5.7. Cash Management Policy
    5.8. Investment Policy
    5.9. Borrowing Policy
    5.10. Budget Funding and Reserves Policy
    5.11. Municipal Supply Chain Management Policy and Procedures
    5.12. Asset Management Policy
    5.13. Policy on the Planning and Approval of Capital Projects
    5.14. Indigents Policy
    5.15. Policy related to the provision of free basic electricity
    5.16. Policy related to the provision of free basic water
    5.17. Policy on the Acceptance of Grants, Donations, Sponsorships and Gifts
    5.18. Long Term Financial Planning Policy
    5.19. Disposal of Assets Policy
    5.20. Budget Implementation and Monitoring Policy
    5.21. Pre-qualifying preferential procurement policy
    5.22. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
    5.23. Bulk Developer Contributions Policy
    5.24. Related Party Policy
    5.25. Cell phone and 3G allowance Policy
    5.26. Risk Management Policy
    5.27. Billing Policy
    5.28. Electricity By-laws
    5.29. Water By-laws
    5.30. Supply Chain Management Process Turn-around Time Policy
    5.31. EFT Policy
    5.32. Bad Debt Provision Policy
    5.33. Supply Chain Management Policy for Infrastructure Procurement and delivery management
    5.34. Contract Management Policy
    5.35. Policy on Councillors Allowances
    5.36. Driver Policy
    5.37. Indigent Screening Policy
    5.38. Caucus Budget Policy

6. **That** the Council of Midvaal Local Municipality, acting in terms of section 11.2.6 of the Midvaal Property Rates Policy **RE-AFFIRM** property rate rebates to the following property owners as development incentives as contained in the various Service Level Agreements:

    6.1. Savanna City Development (in terms of section 9.4 of the Property Rates Policy)
    6.2. Klipriver Business Park Development (in terms of section 9.4 of the Property Rates Policy)

6.3. Heineken Breweries (in terms of section 9.4 of the Property Rates Policy)

7. **That** in principle approval **BE GRANTED** for the taking up on external debt to the value of R21 900 000 to fund infrastructure projects as contemplated in the capital budget for the 2018/2019 financial year, subject to compliance with section 46 of the MFMA.

8. **That** in principle approval **BE GRANTED** for the taking up on external debt in the form of Hire Purchase (HP) agreements to the value of R10 000 000 to fund the purchase of vehicles as contemplated in the capital budget for the 2018/2019 financial year, subject to compliance with section 46 of the MFMA.

9. **That** the Council of Midvaal Local Municipality, acting in terms of section 66 of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES AND ADOPTS** with effect from 1 July 2018 the revised departmental organograms, as set out in Annexures AQ.

1.3 Executive Summary

Planning Framework

The Municipal Systems Act, Act 32 of 2000, requires that local government structures prepare Integrated Development Plans (IDP's). The IDP serves as a tool for the facilitation and management of development within the areas of jurisdiction. In conforming to the Act's requirements, the Council of the Midvaal Local Municipality (MLM) has delegated the authority to the Municipal Manager to prepare the IDP.

The aim of the IDP for Midvaal is to present a coherent plan to achieve the vision of the municipality. The intention of this IDP is to link, integrate and co-ordinate development plans for MLM which is aligned with national, provincial and district development plans and planning requirements binding on the municipality in terms of legislation.

Midvaal IDP Key Performance Areas

KPA	Definition
KPA 1: Good Governance & Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders
KPA 2: Safety & Environment	To create a sustainable environment safe from harm
KPA 3: Social & Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable
KPA 4: Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives
KPA 5: Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements
KPA 6: Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community
KPA 7: Services & Customer Care	To deliver inclusive and excellent services to the community
KPA 8: Economic Growth & Development	Increasing the GDP of the local municipality and improving the economic and social well-being of its people

Requests for resources not in support of the abovementioned KPA's were only considered in exceptional circumstances.

It must be noted that whilst the municipality supports Safety and Security and Agricultural development, these are not CORE functions of the municipality and as such the municipality is not the funding agent for these activities but are playing a facilitation role to ensure the various Organs of State are aware of the challenges of the community. The municipality furthermore participates in inter-governmental structures at various levels to provide the feedback received from the community in the IDP meetings to the relevant departments that are mandated to address those challenges.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Council remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realised were on telephone and internet usage, printing, workshops, travel, accommodation, and catering. The Midvaal Local Municipality has adopted a cost containment strategy during 2013 and subsequent to the issuing of MFMA Circular 82, has intensified its cost containment strategy. A new cost containment policy is now being put forward for adoption in line with the Draft Cost Containment Regulations.

The Municipality has embarked on implementing a range of revenue collection strategies to optimise the collection of debt owed by consumers. Furthermore, the Municipality is regularly undertaking workshops to register indigents to ensure the poorest of the poor are protected. Previously, a policy change has been adopted in that all properties with a property value of R150 000 and less are deemed as indigent households. In addition, all RDP households are also regarded as deemed indigents. The municipality is this year increasing the income threshold to qualify as an indigent household to R4 000 per household per month (increased from R3 500 per household per month). This threshold will be increased to R4 500 per household per month in 2019/2020 and R5 000 per household in 2020/2021. This means that the municipality now has various ways in which a community member can register as an indigent:

- Deemed indigent – if the property value is less than R150 000, the household will automatically be declared as indigent and included in the indigent register. If it is found that the household members are either employed by an organ of state, or has a business registered, the indigent status will be cancelled
- Application process – any household with a combined income of less than R4 000 per household per month can apply as indigent, and if approved, will be included in the indigent register
- The Indigent Policy for the 2018/2019 financial year also recommends that RDP households where the title deeds have not yet been transferred to the beneficiary but they have already taken occupation of the RDP house, will also qualify as indigents.

National Treasury's MFMA Circulars No. 89 and No. 91 was used to guide the compilation of the 2018/19 MTREF.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy, including limited growth which is also evident in the local economy;
- Aging water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Rand Water and Eskom as well as other inflationary and service delivery pressures, including the service cost of increased loan funding);

- Reduction of water and energy sales due to the scarcity of electricity over the last number of years as well as the drought and water restrictions of the last year;
- Wage increases for municipal staff; the need to fill critical vacancies and the growing of the organisational structure to meet the growing service delivery, governance and compliance demands;
- Affordability of capital projects.

The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- Newly developed IDP;
- The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/19 annual budget;
- Service level standards were used to inform the measurable objectives, targets and development goals;
- Tariff and property rate increases should be affordable. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The implementation of mSCOA.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2018/19 – 2020/2021 MTREF

Key Financial Ratios	Adjusted Budget	2018/2019	2019/2020	2020/2021
Financial Overview				
Total Operating Revenue	1 058 459 953	1 110 301 817	1 214 518 867	1 302 197 868
Total Operating Expenditure	1 053 454 331	1 109 759 258	1 176 805 488	1 252 297 122
Total Capital Expenditure	160 834 356	110 162 000	137 958 000	153 532 000
Total Expenditure	1 214 288 687	1 219 921 258	1 314 763 488	1 405 829 122
Number of Staff Members (funded positions)	868	897		
Employee Cost	251 666 600	288 592 514	305 908 066	324 262 547
Employee Cost as a % of Opex	23,89%	26,00%	25,99%	25,89%

Note: All figures ***excludes*** provision made for internal revenue and expenditure. Also note that abovementioned figures ***includes*** capital revenue. The attention of the reader is drawn to the fact that capital revenue is not included in all the National Treasury schedules contained in this budget document and that the header will be indicative of whether the revenue figures refer to total operating revenue, or operating revenue exclusive of capital revenue. In terms of GRAP 9, capital revenue is recognised as operating revenue and as such included in total operating revenue.

The operating revenue for 2018/2019 is budgeted at R1 110 301 817, which is an increase of 4.9% from the 2017/2018 adjusted budget.

The revenue budget is based on the following proposed tariff increases:

- Electricity – 6.84% (subject to final confirmation of NERSA)
- Water – 9.5%
- Sanitation – 9.5%
- Refuse Collection – 9.5%
- Assessment Rates – New valuation roll with new, reduced tariff

The tariff increases are above the projected inflation targets. Tariffs could not be contained within the targeted inflation limits due to increased cost of the provision of services. The only growth budgeted for in the volume of sales are in respect of Savanna City. Whilst the revenue budget does not make provision for growth (other than Savanna) to be prudent, there is a projected growth in the number of households as reflected in NT Schedule A10.

Provision has been made to supply all households serviced by the Council with 4kl of water free of charge and not 6kl as in the past. As from 1 July 2017, only registered indigent households (inclusive of deemed indigent households) receive 6kl free water per month and all other household will receive only 4kl. It is intended to phase out the provision of free basic water from non-indigent household in totality by end of the 2019/2020 financial year. 4kl of free basic water will be provided in the 2018/2019 financial years, 2kl in the 2019/2020 financial year and no free basic water as from 1 July 2020.

The Income Budget has been compiled based on projected billing, however provision has been made for a 95% collection rate through the provision of funds for the impairment of debtors.

The operating expenditure for 2018/2019 is budgeted at R1 109 759 258 (an increase of 5.35% from the 2017/2018 adjusted budget). This includes a provision for salary increases of 7%, increase in repairs and maintenance expenditure of 7%, general expenditure of 0% and contracted services of 0%. Bulk purchases has been increased as follows:

Water Purchases from Randwater – 12.2%
Electricity Purchases from Eskom – 7.32%

The capital amount proposed for 2018/2019 amounts to R110 162 000.

The capital budget will be funded as follows:

- Accumulated Surplus R 3 000 000 (2.72%)
- CRR R 9 289 000 (8.43%)
- External Grants R57 073 000 (51.81%)
- Borrowings (new) R31 900 000 (28.96%)
- Borrowings (roll over) R 750 000 (0.68%)
- Developer Contributions R 8 150 000 (7.40%)

Midvaal mainly spends its capital expenditure on infrastructure services and for the 2018/19 financial year (79%) of the capital budget is allocated to the Engineering Services department.

1.4 Operating Revenue Framework

For Midvaal to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced

with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 94 – 95% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services (remaining a challenge as a result of the offsetting of depreciation);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) as amended.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	133 498	146 376	164 775	183 107	188 107	188 107	159 530	206 625	227 765	245 959
Service charges - electricity revenue	2	243 284	273 891	313 820	332 453	330 253	330 253	273 318	353 704	379 718	398 527
Service charges - water revenue	2	139 963	142 408	163 423	166 514	185 514	185 514	159 655	205 140	226 758	249 863
Service charges - sanitation revenue	2	30 301	34 494	34 292	37 412	37 412	37 412	32 867	41 970	39 768	36 260
Service charges - refuse revenue	2	27 114	29 869	30 667	39 958	38 958	38 958	31 708	42 429	43 430	43 498
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		1 532	1 359	610	1 404	1 404	1 404	993	1 300	1 378	1 454
Interest earned - external investments		6 012	7 611	10 082	5 565	6 565	6 565	4 826	6 959	7 376	7 782
Interest earned - outstanding debtors		10 186	11 254	8 312	7 245	7 245	7 245	2 634	7 529	7 829	8 121
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		46 888	48 424	49 029	50 331	50 331	50 331	5 657	50 342	53 362	56 297
Licences and permits		–	–	–	38	38	38	1	41	43	45
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		75 418	84 177	92 056	109 062	105 551	105 551	105 867	119 802	127 829	144 771
Other revenue	2	26 134	34 322	32 338	9 847	29 806	29 806	33 820	9 239	9 793	10 332
Gains on disposal of PPE		5	372	145	100	100	100	725	–	–	–
Total Revenue (excluding capital transfers and contributions)		740 337	814 559	899 550	943 036	981 285	981 285	811 601	1 045 079	1 125 051	1 202 911

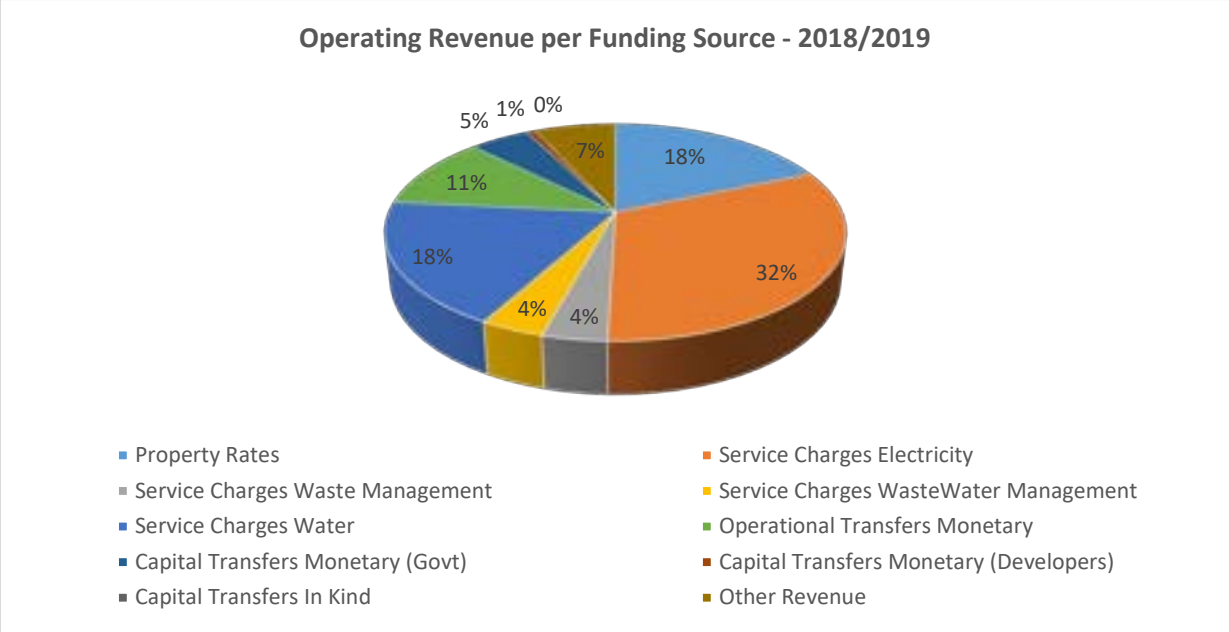


Figure 1: Main operational revenue categories for the 2018/19 financial year

Table 3 Percentage growth in revenue by main revenue source

Description	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework					
R thousand	Original Budget	Adjusted Budget	%	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
Revenue By Source									
Property rates	183 107	188 107	2,73%	206 625	9,84%	227 765	10,23%	245 959	7,99%
Service charges - electricity revenue	332 453	330 253	-0,66%	353 704	7,10%	379 718	7,35%	398 527	4,95%
Service charges - water revenue	166 514	185 514	11,41%	205 140	10,58%	226 758	10,54%	249 863	10,19%
Service charges - sanitation revenue	37 412	37 412	0,00%	41 970	12,18%	39 768	-5,25%	36 260	-8,82%
Service charges - refuse revenue	39 958	38 958	-2,50%	42 429	8,91%	43 430	2,36%	43 498	0,16%
Service charges - other	–	–	0,00%	–	0,00%	–	0,00%	–	0,00%
Rental of facilities and equipment	1 404	1 404	0,00%	1 300	-7,41%	1 378	6,00%	1 454	5,50%
Interest earned - external investments	5 565	6 565	17,97%	6 959	6,00%	7 376	6,00%	7 782	5,50%
Interest earned - outstanding debtors	7 245	7 245	0,00%	7 529	3,91%	7 829	3,99%	8 121	3,73%
Dividends received	–	–	0,00%	–	0,00%	–	0,00%	–	0,00%
Fines, penalties and forfeits	50 331	50 331	0,00%	50 342	0,02%	53 362	6,00%	56 297	5,50%
Licences and permits	38	38	0,00%	41	6,00%	43	6,00%	45	5,50%
Agency services	–	–	0,00%	–	0,00%	–	0,00%	–	0,00%
Transfers and subsidies	109 062	105 551	-3,22%	119 802	13,50%	127 829	6,70%	144 771	13,25%
Other revenue	9 847	29 806	202,70%	9 239	-69,00%	9 793	6,00%	10 332	5,50%
Gains on disposal of PPE	100	100	0,00%	–	-100,00%	–	0,00%	–	0,00%
Total Revenue (excluding capital transfers and contributions)	943 036	981 285	4,06%	1 045 079	6,50%	1 125 051	7,65%	1 202 911	6,92%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise 76.5% of the total revenue mix and follow the same trend in the outer years.

Other revenue consists of various items such as income received from, building plan fees, connection fees, renting out of properties and fines. Departments review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R119.8 million in the 2018/19 financial year and increases to R144.7 million by 2020/21. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		65 285	73 248	80 455	90 285	90 385	90 385	101 351	110 189	121 766
Local Government Equitable Share		60 716	68 291	76 401	86 316	86 316	86 316	97 192	107 139	118 616
		934	930	–	–	–	–	–	–	–
Finance Management		1 350	1 450	1 475	1 550	1 550	1 550	1 550	1 550	1 550
EPWP Incentive		1 135	1 327	1 279	1 119	1 119	1 119	1 181	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
MIG		1 150	1 250	1 300	1 300	1 400	1 400	1 428	1 500	1 600
Provincial Government:		7 725	8 536	9 143	12 335	12 335	12 335	13 115	12 502	17 539
Health subsidy		4 545	4 196	4 101	6 070	6 070	6 070	6 365	6 682	7 069
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
DAC		3 180	4 340	5 042	6 265	6 265	6 265	6 750	5 820	10 470
District Municipality:		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
		–	–	–	–	–	–	–	–	–
Environmental Health		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Other grant providers:		–	–	–	3 610	–	–	1 851	1 451	1 559
		–	–	–	–	–	–	–	–	–
Urban Development Grant		–	–	–	3 610	–	–	1 851	1 451	1 559
Total Operating Transfers and Grants	5	75 418	84 177	92 056	109 062	105 551	105 551	119 802	127 829	144 771

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities are encouraged to keep increases at no more than the 6% upper boundary of the South African Reserve Bank's inflation target. Tariffs could not be contained within the targeted inflation limits due to increased cost of the provision of services. The increased cost of service delivery, as well as the cost to service loans for infrastructure requires higher than inflation tariff increases. The multi-year tariff increases are also higher than inflation, and the increased number of indigent customers is continuing to place upward pressure on the operating budget.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

Multi-year tariff increases are proposed as follows:

Table 5 Proposed Tariff Increases

		2018/2019	2019/2020	2020/2021
Projected Growth		0,0%	0,0%	0,0%
Projected CPI	NT Circ 89	5,2%	5,5%	5,5%
General Income Increase	MLM Guidance	6,0%	6,0%	5,5%
Property Rates Increase			10,0%	8,0%
Refuse Removal Increase		9,5%	8,0%	6,0%
Sanitation Increase		9,5%	8,0%	6,0%
NERSA Increase	NERSA	7,32%	8,0%	8,0%
Electricity Sales Increase	NERSA	6,84%	7,4%	7,4%
Rand Water Increase	Rand Water	12,2%	10,0%	10,0%
Water Sales Increase	Rand Water	9,5%	8,5%	8,2%
Cost Curtailment Increase		0,0%	0,0%	0,0%

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly. In addition, the Municipal Property Rates Act, Act 6 of 2004 has been amended with effect from 1 July 2015. Section 8 of the Act, as amended, must be implemented within 7 years of promulgation, in other words, the municipality must implement the revised categories before June 2022. The municipality has commenced with the process of compiling a new valuation roll which will be effective as from 1 July 2018. The new valuation roll will be valid until 30 June 2023. As the latest implementation date of Section 8 of the Act is within the validity period of the valuation roll, the amendments to the Act are now implemented in the 2018-2023 valuation roll.

The municipality will in future years attempt to have the validity period of the valuation roll for less than 5 years (post 2023) if it financially viable. The cost of the compilation of a new valuation roll must be offset against the benefit of having more regular updates to the market value of

properties. The cost of the compilation of a valuation roll is approximately R5 million in current values.

The following stipulations in the Property Rates Policy are highlighted:

Exemptions:

- Public Benefit Organisations will be exempt from paying property rates, subject to the property being registered in the name of the PBO by no later than 30 June 2021.
- Municipal properties will be exempt from property rates.
- Properties on which Public Monuments and Memorials are located will be exempted from property rates.
- Properties located on special nature reserves, national parks or nature reserves within the meaning of the National Environmental Management: Protected Areas Act, 2003 (57 of 2003) or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act 2004, (10 of 2004), which are not developed or used for commercial, business, agricultural or residential purposes will be exempt from paying property rates.
- Properties belonging to a land reform beneficiary or his or her heirs, dependents or spouse will be exempt from paying property rates for the first ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds provided that upon alienation of the property by the land reform beneficiary or his or her heirs, dependents or spouse, property rates shall become payable
- Properties registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community which is occupied by the office bearer of that community who officiates at services at that place of worship will be exempt from paying property rates.
- Public Service Infrastructure will be exempted from paying property rates.

Reductions:

- All properties categorized as residential properties in order to alleviate the tax burden on all owners of residential property within the municipality. In addition to the impermissible rates of R15 000 described in section 17(1)(h) of the Act a further R135 000 reduction on the market value of a property will be granted.

Rebates:

- Indigent property owners: The property rates for the first R500 000 of the property value will be granted as a rebate for all registered indigent households
- Owners dependent on pensions or social grants: Residential property owners who are over 60 years of age, who are both permanent occupiers and the sole owners of the property concerned whose aggregate household income does not exceed two state pensions per month will receive a rebate of 100% of their property rates for the first R500 000 of their property value. Residential property owners who are over 60 years of age, who are both permanent occupiers and the sole owners of the property concerned whose aggregate household income does not exceed R7 500 per month will receive a rebate of 50% of their property rates for the first R1 300 000 of their property value.
- Sports grounds used for amateur sports will receive a rebate of 75% of their property rates (application based, annually).

- Old age institutions registered at the Department of Welfare will receive a rebate of 85% of their property rates (application based, annually), subject to the property being registered in the name of the Old age institution by no later than 30 June 2021.
- Owners of small holdings (with property type agricultural holdings / farms) will receive a rebate of 50% of their property rates for the first R750 000 of their property value.
- Owners of Private Schools will receive a 50% rebates of their property rates.
- First time owners of Government Flisp Housing who qualified for government subsidy will receive a 75% rebate of their property rates for the first R500 000 of their property value. Once the Flisp subsidy beneficiary sells the property, the new property owner will not qualify for the rebate unless he/she is also a Flisp subsidy beneficiary.

As a new valuation roll has been developed, and a new tariff has been calculated, there is no effective tariff increase that can be used in context, but the revenue to be derived from Property Rates have been budgeted at an increase of 10%. Provision has been made for a 5% value reduction resulting from objections and appeals.

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Rand Water has increased its bulk tariffs with 12.2% from 1 July 2018. A tariff increase of 9.5% for MLM customers from 1 July 2018 for water is proposed.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has approved a 7.32% increase in the Eskom bulk electricity tariff to municipalities. The increase has been included in the budget and will be effective from 1 July 2018.

Electricity tariffs will increase by 6.84%. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 9.5% for sanitation from 1 July 2018 is proposed. The main cost drivers for the sanitation service are staff, chemicals and pumps which have all increased with at least 10%. Free sanitation will be applicable to registered indigents.

1.4.5 Waste Removal and Impact of Tariff Increases

The main cost drivers for the service are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. A 9.5% increase in the waste removal tariff is proposed from 1 July 2018.

Table 6 Comparison between property rates and services tariffs for the current year and proposed multi-year

Projected Residential Tariffs	2018/19	2019/20	2020/21
Property rates	0,0077	0,0082	0,0086
Residential Reduction	150 000,00	150 000,00	150 000,00
Electricity			
Fixed Charge	-		
Electricity - (block 1: 0 - 50 kwh)	0,9820	1,0541	1,1316
Electricity - (block 2: 51 - 350 kwh)	1,2340	1,3247	1,4221
Electricity - (block 3: 351 - 600 kwh)	1,8715	2,0091	2,1567
Electricity - (block 4: > 600 kwh)	2,1784	2,3385	2,5103
Cost Price per kwh	**1,1765**	**1,2707**	**1,3723**
Water			
0-6 indigent households	-	-	-
7-12 indigent households	26,43	28,67	31,03
0-4 non indigent households (to be phased out)	-	-	-
5-12 non indigent households	26,43	28,67	31,03
13 - 20kl	29,13	31,60	34,20
21 - 30kl	32,92	35,71	38,64
31 - 45kl	34,94	37,91	41,02
>45kl	36,29	39,37	42,60
Vaalmarina			
Water - 0 - 30kl	21,16	22,95	24,84
Water - 31kl+	28,72	31,16	33,71
Cost Price per kl	**9,35**	**10,29**	**11,32**
Sewerage			
Residential	214,50	231,66	245,56
Refuse Removal			
Residential	184,68	199,46	211,42
Low Cost Housing	92,35	99,73	105,72

1.4.6 Overall impact of tariff increases on households

The following table and sample accounts shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 7 MBRR Table SA14 – Household bills

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	397.18	428.97	459.00	504.88	504.88	504.88	(30.1%)	352.92	388.21	419.27
Electricity: Basic levy	93.90	107.27	57.67	–	–	–	–	–	–	–
Electricity: Consumption	1 181.93	1 447.11	1 616.42	1 645.94	1 645.94	1 645.94	6.8%	1 758.52	1 888.65	2 028.41
Water: Basic levy	41.80	47.86	26.78	–	–	–	–	–	–	–
Water: Consumption	417.00	458.70	582.71	706.50	706.50	706.50	9.5%	773.61	839.37	908.20
Sanitation	158.42	171.10	183.08	195.89	195.89	195.89	9.5%	214.50	231.66	245.56
Refuse removal	136.40	147.31	157.62	168.66	168.66	168.66	9.5%	184.68	199.46	211.42
sub-total	2 426.63	2 808.32	3 083.28	3 221.87	3 221.87	3 221.87	1.9%	3 284.24	3 547.35	3 812.86
VAT on Services	284.12	333.11	367.40	380.38	380.38	407.55	7.9%	439.70	473.87	509.04
Total large household bill:	2 710.75	3 141.43	3 450.68	3 602.25	3 602.25	3 629.41	3.4%	3 723.93	4 021.22	4 321.90
% increase/-decrease		15.9%	9.8%	4.4%	–	0.8%		2.6%	8.0%	7.5%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	186.03	204.63	459.00	504.88	504.88	504.88	(30.1%)	352.92	388.21	419.27
Electricity: Basic levy	93.90	107.27	57.67	–	–	–	–		–	–
Electricity: Consumption	514.00	587.19	643.25	655.21	655.21	655.21	6.8%	700.03	751.83	807.46
Water: Basic levy	41.80	47.86	26.78	–	–	–	–		–	–
Water: Consumption	383.35	433.22	453.62	556.20	556.20	556.20	9.5%	609.04	660.80	714.99
Sanitation	158.42	171.10	183.07	195.89	195.89	195.89	9.5%	214.50	231.66	245.56
Refuse removal	136.40	147.31	157.62	168.66	168.66	168.66	9.5%	184.68	199.46	211.42
sub-total	1 513.90	1 698.58	1 981.01	2 080.84	2 080.84	2 080.84	(0.9%)	2 061.16	2 231.96	2 398.70
VAT on Services	185.90	209.15	213.08	220.63	220.63	236.39	8.4%	256.24	276.56	296.92
Total small household bill:	1 699.80	1 907.74	2 194.09	2 301.47	2 301.47	2 317.23	0.7%	2 317.40	2 508.52	2 695.62
% increase/-decrease		12.2%	15.0%	4.9%	–	0.7%		0.0%	8.2%	7.5%
			0.23	- 0.67	- 1.00	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	279.00	318.72	343.07	392.46	392.46	392.46	6.8%	419.30	450.33	483.65
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	308.00	275.00	324.53	357.63	357.63	357.63	9.5%	391.60	424.89	459.73
Sanitation	–	–	–	–	–	–	–	–	–	–
Refuse removal	–	–	–	–	–	–	–	–	–	–
sub-total	587.00	593.72	667.60	750.08	750.08	750.08	8.1%	810.90	875.21	943.38
VAT on Services	82.18	83.12	93.46	105.01	105.01	112.51	8.1%	121.63	131.28	141.51
Total small household bill:	669.18	676.84	761.06	855.09	855.09	862.59	9.1%	932.53	1 006.50	1 084.89
% increase/-decrease		1.1%	12.4%	12.4%	–	0.9%		8.1%	7.9%	7.8%

1.5 Operating Expenditure Framework

The Council's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherences to the principle of no project plan *no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by standard classification item

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type											
Employee related costs	2	172 598	203 225	211 113	257 504	251 667	251 667	185 606	288 593	305 908	324 263
Remuneration of councillors		9 046	9 549	10 628	11 613	11 453	11 453	9 738	12 390	13 133	13 921
Debt impairment	3	71 139	83 124	90 942	81 827	81 827	81 827	22 904	87 815	93 635	99 087
Depreciation & asset impairment	2	112 943	112 758	116 486	117 244	117 244	117 244	102 160	117 244	121 348	128 022
Finance charges		18 899	18 888	18 796	21 369	21 369	21 369	8 763	25 943	27 862	23 584
Bulk purchases	2	216 708	239 020	262 495	316 125	333 925	333 925	271 826	373 213	404 047	441 015
Other materials	8	–	–	–	13 311	13 655	13 655	6 588	13 638	14 285	15 071
Contracted services		54 106	48 945	53 023	143 437	141 855	141 855	83 452	135 741	139 079	146 743
Transfers and subsidies		469	221	142	287	21 437	21 437	1 425	287	297	313
Other expenditure	4, 5	141 550	159 615	167 586	49 547	58 923	58 923	35 872	54 895	57 213	60 279
Loss on disposal of PPE		1 153	657	174	100	100	100	–	–	–	–
Total Expenditure		798 611	876 001	931 383	1 012 363	1 053 454	1 053 454	728 334	1 109 759	1 176 805	1 252 297

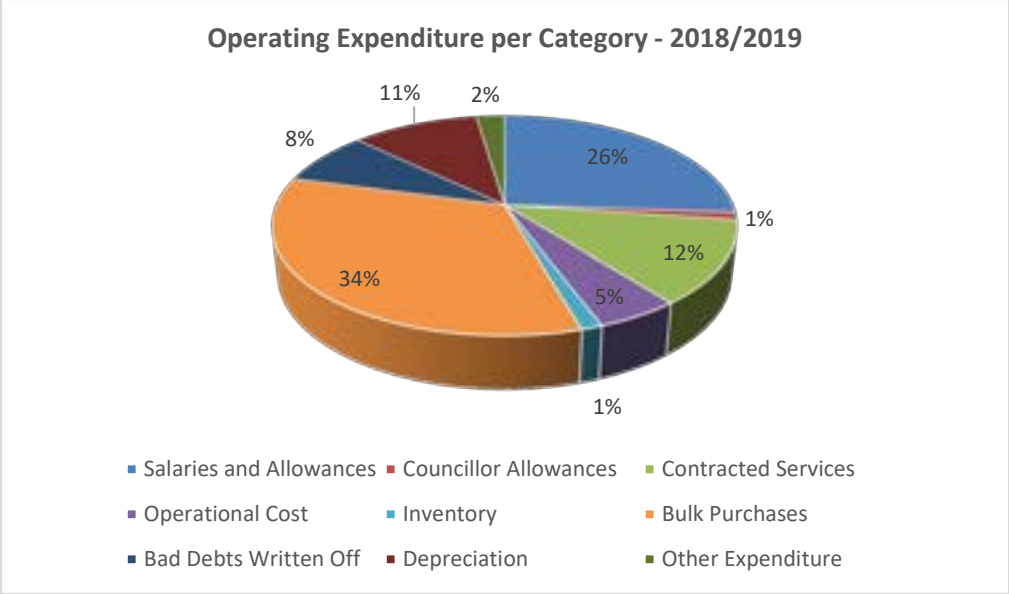


Figure 2 Main operational expenditure categories for the 2018/19 financial year

The operating expenditure for 2018/2019 is budgeted at R1 109 759 258 (an increase of 5.35% from the 2017/2018 adjusted budget). This includes a provision for salary increases of 7%, increase in repairs and maintenance expenditure of 7%, general expenditure of 0% and contracted services of 0%. Bulk purchases has been increased as follows:

Water Purchases from Randwater – 12.2%
Electricity Purchases from Eskom – 7.32%

The budgeted allocation for salaries and allowances for the 2018/19 financial year totals R289 million, which equals 26% of the total operating expenditure. When Councillor's remuneration is included, it increases to 27% of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7%. In addition, notch increases of approximately 2% as well as critical new positions have been provided. An annual increase of 6% (inflationary increase and notches included) has been included in the two outer years of the MTREF. As part of the Municipality's cost reprioritisation and cash management strategy non-critical vacancies have been frozen for the MTREF period.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 95%. In addition, the impairment of traffic fines recognised as revenue in accordance with iGRAP 1 have been provided for. For the 2018/19 financial year this amount equates to R87.8 million and escalates to R99.1 million by 2020/21.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R117 million for the 2018/19 financial and equates to 10.5% of the total operating expenditure.

Interest, dividends and rent on land consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 2.3% (R25.9 million) of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Contracted services have been identified as a cost saving area for the Council. As part of the compilation of the 2018/19 MTREF this expenditure category was critically evaluated and operational efficiencies were enforced. In the 2018/19 financial year, this expenditure category totals R135.7 million. For the two outer years, growth has been limited to ensure cost reduction over the medium term.

Operational cost comprises of various line items relating to the daily operations of the municipality. This expenditure category has also been identified as an area in which cost savings and efficiencies can be achieved. A progress report dealing with how costs have been curtailed are contained as an Annexure to this budget report.

Aligned to the priority being given to preserving and maintaining the Council's current infrastructure, the MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations and mSCOA, operational repairs and maintenance is not considered a direct expenditure driver but an outcome or project comprising certain other expenditures, such as remuneration, purchases of materials and contracted services.

Repairs and maintenance is a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. The remaining useful lives of assets are reviewed annually as part of the condition assessment performed on the assets. This is done to ensure that there are no unexpected asset failures. The municipality is also ensuring that at least 40% of the capital budget is allocated to the renewal of assets (in addition to the maintenance budget provided for on the operating budget). The municipality is not spending 8% of the value of the assets on maintenance as per the NT norm, but continues to increase the budget allocations to maintenance in line with affordability.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 9 Repairs and maintenance per asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		28 637	34 297	34 980	35 755	88 338	88 338	95 138	100 021	105 842
Roads Infrastructure		18 263	17 586	17 249	19 266	28 583	28 583	30 507	31 872	33 686
Electrical Infrastructure		4 029	4 087	5 312	4 923	18 285	18 285	19 838	20 917	22 147
Water Supply Infrastructure		2 156	4 709	4 626	3 198	17 309	17 309	18 715	19 752	20 918
Sanitation Infrastructure		3 740	7 914	7 793	8 369	24 160	24 160	26 078	27 480	29 092
Solid Waste Infrastructure		449	–	–	–	–	–	–	–	–
Community Assets		–	2	–	291	268	268	498	278	293
Community Facilities		–	2	–	291	268	268	498	278	293
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		7 113	12 369	9 595	5 097	4 639	4 639	4 589	4 739	5 000
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		65	74	89	96	96	96	96	100	105
Furniture and Office Equipment		61	36	26	421	346	346	341	353	372
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		5 190	4 583	6 016	6 677	11 243	11 243	11 748	12 216	12 901
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	41 066	51 360	50 706	48 338	104 931	104 931	112 410	117 707	124 514
R&M as a % of PPE		*2,0%*	*2,6%*	*2,6%*	*2,4%*	*5,2%*	*5,2%*	*5,7%*	*5,8%*	*6,1%*
R&M as % Operating Expenditure		*5,1%*	*5,9%*	*5,4%*	*4,8%*	*10,0%*	*10,0%*	*15,4%*	*10,6%*	*10,6%*

1.5.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to either register in terms of the Council's Indigent Policy, or to qualify as deemed indigents as defined in Council's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table 25 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The municipality provides free basic services at a higher level than what the National Policies provides for and the total cost of the social package (all inclusive) are reflected below:

Income Foregone (Revenue Cost)	2018/19	2019/20	2020/21
Water - housholds (4kl / 2kl free)	15 349 568,86	8 327 141,10	-
Property rates Residential Reductions Developed	24 611 518,00	26 088 209,08	27 523 060,58
Property rates Residential Reductions Vacant	1 000 000,00	1 060 000,00	1 118 300,00
Property rates Residential Agri Holdings	8 199 615,00	8 691 591,90	9 169 629,45
Property rates Residential Flisp	126 107,00	133 673,42	141 025,46
Property rates Exemptions (pensioners rebates)	566 086,00	600 051,16	633 053,97
Property rates Exemptions (indigents)			
Indigent Support: Water	11 417 034,69	16 516 643,51	22 338 760,35
Indigent Support: Electricity	1 767 539,59	2 529 938,34	6 789 722,01
Indigent Support: Sanitation	15 443 967,60	22 239 313,34	29 467 090,18
Indigent Support: Refuse	7 424 507,39	10 412 050,40	13 573 970,79
Total Income Foregone	**85 905 944,13**	**96 598 612,26**	**110 754 612,80**

This social package is funded from the Equitable Share Grant and uses up the majority of the grant. The equitable share grant for the MTREF are as follows:

2018/2019 R 97 192 000
2019/2020 R107 139 000
2020/2021 R118 994 000

The sustainability of the social package will be reviewed in future years and social benefits may be reduced should it no longer be affordable.

The increase in the cost of the free basic services are directly linked to the increase in the expected number of indigents. The number of indigents provided for are as follows:

2018/2019 6 000
2019/2020 8 000
2020/2021 10 000

1.6 Capital expenditure

The capital amount proposed for 2018/2019 amounts to R110 162 000.

The capital budget will be funded as follows:

- Accumulated Surplus R 3 000 000 (2.72%)
- CRR R 9 289 000 (8.43%)
- External Grants R57 073 000 (51.81%)
- Borrowings (new) R31 900 000 (28.96%)
- Borrowings (roll over) R 750 000 (0.68%)
- Developer Contributions R 8 150 000 (7.40%)

Midvaal mainly spends its capital expenditure on infrastructure services and for the 2018/19 financial year (79%) of the capital budget is allocated to the Engineering Services department.

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 10 2017/18 Medium-term capital budget per vote

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - executive council		–	–	–	3 647	2 064	2 064	541	2 900	18 150	19 910
Vote 2 - corporate services		–	169	99	7 020	1 958	1 958	793	800	4 115	3 350
Vote 3 - financial services		–	33	37	25	25	25	23	40	40	40
Vote 4 - development & planning		–	–	–	60	260	260	47	20	20	20
Vote 5 - health		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		366	2 074	2 724	8 668	9 764	9 764	3 277	4 965	6 580	5 715
Vote 7 - public safety		–	229	4 612	6 990	6 817	6 817	5 363	1 057	1 780	780
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		3 025	15 582	12 380	32 860	24 182	24 182	16 726	4 950	8 400	14 750
Vote 11 - solid waste management		–	180	16	3 400	3 400	3 400	–	3 550	7 970	7 490
Vote 12 - roads & transport		18 093	11 784	2 518	14 649	24 599	24 599	14 882	5 346	1 816	8 150
Vote 13 - water services		5 606	2 496	11 426	25 540	20 465	20 465	19 539	24 045	22 820	21 977
Vote 14 - electricty		4 261	12 007	19 151	41 105	11 862	11 862	9 930	3 600	2 050	3 850
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	31 350	44 553	52 964	143 964	105 396	105 396	71 122	51 273	73 741	86 032
Single-year expenditure *to be appropriated*	2										
Vote 1 - executive council		1 075	2 502	1 377	–	11 481	11 481	9 631	1 500	1 700	1 700
Vote 2 - corporate services		1 754	1 831	3 469	29	143	143	32	90	230	230
Vote 3 - financial services		117	338	105	–	–	–	–	89	–	–
Vote 4 - development & planning		118	–	38	–	–	–	–	–	–	–
Vote 5 - health		–	–	4	–	–	–	–	–	–	–
Vote 6 - community & social services		9 444	4 612	2 367	–	800	800	27	2 955	1 850	2 440
Vote 7 - public safety		1 714	810	578	–	–	–	–	2 750	750	750
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		8 866	6 772	1 666	–	7 716	7 716	–	7 740	8 100	1 300
Vote 11 - solid waste management		3 834	5 468	9 144	–	–	–	–	3 505	1 000	3 610
Vote 12 - roads & transport		2 278	2 921	4 100	–	12 850	12 850	8 951	14 000	17 900	22 500
Vote 13 - water services		2 376	9 644	7 703	–	7 996	7 996	492	11 710	9 680	7 500
Vote 14 - electricty		6 130	3 465	973	–	14 452	14 452	–	14 550	23 007	27 470
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		37 707	38 363	31 525	29	55 438	55 438	19 133	58 889	64 217	67 500
Total Capital Expenditure - Vote		69 057	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021
Engineering	MIG	Sicelo/Highbury (Valley Settlements) Reservoir	15 000 000	13 020 000	12 302 000
Engineering	External Loans	Road resurfacing	8 000 000	8 000 000	8 000 000
Engineering	INEP	Sicelo Electrification Network	8 000 000	20 082 000	25 600 000
Engineering	Water Service Infrastructure G	Aged Bulk Water Pipe Replacement	6 850 000	7 700 000	8 525 000
Engineering	MIG	Sicello North Outfall Sewer	4 400 000	6 000 000	-
Engineering	MIG	Gravel To Tar	4 225 520	466 000	2 500 000
Engineering	External Loans	Rebuilding of roads	4 000 000	4 000 000	4 000 000
Community Services	Accumulated Surplus	Adjustment to Provision for landfill site rehab asset	3 000 000	3 000 000	3 000 000
Engineering	MIG	Mamello Sewage Scheme augmentation	2 640 000	-	-
Community Services	MIG	Lakeside Sport Centre	2 600 000	2 500 000	-
Engineering	Water Service Infrastructure G	Pressure management infrastructure	2 500 000	2 500 000	2 500 000
Community Services	HP	1 x 30 m3 Tipper trucks for transfer station	2 200 000	-	-
Engineering	External Loans	Construction of gravel roads	2 000 000	2 000 000	2 000 000
Engineering	Water Service Infrastructure G	Bulk water meters	2 000 000	2 000 000	2 000 000
Engineering	Water Service Infrastructure G	Installation:domestic W/meters(Lakeside)	2 000 000	-	-
Engineering	Developer Contributions	Cable feeders-consemfuleni connections	2 000 000	-	-
Engineering	External Loans	Risiville sub-ripple injection equip	1 900 000	-	-
Community Services	External Loans	Fire engine refurbishment	1 500 000	-	-
Engineering	Water Service Infrastructure G	Refurbishment and Replacement of Water Supply Valves	1 500 000	1 500 000	1 500 000
Savanna City	Urban Management Grant	Development of Parks - Savanna City	1 500 000	2 000 000	2 000 000
Engineering	External Loans	Pumpstation Refurbishment and Upgrade	1 500 000	500 000	500 000
Community Services	DAC Grant	RFID security system-Meyerton	1 400 000	1 000 000	1 000 000
Savanna City	Urban Management Grant	Vehicles / Trailers	1 350 000	1 200 000	1 000 000
Engineering	HP	TLB	1 300 000	-	-
Community Services	HP	Backhoe loader (TLB) for illegal dumping	1 300 000	-	-
Engineering	CRR	Water Meter Replacement Programme	1 150 000	1 150 000	1 150 000

The following graph provides a breakdown of the capital budget to be spent per funding source:

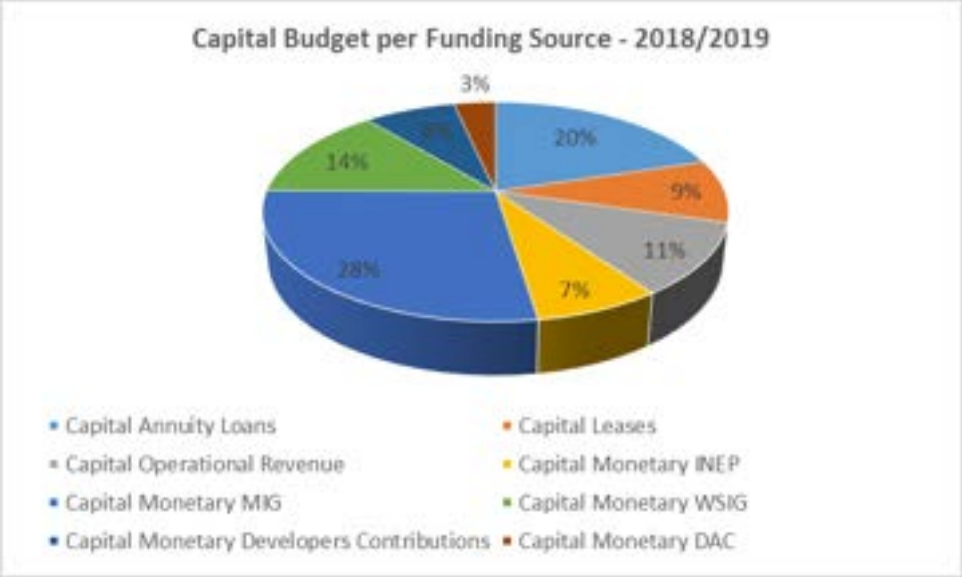


Figure 3 Capital Infrastructure Programme

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 56 MBRR SA35.

Choose name from list - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
Capital expenditure	1							
Vote 1 - executive council		4 400	19 850	21 610				
Vote 2 - corporate services		890	4 345	3 580	4 034			
Vote 3 - financial services		129	40	40	10			
Vote 4 - development & planning		20	20	20	10			
Vote 5 - health		–	–	–				
Vote 6 - community & social services		7 920	8 430	8 155	7 275	3 430	135	
Vote 7 - public safety		3 807	2 530	1 530	10			
Vote 8 -		–	–	–				
Vote 9 - environmental protection		–	–	–				
Vote 10 - waste water management		12 690	16 500	16 050				
Vote 11 - solid waste management		7 055	8 970	11 100	4 500	600		
Vote 12 - roads & transport		19 346	19 716	30 650	500			
Vote 13 - water services		35 755	32 500	29 477				
Vote 14 - electricty		18 150	25 057	31 320	3 080			
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		110 162	137 958	153 532	19 419	4 030	135	–
Future operational costs by vote	2							
Vote 1 - executive council		220	1 132	1 182	–	–	–	
Vote 2 - corporate services		45	162	161	202	–	–	
Vote 3 - financial services		6	2	2	1	–	–	
Vote 4 - development & planning		1	1	1	1	–	–	
Vote 5 - health		–	–	–	–	–	–	
Vote 6 - community & social services		376	429	408	364	172	7	
Vote 7 - public safety		138	88	38	1	–	–	
Vote 8 -		–	–	–	–	–	–	
Vote 9 - environmental protection		–	–	–	–	–	–	
Vote 10 - waste water management		634	790	803	–	–	–	
Vote 11 - solid waste management		353	474	555	225	30	–	
Vote 12 - roads & transport		970	986	1 533	25	–	–	
Vote 13 - water services		1 793	1 625	1 474	–	–	–	
Vote 14 - electricty		870	1 253	1 566	154	–	–	
Vote 15 -		–	–	–	–	–	–	
List entity summary if applicable					–	–	–	
Total future operational costs		5 404	6 940	7 721	971	202	7	–
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		115 566	144 898	161 253	20 390	4 232	142	–

1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 budget and MTREF as approved by the Council.

Table 11 MBRR Table A1 – Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	133 498	146 376	164 775	183 107	188 107	188 107	159 530	206 625	227 765	245 959
Service charges	440 663	480 663	542 202	576 337	592 137	592 137	497 548	643 243	689 674	728 149
Investment revenue	6 012	7 611	10 082	5 565	6 565	6 565	4 826	6 959	7 376	7 782
Transfers recognised - operational	75 418	84 177	92 056	109 062	105 551	105 551	105 867	119 802	127 829	144 771
Other own revenue	84 746	95 731	90 434	68 965	88 925	88 925	43 830	68 450	72 406	76 249
Total Revenue (excluding capital transfers and contributions)	740 337	814 559	899 550	943 036	981 285	981 285	811 601	1 045 079	1 125 051	1 202 911
Employee costs	172 598	203 225	211 113	257 504	251 667	251 667	185 606	288 593	305 908	324 263
Remuneration of councillors	9 046	9 549	10 628	11 613	11 453	11 453	9 738	12 390	13 133	13 921
Depreciation & asset impairment	112 943	112 758	116 486	117 244	117 244	117 244	102 160	117 244	121 348	128 022
Finance charges	18 899	18 888	18 796	21 369	21 369	21 369	8 763	25 943	27 862	23 584
Materials and bulk purchases	216 708	239 020	262 495	329 435	347 579	347 579	278 414	386 851	418 332	456 086
Transfers and grants	469	221	142	287	21 437	21 437	1 425	287	297	313
Other expenditure	267 948	292 341	311 725	274 910	282 705	282 705	142 228	278 452	289 926	306 109
Total Expenditure	798 611	876 001	931 383	1 012 363	1 053 454	1 053 454	728 334	1 109 759	1 176 805	1 252 297
Surplus/(Deficit)	(58 275)	(61 443)	(31 833)	(69 326)	(72 169)	(72 169)	83 268	(64 680)	(51 755)	(49 386)
Transfers and subsidies - capital (monetary allocations)	30 027	38 704	40 148	60 211	77 175	77 175	64 274	65 223	89 468	99 287
Contributions recognised - capital & contributed assets	6 558	6 109	12 902	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Capital expenditure & funds sources										
Capital expenditure	69 057	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532
Transfers recognised - capital	29 982	36 892	40 148	64 311	77 325	77 325	49 695	65 223	89 468	99 287
Public contributions & donations	4 535	10 811	9 420	–	–	–	–	–	–	–
Borrowing	19 239	27 797	15 735	61 710	61 960	61 960	31 970	32 650	33 300	39 940
Internally generated funds	15 301	7 416	19 186	17 972	21 550	21 550	8 591	12 289	15 190	14 305
Total sources of capital funds	69 057	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532
Financial position										
Total current assets	202 573	231 848	279 200	309 382	282 375	282 375	455 961	299 264	324 540	357 735
Total non current assets	2 087 858	2 060 416	2 034 497	2 025 724	2 078 087	2 078 087	2 022 593	2 071 005	2 087 616	2 113 126
Total current liabilities	109 779	132 627	133 821	161 034	141 241	141 241	118 695	162 415	171 754	182 336
Total non current liabilities	195 346	190 961	189 689	219 504	224 029	224 029	227 163	212 119	206 953	205 176
Community wealth/Equity	1 985 305	1 968 676	1 990 187	1 954 569	1 995 192	1 995 192	2 132 696	1 995 735	2 033 448	2 083 349
Cash flows										
Net cash from (used) operating	67 502	119 335	126 263	94 811	121 582	121 914	215 755	117 752	159 022	177 882
Net cash from (used) investing	(65 991)	(83 595)	(178 358)	(143 793)	(160 634)	(161 726)	(90 622)	(110 162)	(137 958)	(153 532)
Net cash from (used) financing	(18 059)	(9 254)	(5 567)	214 795	209 373	34 336	(134 513)	1 158	(4 847)	(712)
Cash/cash equivalents at the year end	74 923	102 007	42 338	165 814	170 320	124 624	120 720	134 558	150 775	174 413
Cash backing/surplus reconciliation										
Cash and investments available	75 520	100 000	130 100	130 323	125 810	125 810	296 250	134 558	150 775	174 413
Application of cash and investments	(36 385)	(16 518)	(32 420)	(12 155)	(42 416)	(34 367)	(89 955)	120 117	131 915	138 477
Balance - surplus (shortfall)	111 905	116 518	162 520	142 478	168 226	160 178	386 205	14 441	18 860	35 936
Asset management										
Asset register summary (WDV)	2 087 645	2 060 416	2 034 497	2 061 227	2 078 087	2 078 087	2 071 005	2 071 005	2 087 616	2 113 126
Depreciation	112 943	112 758	116 486	117 244	117 244	117 244	117 244	117 244	121 348	128 022
Renewal of Existing Assets	14 133	14 066	13 171	46 384	58 470	58 470	58 470	39 190	43 840	46 847
Repairs and Maintenance	41 066	51 360	50 706	48 338	104 931	104 931	112 400	112 400	117 707	124 514
Free services										
Cost of Free Basic Services provided	8 522	11 625	21 071	25 836	25 836	28 059	38 516	38 516	52 800	58 534
Revenue cost of free services provided	(7 845)	(11 625)	(21 071)	138 838	113 525	111 302	43 844	43 844	38 955	45 491
Households below minimum service level										
Water:	4	4	4	4	4	4	4	4	4	4
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1	1
Energy:	7	7	7	7	7	7	7	7	7	7
Refuse:	5	5	5	5	5	5	5	5	5	5

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

    a. The operating surplus/deficit (when taking offset depreciation into account) is positive over the MTREF

    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. New Borrowing (HP agreements for vehicles) is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality did not have all reserves cash-backed due to the economic recession. The reserves are now cash backed according to the funding and reserves. The cash and reserves will have to continue to increase over the MTREF period.

5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 12 MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Governance and administration		166 684	197 246	220 593	242 920	258 973	258 973	307 166	345 966	368 521
Executive and council		4 698	5 005	5 543	5 724	5 724	5 724	5 754	6 300	6 300
Finance and administration		161 985	192 242	215 049	237 196	253 249	253 249	301 412	339 666	362 221
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		17 441	16 595	19 600	28 496	27 526	27 526	22 966	22 398	26 169
Community and social services		4 842	7 081	9 435	9 933	10 233	10 233	11 482	10 658	15 483
Sport and recreation		7 209	4 312	1 874	5 953	5 983	5 983	4 546	3 451	2 975
Public safety		845	1 006	4 190	6 541	5 241	5 241	573	1 608	641
Housing		–	–	–	–	–	–	–	–	–
Health		4 545	4 196	4 101	6 070	6 070	6 070	6 365	6 682	7 069
Economic and environmental services		64 491	66 682	64 010	62 880	68 389	68 389	62 059	61 703	67 122
Planning and development		2 489	2 509	3 036	2 891	2 900	2 900	3 789	4 016	4 237
Road transport		59 594	61 780	58 515	57 157	62 657	62 657	54 785	54 000	58 978
Environmental protection		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Trading services		528 306	578 848	648 397	668 851	703 471	703 471	718 111	784 452	840 386
Energy sources		266 488	305 592	349 440	356 398	352 547	352 547	356 987	393 148	420 986
Water management		160 769	161 383	195 066	197 907	217 250	217 250	254 425	269 632	289 622
Waste water management		55 257	66 410	58 519	62 252	82 379	82 379	61 035	69 354	74 001
Waste management		45 792	45 463	45 372	52 295	51 295	51 295	45 665	52 318	55 777
Other	4	–	–	–	100	100	100	–	–	–
Total Revenue - Functional	2	776 922	859 371	952 600	1 003 247	1 058 460	1 058 460	1 110 302	1 214 519	1 302 198
Expenditure - Functional										
Governance and administration		135 745	146 173	161 766	225 760	231 522	231 522	214 988	227 900	243 184
Executive and council		22 323	24 075	30 026	37 995	39 129	39 129	37 354	39 159	41 401
Finance and administration		113 422	122 098	131 739	187 766	192 393	192 393	177 633	188 742	201 784
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		50 060	56 304	57 016	69 079	68 626	68 626	75 285	78 805	82 998
Community and social services		8 902	10 308	11 459	14 524	15 101	15 101	15 516	16 308	17 255
Sport and recreation		19 542	21 223	20 160	24 550	23 572	23 572	25 647	26 682	27 901
Public safety		16 588	20 076	20 895	23 534	23 396	23 396	27 094	28 440	30 040
Housing		–	–	–	–	–	–	–	–	–
Health		5 027	4 697	4 503	6 471	6 557	6 557	7 028	7 375	7 801
Economic and environmental services		146 689	151 912	153 568	159 880	159 400	159 400	178 613	185 998	194 996
Planning and development		18 706	21 459	22 608	30 102	29 692	29 692	32 200	33 717	35 529
Road transport		125 560	127 992	128 501	126 756	126 669	126 669	142 663	148 395	155 350
Environmental protection		2 423	2 462	2 458	3 021	3 039	3 039	3 751	3 886	4 117
Trading services		466 118	521 612	559 034	557 543	593 806	593 806	640 873	684 102	731 119
Energy sources		269 233	289 816	325 585	329 871	330 544	330 544	362 614	385 011	411 095
Water management		127 028	138 140	142 741	134 048	150 223	150 223	175 525	190 651	208 913
Waste water management		34 156	47 510	44 527	43 465	63 128	63 128	52 584	55 719	55 475
Waste management		35 702	46 145	46 180	50 159	49 911	49 911	50 149	52 721	55 636
Other	4	–	–	–	100	100	100	(0)	–	–
Total Expenditure - Functional	3	798 611	876 001	931 383	1 012 363	1 053 454	1 053 454	1 109 759	1 176 805	1 252 297
Surplus/(Deficit) for the year		(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	543	37 713	49 901

Explanatory notes to MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
5. It must be noted that there will be an accounting deficit on the Annual Financial Statements of MLM for the entire MTREF period.

Table 13 MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - executive council		10 136	13 804	26 251	34 882	44 835	44 835	41 536	57 645	61 869
Vote 2 - corporate services		1 953	2 226	1 049	2 313	2 313	2 313	1 806	1 915	2 020
Vote 3 - financial services		153 090	180 369	194 744	204 134	210 134	210 134	262 395	284 906	303 032
Vote 4 - development & planning		2 489	2 509	3 036	2 891	2 900	2 900	3 789	4 016	4 237
Vote 5 - health		4 545	4 196	4 101	6 070	6 070	6 070	6 365	6 682	7 069
Vote 6 - community & social services		12 136	11 393	11 309	15 886	16 216	16 216	16 028	14 108	18 458
Vote 7 - public safety		48 027	49 729	53 457	57 109	55 809	55 809	51 077	55 142	57 119
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Vote 10 - waste water management		55 257	65 872	56 689	62 252	82 379	82 379	61 035	69 354	74 001
Vote 11 - solid waste management		45 792	45 136	44 005	52 295	51 295	51 295	45 665	52 318	55 777
Vote 12 - roads & transport		12 412	13 056	9 248	6 589	12 089	12 089	4 281	466	2 500
Vote 13 - water services		160 769	161 383	195 066	197 907	217 250	217 250	254 425	269 632	289 622
Vote 14 - electricty		267 908	307 304	351 186	358 088	354 337	354 337	358 415	394 648	422 586
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	776 922	859 371	952 600	1 003 247	1 058 460	1 058 460	1 110 302	1 214 519	1 302 198
Expenditure by Vote *to be appropriated*	1									
Vote 1 - executive council		26 078	30 230	40 676	64 567	65 313	65 313	57 482	60 382	63 886
Vote 2 - corporate services		39 249	36 014	40 373	47 804	50 707	50 707	52 602	55 070	58 013
Vote 3 - financial services		53 506	56 821	58 051	93 454	95 455	95 455	71 369	77 230	84 249
Vote 4 - development & planning		18 706	21 459	22 608	30 102	29 692	29 692	32 200	33 717	35 529
Vote 5 - health		5 027	4 697	4 503	6 471	6 557	6 557	7 028	7 375	7 801
Vote 6 - community & social services		33 989	38 242	38 355	48 611	48 480	48 480	50 771	53 146	55 828
Vote 7 - public safety		78 806	85 893	87 515	87 084	87 750	87 750	100 282	105 534	111 221
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		2 423	2 462	2 458	3 021	3 039	3 039	3 751	3 886	4 117
Vote 10 - waste water management		34 156	47 510	44 527	43 465	63 128	63 128	52 584	55 719	55 475
Vote 11 - solid waste management		35 702	46 145	46 180	50 159	49 911	49 911	50 149	52 721	55 636
Vote 12 - roads & transport		65 688	65 282	65 070	66 840	65 985	65 985	73 392	75 394	78 505
Vote 13 - water services		127 028	138 140	142 741	131 348	147 523	147 523	175 525	190 651	208 913
Vote 14 - electricty		278 254	303 107	338 326	339 435	339 914	339 914	382 626	405 980	433 124
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	798 611	876 001	931 383	1 012 363	1 053 454	1 053 454	1 109 759	1 176 805	1 252 297
Surplus/(Deficit) for the year	2	(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	543	37 713	49 901

Explanatory notes to MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Council. This means it is possible to present the operating surplus or deficit of a vote.

Table 14 MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure) by Source

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	133 498	146 376	164 775	183 107	188 107	188 107	159 530	206 625	227 765	245 959
Service charges - electricity revenue	2	243 284	273 891	313 820	332 453	330 253	330 253	273 318	353 704	379 718	398 527
Service charges - water revenue	2	139 963	142 408	163 423	166 514	185 514	185 514	159 655	205 140	226 758	249 863
Service charges - sanitation revenue	2	30 301	34 494	34 292	37 412	37 412	37 412	32 867	41 970	39 768	36 260
Service charges - refuse revenue	2	27 114	29 869	30 667	39 958	38 958	38 958	31 708	42 429	43 430	43 498
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		1 532	1 359	610	1 404	1 404	1 404	993	1 300	1 378	1 454
Interest earned - external investments		6 012	7 611	10 082	5 565	6 565	6 565	4 826	6 959	7 376	7 782
Interest earned - outstanding debtors		10 186	11 254	8 312	7 245	7 245	7 245	2 634	7 529	7 829	8 121
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		46 888	48 424	49 029	50 331	50 331	50 331	5 657	50 342	53 362	56 297
Licences and permits		–	–	–	38	38	38	1	41	43	45
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		75 418	84 177	92 056	109 062	105 551	105 551	105 867	119 802	127 829	144 771
Other revenue	2	26 134	34 322	32 338	9 847	29 806	29 806	33 820	9 239	9 793	10 332
Gains on disposal of PPE		5	372	145	100	100	100	725	–	–	–
Total Revenue (excluding capital transfers and contributions)		740 337	814 559	899 550	943 036	981 285	981 285	811 601	1 045 079	1 125 051	1 202 911
Expenditure By Type											
Employee related costs	2	172 598	203 225	211 113	257 504	251 667	251 667	185 606	288 593	305 908	324 263
Remuneration of councillors		9 046	9 549	10 628	11 613	11 453	11 453	9 738	12 390	13 133	13 921
Debt impairment	3	71 139	83 124	90 942	81 827	81 827	81 827	22 904	87 815	93 635	99 087
Depreciation & asset impairment	2	112 943	112 758	116 486	117 244	117 244	117 244	102 160	117 244	121 348	128 022
Finance charges		18 899	18 888	18 796	21 369	21 369	21 369	8 763	25 943	27 862	23 584
Bulk purchases	2	216 708	239 020	262 495	316 125	333 925	333 925	271 826	373 213	404 047	441 015
Other materials	8	–	–	–	13 311	13 655	13 655	6 588	13 638	14 285	15 071
Contracted services		54 106	48 945	53 023	143 437	141 855	141 855	83 452	135 741	139 079	146 743
Transfers and subsidies		469	221	142	287	21 437	21 437	1 425	287	297	313
Other expenditure	4, 5	141 550	159 615	167 586	49 547	58 923	58 923	35 872	54 895	57 213	60 279
Loss on disposal of PPE		1 153	657	174	100	100	100	–	–	–	–
Total Expenditure		798 611	876 001	931 383	1 012 363	1 053 454	1 053 454	728 334	1 109 759	1 176 805	1 252 297
Surplus/(Deficit)		(58 275)	(61 443)	(31 833)	(69 326)	(72 169)	(72 169)	83 268	(64 680)	(51 755)	(49 386)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 027	38 704	40 148	60 211	77 175	77 175	64 274	65 223	89 468	99 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	6 558	6 109	12 902	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901

Explanatory notes to Table A4 – Budgeted Financial Performance (revenue and expenditure)

1. This table provides a summary of the revenue and expenditure expected over the MTREF period.

2. It distinguishes between operating revenue and capital revenue. Capital revenue is recognised as revenue in the Statement of Financial Position but it is utilised for capital funding and not operations.

Table 15 MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - executive council		–	–	–	3 647	2 064	2 064	541	2 900	18 150	19 910
Vote 2 - corporate services		–	169	99	7 020	1 958	1 958	793	800	4 115	3 350
Vote 3 - financial services		–	33	37	25	25	25	23	40	40	40
Vote 4 - development & planning		–	–	–	60	260	260	47	20	20	20
Vote 5 - health		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		366	2 074	2 724	8 668	9 764	9 764	3 277	4 965	6 580	5 715
Vote 7 - public safety		–	229	4 612	6 990	6 817	6 817	5 363	1 057	1 780	780
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		3 025	15 582	12 380	32 860	24 182	24 182	16 726	4 950	8 400	14 750
Vote 11 - solid waste management		–	180	16	3 400	3 400	3 400	–	3 550	7 970	7 490
Vote 12 - roads & transport		18 093	11 784	2 518	14 649	24 599	24 599	14 882	5 346	1 816	8 150
Vote 13 - water services		5 606	2 496	11 426	25 540	20 465	20 465	19 539	24 045	22 820	21 977
Vote 14 - electricty		4 261	12 007	19 151	41 105	11 862	11 862	9 930	3 600	2 050	3 850
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	31 350	44 553	52 964	143 964	105 396	105 396	71 122	51 273	73 741	86 032
Single-year expenditure *to be appropriated*	2										
Vote 1 - executive council		1 075	2 502	1 377	–	11 481	11 481	9 631	1 500	1 700	1 700
Vote 2 - corporate services		1 754	1 831	3 469	29	143	143	32	90	230	230
Vote 3 - financial services		117	338	105	–	–	–	–	89	–	–
Vote 4 - development & planning		118	–	38	–	–	–	–	–	–	–
Vote 5 - health		–	–	4	–	–	–	–	–	–	–
Vote 6 - community & social services		9 444	4 612	2 367	–	800	800	27	2 955	1 850	2 440
Vote 7 - public safety		1 714	810	578	–	–	–	–	2 750	750	750
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		8 866	6 772	1 666	–	7 716	7 716	–	7 740	8 100	1 300
Vote 11 - solid waste management		3 834	5 468	9 144	–	–	–	–	3 505	1 000	3 610
Vote 12 - roads & transport		2 278	2 921	4 100	–	12 850	12 850	8 951	14 000	17 900	22 500
Vote 13 - water services		2 376	9 644	7 703	–	7 996	7 996	492	11 710	9 680	7 500
Vote 14 - electricty		6 130	3 465	973	–	14 452	14 452	–	14 550	23 007	27 470
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		37 707	38 363	31 525	29	55 438	55 438	19 133	58 889	64 217	67 500
Total Capital Expenditure - Vote		69 057	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532
Capital Expenditure - Functional											
Governance and administration		3 401	5 419	5 148	11 321	16 313	16 313	11 469	5 729	26 295	25 740
Executive and council		236	80	586	633	632	632	211	–	–	–
Finance and administration		3 164	5 339	4 562	10 688	15 680	15 680	11 258	5 729	26 295	25 740
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		10 319	6 505	9 002	14 278	15 970	15 970	7 869	10 377	9 860	8 635
Community and social services		1 090	2 121	3 840	2 738	3 038	3 038	938	4 300	2 500	2 700
Sport and recreation		8 407	4 019	1 198	5 530	7 085	7 085	2 000	3 370	5 430	5 005
Public safety		822	365	3 959	6 010	5 847	5 847	4 931	2 707	1 930	930
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	4	–	–	–	–	–	–	–
Economic and environmental services		21 348	15 379	7 887	15 689	38 679	38 679	24 312	20 466	18 836	31 270
Planning and development		118	–	38	60	260	260	47	20	20	20
Road transport		21 230	15 379	7 849	15 629	38 419	38 419	24 265	20 446	18 816	31 250
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		33 989	55 614	62 452	102 705	89 873	89 873	46 606	73 590	82 967	87 887
Energy sources		10 282	15 472	20 116	40 905	26 114	26 114	9 848	18 090	24 997	31 260
Water management		7 982	12 140	19 130	25 540	28 461	28 461	20 031	35 755	32 500	29 477
Waste water management		11 891	22 354	14 046	32 860	31 898	31 898	16 726	12 690	16 500	16 050
Waste management		3 834	5 648	9 160	3 400	3 400	3 400	–	7 055	8 970	11 100
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	69 057	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532
Funded by:											
National Government		28 680	34 656	36 527	53 989	59 539	59 539	37 210	52 773	65 368	73 227
Provincial Government		–	2 236	3 621	2 738	3 038	3 038	938	4 300	4 380	4 530
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		1 302	–		7 584	14 748	14 748	11 547	8 150	19 720	21 530
Transfers recognised - capital	4	29 982	36 892	40 148	64 311	77 325	77 325	49 695	65 223	89 468	99 287
Public contributions & donations	5	4 535	10 811	9 420							
Borrowing	6	19 239	27 797	15 735	61 710	61 960	61 960	31 970	32 650	33 300	39 940
Internally generated funds		15 301	7 416	19 186	17 972	21 550	21 550	8 591	12 289	15 190	14 305
Total Capital Funding	7	69 057	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532

Explanatory notes to Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations.

3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality.

4. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses.

Table 16 MBRR Table A6 – Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Current assets											
Cash		75 520	100 000	130 100	130 323	125 810	125 810	296 250	134 558	150 775	174 413
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	108 374	102 864	112 628	131 835	118 259	118 259	132 054	124 409	131 251	138 470
Other debtors		9 952	19 569	27 137	36 614	28 504	28 504	15 258	29 986	31 635	33 375
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	8 727	9 416	9 335	10 610	9 801	9 801	12 399	10 311	10 878	11 477
Total current assets		202 573	231 848	279 200	309 382	282 375	282 375	455 961	299 264	324 540	357 735
Non current assets											
Long-term receivables											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		46 930	46 566	46 570	46 570	46 570	46 570	46 570	46 570	46 570	46 570
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	2 040 412	2 012 136	1 981 950	1 977 440	2 025 541	2 025 541	1 970 046	2 018 459	2 035 069	2 060 579
Agricultural		–	–	–				–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		497	1 695	5 958	1 695	5 958	5 958	5 958	5 958	5 958	5 958
Other non-current assets		19	19	19	19	19	19	19	19	19	19
Total non current assets		2 087 858	2 060 416	2 034 497	2 025 724	2 078 087	2 078 087	2 022 593	2 071 005	2 087 616	2 113 126
TOTAL ASSETS		2 290 431	2 292 264	2 313 697	2 335 106	2 360 462	2 360 462	2 478 553	2 370 269	2 412 156	2 470 861
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	20 865	21 996	22 163	30 000	24 000	24 000	22 163	39 078	41 633	45 058
Consumer deposits		11 647	13 860	15 316	14 324	16 082	16 082	16 213	16 918	17 848	18 830
Trade and other payables	4	71 400	94 520	96 342	116 710	101 159	101 159	80 319	106 419	112 273	118 448
Provisions		5 867	2 251	–	–	–	–	–	–	–	–
Total current liabilities		109 779	132 627	133 821	161 034	141 241	141 241	118 695	162 415	171 754	182 336
Non current liabilities											
Borrowing		157 347	144 748	137 558	170 472	169 292	169 292	227 163	154 535	146 202	141 084
Provisions		38 000	46 213	52 131	49 032	54 737	54 737	–	57 584	60 751	64 092
Total non current liabilities		195 346	190 961	189 689	219 504	224 029	224 029	227 163	212 119	206 953	205 176
TOTAL LIABILITIES		305 126	323 588	323 510	380 537	365 270	365 270	345 857	374 535	378 707	387 512
NET ASSETS	5	1 985 305	1 968 676	1 990 187	1 954 569	1 995 192	1 995 192	2 132 696	1 995 735	2 033 448	2 083 349
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 985 305	1 968 676	1 990 187	1 954 569	1 995 192	1 995 192	2 132 696	1 995 735	2 033 448	2 083 349
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	1 985 305	1 968 676	1 990 187	1 954 569	1 995 192	1 995 192	2 132 696	1 995 735	2 033 448	2 083 349

Explanatory notes to Table A6 – Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:

    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
    - Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption will inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 17 MBRR Table A7 – Budgeted Cash Flow Statement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		134 780	146 376	148 881	48 401	188 107	188 107	144 903	190 461	210 432	227 640
Service charges		442 119	393 634	476 018	640 998	526 796	526 796	500 934	611 717	655 906	692 254
Other revenue		3 483	90 215	67 045	61 620	73 619	73 619	67 256	20 795	22 043	23 255
Government - operating	1	75 418	84 177	92 056	108 551	105 551	105 551	68 636	119 802	127 829	144 771
Government - capital	1	30 027	38 704	41 797	60 721	62 427	62 427	55 500	65 223	89 468	99 287
Interest		16 198	18 865	18 689	12 810	13 810	13 810	4 069	14 487	15 205	15 903
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(613 161)	(636 840)	(711 813)	(803 459)	(804 220)	(804 220)	(612 604)	(878 505)	(933 703)	(1 001 332)
Finance charges		(18 899)	(18 888)	(18 796)	(21 369)	(21 369)	(21 369)	(8 298)	(25 943)	(27 862)	(23 584)
Transfers and Grants	1		(221)	(142)	(287)	(21 737)	(21 737)	(193)	(287)	(297)	(313)
NET CASH FROM/(USED) OPERATING ACTIVITIES		69 966	116 022	113 736	107 986	122 984	122 984	220 203	117 752	159 022	177 882
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		2 485	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(68 969)	(80 075)	(76 622)	(143 993)	(160 834)	(160 834)	(90 256)	(110 162)	(137 958)	(153 532)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(66 485)	(80 075)	(76 622)	(143 993)	(160 834)	(160 834)	(90 256)	(110 162)	(137 958)	(153 532)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		(5 515)			58 010	58 010	58 010	36 212	31 900	33 300	39 940
Increase (decrease) in consumer deposits									836	930	982
Payments											
Repayment of borrowing		(13 917)	(11 467)	(7 023)	(26 846)	(24 440)	(24 440)		(31 578)	(39 078)	(41 633)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(19 432)	(11 467)	(7 023)	31 164	33 570	33 570	36 212	1 158	(4 847)	(712)
NET INCREASE/ (DECREASE) IN CASH HELD		(15 951)	24 479	30 091	(4 842)	(4 281)	(4 281)	166 159	8 748	16 217	23 638
Cash/cash equivalents at the year begin:	2	91 471	75 520	100 000	134 966	130 091	130 100	130 100	125 810	134 558	150 775
Cash/cash equivalents at the year end:	2	75 520	100 000	130 091	130 123	125 810	125 820	296 260	134 558	150 775	174 413

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 18 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	75 520	100 000	130 091	130 123	125 810	125 820	296 260	134 558	150 775	174 413
Other current investments > 90 days		0	(0)	9	200	(0)	(9)	(9)	(0)	(0)	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		75 520	100 000	130 100	130 323	125 810	125 810	296 250	134 558	150 775	174 413
Application of cash and investments											
Unspent conditional transfers		149	24	–	–	–	–	–	–	–	–
Unspent borrowing		23 314	7 487	6 670	–	–	750		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(26 194)	(3 524)	(17 007)	(25 305)	(21 285)	(21 285)	(69 709)	(31 946)	(33 917)	(35 857)
Other provisions				38 469	42 088	79 177	79 177	52 131	88 661	99 829	105 726
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	91 542	78 709	14 165	18 121	13 008	13 008	146 095	63 402	66 004	68 609
Total Application of cash and investments:		88 810	82 696	42 297	34 904	70 900	71 650	128 517	120 117	131 915	138 477
Surplus(shortfall)		(13 290)	17 304	87 803	95 419	54 910	54 160	167 733	14 441	18 860	35 936

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

4. From the table it can be seen that the budget is funded over the MTREF period.

Table 19 MBRR Table A9 – Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
Total New Assets	1	14 922	18 180	10 744	65 178	62 619	62 619	32 876	51 707	61 975
Roads Infrastructure		–	–	–	–	12 850	12 850	–	500	1 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	16 960	9 722	9 722	9 270	20 852	26 370
Water Supply Infrastructure		–	–	–	–	–	–	2 000	–	–
Sanitation Infrastructure		–	–	–	16 000	14 322	14 322	1 500	500	500
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	50
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	*32 960*	*36 895*	*36 895*	*12 770*	*21 852*	*27 920*
Community Facilities		–	–	–	13 200	7 189	7 189	3 277	7 700	9 700
Sport and Recreation Facilities		–	–	–	–	–	–	–	500	2 500
Community Assets		–	–	–	*13 200*	*7 189*	*7 189*	*3 277*	*8 200*	*12 200*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	1 500	1 500
Non-revenue Generating		278	10	32	–	–	–	1 560	–	500
Investment properties		*278*	*10*	*32*	–	–	–	*1 560*	*1 500*	*2 000*
Operational Buildings		475	452	215	1 410	570	570	250	7 000	5 400
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*475*	*452*	*215*	*1 410*	*570*	*570*	*250*	*7 000*	*5 400*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	270	–	815	552	552	690	945	1 500
Licences and Rights		–	166	1 533	1 430	1 056	1 056	950	1 350	1 350
Intangible Assets		–	*436*	*1 533*	*2 245*	*1 608*	*1 608*	*1 640*	*2 295*	*2 850*
Computer Equipment		38	1 155	1 768	120	318	318	1 759	1 180	1 180
Furniture and Office Equipment		1 051	668	1 234	773	623	623	135	200	190
Machinery and Equipment		5 621	3 064	2 259	3 720	3 772	3 772	185	1 930	3 845
Transport Assets		7 459	12 396	3 704	10 750	11 645	11 645	11 300	7 550	6 390
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

Total Renewal of Existing Assets	2	14 133	14 066	13 171	46 384	58 470	58 470	39 190	43 840	46 847
Roads Infrastructure		–	–	–	100	4 900	4 900	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	308	496	1 200	6 900	6 900	5 650	2 700	2 390
Water Supply Infrastructure		5 606	5 710	7 219	24 150	19 257	19 257	25 600	24 370	24 477
Sanitation Infrastructure		779	3 464	494	13 550	8 071	8 071	2 650	4 050	7 950
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*6 385*	*9 481*	*8 208*	*39 000*	*39 128*	*39 128*	*33 900*	*31 120*	*34 817*
Community Facilities		1 279	2 071	3 551	800	1 600	1 600	1 400	3 080	3 330
Sport and Recreation Facilities		5 204	2 105	1 139	4 900	5 626	5 626	2 600	5 500	3 000
Community Assets		*6 483*	*4 176*	*4 690*	*5 700*	*7 226*	*7 226*	*4 000*	*8 580*	*6 330*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	10 292	10 292	150	150	2 650
Investment properties		–	–	–	–	*10 292*	*10 292*	*150*	*150*	*2 650*
Operational Buildings		341	125	16	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*341*	*125*	*16*	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		341	250	194	100	141	141	40	40	1 600
Furniture and Office Equipment		582	33	61	84	129	129	–	–	–
Machinery and Equipment		–	–	–	–	55	55	1 100	1 700	300
Transport Assets		–	–	–	1 500	1 500	1 500	–	2 250	1 150
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

Total Upgrading of Existing Assets	6	40 002	50 670	60 574	32 431	39 745	39 745	38 096	42 411	44 710
Roads Infrastructure		19 602	13 863	6 726	6 839	12 239	12 239	18 226	15 466	24 500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		17 780	28 137	29 851	21 000	8 000	8 000	–	–	–
Water Supply Infrastructure		750	4 304	11 911	–	6 196	6 196	7 310	6 730	4 500
Sanitation Infrastructure		–	1 310	840	–	7 768	7 768	7 540	10 300	6 300
Solid Waste Infrastructure		–	1 500	7 219	3 000	3 000	3 000	3 000	8 000	7 500
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*38 132*	*49 114*	*56 547*	*30 839*	*37 203*	*37 203*	*36 076*	*40 496*	*42 800*
Community Facilities		86	1 556	4 027	–	–	–	–	–	–
Sport and Recreation Facilities		1 784	–	–	–	–	–	–	–	–
Community Assets		*1 870*	*1 556*	*4 027*	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	400	300	250
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	*400*	*300*	*250*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	934	1 884	1 884	1 620	1 615	1 660
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	658	658	658	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

Total Capital Expenditure	4									
Roads Infrastructure		19 602	13 863	6 726	6 939	29 989	29 989	18 226	15 966	25 500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		17 780	28 444	30 347	39 160	24 622	24 622	14 920	23 552	28 760
Water Supply Infrastructure		6 356	10 014	19 130	24 150	25 453	25 453	34 910	31 100	28 977
Sanitation Infrastructure		779	4 773	1 334	29 550	30 162	30 162	11 690	14 850	14 750
Solid Waste Infrastructure		–	1 500	7 219	3 000	3 000	3 000	3 000	8 000	7 550
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*44 518*	*58 595*	*64 756*	*102 799*	*113 226*	*113 226*	*82 746*	*93 468*	*105 537*
Community Facilities		1 365	3 627	7 578	14 000	8 789	8 789	4 677	10 780	13 030
Sport and Recreation Facilities		6 988	2 105	1 139	4 900	5 626	5 626	2 600	6 000	5 500
Community Assets		*8 353*	*5 733*	*8 717*	*18 900*	*14 415*	*14 415*	*7 277*	*16 780*	*18 530*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	1 500	1 500
Non-revenue Generating		278	10	32	–	10 292	10 292	1 710	150	3 150
Investment properties		*278*	*10*	*32*	–	*10 292*	*10 292*	*1 710*	*1 650*	*4 650*
Operational Buildings		816	577	231	1 410	570	570	650	7 300	5 650
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*816*	*577*	*231*	*1 410*	*570*	*570*	*650*	*7 300*	*5 650*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	270	–	815	552	552	690	945	1 500
Licences and Rights		–	166	1 533	1 430	1 056	1 056	950	1 350	1 350
Intangible Assets		–	*436*	*1 533*	*2 245*	*1 608*	*1 608*	*1 640*	*2 295*	*2 850*
Computer Equipment		379	1 405	1 962	220	459	459	1 799	1 220	2 780
Furniture and Office Equipment		1 632	701	1 296	857	751	751	135	200	190
Machinery and Equipment		5 621	3 064	2 259	4 654	5 711	5 711	2 905	5 245	5 805
Transport Assets		7 459	12 396	3 704	12 250	13 145	13 145	11 300	9 800	7 540
Libraries		–	–	–	658	658	658	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		69 057	82 916	84 489	143 993	160 834	160 834	110 162	137 958	153 532

ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		620 048	614 852	605 184	529 453	552 353	552 353	18 226	16 316	25 850
Storm water Infrastructure										
Electrical Infrastructure		674 574	618 346	596 697	659 237	645 510	645 510	13 920	24 552	28 760
Water Supply Infrastructure		192 634	199 879	201 440	213 445	216 548	216 548	34 910	31 100	28 977
Sanitation Infrastructure		482 406	473 838	478 155	335 957	334 755	334 755	11 380	15 695	15 650
Solid Waste Infrastructure			1 500	1 500	–	–	–	–	2 000	1 000
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		*1 969 661*	*1 908 415*	*1 882 976*	*1 738 092*	*1 749 166*	*1 749 166*	*78 436*	*89 663*	*100 237*
Community Facilities		45 934	65 906	64 680	800	1 600	1 600	1 700	3 380	3 530
Sport and Recreation Facilities					122 616	117 268	117 268	4 977	9 500	11 000
Community Assets		*45 934*	*65 906*	*64 680*	*123 416*	*118 868*	*118 868*	*6 677*	*12 880*	*14 530*
Heritage Assets										
Revenue Generating										
Non-revenue Generating		19	19	19						
Investment properties		*19*	*19*	*19*	–	–	–	–	–	–
Operational Buildings										
Housing		47 487	47 487	47 487	178 033	187 114	187 114	3 450	16 150	15 450
Other Assets		*47 487*	*47 487*	*47 487*	*178 033*	*187 114*	*187 114*	*3 450*	*16 150*	*15 450*
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		28	(15)	(34)	–	200	200	–	–	–
Furniture and Office Equipment		22 106	25 365	24 132	5 126	5 186	5 186	3 884	3 825	5 580
Machinery and Equipment		721	1 103	2 685	1 080	2 027	2 027	3 960	3 720	6 340
Transport Assets		1 689	12 137	12 553	15 480	15 527	15 527	1 974 598	1 961 378	1 970 989
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 087 645	2 060 416	2 034 497	2 061 227	2 078 087	2 078 087	2 071 005	2 087 616	2 113 126

EXPENDITURE OTHER ITEMS										
Depreciation	7	112 943	112 758	116 486	117 244	117 244	117 244	117 244	121 348	128 022
Repairs and Maintenance by Asset Class	3	41 066	51 360	50 706	48 338	104 931	104 931	112 400	117 707	124 514
Roads Infrastructure		18 263	17 586	17 249	19 266	28 583	28 583	30 507	31 872	33 686
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4 029	4 087	5 312	4 923	18 205	18 205	19 838	20 917	22 147
Water Supply Infrastructure		2 156	4 709	4 626	3 198	17 389	17 389	18 715	19 752	20 918
Sanitation Infrastructure		3 740	7 914	7 793	8 369	24 160	24 160	26 078	27 480	29 092
Solid Waste Infrastructure		449	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*28 637*	*34 297*	*34 980*	*35 755*	*88 338*	*88 338*	*95 138*	*100 021*	*105 842*
Community Facilities		–	2	–	291	268	268	498	278	293
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	*2*	–	*291*	*268*	*268*	*498*	*278*	*293*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		7 113	12 369	9 595	5 097	4 639	4 639	4 579	4 739	5 000
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*7 113*	*12 369*	*9 595*	*5 097*	*4 639*	*4 639*	*4 579*	*4 739*	*5 000*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		65	74	89	96	96	96	96	100	105
Furniture and Office Equipment		61	36	26	421	346	346	341	353	372
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		5 190	4 583	6 016	6 677	11 243	11 243	11 748	12 216	12 901
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		154 010	164 118	167 191	165 582	222 175	222 175	229 644	239 055	252 536
Renewal and upgrading of Existing Assets as % of total capex		*78.4%*	*78.1%*	*87.3%*	*54.7%*	*61.1%*	*61.1%*	*70.2%*	*62.5%*	*59.6%*
Renewal and upgrading of Existing Assets as % of deprecn		*47.9%*	*57.4%*	*63.3%*	*67.2%*	*83.8%*	*83.8%*	*65.9%*	*71.1%*	*71.5%*
R&M as a % of PPE		*2.0%*	*2.6%*	*2.6%*	*2.4%*	*5.2%*	*5.2%*	*5.6%*	*5.8%*	*6.0%*
Renewal and upgrading and R&M as a % of PPE		*5.0%*	*6.0%*	*6.0%*	*6.0%*	*10.0%*	*10.0%*	*9.0%*	*10.0%*	*10.0%*

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. National Treasury has recommended that municipalities should allocate at least 40 % of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The Minister of COGTA has announced in the Back to Basics Programme that at least 7% of the operational budget should be allocated to Repairs and Maintenance.

3. The following graph provides an analysis between depreciation and operational repairs and maintenance. It highlights the Municipality's strategy to address the maintenance backlog.

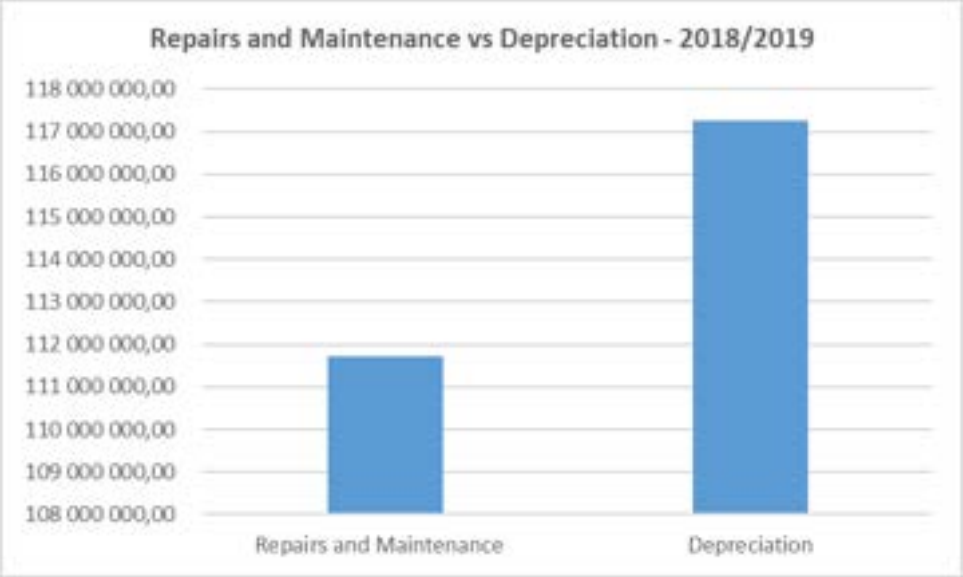


Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		19 461	19 461	19 461	19 461	19 850	19 850	19 850	19 850	19 850
Piped water inside yard (but not in dwelling)		5 376	5 376	5 376	5 376	5 484	5 484	5 484	5 484	5 484
Using public tap (at least min.service level)	2	1 467	1 467	1 467	1 467	1 496	1 496	1 496	1 496	1 496
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		26 304	26 304	26 304	26 304	26 830	26 830	26 830	26 830	26 830
Using public tap (< min.service level)	3	2 394	2 394	2 394	2 394	2 442	2 442	2 442	2 442	2 442
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		1 266	1 266	1 266	1 266	1 291	1 291	1 291	1 291	1 291
Below Minimum Service Level sub-total		3 660	3 660	3 660	3 660	3 733	3 733	3 733	3 733	3 733
Total number of households	5	29 964	29 964	29 964	29 964	30 563	30 563	30 563	30 563	30 563
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		17 370	17 370	17 370	17 370	17 717	17 717	17 717	17 717	17 717
Flush toilet (with septic tank)		5 505	5 505	5 505	5 505	5 615	5 615	5 615	5 615	5 615
Chemical toilet		1 842	1 842	1 842	1 842	1 879	1 879	1 879	1 879	1 879
Pit toilet (ventilated)		477	477	477	477	487	487	487	487	487
Other toilet provisions (> min.service level)		3 519	3 519	3 519	3 519	3 589	3 589	3 589	3 589	3 589
Minimum Service Level and Above sub-total		28 713	28 713	28 713	28 713	29 287	29 287	29 287	29 287	29 287
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		645	645	645	645	658	658	658	658	658
No toilet provisions		606	606	606	606	618	618	618	618	618
Below Minimum Service Level sub-total		1 251	1 251	1 251	1 251	1 276	1 276	1 276	1 276	1 276
Total number of households	5	29 964	29 964	29 964	29 964	30 563	30 563	30 563	30 563	30 563
Energy:										
Electricity (at least min.service level)		15 906	15 906	15 906	15 906	16 224	16 224	16 224	16 224	16 224
Electricity - prepaid (min.service level)		7 500	7 500	7 500	7 500	7 650	7 650	7 650	7 650	7 650
Minimum Service Level and Above sub-total		23 406	23 406	23 406	23 406	23 874	23 874	23 874	23 874	23 874
Electricity (< min.service level)		363	363	363	363	370	370	370	370	370
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		6 195	6 195	6 195	6 195	6 319	6 319	6 319	6 319	6 319
Below Minimum Service Level sub-total		6 558	6 558	6 558	6 558	6 689	6 689	6 689	6 689	6 689
Total number of households	5	29 964	29 964	29 964	29 964	30 563	30 563	30 563	30 563	30 563
Refuse:										
Removed at least once a week		24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
Minimum Service Level and Above sub-total		24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
Removed less frequently than once a week		300	303	303	303	309	309	309	309	309
Using communal refuse dump		579	579	579	579	591	591	591	591	591
Using own refuse dump		3 177	3 177	3 177	3 177	3 241	3 241	3 241	3 241	3 241
Other rubbish disposal		366	363	363	363	370	370	370	370	370
No rubbish disposal		948	948	948	948	967	967	967	967	967
Below Minimum Service Level sub-total		5 370	5 370	5 370	5 370	5 478	5 478	5 478	5 478	5 478
Total number of households	5	29 964	29 964	29 964	29 964	30 564	30 564	30 564	30 564	30 564
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		460	1 166	3 753	16 602	16 602	16 602	18 100	20 100	10 000
Sanitation (free minimum level service)		460	1 166	3 753	4 502	4 502	4 502	6 000	8 000	10 000
Electricity/other energy (50kwh per household per month)		360	360	360	900	900	4 502	6 000	8 000	10 000
Refuse (removed at least once a week)		460	1 166	3 753	4 502	4 502	4 502	6 000	8 000	10 000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		7 100	8 134	9 286	9 959	9 959	9 959	12 187	14 887	8 147
Sanitation (free sanitation service to indigent households)		829	2 270	7 817	10 583	10 583	10 583	15 444	22 239	29 467
Electricity/other energy (50kwh per indigent household per month)		216	191	418	738	738	2 961	4 236	6 099	8 234
Refuse (removed once a week for indigent households)		376	1 031	3 550	4 556	4 556	4 556	6 649	9 574	12 686
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		8 522	11 625	21 071	25 836	25 836	28 059	38 516	52 800	58 534
Highest level of free service provided per household										
Property rates (R value threshold)		150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		158	171	183	196	196	196	214	232	246
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		85	85	85	85	85	85	85	85	85
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		–	–	–	115 205	112 963	112 963	34 503	37 954	40 990
Water (in excess of 6 kilolitres per indigent household per month)		(7 100)	(8 134)	(9 286)	25 327	14 306	14 306	14 579	9 956	14 191
Sanitation (in excess of free sanitation service to indigent households)		(152)	(2 270)	(7 817)	1 171	(10 439)	(10 439)	0	(0)	(0)
Electricity/other energy (in excess of 50 kwh per indigent household per month)		(216)	(191)	(418)	173	(266)	(2 489)	(2 468)	(3 569)	(1 444)
Refuse (in excess of one removal a week for indigent households)		(376)	(1 031)	(3 550)	(3 038)	(3 038)	(3 038)	(2 771)	(5 386)	(8 246)
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		(7 845)	(11 625)	(21 071)	138 838	113 525	111 302	43 844	38 955	45 491

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

2. The budget provides for households registered as indigents to receive Free Basic Services. The number is set to increase given the rapid rate of in-migration to the municipality, especially by poor people seeking economic opportunities related to the Savanna City development.

3. The cost of Free Basic Services will be covered by the municipality's equitable share allocation from national government.

The following statistical information have been used in populating the household statistics:

Definition of Household- Stats SA definition- *A household is a group of persons who live together and provide themselves jointly with food or other essentials for living, or a single person who lives alone.*

Description of Economic Indicator	Clarification
1. Demographics* All demographic information/values is per the base information from the STATS SA official Census 2011- The years provided Further clarification will be provided per attribute	
1.1 Population	
• **2011 Census**	– The demographics are as per Stats SA Census 2011
• **2016/2017 Outcome**	– Is as per the Stats SA Community Survey for 2016
• **Current year 2017/2018**	- Demographics data is projected as per 3% annual anticipated percentage increase
• **2018/2019 Medium Term Revenue &Expenditure Revenue**	-Demographics data is projected as per 3% annual anticipated percentage increase
• **3 % used to project for outer years**	-The Average annual population growth for Midvaal for the periods (1996-2011) =3.1% Source: Midvaal Economic Analysis Report
2. Monthly Household income (no of households)**	
• **2011 Census**	-The monthly household income is as per Stats SA Census 2011
• **2016/2017 Outcome**	-Monthly income data is projected as per 3% annual anticipated percentage increase
• **Current year 2017/2018**	-Demographics data is projected as per 3% annual anticipated percentage increase

• **2018/2019 Medium Term Revenue & Expenditure Revenue**	-Demographics data is projected as per 3% annual anticipated percentage increase
3. Poverty Profiles *** Poverty definition?- *Income band as per template provided by National treasury*	
• **2011 Census**	-Poverty profiles as per STATS SA Census 2011
• **2016/2017**	-Poverty profile data is projected as per 3% annual anticipated percentage increase
• **Current year**	-Poverty profile data is projected as per 3% annual anticipated percentage increase
• **2018/2019 Medium Term Revenue & Expenditure Revenue**	-Poverty profile data is projected as per 3% annual anticipated percentage increase
4. Household/demographics (000)**** Definition of poor households as per Midvaal Indegent Policy	
• **2011 Census**	Household demographics as per the STATS SA Census 2011 data
• **2011 Census**	Household demographics as per the STATS SA Census 2011 data
• **2017/18- 2018/2019 Medium Term Revenue & Expenditure Revenue**	Household demographics data is projected as per the 3% annual anticipated percentage increase
5. Housing statistics ***** **Formal definition**- A structure built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in a backyard or rooms or flatlet elsewhere. (STATS SA) **Informal definition-** Makeshift structure not approved by a local authority and not intended as a permanent dwelling. Typically built with found materials (corrugated iron, cardboard, plastic, etc.). Contrasted with formal dwelling and traditional dwelling. (STATS SA)	
6. Total number of households******	
• **Dwellings provided by municipality**	The Midvaal local municipality is not an accredited municipality/implementing agent and thus it does not provide any dwellings.
• **Dwellings provided by province/s**	The data provided is in relation to the total number of houses as built by the Gauteng Department of
• **Dwellings provided by private sector**	The dwellings reported here are the ones built by private sector and individual applicants (The information is as reflective of the certificates of occupancies issued to completed and legally compliant structures)
7. Households with access to water services	

• Piped water inside dwelling	Households supplied by MLM and/or other WSPs within MLM jurisdiction that have either a metered connection or own unmetered borehole and also including all tenants and backyard dwellers within the same supply point in different settlements viz, Sicelo, Lakeside Estates, etc.
• Piped water inside yard but not dwelling	Households supplied by MLM and/or other WSPs within MLM jurisdiction that have either a metered or unmetered connection with a standpipe in yard but not connected to dwelling
• Using public tap (at least minimum service level)	Households supplied by MLM and/or other WSPs within MLM jurisdiction that share a communal water supply point within a walking distance of 200 metres in a form of a standpipe or storage tank
• Other water supply (at least min.service level)	Households supplied by MLM and/or other WSPs within MLM jurisdiction that receive water through mobile water tankers(trucks) at a pre-determined periods or on request within a walking distance of 200 metres
• No water supply	Any known households that are completely not having a form of water supply by MLM or any entity in any settlement in public or private property.
8. Households with access to sanitation services	
• Flush toilet (connected to sewerage)	Households serviced by MLM water bourne sewer system including their tenants and backyard dwellers
• Flush toilet (with septic tank)	Households with flushing toilets serviced by owners and SP other than MLM that are connected to septic tanks and Bio-chemical on-site treatment package plants mostly found where there is in no sewer reticulation system for MLM
• Chemical toilet	Households serviced by portable toilets on a shared basis utilizing chemical for breakdown of solids and emptied through honey suckers viz, Sicelo x4&5
• Pit toilet (ventilated)	Households serviced by portable toilets(VIP) on a shared basis utilizing either chemical breakdown of solids or biological. viz, Beers' farm, Boitumelo, Khayelitsha, Piels farm, etc.
• Other toilet provisions (> min.service level)	Households serviced by Pit toilets fitted with conservancy bladder to prevent water from seeping into the ground. Viz, Skansdam

• Bucket toilet	Known Households utilizing buckets that are serviced by MLM or any other Service provider
• Other toilet provisions (< min.service level)	Known Household with self-constructed toilet systems mostly unlined pit but do not meet the minimum standards as set out the DWS
• No toilet provisions	Known households without any form of sanitation facility or toilet.
9. Households with access to Electricity	
• Formal households	Households supplied by MLM and/or other WSPs within MLM jurisdiction that have an Electricity meter
• Granny flats	Households supplied by MLM and/or other WSPs within MLM jurisdiction that an Electricity meter
10. Households with no access to Electricity	
• Households in Savanna City	Households serviced by MLM with no reticulation system
• Informal households	Households that are not reticulated. These households are not represented in the statistics
11. Households with no access to Waste Collection	In terms of Integrated Management Plan the municipality worked on rolling out waste collection services to all residents of Midvaal Local municipalty on a weekly basis which resulted in a decline on total number of household receiving below minimum service level on waste collection. Informal settlemetns are now also receiving weekly waste collection services according to the predetermined waste collection programme.

4.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Executive Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of the municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council as required the IDP and budget time schedule in August 2017. Key dates applicable to the process were:

SCHEDULE OF KEY DEADLINES: COMPILATION OF 2018/2019 IDP AND BUDGET		
Current Approved Date	**Activity**	**Actual Progress Made**
14 August 2017	Final Virements for the 2016/2017 financial year to be approved by the Mayoral Committee.	Approved by Mayoral Committee 24 August 2017 per item B/4685/08/2017
24 August 2017	Approval of Key Deadlines as required by Section 21 of the MFMA as well as the IDP Process Plan as required by the Municipal Systems Act.	Approved by Council 24 August 2017 per item C1684/08/2017
24 August 2017	Council approval of the Annual Financial Statements and Draft Annual Report for the 2016/2017 financial year.	Approved by Council 24 August 2017 per item C1683/08/2017
25 August 2017	Monthly meeting between Gauteng PT and MM/CFO	Meeting took place on 25 August 2017 in Randvaal
31 August 2017	Submission of Annual Financial Statements and Draft Annual Report for the 2016/2017 financial year to the Auditor General for auditing.	Submitted 31 August 2017
7 September 2017	Quarterly Gauteng CFO Forum	Meeting took place on 7 September 2017 in Alberton
18 September 2017	Budget Steering Committee to review comments received from NT and PT regarding the 2017/2018 budget process as well as the approval of parameters for the compilation of the 2018/2019 budget.	Meeting took place 18 September 2017 in Meyerton Mayoral Activity Room BSC noted PT comments Tariff parameters set as per approved MTREF Draft property rates policy (categories) discussed Agreed that further tariff modelling be done on both sanitation tariffs (water consumption based) as well as property rates based on new valuation roll
21 September 2017	Quarterly Gauteng MEC/MMC Forum	Meeting took place on 21 September 2017 in Jhb, Office of the MEC
28 September 2017	Monthly meeting between Gauteng PT and MM/CFO	Meeting took place 25 October 2017 in MM's boardroom followed by government debt forum in CFO boardroom
October to November 2017	Tariff modelling using COGTA Tariff setting model .	Tariff modelling done, focus on Sanitation tariffs
October to November 2017	Departments to prepare draft mSCOA compliant operating budgets – particular focus on Fund, Project and Item. Projects to be derived from IDP and clear link to be established.	Held mSCOA budget sessions with departments as follows: - Financial Services: 15 September 2017 - Community Services: 20 October 2017 - Engineering Services: 3 November 2017 - Corporate Services:8 November 2017 - Development and Planning:
17 October 2017	Gauteng mSCOA ICF Forum	GPG / BCX Sedibeng District workshop re mSCOA took place on 19 October in the Sedibeng Council Chambers

		ICF Meeting took place on 9 November 2017 in Boksburg Civic Hall, Ekurhuleni
27 October 2017	Departmental submissions of Adjustments Budget for 2017/2018.	Received all departmental submission for adjustments budget, both opex and capex Discussed draft opex adjustments with Mayoral Committee on 24 October 2017
13 November 2017	MM / HOD's meeting to discuss Adjustments Budget for 2017/2018 financial year.	Discussion of opex and capex adjustments in HOD meeting held on 7 and 14 November 2017
15 November 2017	Departmental submissions of Draft Capital Budget for 2018/2019: - Compilation of project plans (including outputs and outcomes to be achieved) - Motivations for new projects - Analysis of impact on operating budget. - mSCOA compliant, particular focus on Region and Project.	All departmental submissions received Meeting with HOD's to discuss submissions – 16 February 2018 Meeting with Engineering Services – 19 January 2018 Meeting with Community Services – 21 January 2018
20 November 2017	MM / HOD's meeting to discuss Adjustments Budget for 2017/2018 (for finalisation).	Final adjustments budget discussed at HOD meeting of 21 November 2017
20 November 2017	Budget Steering Committee to consider Adjustments Budget for 2017/2018.	Meeting held on 5 December 2017 and Draft Adjustments Budget supported for submission to Council.
30 November 2017	Finance department to submit Draft Operating Budget for 2018/2019 to departments for comments (including proposed tariffs).	Draft operating budget including tariff increases prepared, currently under discussion with departments
4 December 2017	MM / HOD's meeting to discuss Draft Operating Budget for 2018/2019 (inclusive of tariff increases).	Outstanding – deferred to February 2018
24 November 2017	Quarterly Gauteng CFO Forum	Meeting held on 28 November 2017 at Alberton Civic Hall, Ekurhuleni
7 December 2017	Quarterly Gauteng MEC/MMC Forum	Meeting cancelled
January and February 2018	Public Engagement in terms of sections 28 and 29 of the Municipal Systems Act:	Meetings held during January and February 2018

(Detailed dates to be determined by the Office of the Speaker)	- Advertisement of time-schedule on website, local newspapers and notice boards - Acknowledgement of inputs received.	
January 2018	Departments to confirm Capital Budget Projects based on latest IDP ward analysis and need collation – adjustments to Capital Budget to be made where applicable.	Meeting with HOD's to discuss submissions – 16 February 2018 Meeting with Engineering Services – 19 January 2018 Meeting with Community Services – 21 January 2018
25 January 2018	Tabling of Annual Report (inclusive of Final AFS and AG report) and MPAC Report for the 2016/2017 financial year to Council: - Tabling of Annual report to Council - Annual report made public - Oversight report made public.	Annual report tabled to Council 25 January 2018
25 January 2018	Council to approve main adjustments budget.	Approved by Council 25 January 2018
25 January 2018	Council to approve 2017/2018 mid-year review.	Approved by Council 25 January 2018
February 2018	Corporate Services to confirm all tariff submissions and by-laws for legal compliance.	Submitted to Corporate Services, review undertaken. Corporate Services also busy with comprehensive review of all by-laws.
February 2018	Budget Steering Committee to consider final balanced budget and budget related policies, IDP and SDBIP (final consideration, weekly meetings).	Budget Steering Committee endorsed draft tariff increases and balancing of budget on 27 February 2018. Approval granted to proceed with tabling of budget.
29 March 2018	Formal tabling of Draft IDP, Budget and SDBIP to Council in terms of the MFMA and the Municipal Systems Act.	Section 80 meeting held on 19 March 2018. Council meeting for tabling took place on 22 March 2018.
30 March 2018	Advertise and publish final draft of IDP and Budget for public comment and submit to National and Provincial Treasury and others as prescribed by the MFMA and Municipal Systems Act. Submission of IDP to MEC for Comments. Submission of Budget to NT for Comments (Including upload files in printed and electronic format). Submission of draft IDP / Budget to organs of state.	Tabled Budget advertised and submitted to Organs of State. IDP was submitted to the MEC for comments. All upload files submitted to NT and amendments made as required by NT.

April 2018	Engagements with National and Provincial Treasury regarding the tabled IDP, Budget and SDBIP.	PT Engagement took place on 23 April 2018 and the report of PT was received by the municipality and is attached to the budget document. PT concluded that the budget is credible, relevant and sustainable.
April 2018	Workshop with all councilors regarding the IDP and Budget.	Workshop with Councillors held on 19 April 2018.
April 2018 (Detailed dates to be determined by the Office of the Speaker)	IDP and Budget Hearings in terms of section 74 of the Municipal Systems Act and section 23 of the MFMA: - Conduct IDP/Corporate Scorecard / Budget Public Hearings to obtain public comment and inputs from communities, provincial government and other relevant stakeholders (performed through ward councilors) - Comments to be provided in writing - Acknowledgement of comments received - Response to public comment i.r.o. Budget, tariffs and policies (to Budget Steering Committee). Close for comments on 4 May 2018	Budget meetings held – refer to public consultation section in the budget document for details.
7 May 2018	Budget Steering Committee to consider final IDP, Budget and SDBIP.	Final Budget Steering Committee held on 28 May 2018
14 May 2018	Section 80 Committee and Mayoral Committee to recommend final IDP, Budget and SDBIP.	Final Section 80 Committee held on 28 May 2018
31 May 2018	Council to approve final IDP and Budget. SDBIP to be noted by Council. Council must give final approval of the IDP/Corporate Scorecard and Budget document by resolution, setting taxes and tariffs, approving changes to the IDP and budget related policies, approve measurable performance objectives for revenue by source and expenditure by vote before the start of the financial year as required by sections 23 and 24 of the MFMA and section 25 of the MSA.	Final Council Approval 31 May 2018

8 June 2018	Making public of approved IDP / Budget as per the MFMA and MSA requirements. Tariff and By-law Promulgation. Submission of approved IDP to MEC for Local Government and Housing. Submission of approved IDP and Budget to NT (Including upload files in printed and electronic format).	
14 June 2018	Submission of Draft SDBIP to Executive Mayor: - Executive Mayor to receive Draft Municipal SDBIP within 14 days after approval of the budget.	
28 June 2018	Approval of SDBIP by Executive Mayor: - Executive Mayor to approve Municipal SDBIP within 28 days after approval of the budget - Place all Directorate Executive Summaries and SDBIPs and Department Business Plans and SDBIPs on website.	
12 July 2018	Section 57 (MSA) Performance Agreements: - Submit performance agreements to the Executive Mayor within 10 days after approval of the IDP and Budget. - Council to note New Section 57 Scorecards. - Performance agreements of Municipal Manager and senior managers to be made public no later than 14 days after the approval of the SDBIP.	

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP review started in September 2017 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2018/19 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan includes the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP includes the Spatial Development Plan.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Municipal growth (no growth projected for the MTREF period other than for Savanna City)
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars have been taken into consideration in the planning and prioritisation process.

The municipality has commissioned a Long Term Financial Plan. This plan included an assessment of the financial position of the municipality. The full Long Term Financial Plan is attached as an annexure to this report. The next step will be developing a Capital Investment Framework (CIF) and the Long Term Financial Plan and the CIF to be aligned.

2.1.4 Community Consultation

The draft 2018/19 MTREF was tabled before Council in March 2018 for endorsement of the budget for community consultation. Subsequently, the budget was published on the municipality's website for public comment. In addition, hard copies were made available at municipal offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National and Provincial Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to provide inputs.

Various meetings were held as part of the community consultation process in April 2018. The table below reflects the outcome of the meetings.

Date of Meeting	Wards and Venue of Meeting	Question / Comment	Response
9 April 2019 18h30	Wards 5, 7 and 13 Walkerville Showground	Agricultural properties (small holdings) have a large rates increase due to the changes to the categories but the largest portion of the budget is allocated to Sicelo	Areas with highest needs are prioritised in the budget in line with the municipality's vision to inclusively serve the needs of our community.
		What roads are planned for the area in the new budget New or refurbishments	Provision has been made for both new roads as well as the refurbishment and maintenance of roads. MIG budget will be spent in previously disadvantaged areas as per the conditions of the grant and the roads maintenance budget spent in line with the maintenance plans. The war of potholes project has been initiated in the current financial year and will continue in the 2018/2019 financial year.
		Escalation in crime – what will be done to curb crime / what budgetary provision has been made and what is the purpose of the drones / thermal night vision cameras budgeted for	The Mayor's R1 million per year crime prevention project with the CPF's will continue. The drones and night vision cameras are used in volatile situations and are contributing to a safe environment.
		Is the electricity tariffs and tariff increases in line with NERSA recommended tariffs	All electricity tariffs are approved by NERSA. Tariff increases as proposed are also as per the guidelines received from NERSA and National Treasury (refer MFMA Circular 91).

Date of Meeting	Wards and Venue of Meeting	Question / Comment	Response
		Tariff increases are higher than inflation	Tariff increases are higher than inflation due to the input cost increasing by higher than inflation. Water – Rand Water's tariff increase is 12.2% and the municipality is only increasing its tariffs by 9.5% Electricity – Eskom's tariff increase is 7.32% and the municipality is only increasing its tariffs by 6.84% Refuse – the service is currently not breaking even and tariffs are progressively increased to reach a break-even position as required by the Municipal Systems Act Sanitation – a new waste water treatment plan is being constructed and must be staffed in line with the license conditions. This additional cost has led to increased tariffs. Property Rates – a new valuation roll is being implemented and the tariff in the rand has reduced significantly to avoid a double increase to property owners (both an increase in property value as well as in increase in the tariff).
		High indigent rebates – why such an increase	Indigents in the area are increasing on an annual basis. The estimated number of indigents provided for in the budget are: 2018/2019 – 6 000 households 2019/2020 – 8 000 households 2020/2021 – 10 000 households
		Admin errors to be corrected in budget	Admin errors in the budget document as pointed out in the meeting will be corrected.
		Objection to valuations cumbersome process – why can't the Valuer just review all values of Blue Saddle	The objection process is dealt with as per the requirements of the Municipal Property Rates Act.

Date of Meeting	Wards and Venue of Meeting	Question / Comment	Response
		Ranches or give a standard value per square meter	
10 April 2018 14h00	OUTA Represented by Mr. Michael Holenstein and Mr. Frik Mulder	The MPRA allows municipality to use either Use or Permitted Use. Why did the municipality opt for Use and not Permitted Use?	The municipality has opted for Use of property as basis when the Act was implemented in 2004. It is also the industry norm and no change to the policy will be done at this stage.
		Recommend that definition of agricultural properties be changed to use the word "Primarily" instead of "Exclusively:	The Act is based on the premise that the use assigned to a property will be predominant use, but the point is taken and the definition will be amended accordingly.
		By-laws: Consider not having by-laws as enabling but rather include policy in the by-law.	The matter was discussed with Council's legal advisor and the by-laws will remain as enabling as per the current promulgation.
		Vacant land split between residential, business and agriculture can be construed to the sub-categorisation for which approval of the Minister of Finance is required.	Legal opinion sought – policy will be amended to a single category
11 April 2018 17h00	Ward 6 Lakeside Community Hall	Meeting not well attended and no comments / questions were received	
12 April 2018 15h00	Wards 8 and 10 Sicelo Community Hall	Meeting not well attended and no comments / questions were received	
16 April 2018 18h00	Ward 11 Savanna City	IDP was not held properly before. Community request MMC Finance and MMC Engineering Services to apologise for issues on the previous IDP whereby the community walk out of the meeting.	Both MMC of Engineering Services and Finance apologise and also that the community might not have understand what was said.
		Community request that an IDP meeting be held before the budget meeting and only then can the Valuation workshop be done.	MMC Engineering did introductory presentation whereby the Mayor continue with the rest of the presentation from the Valuation Roll
		Tariff increases are not in line with CPI	Tariff increases are higher than inflation due to the input cost

Date of Meeting	Wards and Venue of Meeting	Question / Comment	Response
			increasing by higher than inflation. Water – Rand Water's tariff increase is 12.2% and the municipality is only increasing its tariffs by 9.5% Electricity – Eskom's tariff increase is 7.32% and the municipality is only increasing its tariffs by 6.84% Refuse – the service is currently not breaking even and tariffs are progressively increased to reach a break-even position as required by the Municipal Systems Act Sanitation – a new waste water treatment plan is being constructed and must be staffed in line with the license conditions. This additional cost has led to increased tariffs. Emfuleni is also assisting in the treatment of Sewer of Savanna City specific which contributes to the high charges being levied by Emfuleni. Property Rates – a new valuation roll is being implemented and the tariff in the rand has reduced significantly to avoid a double increase to property owners (both an increase in property value as well as in increase in the tariff).
		What criteria was used to determine the valuations which increased significantly	Market Sales from 2010 onwards were used. Customers can object till end April 2018. The objection process is dealt with as per the requirements of the Municipal Property Rates Act.
		Why do Indigents get 6kl FBW and normal residential houses only 4Kl	Indigents are part of the social package of Council therefor the 6kl. Water is becoming a scares commodity which will phase out over the next few years.
		Why is the refuse charge not cheaper for Savanna when the Landfill site is close by.	Refuse tariff charge all over MLM is the same irrespective of the distance to the Landfill Sites. Landfill sites must be rehabilitated which is very costly.

Date of Meeting	Wards and Venue of Meeting	Question / Comment	Response
		Savanna City: Why is it called a Township	It is proclaimed and promulgated as a Township like all other areas.
		No Schools in Savanna City	Mayor explained to them the process in the establishing of a school and also the fact that the first school to be build there will be a Private School.
		What's the difference between RDP, Flisp(Gap) and Fully bonded houses?	Fully subsidised House in terms of Legislation, Flisp is partially subsidised by Government and you qualify based on certain criteria Fully bonded, you apply for a loan and you as a customer is fully liable for the payment of the bond for that house.
17 April 2018	Ward 1 Groen Denne	Complaints were received regarding the category change of Small Holdings < 16ha. The community concern was the high property rates charge.	The category was explained to the community as well as the calculation of the tariff for property rates. The community was satisfied with the explanation and calculation of the rates tariff and the new value of the properties.
		No registration number was received for the objection to valuations submitted	The objection process on the valuation was explained – registration of objection will be mailed to the owner (One debtor)
		Sec 49 Complaints were receive – community did not receive new valuations of properties	Sec 49's will be mailed to the owners requesting sec 49 (Two Debtors)
		Service delivery issues related to roads and grass cutting	To be dealt with as operational matter in budget implementation
18 April 2018 18h30	Wards 2, 3, 4, 9, 13, 14 and 15 Town Hall (Meyerton)	State of Henley on Klip roads	Maintenance budget in terms of affordability
		When will water and electricity networks in Risiville be upgraded?	The electricity transformer has been ordered and delivery is expected towards the end June 2018. It is not cost effective to duplicate the water network at this stage
		Regular electricity outages in Meyerton Parks	New Sicelo electricity bulk network will alleviate this problem
		When will Risiville have pre-paid water meters installed?	Once the pilot project has been concluded, a decision will be taken on the roll-out of this project
		Above inflation increases	Tariff increases are higher than inflation due to the input cost

Date of Meeting	Wards and Venue of Meeting	Question / Comment	Response
			increasing by higher than inflation. Water – Rand Water's tariff increase is 12.2% and the municipality is only increasing its tariffs by 9.5% Electricity – Eskom's tariff increase is 7.32% and the municipality is only increasing its tariffs by 6.84% Refuse – the service is currently not breaking even and tariffs are progressively increased to reach a break-even position as required by the Municipal Systems Act Sanitation – a new waste water treatment plan is being constructed and must be staffed in line with the license conditions. This additional cost has led to increased tariffs. Property Rates – a new valuation roll is being implemented and the tariff in the rand has reduced significantly to avoid a double increase to property owners (both an increase in property value as well as in increase in the tariff).
		Request for Wi-Fi in libraries	There is already Wi-Fi in all libraries and further improvements to the system is currently being planned
19 April 2018 12h00	Business Owners Town Hall (Meyerton)	Higher than inflation tariff increases	See response above
		Concern raised at property rates ratio of 1:2 for business properties	Implementation of best practice in terms of Municipal Property Rates Act In line with industry norm
		Procurement related questions	Workshops arranged for all suppliers and potential suppliers
19 April 2018 16h00	Workshop with Councillors	Cost of engineers certificates for building plans	National Building Regulations requirement
		Indigent applications getting lost	Process improved through the implementation of the Deemed Indigent policy
		Ward 6 roads	Gravel to Tar budget – specific roads to be identified

Date of Meeting	Wards and Venue of Meeting	Question / Comment	Response
		Street names / boards to be replaced	To be funded from the operating budget

Written comments and objections were received against the Draft Property Rates Policy, particularly with regard to the full implementation of Section 8 of the Municipal Property Rates Act, 6 of 2004, as amended (MPRA). 67 objections were received from property owners from Blue Saddle Ranches, Walkers Fruit Farms, Meyerton, Drumblade, De Deur, Bronkhorstfontein and Klip River. The objections are related to the fact that the properties were, in the past, categorised as agricultural holdings smaller than 16ha which had a 75% rebate as they were deemed to be involved in agricultural properties. With the implementation of the amendments to the Municipal Property Rates Act, categories of properties were standardised to the categories as contained in Section 8 of the MPRA. The policy furthermore states that the basis of the category will be determined according to use. The properties have therefore now been categorised according to use which resulted in the majority of the objectors listed above being categorised as residential and not agricultural as the property is not predominantly used for agricultural purposes. The residents also approached the Organisation for undoing tax abuse (OUTA). The meeting held with OUTA is included in the summary of the budget consultation meetings held.

The 67 objections represent less than 0.2% of the property owners. Regardless of the low number of objectors, the municipality recognises that the new property rates policy and valuation roll has a significant impact on their monthly rates account and have introduced a rebate of 50% of the property rates payable up to the first R750 000 of the property value. This will assist the rate-payers to absorb the impact.

In the engagements with OUTA, however, an important aspect was raised that led to both a change in the Draft Property Rates Policy as well as the associated ratio's and tariffs. In the draft policy, is was suggested that Vacant land be split into three categories, being vacant residential, vacant business and industrial and vacant agricultural. OUTA indicated that this is not in line with the MPRA and that there should be only a single category for vacant land. The municipality has solicited independent legal advice on the submission of OUTA and it was confirmed that the municipality must have a single category for vacant land. The intention was to have relief to owners of residential vacant land to have a ratio of 1:2 with business, industrial and agricultural to have a ratio of 1:3. The policy has now been amended to have a single category with a ratio of 1:3.

The Savanna City community has submitted two different objections to the tariff increases. Their objections are reflected below:

Petition summary and background	The Midvaal Local Municipality have proposed tariff increases on all their services
Action petitioned for	We, the undersigned, are concerned community who urge Midvaal local Municipality to act as we object the proposed tariff increases as they are way above our affordability capacity. We are struggling to pay the current tariffs as they are, with the vat, tariff and property value increases we will not be able to afford. We propose the following recommendations: • Water 7% • Electricity 5,23% • Sewerage 6% • Refuse Removals 6% • Other services, such as building plan fees, 4% • Property valuation should be suspended until the issue of poor houses is resolved and workshop need to be arranged with the community to explain how to fill in the forms bear in mind most home owners are first time owners.

Petition to Object the Proposed Tariff increases and Property Valuation roll by Midvaal Local Municipality 2018 – 2019

To: The municipal manager **03 May 2018**

Petition summary and background	The Midvaal Local Municipality have proposed tariff increases on all their services
Action petitioned for	We, the undersigned, are concerned community who urge Midvaal local Municipality to act as we object the proposed tariff increases as they are way above our affordability capacity. We are struggling to pay the current tariffs as they are, with the vat, tariff and property value increases we will not be able to afford. **We propose the following recommendations:** • Water 4% • Electricity 4% • Sewerage 2.56 % • Refuse Removals 3% • Other services, such as building plan fees,2 % • Property valuation should be suspended for Savanna City residents until the issues of poor houses are resolved. The municipality provides the residents of Savanna City with Solar geysers. • Community recreation center • The temporary sports ground to be fully maintained • We also request that the Municipality must provide the government subsidized flisp houses with 5KL free water and 50 kWh electricity per month.
Attachments	• Report from NHBRC • Petition list signed by the residents

Received by

Name: J. Vorster **Signature** _____ **Date:** 3-05-2018

Witness

Name: L. Mohaka **Signature** _____ **Date:** 3-5/2018.

The objections/ petitions have been considered but it is not financially feasible to render the services at the proposed increases (at either of the proposed scenarios). Rand Water has

increased the cost of the provision of water by 12.2% - the municipality is already absorbing 2.7% of the cost to increase the tariff by only 9.5%. Electricity increases are in line with the NERSA recommendation. The municipality is already rendering the electricity service at a loss and will not be able to absorb any further cost increases without increasing the tariffs. The proposed increases for Sewerage, Refuse removal and other services are lower than the proposed salary increase currently being considered by the South African Local Government Bargaining Council and a lower tariff increase is not financially viable. If this proposal is accepted, it will lead to a reduction in the level of service currently being rendered and such a reduction in service levels will not be in the interest of the community. The community is even at the current service levels protesting on a regular basis for increased service levels.

The proposal to suspend the valuation roll is not in line with the provisions of the Municipal Property Rates Act. All residents have been advised to object against the proposed property value if they are of the opinion that the value is not correct, which the majority have done. The objections are currently being dealt with by the municipal Valuer.

Additional free basic services can't be extended to owners of FLISP housing. The cost of the current social package provided is not sustainable as highlighted in the comments received from Provincial Treasury. The free basic services will only be made available to indigent households as from the end of June 2020.

The temporary sport field maintenance will be enhanced in the 2018/2019 financial year and an attempt will be made to plant additional trees in area. EPWP funding will also be applied for to further improve the level of maintenance.

The community recreation centre will be added to the IDP for consideration for budget allocation as funding becomes available.

Ratings Afrika reviewed the draft budget and calculated a budgeted financial sustainability score for the MTREF period. Their findings are attached as Annexure AZ.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following table highlights the IDP's strategic objectives for the 2018/19 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 21 IDP Strategic Objectives

KPA	Definition
KPA 1: Good Governance & Public Participation	**To promote increased participation and improved communication with all key internal and external stakeholders**
KPA 2: Safety & Environment	**To create a sustainable environment safe from harm**
KPA 3: Social & Community Development	**To create an environment focussed on uplifting the youth, the poor and the most vulnerable**

KPA 4: Institutional Transformation	**To transform and align the people, processes and systems of the municipality to achieve its objectives**
KPA 5: Financial Sustainability	**To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements**
KPA 6: Physical Infrastructure & Energy Efficiency	**To ensure efficient infrastructure and energy supply that will improve the quality of life of the community**
KPA 7: Services & Customer Care	**To deliver inclusive and excellent services to the community**
KPA 8: Economic Growth & Development	**Increasing the GDP of the local municipality and improving the economic and social well-being of its people**

It must be noted that whilst the municipality supports Safety and Security and Agricultural development, these are not CORE functions of the municipality and as such the municipality is not the funding agent for these activities but are playing a facilitation role to ensure the various Organs of State are aware of the challenges of the community. The municipality furthermore participates in inter-governmental structures at various levels to provide the feedback received from the community in the IDP meetings to the relevant departments that are mandated to address those challenges.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the strategic objectives mentioned above.

The 2018/19 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

In addition to the projects informed by the IDP that will be implemented by the municipality, projects to be undertaken by other spheres of government are submitted by the Community. A petition has also been submitted by the Freedom Front resulting for the protest action taking place on the R59. The petition calls for the municipality to erect a fence alongside the R59. The table below reflects the requests for projects to be undertaken by other Spheres of Government.

PROJECT	WARD	RESPONSIBLE NATIONAL / PROVINCIAL DEPARTMENT
Disability Centre	6, 11 & 12	Gauteng Department of Social Development
Pension Service Point	6	Gauteng Department of Social Development
Old Age Homes	6, 7, 12, 8, 10 and 14	Gauteng Department of Social Development
Upgrade Magistrate Court to Multi-Purpose Centre / Community Hall	12	Department of Public Works

PROJECT	WARD	RESPONSIBLE NATIONAL / PROVINCIAL DEPARTMENT
Restoration Of Old Court Building Opposite Kliprivier Police Station	12	Department of Public Works
Municipal Court	ALL	Department of Public Works & MLM
Clinic	4, 12, 13 & 15	Department of Health
Clinic In Mamello	1	Department of Health
Clinic In Walkerville	7	Department of Health
Permanent Clinic	8 & 10	Department of Health
Clinic Lakeside Estate	6	Department of Health
Clinic In Buyscelia And Boltonwold	4	Department of Health
Schools In Walkerville	7	Department of Education
Bantu Bonke – Secondary School	1	Department of Education
High School – Lakeside Estates & Extensions	6	Department of Education
Primary School	8	Department of Education
Schools (Primary & Secondary)	4, 10 & 12	Department of Education
Agricultural School	12	Department of Education
Primary School – Lakeside Estate	6	Department of Education
Housing Project	7	Department of Human Settlements
Housing Project for Daleside	4	Department of Human Settlements
Housing Project for Sicelo	8	Department of Human Settlements
Housing Project for Ward 12	12	Department of Human Settlements
Housing Project for Ward 10	10	Department of Human Settlements
Housing Project for Ward 13	13	Department of Human Settlements
Traffic Lights at Walkerville And Eikenhof Intersections	7	GAUTRANS
Street Lights on R82	11	GAUTRANS
Pedestrian Bridge over R59	10	GAUTRANS
R550 Bridge over The R59 to be upgraded	12	GAUTRANS
Fence alongside R59	All wards along R59	GAUTRANS

Refer to MBRR Table SA4, MBRR SA 5 and MBRR SA 6 which are contained at the end of this document for the following information:

- **MBRR Table SA4 – Reconciliation between the IDP strategic objectives and budgeted revenue**
- **MBRR Table SA5 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure**
- **MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated

planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

Figure 5 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

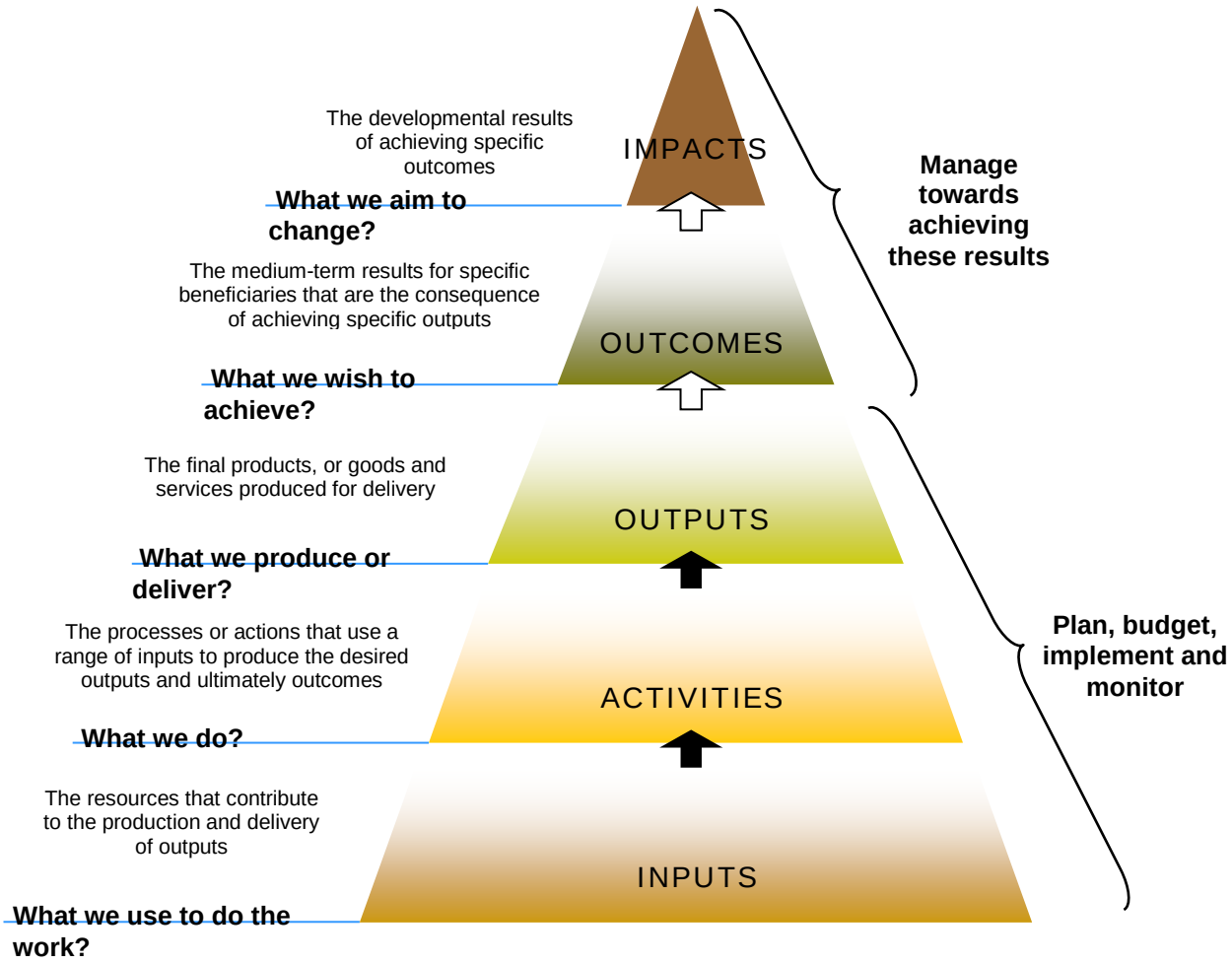


Figure 6 Definition of performance information concepts

The following tables attached to this document provides the main measurable performance objectives the municipality undertakes to achieve this financial year as well as the main performance objectives and benchmarks for the 2018/19 MTREF.

- **MBRR Table SA7 – Measurable performance objectives**
- **MBRR Table SA8 – Performance indicators and benchmarks**

Also refer to the full SDBIP of the Municipality as contained in Annexure AM of this report for full details on the targets set for the year to achieve the organisational goals.

2.3.1 Performance indicators and benchmarks

This section provides information on how the indicators and benchmarks contained in Table SA 8 should be interpreted:

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Midvaal's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the City's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1.

- *The liquidity ratio* is a measure of the ability of the municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.

2.3.1.4 Revenue Management

- The budget is compiled based on a 94% collection rate. The debt collection and credit control policy is being implemented on an ongoing basis and debt older than 90 days are handed over to the external debt collectors for legal collections.

2.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice.

2.3.1.6 Other Indicators

- The electricity and water distribution losses are currently not within acceptable norms. The municipality is implementing programmes on an ongoing basis to reduce these losses.
- Employee costs as a percentage of operating revenue remains stable over the MTREF period.
- Repairs and maintenance as percentage of operating revenue is increasing as part of the municipality's approach to increase repairs and maintenance expenditure to protect its assets.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

In terms of the Municipality's indigent policy registered households are entitled to 6 kℓ free water, 50 kwh of electricity, sanitation and free waste removal equivalent to 85 ℓ once a week, as well as a rebate on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc.) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The Municipality is the Water Services Authority in terms of the Water Services Act, 108 of 1997 and acts as water services provider. The Municipality's bulk water needs are provided directly by Rand Water in the form of purified water for the Meyerton supply system and Department of Water and Sanitation provides raw bulk water which is further purified in Vaal Marina Water Treatment Works for the supply in Vaal Marina supply system.

The Department of Water Affairs conducts an annual water services regulatory performance evaluation of water services authority's performance on the provision of water services through the Green Drop System which evaluates the performance of Water Services Authority on the effective, efficient and sustainable provision of Wastewater Management Service and through the Blue Drop System which evaluates the performance of Water Services Authority on the effective, efficient and sustainable provision of Drinking Water Management Service and award Green Drop and Blue Drop Status to water services authorities who complies with the set requirements of the two regulatory systems.

To ensure that all water supply institutions across the world define their water losses in a similar way, the International Water Association (IWA) has developed a standard water balance now utilized abroad and in SA by most municipalities including the MLM. Non-Revenue Water (NRW) is defined as the volume of water supplied by the municipality for which no income is received. It

should be noted that the Standard International Water Association (IWA) water balance is a volumetric water balance and not a financial balance. Most South African municipalities are sitting with high NRW figures which translates to high financial loss, and are all experiencing the same challenges in lowering NRW.

The current National NRW figure for SA is 36,7%, but this is highly influenced by data for the metropolitan and large city municipalities which account for more than 80% of the data.

South African municipalities should aspire towards a NRW figure of 20%, representing desirable and good performance. The effort required within the SA environment to reduce NRW below 20% may not be regarded as feasible nor cost effective, because of the extensive effort required with regards to the outlay of resources (human & financial) to achieve this goal.

WC/WDM is one of the most important functions performed by municipalities in reducing NRW. Without the proper implementation and functioning of holistic WDM initiatives attending to all aspects relating to water wastage and non-revenue generating serviced properties, and without involving all the relevant role-players such as Engineering, Finance, Communications, etc. and also without Political and Senior Management support, there will be little chance of success in lowering NRW.

The implementation of the Water Demand Management Plan of the Midvaal Local Municipality is in progress and the following progress was made on identified and budgeted projects in the 2017/2018 financial year.

- **Pipe Replacement**

    - 14.1 km pipeline planned to be replaced this financial year - Construction is in progress.
    - 11 km of network pipeline is planned for replacement in the new financial year 2018/2019

- **Water Meters Management Plan.**

    - Replacement of 40 Bulk water meters is planned this financial year- Construction in progress.
    - Replacement of 1200 domestic meters is planned in this financial year and 345 Domestic meters are replaced to date.
    - Replacement of 40x bulk water meters is planned for the next financial year, 2018/2019.

- **Pressure Management System Refurbishment**

        - Contractor appointed for refurbishment and replacement of pressure management valves.
        - To date 13 PRV’s infrastructure has been refurbishment
        - Refurbishment of 6 larger pressure management system infrastructure is in progress.
        - Refurbishment of 7x PRV’s systems is planned for the new financial year, 2018/2019.

- **Indigent Households Water Leaks Repair**

    - Contractor appointed for repair of water leaks on the indigent household's properties and repair of water leaks on 1100 indigent households is in progress.

- **Water Supply Valves Infrastructure Maintenance and Management**

    - 4x Water Supply Zones were audited to establish status of the water supply valves
    - Tender is being put in place to implement the valves audit study findings
    - 4x Water Supply Zones Audit studies are planned to be conducted in 2018/2019

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of procedures/policies

The Budget Related Policies have been reviewed as part of the compilation of the Medium Term Revenue and Expenditure Framework for the 2018/2019 – 2020/2021 period. The Budget related policies will be considered by Council in May 2018. While the adopted policies were credible, sustainable, manageable and informed by affordability and value for money, the policies were reviewed as part of the budget compilation as required by the Municipal Budget and Reporting regulations.

The following policy changes are recommended:

Schedule of Changes to policies	2017/18	2018/19
Policy	**Change Yes/No**	**Change Yes/No**
Annexure E Tariff By-Law	No changes	No changes
Annexure F Tariff Policy	Removal of availability charge from water and electricity charges	Added: Affidavit to be submitted to the billing office if the water leak was fixed by the owner. Added: Water leak adjustment is only applicable to residential properties, churches and non-governmental organisations (NGO's).
Annexure G Property Rates By-Law	No changes	No changes
Annexure H Property Rates Policy	Alignment of policy to ratio's and rebates as per schedule of tariffs	New Policy for the implementation of the 2018/2023 Valuation Roll **Note information in budget document dealing with Budget Consultation and changes made between tabled policy and final policy. Vacant land now one category instead of three as per the tabled budget.**
Annexure I Credit Control and Debt Collection By-Law	No changes	No changes
Annexure J Credit Control and Debt Collection Policy	Penalty charged to illegal connections increased as follows: Per phase or per meter – i.e. 3 phase meters will be charged 3 times Consumption charged for illegal connection increased from 1 000 units electricity per month to 1 500 units and 100 kl water from 30 kl water per month	The CFO may accept an irrevocable bank guarantee in lieu of a deposit on application for the provision of municipal services at his/her own discretion and in exceptional cases in pursuance of local economic development. All existing guarantees in form of a cash deposit below R100 000 must be converted to a cash deposit. Deposits levied, not paid within a 3-month period after being levied will result in disconnection of

		Interest waiver will only be applicable to active debtors. The interest waiver will not apply for application of clearance figures where the property is being sold.	the services until such time the deposit has been paid. Removed the part of the total debt outstanding on the property shall remain on the property. Rephrased sentence to read that Council may refuse the supply of water or electricity to a consumer who has illegally by-passed his/her water or electricity connection. Added: The property owner is responsible and liable for any illegal connections / tampering done by the tenant or any other party residing or doing business or any other activity on the property. The historical debt will be immediately handed over for legal collection (legal action will be taken against seller, i.e. person who accumulated the debt). The Mayoral Committee will consider writing off bad debts. Clarification on debt collection for Fractional ownership.
Annexure K	Cash Management Policy	Provision for Landfill site now 100% cash backed and no longer 75%	No changes
Annexure L	Investment Policy	Cosmetic / minor wording changes	No Changes
Annexure M	Borrowing Policy	No changes	No Changes
Annexure N	Funding and Reserves Policy	Provision for Landfill site now 100% cash backed and no longer 75%	No Changes

Annexure O Municipal Supply Chain Management Policy and Procedures	Incorporation of PPPFA Regulations 2017	Changes as per comments received from Gauteng Provincial Treasury and SCM consultants.
Annexure P Fixed Asset Management Policy	No changes	No changes
Annexure Q Policy on the Planning and Approval of Capital Projects	No changes	No Changes
Annexure R Indigents Policy	Additional definitions included in the policy Family and church support (financial or in kind) will not be considered as part of monthly household income (up to a maximum of R3 500 per month) Clarified that separated couples WILL NOT be treated as divorced couples and the income of both spouses will be included in the total household income Owners living in informal structures on vacant land will qualify for indigency Deemed indigents with more properties valued at R150 000 or less will not be approved as deemed indigents if they own multiple properties All RDP properties will be deemed as indigent households even if the value exceeds R150 000 Bank Statements for 3 months with declarations from all banks that the applicant and all other adult members of the household do not have any other bank accounts. No affidavits in lieu of bank statements will be accepted.	Definition of indigent changed to: Any household, earning less than the R3 500 qualify to be registered as indigents. The said amount currently is R3 500 per household per month. The threshold to increase in 18/19 to R4 000, 19/20 to R4 500, and 20/21 to R5 000 and 21/22 to R5 500. Households must have combined monthly household income of not more than R4 000 per month excluding support from family and churches (up to a maximum of R4 000 per month) child support grant, foster grant and disability grant. Municipal property with a value of more than R1 300 000 will be approved as indigent only once, unless the registered owners are older than 60 years of age and earn less than R4 000 per month.

	No water and / or electricity connection fee will be charged to indigent households as applicable. The municipality will attempt to assist child headed households with the registration of their properties in the deeds office by approaching the municipality's panel of attorneys to do the registration as part of their pro bono services. The waiving of charges for other municipal services will be considered based on written applications submitted to the Municipal Manager, such as fire services. If any extensions to the property is effected, building or otherwise, the debt will be re-instated and the indigent status will be cancelled.	Business activities are being conducted on property and the monthly income that exceeds R4 000. Unemployed applicants must attach and affidavit from the Police Station. Residential properties that are operating as business will not qualify, should the monthly income exceed the R4 000 threshold.
Annexure S Policy related to the provision of free basic electricity	Clarified that only registered indigents making use of pre-paid electricity meters will receive the free 50kwh electricity per month	No changes
Annexure T Policy related to the provision of free basic water	Only registered indigent households will receive 6kl free basic water per month Other households will receive only 4kl free basic water per month	Scope was changed to eliminate the provision for Agricultural stands. Only residential and not Agricultural will receive 4kl free basic water per month.
Annexure U Policy on the Acceptance of Grants, Donations, Sponsorships and Gifts	No changes	No Changes
Annexure V Long Term Financial Planning Policy	No changes	No Changes **Note Annexure related to Long Term Financial Plan as additional information to the Long Term Financial Planning Policy.**

Annexure W Disposal of assets Policy	No changes	Purpose to include the disposal of scrap items (obsolete inventory stock). Definition of disposal to include the “scrap items”. Definition of scrap refers to obsolete inventory items such as any metal, steel, copper or any other discarded waste material that is suitable for reprocessing. Scrap items / obsolete inventory / library books – guidance provided on how these items should be disposed of.
Annexure X Budget Implementation and Monitoring Policy	Change to virements delegation. The following delegation has been recommended: To facilitate the first-time implementation of mSCOA, the Chief Financial Officer will be authorised to move budgets within “votes” as defined by the MFMA as a special delegation for the 2017/2018 financial year so as to not hamper service delivery.	All references to virements removed from the policy. A new, stand-alone virement policy has been developed.
Annexure Y Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	No changes	No Changes
Annexure AA Bulk Developer Contributions Policy	Clarification that the ERWAT bulk contributions policy will also apply to sanitation connections where Ekurhuleni Metropolitan Municipality supplies the service.	No changes
Annexure AB Related Party Policy	No changes	No changes
Annexure AC Cell phone and 3G allowance Policy	No changes	No changes

Annexure AD Risk Management Policy	No changes	No changes
Annexure AE Billing Policy	Change in availability charges Clarified that ONLY residential properties will be entitled to the water leak tariff adjustment.	Charges for sewer are levied with effect from the date when the property is registered in the deeds office and a connection is available. Refuse removal charges are levied with effect from the date of the Occupancy Certificate issued by the Building Control Section. CFO may accept an irrevocable bank guarantee in lieu of a deposit on application for provision of municipal services. Existing customers moving to a new address are required to pay the prescribed customer deposit on application for municipal services at the new address. All existing guarantees less than R100 000 in lieu of cash deposits must be converted to cash deposits before 30 June 2019. Deposits levied not paid within 3 months after being levied will result in disconnection of the services until deposit is paid.
Annexure AF Electricity By-laws	No changes	No changes
Annexure AG Water By-laws	No changes	No changes
Annexure AH SCM Turnaround time policy	No changes	Seven (7) day process for goods and services with a transaction value between R30 000 and R200 000 - 30 working days from receipt of correct specifications from end user.

		Turnaround time for the formal SCM bid process for goods and services above R200 000 - 120 working days from receipt of correct specifications from end user.
Annexure AI EFT Policy	No changes	No changes
Annexure AJ Provision for doubtful debtors Policy	New Policy - Provides detail on how the provision for bad debt will be calculated for Annual Financial Statement Purposes.	No changes
Annexure AK Municipal Supply Chain Policy for Infrastructure Procurement and Delivery Management	New Policy – Separate policy for infrastructure procurement as required by MFMA Circular 77	Changes as per comments received from Gauteng Provincial Treasury and SCM consultants. (Pre-qualifying Preferential Procurement included policy incorporated into SCM Policy).
Annexure AL SCM Contract Management Policy	New Policy – Separate policy to guide the SCM Contract Management Process.	No changes
Annexure AM Driver Policy	No changes	Supervisor to be notified within 24 hours if driver licence has been suspended or cancelled. All accidents must within 24 hours be reported to the driver's supervisor / manager. If Municipality has paid the excess on behalf of the employee to the Insurance, the amount will be deducted from the employees' salary at month end. If driver of Council vehicle is involved in accident with third party, traffic officer must be contacted to do the relevant measurements, accident sketch and accident report prior to moving the vehicles involved in the accident.

		If no third party is involved in accident, driver must report the accident in writing to the supervisor within 24 hours of the next working day. Private persons may not be transported in council vehicles, unless authorised by the Municipal Manager.
Annexure AN Cost Containment Policy	New Policy	New Policy – in line with National Treasury Regulations on Cost Containment.
Annexure AO Virement Policy		New Policy in compliance with MFMA Regulations on Municipal Standard Chart of Accounts.
Annexure AP Indigent Screening Policy	New Policy	Previously captured in Mayoral Resultion, now formalised as policy
Annexure AQ Caucus Budget Policy	New Policy	Policy provides guidance on budgets available for caucuses and procedure on how to approve funding requests

2.5 Overview of budget assumptions

2.5.1 External factors

The budget policy framework for the next three years is designed to manage risk in a constrained fiscal environment, while building a foundation for economic growth which is supported by the implementation of the National Development Plan (NDP). The National Treasury MTBPS highlights that South Africa's economic performance has deteriorated over the past several years. GDP growth is projected to improve over the medium term as infrastructure constraints ease, private investment recovers and exports grow. Economic growth is expected to rise gradually over the medium term.

This trend reflects a confluence of unfavourable global and domestic circumstances which impact on all spheres of government. Inflation and a nominal spending ceiling will put real budgets under pressure over the medium term, requiring MLM to work more efficiently.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipal residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

The projected economic indicators used as basis of the budget are reflected hereunder:

Table 22 Key Economic Indicators

Budget Assumptions	Basis of Assumption	2018/2019	2019/2020	2020/2021
Projected Growth	Current trends	0,0%	0,0%	0,0%
Projected CPI	NT Circ 89	5,2%	5,5%	5,5%
Interest Rate - Borrowings	Recent Bids	10,0%	10,0%	10,0%
Interest Rate - Investments	Recent Quotations	7,0%	7,0%	7,0%

2.5.3 Credit rating outlook

Midvaal does not have a formal credit rating, however, the latest viability rating received from Ratings Afrika reflects a sustainability score of 68 (November 2017 review).

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality will take up borrowings in the 2018/19 – 2020/21 MTREF period requiring both regular principal and interest payments. A 10% interest rate has been

assumed and a 7-year redemption period for infrastructure loans. HP loans will be repaid over 5 years.

2.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (95%) of annual billings. No provision has been made for collection of arrears due to the historic trends showing that the collection of long outstanding arrears is very low.

2.5.6 Growth or decline in tax base of the municipality and increases for services

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Table 23 Property Rates and Service Income Increases projected over the MTREF

Budget Assumptions	Basis of Assumption	2018/2019	2019/2020	2020/2021
General Income Increase	MLM Guidance	6,0%	6,0%	5,5%
Property Rates Increase	MLM Guidance		10,0%	8,0%
Refuse Removal Increase	Cost of Service	9,5%	8,0%	6,0%
Sanitation Increase	Cost of Service	9,5%	8,0%	6,0%
NERSA Increase	NERSA	7,32%	8,0%	8,0%
Electricity Sales Increase	NERSA	6,84%	7,4%	7,4%
Rand Water Increase	Rand Water	12,2%	10,0%	10,0%
Water Sales Increase	Rand Water	9,5%	8,5%	8,2%

Table 24 Other Income Increases

Income	Basis of Assumption	2018/2019	2019/2020	2020/2021
Fines Penalties And Forfeits				
Fines: Overdue Books Fine		6,0%	6,0%	5,5%
Fines: Pound Fees		6,0%	6,0%	5,5%
Fines: Traffic - Municipal	New contract	0,0%	6,0%	5,5%
Penalties: Disconnection Fees		6,0%	6,0%	5,5%
Forfeits: Deposits		6,0%	6,0%	5,5%
Forfeits: Retentions		6,0%	6,0%	5,5%
Forfeits: Unclaimed Money		6,0%	6,0%	5,5%
Transfers And Subsidies				
Operational : Monetary				
DM GP: Sedibeng - Environ Health & Safet	Historical Trend	0,0%	0,0%	0,0%
PG GP - Primary Health Care	Balancing			
PG GP - Recap Comm Libraries Grant	DORA	0,0%	0,0%	0,0%
N-Gov: Expanded Public Works Grt Sch 5b	DORA	0,0%	0,0%	0,0%
N-Gov: Local Gov Fin Manag Grt Sch 5b	DORA	0,0%	0,0%	0,0%
N-Gov: MIG	DORA	0,0%	0,0%	0,0%
National Revenue Fund: Equitable Share	DORA	0,0%	0,0%	0,0%
Priv Ent: Oth Trf -Old Mutual	UMG Agreement	0,0%	0,0%	0,0%
Pub Corp O/Trf: Unspecified	UMG Agreement	0,0%	0,0%	0,0%

Capital : Monetary	Basis of Assumption	2018/2019	2019/2020	2020/2021
PG GP - Recapital. Comm Libraries Grant	DORA	0,0%	0,0%	0,0%
ND - Municipal Infrastr Grant Sch 5b	DORA	0,0%	0,0%	0,0%
ND - Energy Effic & Demand Side Sch 5b	DORA	0,0%	0,0%	0,0%
ND - Water Serv Infrastructure Grant	DORA	0,0%	0,0%	0,0%
Priv Ent: Oth Trf -Developers Contrib	UMG Agreement	0,0%	0,0%	0,0%
Exchange Revenue				
Interest Dividends And Rent On Land				
Inter: Receiv - Electricity	CPI	6,0%	6,0%	5,5%
Inter: Receiv - Service Charges	CPI	6,0%	6,0%	5,5%
Inter: Receiv - Waste Management	CPI	6,0%	6,0%	5,5%
Inter: Receiv - Waste Water Management	CPI	6,0%	6,0%	5,5%
Inter: Receiv - Water	CPI	6,0%	6,0%	5,5%
Inter: Bank Accounts	CPI	6,0%	6,0%	5,5%
Inter: Short Term Invest & Call Accounts	CPI	6,0%	6,0%	5,5%
Int Div & Rent Land -Int: Rec-Prop Rates	Cash Flow Forecast	0,0%	0,0%	0,0%
Operational Revenue				
Administrative Handling Fees	CPI	6,0%	6,0%	5,5%
Dishonoured Cheques	CPI	6,0%	6,0%	5,5%
Lost Tokens	CPI	6,0%	6,0%	5,5%
Membership Fees	CPI	6,0%	6,0%	5,5%
Service Charges	CPI	6,0%	6,0%	5,5%
Sundry Income	CPI	6,0%	6,0%	5,5%
Breakages Recovered	CPI	6,0%	6,0%	5,5%
Collection Charges	CPI	6,0%	6,0%	5,5%
Incidental Cash Surpluses	CPI	6,0%	6,0%	5,5%
Replacement Of Security Cards	Actual trends	6,0%	6,0%	5,5%
Req Info - Plan Printing & Duplicates	CPI	6,0%	6,0%	5,5%
Insurance Refund	CPI	6,0%	6,0%	5,5%
Sale Of Property	CPI	6,0%	6,0%	5,5%
Bursary Refund	CPI	6,0%	6,0%	5,5%
Skills Development Levy Refund	Actual trends	6,0%	6,0%	5,5%
Rental From Fixed Assets				
N-M-R PPE: Ad Hoc-Other Assets	CPI	6,0%	6,0%	5,5%
M-R PPE: S/Line -Other Assets	Actual trends	6,0%	6,0%	5,5%
M-R PPE: Ad Hoc-Other Assets	CPI	6,0%	6,0%	5,5%
Sales Of Goods And Rendering Of Services				
Advertisements	Actual trends	6,0%	6,0%	5,5%
Cemetery & Burial	Actual trends	6,0%	6,0%	5,5%
Cleaning & Removal	Actual trends	6,0%	6,0%	5,5%
Development Charges	CPI	6,0%	6,0%	5,5%
Escort Fees	Actual trends	6,0%	6,0%	5,5%
Entrance Fees	Actual trends	6,0%	6,0%	5,5%
Fire Services	CPI	6,0%	6,0%	5,5%
Legal Fees	Actual trends	6,0%	6,0%	5,5%
Library Fees: Membership	CPI	6,0%	6,0%	5,5%
Objections & Appeals	CPI	6,0%	6,0%	5,5%
Photocopies & Faxes	CPI	6,0%	6,0%	5,5%
Plan & Dev: Building Plan Approval	CPI	6,0%	6,0%	5,5%
Plan & Dev: Clearance Certificates	Actual trends	6,0%	6,0%	5,5%
Plan & Dev: Occupation Certificates	CPI	6,0%	6,0%	5,5%
Plan & Dev: Town Planning & Servitudes	Actual trends	6,0%	6,0%	5,5%
Sale Of: Publication - Tender Documents	CPI	6,0%	6,0%	5,5%
Sale Of: Valuation Rolls	Actual trends	6,0%	6,0%	5,5%
Sale Of Scrap Waste & Oth: Scrap	CPI	6,0%	6,0%	5,5%
Licences And Permits				
Road & Trsp: Activ On Public Roads Fees	CPI	6,0%	6,0%	5,5%

2.5.7 Salary increases

Salary increases were based on guidance received in the National Treasury budget circular. The increases reflected below include both inflationary increases and notch increases.

Table 25 Salary Cost Increases

Employee Related Cost	Basis of Assumption	Year 1	Year 2	Year 3
Senior Management				
SM - Salaries Allow And Serv Benefits				
MM - Salaries Allow And Serv Benefits				
SM MM: Sal & All - Basic Salary	SALGBC	7,0%	6,0%	6,0%
SM MM: Allow - Cellular & Telephone	SALGBC	7,0%	6,0%	6,0%
SM MM: Allow - Travel Or Motor Vehicle	SALGBC	7,0%	6,0%	6,0%
CFO - Salaries Allow And Serv Benefits				
SM CFO: Sal & All - Basic Salary	SALGBC	7,0%	6,0%	6,0%
SM CFO: Allow - Cellular & Telephone	SALGBC	7,0%	6,0%	6,0%
SM CFO: Allow - Travel Or Motor Vehicle	SALGBC	7,0%	6,0%	6,0%
DMM - Salaries Allow And Serv Benefits				
DMM: Sal & All - Basic Salary	SALGBC	7,0%	6,0%	6,0%
DMM: Allow - Cellular & Telephone	SALGBC	7,0%	6,0%	6,0%
DMM: Allow - Travel Or Motor Vehicle	SALGBC	7,0%	6,0%	6,0%
HOD D&P - Salaries Allow And Serv Benefits				
HOD D&P: Sal & All - Basic Salary	SALGBC	7,0%	6,0%	6,0%
HOD D&P: Allow - Cellular & Telephone	SALGBC	7,0%	6,0%	6,0%
HOD D&P: Allow - Travel Or Motor Vehicle	SALGBC	7,0%	6,0%	6,0%
HOD CS - Salaries Allow And Serv Benefits				
HOD CS: Sal & All - Basic Salary	SALGBC	7,0%	6,0%	6,0%
HOD CS: Allow - Cellular & Telephone	SALGBC	7,0%	6,0%	6,0%
HOD CS: Allow - Travel Or Motor Vehicle	SALGBC	7,0%	6,0%	6,0%
HOD ES - Salaries Allow And Serv Benefits				
HOD ES: Sal & All - Basic Salary	SALGBC	7,0%	6,0%	6,0%
HOD ES: Allow - Cellular & Telephone	SALGBC	7,0%	6,0%	6,0%
HOD ES: Allow - Travel Or Motor Vehicle	SALGBC	7,0%	6,0%	6,0%
SM - Social Contributions				
MM - Social Contributions				
SM MM: Soc Contr: Medical	SALGBC	7,0%	6,0%	6,0%
SM MM: Soc Contr: Pension Funds	SALGBC	7,0%	6,0%	6,0%
SM MM: Soc Contr: Uif	SALGBC	7,0%	6,0%	6,0%
SM MM: Soc Contr: Bargaining Council	SALGBC	7,0%	6,0%	6,0%
CFO - Social Contributions				
SM CFO: Soc Contr: Pension Funds	SALGBC	7,0%	6,0%	6,0%
SM CFO: Soc Contr: Uif	SALGBC	7,0%	6,0%	6,0%
SM CFO: Soc Contr: Bargaining Council	SALGBC	7,0%	6,0%	6,0%
DMM - Social Contributions				
DMM: Soc Contr: Uif	SALGBC	7,0%	6,0%	6,0%
DMM: Soc Contr: Bargaining Council	SALGBC	7,0%	6,0%	6,0%
HOD D&P - Social Contributions				
HOD D&P: Soc Contr: Pension Funds	SALGBC	7,0%	6,0%	6,0%
HOD D&P: Soc Contr: Uif	SALGBC	7,0%	6,0%	6,0%
HOD D&P: Soc Contr: Bargaining Council	SALGBC	7,0%	6,0%	6,0%

Employee Related Cost	Basis of Assumption	Year 1	Year 2	Year 3
HOD CS - Social Contributions				
HOD CS: Soc Contr: Medical	SALGBC	7,0%	6,0%	6,0%
HOD CS: Soc Contr: Pension Funds	SALGBC	7,0%	6,0%	6,0%
HOD CS: Soc Contr: Uif	SALGBC	7,0%	6,0%	6,0%
HOD CS: Soc Contr: Bargaining Council	SALGBC	7,0%	6,0%	6,0%
HOD ES - Social Contributions				
HOD ES: Soc Contr: Pension Funds	SALGBC	7,0%	6,0%	6,0%
HOD ES: Soc Contr: Uif	SALGBC	7,0%	6,0%	6,0%
HOD ES: Soc Contr: Bargaining Council	SALGBC	7,0%	6,0%	6,0%
Municipal Staff				
MS - Salaries Allow And Serv Benefits				
MS: Sal & All: Basic Salary & Wages	SALGBC	7,0%	6,0%	6,0%
MS: Sal & All: Performance Based Bonuses	SALGBC	7,0%	6,0%	6,0%
MS: All - Cellular & Telephone	SALGBC	7,0%	6,0%	6,0%
MS: Hb & Inc: Housing Benefits	SALGBC	7,0%	6,0%	6,0%
MS: All - Leave Pay	SALGBC	7,0%	6,0%	6,0%
MS: All - Travel Or Motor Vehicle	SALGBC	7,0%	6,0%	6,0%
MS: Overtime - Non Structured	SALGBC	7,0%	6,0%	6,0%
MS: Payments - Shift Add Remuneration	SALGBC	7,0%	6,0%	6,0%
MS: SRB - Acting Allowance	SALGBC	7,0%	6,0%	6,0%
MS: SRB - Annual Bonus	SALGBC	7,0%	6,0%	6,0%
MS: SRB - Long Service Award	SALGBC	7,0%	6,0%	6,0%
MS: SRB - Standby Allowance	SALGBC	7,0%	6,0%	6,0%
MS - Social Contributions				
MS: Soc Contr - Bargaining Council	SALGBC	7,0%	6,0%	6,0%
MS: Soc Contr - Group Life Insurance	SALGBC	7,0%	6,0%	6,0%
MS: Soc Contr - Medical	SALGBC	7,0%	6,0%	6,0%
MS: Soc Contr - Pension	SALGBC	7,0%	6,0%	6,0%
MS: Soc Contr - Unemployment Insur Fund	SALGBC	7,0%	6,0%	6,0%
MS: Soc Contr - Medical (Post retirement)	SALGBC	7,0%	6,0%	6,0%

Remuneration Of Councillors	Basis of Assumption	2018/2019	2019/2020	2020/2021
Roc - Allowances & Serv Related Benefits				
Speaker - Allowances & Srb				
Speaker: Travelling Allowance	SALGA proposal	7,0%	6,0%	6,0%
Speaker: Basic Salary	SALGA proposal	7,0%	6,0%	6,0%
Speaker: Cell Phone Allowance	SALGA proposal	7,0%	6,0%	6,0%
Whip - Allowances & Srb				
Whip: Travelling Allowance	SALGA proposal	7,0%	6,0%	6,0%
Whip: Basic Salary	SALGA proposal	7,0%	6,0%	6,0%
Whip: Cell Phone Allowance	SALGA proposal	7,0%	6,0%	6,0%
Exec Mayor - Allowances & Srb				
Exec Mayor: Travelling Allowance	SALGA proposal	7,0%	6,0%	6,0%
Exec Mayor: Basic Salary	SALGA proposal	7,0%	6,0%	6,0%
Exec Mayor: Cell Phone Allowance	SALGA proposal	7,0%	6,0%	6,0%
Exco - Allowances & Srb				
Exco: Travelling Allowance	SALGA proposal	7,0%	6,0%	6,0%
Exco: Basic Salary	SALGA proposal	7,0%	6,0%	6,0%
Exco: Cell Phone Allowance	SALGA proposal	7,0%	6,0%	6,0%
Other Council - Allowances & Srb				
Oth Council: Travelling Allowance	SALGA proposal	7,0%	6,0%	6,0%
Oth Council: Basic Salary	SALGA proposal	7,0%	6,0%	6,0%
Oth Council: Cell Phone Allowance	SALGA proposal	7,0%	6,0%	6,0%

2.5.8 Other expenditure increases

Table 26 Expenditure Increases

Outsource Services	Basis of Assumption	2018/2019	2019/2020	2020/2021
OS: Burial Services	MLM Gen Incr	0,0%	3,5%	5,5%
OS: B&A Occupational Health & Safety	MLM Gen Incr	0,0%	3,5%	5,5%
OS: B&A Valuer	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Catering Services	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Catering Services - Munic Activities	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Catering Services - Training	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Call Centre	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Cleaning Services	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Clearing & Grass Cutting Services	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Electrical	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Hygiene Services	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Illegal Dumping	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Litter Picking & Street Cleaning	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Meter Management	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Personnel & Labour	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Connect/Dis-Connection: Electicity	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Con/Discon: Restricted Water Flow	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Connect/Disconnection: Water	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Refuse Removal	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Removal Of Struct & Illegal Signs	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Security Services	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Traffic Fines Management	MLM Gen Incr	0,0%	3,5%	5,5%
OS: Transport Services	MLM Gen Incr	0,0%	3,5%	5,5%
Consultants And Professional Services				
C&PS: B&A Accountants & Auditors	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Audit Sitting Allowance	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Internal Audit	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Business & Fin Management	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Communications	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Human Resources	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Medical Examinations	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Project Management	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Research & Advisory	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Forensic Investigators	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Credit Rating Agencies	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: B&A Actuaries	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: I&P Engineering Civil	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: I&P Engineering Electrical	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: I&P Geodetic Control & Surveys	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: I&P Geoinformatic Services	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: I&P Town Planner	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: Lab Serv Agriculture	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: Legal Cost Advice & Litigation	MLM Gen Incr	0,0%	3,5%	5,5%
C&PS: Legal Cost Collection	MLM Gen Incr	0,0%	3,5%	5,5%

Contractors	Basis of Assumption	2018/2019	2019/2020	2020/2021
Contr: Artists & Performers	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Auctioneers	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Audio-Visual Services	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Catering Services	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Employee Wellness	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: First Aid	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Fire Services	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Maint Of Buildings & Facilities	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Maintenance Of Equipment	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Maintenance Of Unspecified Assets	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Maintenance Fleet	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Medical Services	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Pest Control & Fumigation	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Safeguard & Security	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Sports & Recreation	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Stage & Sound Crew	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Tracing Agents & Debt Collectors	MLM Gen Incr	0,0%	3,5%	5,5%
Contr: Transportation Contractor	MLM Gen Incr	0,0%	3,5%	5,5%
Operational Cost				
OC: Achievements & Awards	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Adv/Pub/Mark - Auctions	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Adv/Pub/Mark - Corp & Mun Activities	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Corporate & Municipal Activities	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Mayoral Donations	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Nutritional Care	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Services Charges	MLM Gen Incr	0,0%	3,5%	5,5%
OC: SOCial Services Programme	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Adv/Pub/Mark - Customer/Client Info	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Adv/Pub/Mark - Gifts & Promo Items	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Adv/Pub/Mark - Municipal Newsletters	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Adv/Pub/Mark - Staff Recruitment	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Assets Less Than Capital Threshold	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Audit Cost: External	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Bc/Fac/C Fees - Bank Accounts	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Bc/Fac/C Fees - Third Parties	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Bc/Fac/C Fees - Flt&Oth Ct/Dt Cards	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Bc/Fac/C Fees - Investments	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Bc/Fac/C Fees - Lease Payments	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Bc/Fac/C Fees - Lng/Shrt Loans/Bor	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Bargaining Council	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Bursaries (Employees)	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Clean Serv - Car Valet/Washing Serv	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Commission - Third Party Vendors	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Commission - Prepaid Electricity	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Courier & Delivery Services	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Comm - Licences (Radio & Television)	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Comm - Postage/Stamps/Franking Mach	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Comm - Radio & Tv Transmissions	MLM Gen Incr	0,0%	3,5%	5,5%

OC: Contr To Prov - Rehab Landfill Sites	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Entertainment - Mayor	Cost Containm	0,0%	0,0%	0,0%
OC: Entertainment - Councillors	Cost Containm	0,0%	0,0%	0,0%
OC: Entertainment - Senior Management	Cost Containm	0,0%	0,0%	0,0%
OC: Ext Com Serv Prov - Data Lines	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Ext Com Serv Prov - Network Extens	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Ext Com Serv Prov - S/Ware Licences	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Ext Com Serv Prov - Spec Comput Serv	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Ext Com Serv Prov - System Adviser	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Ext Com Serv Prov - Wireless Network	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Hire Charges	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Fine Road Traffic & Others	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Insur Under - Claim Paid 3rd Parties	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Insur Under - Insurance Brokers Fees	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Insur Under - Insurance Claims	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Insur Under - Excess Payments	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Insur Under - Excess Payments Fleet	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Insur Under - Risk Man Programs	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Insur Under - Premiums	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Lic - Vehicle Lic & Registrations	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Lic - Vehicle Lic & Registr Fleet	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Printing & Publications	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Professional Bodies M/Ship & Subs	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Training - Internship	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Membership Fees	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Reg Fees National	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Remuneration To Ward Committees	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Road Worthy Test Fleet	MLM Gen Incr	0,0%	3,5%	5,5%
OC: System Access & Information Fees	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Skills Development Fund Levy	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Search Fees	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Small Differences Tolerances	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Toll Gate Fees	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Toll Gate Fees Fleet	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Dom - Accommodation	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Dom - Daily Allowance	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Dom - Incidental Cost	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Dom Trp - Without Opr Car Rental	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Dom Trp - W/Out Opr Own Transprt	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Dom Pub Trp - Air Transport	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign - Accommodation	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign - Daily Allowance	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign - Incidental Cost	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign Trp - No Opr Car Rental	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign Trp - With Orp Trp Prov	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign Pub Trp - Air Transport	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign Pub Trp - Railway Trans	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign Pub Trp - Road Transp	MLM Gen Incr	0,0%	3,5%	5,5%
OC: T&S Foreign Pub Trp - Water Transp	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Uniform & Protective Clothing	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Vehicle Tracking	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Vehicle Tracking Fleet	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Workmen's Compensation Fund	MLM Gen Incr	0,0%	3,5%	5,5%
OC: Indigent Relief	MLM Gen Incr	0,0%	3,5%	5,5%

Inventory	Basis of Assumption	2018/2019	2019/2020	2020/2021
Inventory - Consumable Stores -Std Rated Flee	MLM Gen Incr	0,0%	3,5%	5,5%
Inventory - Consumabl Stores -Zero Rated Flee	MLM Gen Incr	0,0%	3,5%	5,5%
Inventory - Materials & Supplies	MLM Gen Incr	0,0%	3,5%	5,5%
Inventory - Stationery	MLM Gen Incr	0,0%	3,5%	5,5%
Inventory - Stationery (Cartridges)	MLM Gen Incr	0,0%	3,5%	5,5%
Inventory - Computer Requirements	MLM Gen Incr	0,0%	3,5%	5,5%
Inventory - Materials & Supplies Fleet	MLM Gen Incr	0,0%	3,5%	5,5%
Bulk Purchases				
Escom	% of Sales	73,0%	73,0%	74,0%
Bulk Water Purchases	% of Sales	59,0%	59,0%	60,0%
Interest Dividends And Rent On Land				
Int Paid Bor: Annuity Loans				
Operating Leases				
Opr Leases: Transport Assets Fleet	MLM Gen Incr	0,0%	3,5%	5,5%
Bad Debts Written Off	**Link to SDBIP**			
Bad Debts Written Off	% of Billed Revenue	5,0%	5,0%	5,0%
Bad Debts Written Off	% of Billed Interest	40,0%	40,0%	40,0%
Bad Debts Written Off	% of Traffic Fines	80,0%	80,0%	80,0%
Bad Debts Written Off	% of Cr control Fines	40,0%	40,0%	40,0%
Transfers And Subsidies				
Operational : Monetary				
Priv Ent: Oth Trf-Mayors' Charity	MLM Gen Incr	0,0%	3,5%	5,5%
Capital : Allocations In Kind				
Nat Dpt Agen - Special Investigation Uni	Once off			
Capital : Monetary				
Priv Ent: Oth Trf - Developers Contr	UMG			
Depreciation & Amortisation				
Dep & Amor: Dep Computer Equipment	MLM Gen Incr	0,0%	3,5%	5,5%
Dep & Amor: Dep Furniture & Office Equip	MLM Gen Incr	0,0%	3,5%	5,5%
Dep & Amor: Dep Infra - Electricity	MLM Gen Incr	0,0%	3,5%	5,5%
Dep Infra: Waste Management	MLM Gen Incr	0,0%	3,5%	5,5%
Dep Infra: Water	MLM Gen Incr	0,0%	3,5%	5,5%
Dep Infra: Waste Water Management	MLM Gen Incr	0,0%	3,5%	5,5%
Dep & Amor: Libraries	MLM Gen Incr	0,0%	3,5%	5,5%
Dep & Amor: Transport Assets	MLM Gen Incr	0,0%	3,5%	5,5%
Dep & Amor: Roads Infrastructure	MLM Gen Incr	0,0%	3,5%	5,5%
Dep & Amor: Community Assets	MLM Gen Incr	0,0%	3,5%	5,5%
Dep & Amor: Other Assets	MLM Gen Incr	0,0%	3,5%	5,5%
Offset Depreciation		90,0%	85,0%	80,0%

2.5.9 Projected Annual Financial Statements and Cash Flow

The projected financial statements are based on the assumptions reflected below:

Table 27 Projected Financial Statement Assumptions

Assets	Basis of Assumption	2018/2019	2019/2020	2020/2021
Current Assets				
Cash and Cash Equivalents	Calculation	Calculated	Calculated	Calculated
Short Term Investments	Calculation	Calculated	Calculated	Calculated
Consumer Debtors	CPI	5,2%	5,5%	5,5%
VAT Receivable	CPI	5,2%	5,5%	5,5%
Other Receivables from Exchange Transactions	CPI	5,2%	5,5%	5,5%
Other Receivables from Non Exchange Transac	CPI	5,2%	5,5%	5,5%
Inventories	CPI	5,2%	5,5%	5,5%
Non Current Assets				
Property Plant and Equipment	Capt Budget	Calculated	Calculated	Calculated
Investment Property	Capt Budget	Calculated	Calculated	Calculated
Intangible Assets	Capt Budget	Calculated	Calculated	Calculated
Liaibilities				
Current Liabilities				
Trade and Other Payables	CPI	5,2%	5,5%	5,5%
Consumer Deposits	CPI	5,2%	5,5%	5,5%
Short Term Portion of External Loan	Loans Register			
Short Term Portion of Finance Lease Obligatior	Loans Register			
VAT payable	CPI	5,2%	5,5%	5,5%
Unspent Conditional Grants and Receipts	Must spend in full			
Current Portion of Provision	CPI	5,2%	5,5%	5,5%
Non Current Liabilities				
External Loans	Loans Register			
Provisions	CPI	5,2%	5,5%	5,5%
Retirement Benefit Obligation	CPI	5,2%	5,5%	5,5%
Finance Lease Obligation	Loans Register			

It is estimated that a spending rate of at least 90% is achieved on operating expenditure and on the capital programme for the 2018/19 MTREF however, a 100% spending level has been factored into the cash flow budget for prudent cash management.

The projected Annual Financial Statements, will the project cash flow statement are provided hereunder for the adjusted budget 2017/2018 financial year as well as the projections for the MTREF period:

Table 28 Projected Statement of Financial Performance

Statement of Financial Performance			
Income	**2018/2019**	**2019/2020**	**2020/2021**
Revenue from Non-Exchange Transactions			
Property Rates	206 624 544	227 765 485	245 959 291
Fines, Penalties and Forfeits	50 341 628	53 362 126	56 297 042
Operational Transfers Monetary	119 802 459	127 829 214	144 771 352
Capital Transfers Monetary (Govt)	57 073 000	69 748 000	77 757 000
Capital Transfers Monetary (Developers)	8 150 000	19 720 000	21 530 000
Capital Transfers In Kind			
Revenue from Exchange Transactions			
Service Charges Electricity	353 704 196	379 718 305	398 527 271
Service Charges Waste Management	42 428 977	43 429 712	43 498 297
Service Charges WasteWater Management	41 969 987	39 767 758	36 260 405
Service Charges Water	205 140 023	226 758 444	249 862 898
Interest, Dividends and Rent on Land	14 487 400	15 205 444	15 903 143
Operational Revenue	4 041 271	4 283 747	4 519 352
Rental from Fixed Assets	1 300 000	1 378 000	1 453 790
Sales of Goods and Rendering of Services	5 197 810	5 509 679	5 812 712
Licenses and Permits	40 522	42 953	45 315
Gain on disposal of Assets			
TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**
Total Income Excluding Capital Revenue	**1 045 078 817**	**1 125 050 867**	**1 202 910 868**
Expenditure	**2018/2019**	**2019/2020**	**2020/2021**
Salaries and Allowances			
Senior Managers	10 365 999	10 987 960	11 647 234
Municipal Staff	278 226 515	294 920 106	312 615 313
Councillors Allowances	12 389 536	13 132 906	13 920 880
Contracted Services			
Outsourced Services	47 611 749	48 014 004	50 669 622
Consultants and Professional Services	23 821 535	24 655 287	26 011 331
Contractors	64 307 818	66 409 228	70 061 745
Operational Cost	54 895 333	57 213 070	60 278 882
Inventory	13 637 979	14 284 844	15 070 516
Bulk Purchases			
Electricity	252 565 802	270 667 676	291 527 414
Water	120 647 660	133 379 520	149 488 014
Interest, Dividends and Rent on Land	25 943 453	27 861 830	23 584 130
Operating Leases	-	-	-
Bad Debt Written Off	87 815 258	93 634 867	99 087 417
Transfers and Subsidies	286 520	296 548	312 858
Depreciation and Ammortisation	117 244 100	121 347 642	128 021 766
Loss on Sale of Assets			
TOTAL EXPENDITURE	**1 109 759 258**	**1 176 805 488**	**1 252 297 122**
ACCOUNTING SURPLUS / DEFICIT	**542 559**	**37 713 379**	**49 900 746**
Less: Capital Revenue	- 65 223 000	- 89 468 000	- 99 287 000
Less: Contribution to Capital (CRR)	- 9 289 000	- 12 190 000	- 11 305 000
Less: Redemption of External Loans	- 31 077 083	- 39 077 843	- 41 633 461
Plus: Offset Depreciation	105 519 690	103 145 496	102 417 413
BUDGETED SURPLUS / DEFICIT	**473 166**	**123 032**	**92 698**
Total Capital Expenditure	**110 162 000**	**137 958 000**	**153 532 000**
Total Repairs and Maintenance	**112 400 397**	**117 706 995**	**124 514 029**

Table 29 Projected Statement of Changes in Net Assets

Statement of Changes in Net Assets	2018/2019	2019/2020	2020/2021
Opening Accumulated Surplus	**1 329 715 718**	**1 330 258 277**	**1 367 971 656**
Prior Year Adjustments / Restatements / Rounding / Internals			
Restated Opening Balance - Accumulated Surplus	**1 329 715 718**	**1 330 258 277**	**1 367 971 656**
Surplus / (Deficit) for the year	542 559	37 713 379	49 900 746
Less: Transfer from Accumulated Surplus to Reserves			
Mayoral Charitable Fund	-	-	-
Developer's Contributions Reserve	-	-	-
Capital Replacement Reserve	-	-	-
Assets Fair Value Reserve	-	-	-
Closing Surplus	**1 330 258 277**	**1 367 971 656**	**1 417 872 402**
Plus: Ringfenced Reserves in Accumulated Surplus			
Developer's Contributions Reserve			
Opening Balance	13 455 739	13 455 739	13 455 739
Plus Contributions			
Less Expenditure			
Closing Balance	13 455 739	13 455 739	13 455 739
Assets Fair Value Reserve			
Opening Balance	645 301 986	645 301 986	645 301 986
Plus Contributions			
Less Offset Depreciation			
Closing Balance	645 301 986	645 301 986	645 301 986
Capital Replacement Reserve			
Opening Balance	6 539 478	6 539 478	6 539 478
Plus Contributions			
Less Expenditure			
Closing Balance	6 539 478	6 539 478	6 539 478
Mayoral Charitable Fund			
Opening Balance	179 475	179 475	179 475
Plus Contributions			
Less Expenditure			
Closing Balance	179 475	179 475	179 475
TOTAL ACCUMULATED SURPLUS	**1 995 734 956**	**2 033 448 335**	**2 083 349 081**

Table 30 Projected Statement of Financial Position

Statement of Financial Position	2018/2019	2019/2020	2020/2021
ASSETS			
Current Assets	**299 264 339**	**324 540 185**	**357 735 190**
Cash and Cash Equivalents	134 558 174	150 775 181	174 413 110
Short Term Investments	-	-	-
Consumer Debtors	124 408 791	131 251 274	138 470 094
VAT Receivable	8 784 671	9 267 828	9 777 558
Other Receivables from Exchange Transactions	4 373 955	4 614 522	4 868 321
Other Receivables from Non-Exchange Transactions	16 827 574	17 753 091	18 729 511
Inventories	10 311 175	10 878 289	11 476 595
Non Current Assets	**2 071 005 153**	**2 087 615 511**	**2 113 125 745**
Property Plant and Equipment	2 018 458 613	2 035 068 971	2 060 579 205
Investment Property	46 569 574	46 569 574	46 569 574
Intangible Assets	5 958 265	5 958 265	5 958 265
Heritage Assets	18 701	18 701	18 701
TOTAL ASSETS	**2 370 269 492**	**2 412 155 696**	**2 470 860 935**
LIABILITIES			
Current Liabilities	**162 415 278**	**171 754 455**	**182 336 106**
Trade and Other Payables from Exchange Transactions	106 419 499	112 272 571	118 447 562
Consumer Deposits	16 917 936	17 848 423	18 830 086
Short Term Portion of External Loans	26 272 872	30 335 279	34 875 958
Short Term Portion of Finance Lease Obligation	12 804 971	11 298 182	10 182 499
Vat Payable	-	-	-
Unspent Conditional Grants and Receipts	-	-	-
Current Portion of Provision	-	-	-
Non Current Liabilities	**212 119 259**	**206 952 906**	**205 175 748**
External Loans	140 167 038	133 331 759	125 455 801
Provisions	39 753 416	41 939 854	44 246 546
Post Retirement Benefit Obligation	17 830 368	18 811 038	19 845 646
Finance Lease Obligation	14 368 437	12 870 255	15 627 755
TOTAL LIABILITIES	**374 534 537**	**378 707 361**	**387 511 854**
NET ASSETS	**1 995 734 956**	**2 033 448 335**	**2 083 349 081**
ACCUMULATED SURPLUS	**1 995 734 956**	**2 033 448 335**	**2 083 349 081**

Table 31 Projected Cash Flow Statement

Cash flow statement	2018/2019	2019/2020	2020/2021
Cash flows from operating activities			
Receipts	**1 015 791 115**	**1 113 322 762**	**1 195 133 345**
Cash receipts from ratepayers, government and other	459 553 774	516 749 459	565 508 573
Cash received from services/ charges	549 278 441	589 196 869	621 842 634
Interest income	6 958 900	7 376 434	7 782 138
Payments	**- 897 102 952**	**- 953 369 913**	**- 1 016 269 954**
Cash paid to employees	- 288 592 514	- 305 908 066	- 324 262 547
Cash paid to suppliers & other	- 582 566 985	- 619 600 017	- 668 423 277
Finance costs	- 25 943 453	- 27 861 830	- 23 584 130
Non cash adjustments			
Net cash flows from operating activities	**118 688 164**	**159 952 849**	**178 863 391**
Cash flows from investing activities			
Purchase of property, plant and equipment	- 110 162 000	- 137 958 000	- 153 532 000
Proceeds from sale of property, plant and equipment & Other	-	-	-
Purchase of other intangible assets	-	-	-
Purchase of investment property	-	-	-
Purchase of heritage assets	**-**	**-**	**-**
Net cash flows from investing activities	**- 110 162 000**	**- 137 958 000**	**- 153 532 000**
Cash flows from financing activities			
Movement in long-term liabilities: New Borrowings	21 900 000	23 500 000	27 000 000
Movement in long-term liabilities: Redemption Paid	- 21 774 699	- 26 272 872	- 30 335 279
Movement in finance lease: New Borrowings	10 000 000	9 800 000	12 940 000
Movement in finance lease: Redemption Paid	- 9 803 485	- 12 804 971	- 11 298 182
Net cash flows from financing activities	**321 817**	**- 5 777 843**	**- 1 693 461**
Net increase/(decrease) in cash and cash equivalents	**8 847 980**	**16 217 007**	**23 637 930**
Cash and cash equivalents at the beginning of the year	**125 710 194**	**134 558 174**	**150 775 181**
Cash and cash equivalents at the end of the year	**134 558 174**	**150 775 181**	**174 413 110**
Net cash flows from operating activities			
Surplus	542 559	37 713 379	49 900 746
Adjustments for:			
Depreciation and amortisation	117 244 100	121 347 642	128 021 766
Impairment loss	-	-	-
(Profit)/Loss on sale of assets and liabilities	-	-	-
Debt impairment	87 815 258	93 634 867	99 087 417
Movements in retirement benefit assets and liabilities	881 349	980 670	1 034 607
Movements in provisions	1 964 998	2 186 438	2 306 692
Other non-cash items			
Changes in working capital:			
Inventories	- 509 678	- 567 115	- 598 306
Other receivables from exchange transactions	- 216 203	- 240 568	- 253 799
Other receivables from non exchange transactions	- 831 781	- 925 517	- 976 420
Consumer debtors	- 93 964 742	- 100 477 350	- 106 306 237
Trade and other payables from exchange transactions	5 260 279	5 853 072	6 174 991
VAT Receivable	- 434 223	- 483 157	- 509 731
VAT Payable	-	-	-
Unspent conditional grants and receipts	-	-	-
Consumer deposits	836 248	930 487	981 663
	118 588 164	**159 952 849**	**178 863 391**

Key Financial Ratios	**2018/2019**	**2019/2020**	**2020/2021**
Financial Overview			
Total Operating Revenue	1 110 301 817	1 214 518 867	1 302 197 868
Total Operating Expenditure	1 109 759 258	1 176 805 488	1 252 297 122
Total Capital Expenditure	110 162 000	137 958 000	153 532 000
Total Expenditure	1 219 921 258	1 314 763 488	1 405 829 122
Number of Staff Members (funded positions)	897		
Employee Cost	288 592 514	305 908 066	324 262 547
Employee Cost as a % of Opex	26,00%	25,99%	25,89%
Audit Outcome	Unqualified	Unqualified	Unqualified
Liquidity Ratio's			
Current Ratio	1,84	1,89	1,96
Cost Coverage (total cash and investments)	1,78	1,88	2,04
Number of day's total cash held	54,29	57,22	62,10
Number of day's un-encumbered operating cash held	36,85	40,33	45,77
Number of day's available operating cash held	1,08	2,45	8,13
Municipality Funded as per NT (Yes/No)	**Yes**	**Yes**	**Yes**
Productivity Ratio's			
R and M as a % of operating expenditure	10,13%	10,00%	9,94%
Salaries as a % of operating expenditure	26,00%	25,99%	25,89%
Analysis of Cash Balance	**2018/2019**	**2019/2020**	**2020/2021**
Cash and Cash Equivalents	134 558 174	150 775 181	174 413 110
Plus: Investments	-	-	-
Total Cash and Investments	**134 558 174**	**150 775 181**	**174 413 110**
Less Encumbered Cash (3rd party entitlements)	**43 225 154**	**44 502 801**	**45 850 718**
Unspent conditional grants	-	-	-
Developer's Contributions Reserve	13 455 739	13 455 739	13 455 739
Less Developer's Contribution Debtor			
Capital Replacement Reserve	6 539 478	6 539 478	6 539 478
Unspent loan funding			
Consumer Deposits held	16 917 936	17 848 423	18 830 086
Retentions held	6 312 000	6 659 160	7 025 414
Un-encumbered Operating Cash	**91 333 020**	**106 272 380**	**128 562 393**
Less Funding of Provisions, Reserves and Redemption	**88 660 867**	**99 828 736**	**105 725 653**
Loan Repayment Commitments	31 077 083	39 077 843	41 633 461
Landfill Rehabilitation Provision	31 317 105	33 039 546	34 856 721
Post Retirement Provision	17 830 368	18 811 038	19 845 646
Long Service Awards Provision	8 436 311	8 900 309	9 389 826
Available Cash	**2 672 153**	**6 443 645**	**22 836 740**
Working Capital	11 768 852	12 416 139	13 099 027
Trade Debtors @ payment rate	118 188 351	124 688 710	131 546 589
Less Trade Creditors (excl Retentions)	106 419 499	112 272 571	118 447 562
Level of Budget Funding (=> 0 funded, <0, unfunded)	**14 441 005**	**18 859 784**	**35 935 767**
Cash Collection rate	95%	95%	95%
Cash Expenditure per year	904 699 900	961 822 979	1 025 187 939
Cash Expenditure per month	75 391 658	80 151 915	85 432 328
Cash Expenditure per day	2 478 630	2 635 131	2 808 734
Landfill Rehabilitation Provision	31 317 105	33 039 546	34 856 721
Asset Impairments	-	-	-
Redemption paid for the year	31 077 083	39 077 843	41 633 461
Interest paid for the the year	25 943 453	27 861 830	23 584 130

Overview of budget funding

2.5.10 Medium-term outlook: operating revenue

The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 95% annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), as amended;
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The operating revenue over the medium term will primarily grow as a result of tariff increases and not from growth. The only growth projected over the medium term is the Savanna City Housing Development.

Insofar as Savanna City is concerned, the budget was compiled with the assumption that there will be 1 850 non-RDP housing units occupied by the end of June 2019, of which 740 will be Flisp and 1 110 fully bonded. In addition, 2 300 fully subsidised RDP housing units will be completed.

A new valuation roll has been compiled during the 2017/2018 financial year which will become effective on 1 July 2018. The amendments to the Municipal Property Rates Act, however, resulted in changes to the categories which impact on certain categories of property owners. The section 49 notices have been sent out. The objection period of 60 days has now passed and the municipal Valuer is busy dealing with the objections Provision has been made for a 5% value reduction based on objections.

No long term investments are projected for the MTREF. Only surplus cash investments for period shorter than 3 months will be made and as required by GRAP these investments are included in cash and cash equivalents on the projected Statement of Financial Position. Refer to Table MBRR SA15 at the end of this document for detailed investment information (a nil return is reflected) and Table MBRR SA16 showing investment particulars by maturity (also a nil return for this year).

2.5.11 Medium-term outlook: capital revenue

The capital amount proposed for 2018/2019 amounts to R110 162 000.

The capital budget will be funded as follows:

- Accumulated Surplus R 3 000 000 (2.72%)
- CRR R 9 289 000 (8.43%)
- External Grants R57 073 000 (51.81%)
- Borrowings (new) R31 900 000 (28.96%)
- Borrowings (roll over) R 750 000 (0.68%)
- Developer Contributions R 8 150 000 (7.40%)

Capital Revenue of R65m is reflected in the budget for the 2018/2019 financial year, of which the majority relates to government grants.

Capital Revenue is reflected as operating income in accordance with GRAP requirements but it is not utilised for operations but for capital projects. This theoretically means that the statement of financial performance should reflect at least the amount of capital revenue to have an operating surplus in accounting terms.

It is expected that the capital revenue will increase over the MTREF period as both the government grants and the Urban Management Grant related to the Savanna City development will increase. It is furthermore expected that additional developments on the R59 corridor will result in increased bulk contributions payable over the medium term.

New loans amounting to R21.9m will be taken up in the 2018/2019 financial year to fund new infrastructure projects and R10m to fund new vehicles through HP financing.

An independent Long Term Financing Strategy has been commissioned by the municipality and should be ready for inclusion in the final budget in May 2018.

Refer to Table MBRR SA 17 for Details of Borrowings contained at the end of the document.
The following graph illustrates the outstanding borrowings vs operating revenue

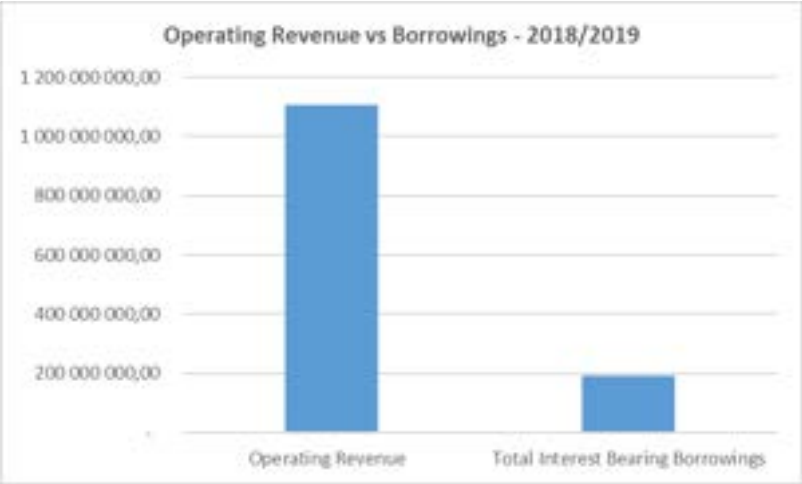


Figure 7 External Borrowings vs Operating Revenue

Refer to Table MRBB SA 18 for more detail on capital transfer and grant receipts

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below.

2.5.12 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words, the *actual collection rate* of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table MBRR A7 provides the projected cash flow statement over the 7-year horizon in NT format.

Whilst the cash flow forecast shows a cash balance of between R130 million and R170 million per year, it is necessary to analyse the cash balance to ensure all reserves are cash backed and that the budget is funded.

2.5.13 Cash Backed Reserves/Accumulated Surplus Reconciliation

MBRR Table A8 appearing at the end of this document provides the Cash backed reserves/accumulated surplus reconciliation and this table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

From the table it can be seen that the budget for the MTREF period is funded as per the Funding and Reserves policy of the municipality. Please note that the above figures INCLUDES working capital.

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.
- Unspent borrowing from the previous financial years. Unspent borrowings are ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include the capital replacement reserve, the leave accrual, consumer deposits and retentions held.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. Working capital is calculated as the difference between net debtors (i.e. after provision for non-payment) and creditors.

The municipality analyses its cash balances on a monthly basis and reports the main results as part of the Section 71 report to Council. The projected cash balances for the MTREF period are reflected hereunder:

Table 32 Analysis of Cash Balances

Analysis of Cash Balance	Adjusted Budget	2018/2019	2019/2020	2020/2021
Cash and Cash Equivalents	125 810 194	134 558 174	150 775 181	174 413 110
Plus: Investments	-	-	-	-
Total Cash and Investments	**125 810 194**	**134 558 174**	**150 775 181**	**174 413 110**
Less Encumbered Cash (3rd party entitlements)	**43 326 906**	**43 225 154**	**44 502 801**	**45 850 718**
Unspent conditional grants	-	-	-	-
Developer's Contributions Reserve	13 455 739	13 455 739	13 455 739	13 455 739
Less Developer's Contribution Debtor				
Capital Replacement Reserve	6 539 478	6 539 478	6 539 478	6 539 478
Unspent loan funding	1 250 000			
Consumer Deposits held	16 081 689	16 917 936	17 848 423	18 830 086
Retentions held	6 000 000	6 312 000	6 659 160	7 025 414
Un-encumbered Operating Cash	**82 483 287**	**91 333 020**	**106 272 380**	**128 562 393**
Less Funding of Provisions, Reserves and Redemption	**79 177 462**	**88 660 867**	**99 828 736**	**105 725 653**
Loan Repayment Commitments	24 440 024	31 077 083	39 077 843	41 633 461
Landfill Rehabilitation Provision	37 788 419	31 317 105	33 039 546	34 856 721
Post Retirement Provision	16 949 019	17 830 368	18 811 038	19 845 646
Long Service Awards Provision	-	8 436 311	8 900 309	9 389 826
Available Cash	**3 305 826**	**2 672 153**	**6 443 645**	**22 836 740**
Working Capital	51 604 080	11 768 852	12 416 139	13 099 027
Trade Debtors @ payment rate	146 763 299	118 188 351	124 688 710	131 546 589
Less Trade Creditors (excl Retentions)	95 159 219	106 419 499	112 272 571	118 447 562
Level of Budget Funding (=> 0 funded, <0, unfunded)	**54 909 905**	**14 441 005**	**18 859 784**	**35 935 767**

2.5.14 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual

budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget

complies with the funding requirements of the MFMA are shown in Table MBRR SA 10. Each of the measures is discussed below.

2.5.14.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

2.5.14.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table MBRR A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.5.14.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.5.14.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.5.14.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the

increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6%). The result is intended to be an approximation of the real increase in revenue.

2.5.14.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

2.5.14.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

2.5.14.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.5.14.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been be excluded.

2.5.14.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100% could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.5.14.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.5.14.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table MBRR SA34C.

2.5.14.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in MBRR SA34b.

2.6 Expenditure on grants and reconciliations of unspent funds

The municipality has budgeted for all grants as gazetted in the Division of Revenue Act, 2018 as well as indications received from Gauteng Provincial Government on provincial grants to be expected for the 2018/2019 financial year.

The grants are budgeted for as expenditure items in either the operating or capital budget depending on the conditions of the grant.

The following tables related to expenditure on grants are provided at the end of this document:

- **MBRR SA19 – Expenditure on transfers and grant programmes**
- **MBRR SA 20 – Reconciliation between of transfers, grant receipts and unspent funds**

2.7 Councillor and employee benefits

Midvaal employees are remunerated on a grade 8 of the SA Bargaining Council Scales and Councillors on a grade 4 of the Councillor's grading scale.

A salary increase of 7% has been budgeted for.

The following tables reflect information on councillor and employee benefits:

- **MBRR SA22 – Summary of councillor and staff benefits**
- **MBRR SA23 – Salaries, allowances and benefits (political office bearers /councillors /Deputy municipal manager and senior managers)**
- **MBRR SA24 – Summary of personnel numbers**

2.8 Monthly targets for revenue, expenditure and cash flow

The monthly targets for revenue, expenditure and cash flow are contained in the SDBIP and are also reflected in the following tables:

- **MBRR SA25 – Budgeted monthly revenue and expenditure**
- **MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)**
- **MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)**
- **MBRR SA28 – Budgeted monthly capital expenditure (municipal vote)**
- **Table 33 MBRR SA29 – Budgeted monthly capital expenditure (standard classification)**
- **Table 34 MBRR SA30 – Budgeted monthly cash flow**

2.9 Annual budgets and SDBIPs – internal departments

The SDBIP is attached as Annexure AR.

2.10 Contracts having future budgetary implications

In terms of the Council's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years) unless the formal section 33 process is followed. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

A long term contract has been awarded to ABSA for a transactional banking service during the 2016/2017 financial year.

The municipality is in the process of undertaking a section 33 contract for the appointment of a service provider that will be responsible for the Supplementary Valuation Rolls for a five-year period (2018 – 2023).

2.11 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

- **MBRR SA 34a – Capital expenditure on new assets by asset class**
- **MBRR SA34b – Capital expenditure on the renewal of existing assets by asset class**
- **MBRR SA34c – Repairs and maintenance expenditure by asset class**
- **MBRR SA35 – Future financial implications of the capital budget**
- **MBRR SA36 – Detailed capital budget per municipal vote**
- **35 MBRR SA37 – Projects delayed from previous financial year**

2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. **In year reporting**

   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) and includes monthly published financial performance on the Municipality's website.

2. **Internship programme**

   The Municipality is participating in the Municipal Financial Management Internship programme and has five intern positions for training in various divisions of the Financial Services Department. A sixth position has been added to the organisational structure during the 2017/2018 financial year.

3. **Budget and Treasury Office**

   The Budget and Treasury Office has been established in accordance with the MFMA.

4. **Audit Committee**

   An Audit Committee has been established and is fully functional.

5. **Service Delivery and Implementation Plan**

   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2018/19 MTREF in May 2018.

6. **Annual Report**

   The Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.13 Other supporting documents

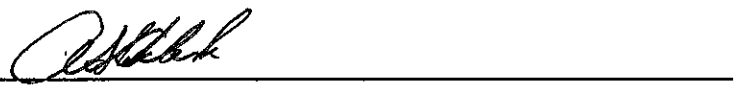
The following additional tables are provided for additional information:

- **MBRR Table SA1 – Supporting detail to budgeted financial performance**
- **MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**
- **MBRR Table SA3 – Supporting detail to Statement of Financial Position**
- **MBRR Table SA9 – Social, economic and demographic statistics and assumptions**
- **MBRR SA32 – List of external mechanisms**
- **Schedule of Service Delivery Standards Table**

2.14 Municipal Manager's quality certificate

I ASA DE KLERK, Municipal Manager of Midvaal, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name ASA DE KLERK
Municipal manager of Midvaal (GT422)

Signature 
Date 22 May 2018

List of Tables provided as additional information

- **MBRR Table SA4 – Reconciliation between the IDP strategic objectives and budgeted revenue**
- **MBRR Table SA5 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure**
- **MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted capital expenditure**
- **MBRR Table SA7 – Measurable performance objectives**
- **MBRR Table SA8 – Performance indicators and benchmarks**
- **MBRR SA15 – Detail Investment Information**
- **MBRR SA16 – Investment particulars by maturity**
- **MBRR Table SA 17 – Detail of borrowings**
- **MBRR Table SA 18 – Capital transfers and grant receipts**
- **MBRR Table A7 – Budget cash flow statement**
- **MBRR Table A8 – Cash backed reserves/accumulated surplus reconciliation**
- **MBRR SA10 – Funding compliance measurement**
- **MBRR SA19 – Expenditure on transfers and grant programmes**
- **MBRR SA 20 – Reconciliation between of transfers, grant receipts and unspent funds**
- **MBRR SA22 – Summary of councillor and staff benefits**
- **MBRR SA23 – Salaries, allowances and benefits (political office bearers /councillors /Deputy municipal manager and senior managers)**
- **MBRR SA24 – Summary of personnel numbers**
- **MBRR SA25 – Budgeted monthly revenue and expenditure**
- **MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)**
- **MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)**
- **MBRR SA28 – Budgeted monthly capital expenditure (municipal vote)**
- **Table 36 MBRR SA29 – Budgeted monthly capital expenditure (standard classification)**
- **Table 37 MBRR SA30 – Budgeted monthly cash flow**
- **MBRR Table SA1 – Supporting detail to budgeted financial performance**
- **MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**
- **MBRR Table SA3 – Supporting detail to Statement of Financial Position**
- **MBRR Table SA9 – Social, economic and demographic statistics and assumptions**
- **MBRR SA32 – List of external mechanisms**
- **Schedule of Service Delivery Standards Table**

ANNEXURE A1 – NATIONAL TREASURY FORMAT BUDGET DOCUMENT

GT422 Midvaal - Table A1 Consolidated Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	**133 498**	146 376	164 775	183 107	188 107	188 107	159 530	206 625	227 765	245 959
Service charges	440 663	480 663	542 202	576 337	592 137	592 137	497 548	643 243	689 674	728 149
Investment revenue	6 012	7 611	10 082	5 565	6 565	6 565	4 826	6 959	7 376	7 782
Transfers recognised - operational	75 418	84 177	92 056	109 062	105 551	105 551	105 867	119 802	127 829	144 771
Other own revenue	84 746	95 731	90 434	68 965	88 925	88 925	43 830	68 450	72 406	76 249
Total Revenue (excluding capital transfers and contributions)	740 337	814 559	899 550	943 036	981 285	981 285	811 601	1 045 079	1 125 051	1 202 911
Employee costs	172 598	203 225	211 113	257 504	251 667	251 667	185 606	288 593	305 908	324 263
Remuneration of councillors	9 046	9 549	10 628	11 613	11 453	11 453	9 738	12 390	13 133	13 921
Depreciation & asset impairment	112 943	112 758	116 486	117 244	117 244	117 244	102 160	117 244	121 348	128 022
Finance charges	18 899	18 888	18 796	21 369	21 369	21 369	8 763	25 943	27 862	23 584
Materials and bulk purchases	216 708	239 020	262 495	329 435	347 579	347 579	278 414	386 851	418 332	456 086
Transfers and grants	469	221	142	287	21 437	21 437	1 425	287	297	313
Other expenditure	267 948	292 341	311 725	274 910	282 705	282 705	142 228	278 452	289 926	306 109
Total Expenditure	798 611	876 001	931 383	1 012 363	1 053 454	1 053 454	728 334	1 109 759	1 176 805	1 252 297
Surplus/(Deficit)	(58 275)	(61 443)	(31 833)	(69 326)	(72 169)	(72 169)	83 268	(64 680)	(51 755)	(49 386)
Transfers and subsidies - capital (monetary allocations	30 027	38 704	40 148	60 211	77 175	77 175	64 274	65 223	89 468	99 287
Contributions recognised - capital & contributed assets	6 558	6 109	12 902	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Capital expenditure & funds sources										
Capital expenditure	**69 057**	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532
Transfers recognised - capital	**29 982**	36 892	40 148	64 311	77 325	77 325	49 695	65 223	89 468	99 287
Public contributions & donations	**4 535**	10 811	9 420	–	–	–	–	–	–	–
Borrowing	**19 239**	27 797	15 735	61 710	61 960	61 960	31 970	32 650	33 300	39 940
Internally generated funds	**15 301**	7 416	19 186	17 972	21 550	21 550	8 591	12 289	15 190	14 305
Total sources of capital funds	**69 057**	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532
Financial position										
Total current assets	**202 573**	231 848	279 200	309 382	282 375	282 375	455 961	299 264	324 540	357 735
Total non current assets	**2 087 858**	2 060 416	2 034 497	2 025 724	2 078 087	2 078 087	2 022 593	2 071 005	2 087 616	2 113 126
Total current liabilities	**109 779**	132 627	133 821	161 034	141 241	141 241	118 695	162 415	171 754	182 336
Total non current liabilities	**195 346**	190 961	189 689	219 504	224 029	224 029	227 163	212 119	206 953	205 176
Community wealth/Equity	**1 985 305**	1 968 676	1 990 187	1 954 569	1 995 192	1 995 192	2 132 696	1 995 735	2 033 448	2 083 349
Cash flows										
Net cash from (used) operating	**69 966**	116 022	113 736	107 986	122 984	122 984	220 203	117 752	159 022	177 882
Net cash from (used) investing	**(66 485)**	(80 075)	(76 622)	(143 993)	(160 834)	(160 834)	(90 256)	(110 162)	(137 958)	(153 532)
Net cash from (used) financing	**(19 432)**	(11 467)	(7 023)	31 164	33 570	33 570	36 212	1 158	(4 847)	(712)
Cash/cash equivalents at the year end	**75 520**	100 000	130 091	130 123	125 810	125 820	296 260	134 558	150 775	174 413
Cash backing/surplus reconciliation										
Cash and investments available	**75 520**	100 000	130 100	130 323	125 810	125 810	296 250	134 558	150 775	174 413
Application of cash and investments	**88 810**	82 696	42 297	34 904	70 900	71 650	128 517	120 117	131 915	138 477
Balance - surplus (shortfall)	**(13 290)**	17 304	87 803	95 419	54 910	54 160	167 733	14 441	18 860	35 936
Asset management										
Asset register summary (WDV)	**2 087 645**	2 060 416	2 034 497	2 061 227	2 078 087	2 078 087	2 071 005	2 071 005	2 087 616	2 113 126
Depreciation	**112 943**	112 758	116 486	117 244	117 244	117 244	117 244	117 244	121 348	128 022
Renewal of Existing Assets	**14 133**	14 066	13 171	46 384	58 470	58 470	58 470	39 190	43 840	46 847
Repairs and Maintenance	**41 066**	51 360	50 706	48 338	104 931	104 931	112 400	112 400	117 707	124 514
Free services										
Cost of Free Basic Services provided	**8 522**	11 625	21 071	25 836	25 836	28 059	38 516	38 516	52 800	58 534
Revenue cost of free services provided	**(7 845)**	(11 625)	(21 071)	138 838	113 525	111 302	43 844	43 844	38 955	45 491
Households below minimum service level										
Water:	4	4	4	4	4	4	4	4	4	4
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1	1
Energy:	7	7	7	7	7	7	7	7	7	7
Refuse:	5	5	5	5	5	5	5	5	5	5

GT422 Midvaal - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Governance and administration		**166 684**	**197 246**	**220 593**	**242 920**	**258 973**	**258 973**	**307 166**	**345 966**	**368 521**
Executive and council		4 698	5 005	5 543	5 724	5 724	5 724	5 754	6 300	6 300
Finance and administration		161 985	192 242	215 049	237 196	253 249	253 249	301 412	339 666	362 221
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**17 441**	**16 595**	**19 600**	**28 496**	**27 526**	**27 526**	**22 966**	**22 398**	**26 169**
Community and social services		4 842	7 081	9 435	9 933	10 233	10 233	11 482	10 658	15 483
Sport and recreation		7 209	4 312	1 874	5 953	5 983	5 983	4 546	3 451	2 975
Public safety		845	1 006	4 190	6 541	5 241	5 241	573	1 608	641
Housing		–	–	–	–	–	–	–	–	–
Health		4 545	4 196	4 101	6 070	6 070	6 070	6 365	6 682	7 069
Economic and environmental services		**64 491**	**66 682**	**64 010**	**62 880**	**68 389**	**68 389**	**62 059**	**61 703**	**67 122**
Planning and development		2 489	2 509	3 036	2 891	2 900	2 900	3 789	4 016	4 237
Road transport		59 594	61 780	58 515	57 157	62 657	62 657	54 785	54 000	58 978
Environmental protection		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Trading services		**528 306**	**578 848**	**648 397**	**668 851**	**703 471**	**703 471**	**718 111**	**784 452**	**840 386**
Energy sources		266 488	305 592	349 440	356 398	352 547	352 547	356 987	393 148	420 986
Water management		160 769	161 383	195 066	197 907	217 250	217 250	254 425	269 632	289 622
Waste water management		55 257	66 410	58 519	62 252	82 379	82 379	61 035	69 354	74 001
Waste management		45 792	45 463	45 372	52 295	51 295	51 295	45 665	52 318	55 777
Other	4	**–**	**–**	**–**	**100**	**100**	**100**	**–**	**–**	**–**
Total Revenue - Functional	2	**776 922**	**859 371**	**952 600**	**1 003 247**	**1 058 460**	**1 058 460**	**1 110 302**	**1 214 519**	**1 302 198**
Expenditure - Functional										
Governance and administration		**135 745**	**146 173**	**161 766**	**225 760**	**231 522**	**231 522**	**214 988**	**227 900**	**243 184**
Executive and council		22 323	24 075	30 026	37 995	39 129	39 129	37 354	39 159	41 401
Finance and administration		113 422	122 098	131 739	187 766	192 393	192 393	177 633	188 742	201 784
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**50 060**	**56 304**	**57 016**	**69 079**	**68 626**	**68 626**	**75 285**	**78 805**	**82 998**
Community and social services		8 902	10 308	11 459	14 524	15 101	15 101	15 516	16 308	17 255
Sport and recreation		19 542	21 223	20 160	24 550	23 572	23 572	25 647	26 682	27 901
Public safety		16 588	20 076	20 895	23 534	23 396	23 396	27 094	28 440	30 040
Housing		–	–	–	–	–	–	–	–	–
Health		5 027	4 697	4 503	6 471	6 557	6 557	7 028	7 375	7 801
Economic and environmental services		**146 689**	**151 912**	**153 568**	**159 880**	**159 400**	**159 400**	**178 613**	**185 998**	**194 996**
Planning and development		18 706	21 459	22 608	30 102	29 692	29 692	32 200	33 717	35 529
Road transport		125 560	127 992	128 501	126 756	126 669	126 669	142 663	148 395	155 350
Environmental protection		2 423	2 462	2 458	3 021	3 039	3 039	3 751	3 886	4 117
Trading services		**466 118**	**521 612**	**559 034**	**557 543**	**593 806**	**593 806**	**640 873**	**684 102**	**731 119**
Energy sources		269 233	289 816	325 585	329 871	330 544	330 544	362 614	385 011	411 095
Water management		127 028	138 140	142 741	134 048	150 223	150 223	175 525	190 651	208 913
Waste water management		34 156	47 510	44 527	43 465	63 128	63 128	52 584	55 719	55 475
Waste management		35 702	46 145	46 180	50 159	49 911	49 911	50 149	52 721	55 636
Other	4	**–**	**–**	**–**	**100**	**100**	**100**	**(0)**	**–**	**–**
Total Expenditure - Functional	3	**798 611**	**876 001**	**931 383**	**1 012 363**	**1 053 454**	**1 053 454**	**1 109 759**	**1 176 805**	**1 252 297**
Surplus/(Deficit) for the year		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**5 006**	**5 006**	**543**	**37 713**	**49 901**

GT422 Midvaal - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Municipal governance and administration		**166 684**	**197 246**	**220 593**	**242 920**	**258 973**	**258 973**	**307 166**	**345 966**	**368 521**
Executive and council		4 698	5 005	5 543	5 724	5 724	5 724	5 754	6 300	6 300
Mayor and Council		4 698	5 005	5 543	5 724	5 724	5 724	5 754	6 300	6 300
Municipal Manager, Town Secretary and Chief Executive		–	–	–	–	–	–	–	–	–
Finance and administration		161 985	192 242	215 049	237 196	253 249	253 249	301 412	339 666	362 221
Administrative and Corporate Support		7 027	9 394	18 313	31 070	41 124	41 124	37 216	52 852	57 176
Asset Management		–	–	–	–	–	–	–	–	–
Budget and Treasury Office		153 138	180 825	195 755	–	–	–	–	–	–
Finance		–	–	–	204 034	210 034	210 034	262 395	284 906	303 032
Fleet Management		–	–	–	–	–	–	–	–	–
Human Resources		289	318	371	687	687	687	500	530	559
Information Technology		–	345	–	–	–	–	–	–	–
Legal Services		–	–	–	–	–	–	–	–	–
Marketing, Customer Relations, Publicity and Media Co-ordination		–	–	–	–	–	–	–	–	–
Property Services		1 532	1 359	610	1 404	1 404	1 404	1 300	1 378	1 454
Risk Management		–	–	–	–	–	–	–	–	–
Security Services		–	–	–	–	–	–	–	–	–
Supply Chain Management		–	–	–	–	–	–	–	–	–
Valuation Service		–	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function		–	–	–	–	–	–	–	–	–
Community and public safety		**17 441**	**16 595**	**19 600**	**28 496**	**27 526**	**27 526**	**22 966**	**22 398**	**26 169**
Community and social services		**4 842**	**7 081**	**9 435**	**9 933**	**10 233**	**10 233**	**11 482**	**10 658**	**15 483**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		613	656	630	806	806	806	300	318	335
Child Care Facilities		–	–	–	–	–	–	–	–	–
Community Halls and Facilities		–	–	–	–	–	–	–	–	–
Consumer Protection		–	–	–	–	–	–	–	–	–
Cultural Matters		–	–	–	–	–	–	–	–	–
Disaster Management		–	–	–	–	–	–	–	–	–
Education		–	–	–	–	–	–	–	–	–
Indigenous and Customary Law		–	–	–	–	–	–	–	–	–
Industrial Promotion		–	–	–	–	–	–	–	–	–
Language Policy		–	–	–	–	–	–	–	–	–
Libraries and Archives		4 229	6 424	8 805	9 127	9 427	9 427	11 182	10 340	15 147
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		–	–	–	–	–	–	–	–	–
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**7 209**	**4 312**	**1 874**	**5 953**	**5 983**	**5 983**	**4 546**	**3 451**	**2 975**
Beaches and Jetties		–	–	–	–	–	–	–	–	–
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		788	565	610	938	938	938	1 356	186	196
Recreational Facilities		–	–	–	5 014	5 044	5 044	3 190	3 265	2 780
Sports Grounds and Stadiums		6 421	3 747	1 264	–	–	–	–	–	–
Public safety		**845**	**1 006**	**4 190**	**6 541**	**5 241**	**5 241**	**573**	**1 608**	**641**
Civil Defence		–	–	–	–	–	–	–	–	–
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		–	–	–	–	–	–	–	–	–
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		845	1 006	4 190	6 541	5 241	5 241	573	1 608	641
Licensing and Control of Animals		–	–	–	–	–	–	–	–	–
Housing		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**4 545**	**4 196**	**4 101**	**6 070**	**6 070**	**6 070**	**6 365**	**6 682**	**7 069**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		4 545	4 196	4 101	6 070	6 070	6 070	6 365	6 682	7 069
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable Diseases		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–
Economic and environmental services		**64 491**	**66 682**	**64 010**	**62 880**	**68 389**	**68 389**	**62 059**	**61 703**	**67 122**
Planning and development		**2 489**	**2 509**	**3 036**	**2 891**	**2 900**	**2 900**	**3 789**	**4 016**	**4 237**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		–	–	–	–	–	–	–	–	–
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	–	–	–	–	–
Economic Development/Planning		12	25	–	60	60	60	15	16	17
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City		2 477	2 484	3 036	2 831	2 840	2 840	3 774	4 000	4 220
Project Management Unit		–	–	–	–	–	–	–	–	–
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**59 594**	**61 780**	**58 515**	**57 157**	**62 657**	**62 657**	**54 785**	**54 000**	**58 978**
Police Forces, Traffic and Street Parking Control		47 181	48 724	49 267	50 568	50 568	50 568	50 504	53 534	56 478

Pounds		–	–	–	–	–	–	–	–	–
Public Transport		–	–	–	–	–	–	–	–	–
Road and Traffic Regulation		–	–	–	–	–	–	–	–	–
Roads		12 412	13 056	9 248	6 589	12 089	12 089	4 281	466	2 500
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**2 408**	**2 393**	**2 458**	**2 831**	**2 831**	**2 831**	**3 486**	**3 687**	**3 907**
Biodiversity and Landscape		–	–	–	–	–	–	–	–	–
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**528 306**	**578 848**	**648 397**	**668 851**	**703 471**	**703 471**	**718 111**	**784 452**	**840 386**
Energy sources		**266 488**	**305 592**	**349 440**	**356 398**	**352 547**	**352 547**	**356 987**	**393 148**	**420 986**
Electricity		266 488	305 592	349 440	356 398	352 547	352 547	356 987	393 148	420 986
Street Lighting and Signal Systems		–	–	–	–	–	–	–	–	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**160 769**	**161 383**	**195 066**	**197 907**	**217 250**	**217 250**	**254 425**	**269 632**	**289 622**
Water Treatment		–	–	–	–	–	–	–	–	–
Water Distribution		160 769	161 383	195 066	197 907	217 250	217 250	254 425	269 632	289 622
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**55 257**	**66 410**	**58 519**	**62 252**	**82 379**	**82 379**	**61 035**	**69 354**	**74 001**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		55 257	63 668	58 519	62 252	82 379	82 379	61 035	69 354	74 001
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		–	2 742	–	–	–	–	–	–	–
Waste management		**45 792**	**45 463**	**45 372**	**52 295**	**51 295**	**51 295**	**45 665**	**52 318**	**55 777**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		–	–	–	–	–	–	–	–	–
Solid Waste Removal		45 792	45 463	45 372	52 295	51 295	51 295	45 665	52 318	55 777
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**–**	**100**	**100**	**100**	**–**	**–**	**–**
Abattoirs		–	–	–	100	100	100	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**776 922**	**859 371**	**952 600**	**1 003 247**	**1 058 460**	**1 058 460**	**1 110 302**	**1 214 519**	**1 302 198**

Expenditure - Functional									
Municipal governance and administration	**135 745**	**146 173**	**161 766**	**225 760**	**231 522**	**231 522**	**214 988**	**227 900**	**243 184**
Executive and council	22 323	24 075	30 026	37 995	39 129	39 129	37 354	39 159	41 401
Mayor and Council	19 554	20 728	23 631	30 826	29 608	29 608	31 601	33 191	35 093
Municipal Manager, Town Secretary and Chief Executive	2 769	3 348	6 395	7 169	9 522	9 522	5 754	5 968	6 308
Finance and administration	113 422	122 098	131 739	187 766	192 393	192 393	177 633	188 742	201 784
Administrative and Corporate Support	34 213	42 048	47 288	61 471	63 132	63 132	68 748	72 468	76 421
Asset Management	–	–	–	–	–	–	–	–	–
Budget and Treasury Office	53 506	56 821	58 051	–	–	–	–	–	–
Finance	–	–	–	93 354	95 355	95 355	71 369	77 230	84 249
Fleet Management	2 346	3 107	3 189	3 634	3 669	3 669	3 917	4 093	4 336
Human Resources	13 463	10 623	11 402	14 293	13 380	13 380	15 394	16 189	17 130
Information Technology	3 822	4 383	6 979	11 727	11 502	11 502	11 895	12 388	13 085
Legal Services	–	–	–	–	–	–	–	–	–
Marketing, Customer Relations, Publicity and Media Co-ordination	720	795	1 183	1 273	3 308	3 308	3 357	3 424	3 612
Property Services	5 353	4 320	3 648	2 013	2 045	2 045	2 954	2 951	2 951
Risk Management	–	–	–	–	–	–	–	–	–
Security Services	–	–	–	–	–	–	–	–	–
Supply Chain Management	–	–	–	–	–	–	–	–	–
Valuation Service	–	–	–	–	–	–	–	–	–
Internal audit	–	–	–	–	–	–	–	–	–
Governance Function	–	–	–	–	–	–	–	–	–
Community and public safety	**50 060**	**56 304**	**57 016**	**69 079**	**68 626**	**68 626**	**75 285**	**78 805**	**82 998**
Community and social services	**8 902**	**10 308**	**11 459**	**14 524**	**15 101**	**15 101**	**15 516**	**16 308**	**17 255**
Aged Care	–	–	–	–	–	–	–	–	–
Agricultural	–	–	–	–	–	–	–	–	–
Animal Care and Diseases	–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums	614	625	807	1 174	981	981	981	1 015	1 071
Child Care Facilities	–	–	–	–	–	–	–	–	–
Community Halls and Facilities	–	–	–	–	–	–	–	–	–
Consumer Protection	–	–	–	–	–	–	–	–	–
Cultural Matters	–	–	–	–	–	–	–	–	–
Disaster Management	–	–	–	–	–	–	–	–	–
Education	–	–	–	–	–	–	–	–	–
Indigenous and Customary Law	–	–	–	–	–	–	–	–	–
Industrial Promotion	–	–	–	–	–	–	–	–	–
Language Policy	–	–	–	–	–	–	–	–	–
Libraries and Archives	8 288	9 683	10 652	13 350	14 120	14 120	14 535	15 292	16 184
Literacy Programmes	–	–	–	–	–	–	–	–	–
Media Services	–	–	–	–	–	–	–	–	–
Museums and Art Galleries	–	–	–	–	–	–	–	–	–
Population Development	–	–	–	–	–	–	–	–	–
Provincial Cultural Matters	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Zoo's	–	–	–	–	–	–	–	–	–
Sport and recreation	**19 542**	**21 223**	**20 160**	**24 550**	**23 572**	**23 572**	**25 647**	**26 682**	**27 901**
Beaches and Jetties	–	–	–	–	–	–	–	–	–
Casinos, Racing, Gambling, Wagering	–	–	–	–	–	–	–	–	–
Recreational Facilities	17 075	18 233	17 400	21 330	20 238	20 238	22 265	23 208	24 229
Sports Grounds and Stadiums	–	–	–	3 220	3 334	3 334	3 382	3 474	3 672
Public safety	2 467	2 990	2 760	–	–	–	–	–	–
Public safety	**16 588**	**20 076**	**20 895**	**23 534**	**23 396**	**23 396**	**27 094**	**28 440**	**30 040**
Civil Defence	–	–	–	–	–	–	–	–	–
Cleansing	–	–	–	–	–	–	–	–	–
Control of Public Nuisances	–	–	–	–	–	–	–	–	–
Fencing and Fences	–	–	–	–	–	–	–	–	–
Fire Fighting and Protection	16 588	20 076	20 895	23 534	23 396	23 396	27 094	28 440	30 040
Licensing and Control of Animals	–	–	–	–	–	–	–	–	–
Housing	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing	–	–	–	–	–	–	–	–	–
Informal Settlements	–	–	–	–	–	–	–	–	–
Health	**5 027**	**4 697**	**4 503**	**6 471**	**6 557**	**6 557**	**7 028**	**7 375**	**7 801**
Ambulance	–	–	–	–	–	–	–	–	–
Health Services	5 027	4 697	4 503	6 471	6 557	6 557	7 028	7 375	7 801
Laboratory Services	–	–	–	–	–	–	–	–	–
Food Control	–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable Diseases	–	–	–	–	–	–	–	–	–
Vector Control	–	–	–	–	–	–	–	–	–
Chemical Safety	–	–	–	–	–	–	–	–	–
Economic and environmental services	**146 689**	**151 912**	**153 568**	**159 880**	**159 400**	**159 400**	**178 613**	**185 998**	**194 996**
Planning and development	**18 706**	**21 459**	**22 608**	**30 102**	**29 692**	**29 692**	**32 200**	**33 717**	**35 529**
Billboards	–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)	–	–	–	–	–	–	–	–	–
Central City Improvement District	–	–	–	–	–	–	–	–	–
Development Facilitation	–	–	–	–	–	–	–	–	–
Economic Development/Planning	10 854	12 193	12 212	17 455	18 186	18 186	20 256	21 123	22 195
Regional Planning and Development	–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City	7 852	9 266	10 396	12 647	11 507	11 507	11 943	12 594	13 334
Project Management Unit	–	–	–	–	–	–	–	–	–
Provincial Planning	–	–	–	–	–	–	–	–	–
Support to Local Municipalities	–	–	–	–	–	–	–	–	–
Road transport	**125 560**	**127 992**	**128 501**	**126 756**	**126 669**	**126 669**	**142 663**	**148 395**	**155 350**
Police Forces, Traffic and Street Parking Control	62 218	65 816	66 621	63 551	64 354	64 354	73 188	77 094	81 181
Pounds	–	–	–	–	–	–	–	–	–
Public Transport	–	–	–	–	–	–	–	–	–
Roads	63 342	62 175	61 881	–	–	–	–	–	–
Taxi Ranks	–	–	–	63 206	62 315	62 315	69 475	71 301	74 169
Environmental protection	–	–	–	–	–	–	–	–	–

Environmental protection		**2 423**	**2 462**	**2 458**	**3 021**	**3 039**	**3 039**	**3 751**	**3 886**	**4 117**
Biodiversity and Landscape		–	–	–	–	–	–	–	–	–
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		2 423	2 462	2 458	3 021	3 039	3 039	3 751	3 886	4 117
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**466 118**	**521 612**	**559 034**	**557 543**	**593 806**	**593 806**	**640 873**	**684 102**	**731 119**
Energy sources		**269 233**	**289 816**	**325 585**	**329 871**	**330 544**	**330 544**	**362 614**	**385 011**	**411 095**
Electricity		269 233	289 816	325 585	329 871	330 544	330 544	362 614	385 011	411 095
Street Lighting and Signal Systems		–	–	–	–	–	–	–	–	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**127 028**	**138 140**	**142 741**	**134 048**	**150 223**	**150 223**	**175 525**	**190 651**	**208 913**
Water Treatment		–	–	–	–	–	–	–	–	–
Water Distribution		127 028	138 140	142 741	134 048	150 223	150 223	175 525	190 651	208 913
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**34 156**	**47 510**	**44 527**	**43 465**	**63 128**	**63 128**	**52 584**	**55 719**	**55 475**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		29 803	41 822	38 844	37 141	49 859	49 859	37 586	40 052	38 901
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		4 352	5 688	5 683	6 324	13 269	13 269	14 998	15 667	16 575
Waste management		**35 702**	**46 145**	**46 180**	**50 159**	**49 911**	**49 911**	**50 149**	**52 721**	**55 636**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		–	9	–	3 052	3 182	3 182	3 614	3 826	4 054
Solid Waste Removal		35 702	46 136	46 180	47 108	46 729	46 729	46 535	48 895	51 583
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**–**	**100**	**100**	**100**	**(0)**	**–**	**–**
Abattoirs		–	–	–	100	100	100	(0)	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**798 611**	**876 001**	**931 383**	**1 012 363**	**1 053 454**	**1 053 454**	**1 109 759**	**1 176 805**	**1 252 297**
Surplus/(Deficit) for the year		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**5 006**	**5 006**	**543**	**37 713**	**49 901**

GT422 Midvaal - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - executive council		10 136	13 804	26 251	34 882	44 835	44 835	41 536	57 645	61 869
Vote 2 - corporate services		1 953	2 226	1 049	2 313	2 313	2 313	1 806	1 915	2 020
Vote 3 - financial services		153 090	180 369	194 744	204 134	210 134	210 134	262 395	284 906	303 032
Vote 4 - development & planning		2 489	2 509	3 036	2 891	2 900	2 900	3 789	4 016	4 237
Vote 5 - health		4 545	4 196	4 101	6 070	6 070	6 070	6 365	6 682	7 069
Vote 6 - community & social services		12 136	11 393	11 309	15 886	16 216	16 216	16 028	14 108	18 458
Vote 7 - public safety		48 027	49 729	53 457	57 109	55 809	55 809	51 077	55 142	57 119
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Vote 10 - waste water management		55 257	65 872	56 689	62 252	82 379	82 379	61 035	69 354	74 001
Vote 11 - solid waste management		45 792	45 136	44 005	52 295	51 295	51 295	45 665	52 318	55 777
Vote 12 - roads & transport		12 412	13 056	9 248	6 589	12 089	12 089	4 281	466	2 500
Vote 13 - water services		160 769	161 383	195 066	197 907	217 250	217 250	254 425	269 632	289 622
Vote 14 - electricty		267 908	307 304	351 186	358 088	354 337	354 337	358 415	394 648	422 586
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**776 922**	**859 371**	**952 600**	**1 003 247**	**1 058 460**	**1 058 460**	**1 110 302**	**1 214 519**	**1 302 198**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - executive council		26 078	30 230	40 676	64 567	65 313	65 313	57 482	60 382	63 886
Vote 2 - corporate services		39 249	36 014	40 373	47 804	50 707	50 707	52 602	55 070	58 013
Vote 3 - financial services		53 506	56 821	58 051	93 454	95 455	95 455	71 369	77 230	84 249
Vote 4 - development & planning		18 706	21 459	22 608	30 102	29 692	29 692	32 200	33 717	35 529
Vote 5 - health		5 027	4 697	4 503	6 471	6 557	6 557	7 028	7 375	7 801
Vote 6 - community & social services		33 989	38 242	38 355	48 611	48 480	48 480	50 771	53 146	55 828
Vote 7 - public safety		78 806	85 893	87 515	87 084	87 750	87 750	100 282	105 534	111 221
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		2 423	2 462	2 458	3 021	3 039	3 039	3 751	3 886	4 117
Vote 10 - waste water management		34 156	47 510	44 527	43 465	63 128	63 128	52 584	55 719	55 475
Vote 11 - solid waste management		35 702	46 145	46 180	50 159	49 911	49 911	50 149	52 721	55 636
Vote 12 - roads & transport		65 688	65 282	65 070	66 840	65 985	65 985	73 392	75 394	78 505
Vote 13 - water services		127 028	138 140	142 741	131 348	147 523	147 523	175 525	190 651	208 913
Vote 14 - electricty		278 254	303 107	338 326	339 435	339 914	339 914	382 626	405 980	433 124
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**798 611**	**876 001**	**931 383**	**1 012 363**	**1 053 454**	**1 053 454**	**1 109 759**	**1 176 805**	**1 252 297**
Surplus/(Deficit) for the year	2	**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**5 006**	**5 006**	**543**	**37 713**	**49 901**

GT422 Midvaal - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - executive council		**10 136**	**13 804**	**26 251**	**34 882**	**44 835**	**44 835**	**41 536**	**57 645**	**61 869**
1.1 - municipal manager		–	–	–	–	–	–	–	–	–
1.2 - councillors		4 683	4 906	5 538	5 724	5 724	5 724	5 754	6 300	6 300
1.3 - speakers office		–	–	–	–	–	–	–	–	–
1.4 - office of the mayor		15	99	5	–	–	–	–	–	–
1.5 - savannna		5 437	8 799	20 707	29 158	39 111	39 111	35 782	51 345	55 569
Vote 2 - corporate services		**1 953**	**2 226**	**1 049**	**2 313**	**2 313**	**2 313**	**1 806**	**1 915**	**2 020**
2.1 - corporate services admin		132	203	67	222	222	222	6	7	7
2.2 - council building		1 532	1 359	610	1 404	1 404	1 404	1 300	1 378	1 454
2.3 - pro		–	–	–	–	–	–	–	–	–
2.4 - it services		–	345	–	–	–	–	–	–	–
2.5 - performance audit		–	–	–	–	–	–	–	–	–
2.6 - human resources		289	318	371	687	687	687	500	530	559
Vote 3 - financial services		**153 090**	**180 369**	**194 744**	**204 134**	**210 134**	**210 134**	**262 395**	**284 906**	**303 032**
3.1 - financial sercices - adminitration		153 090	180 369	194 744	204 134	210 134	210 134	262 395	284 906	303 032
3.2 - financial sercices - revenue		–	–	–	–	–	–	–	–	–
3.3 - financial sercices - expenditure		–	–	–	–	–	–	–	–	–
Vote 4 - development & planning		**2 489**	**2 509**	**3 036**	**2 891**	**2 900**	**2 900**	**3 789**	**4 016**	**4 237**
4.1 - development & planning		12	25	–	60	60	60	15	16	17
4.2 - building control		1 710	1 952	1 805	1 883	1 892	1 892	1 974	2 092	2 207
4.3 - town planning		767	532	1 231	948	948	948	1 800	1 908	2 013
Vote 5 - health		**4 545**	**4 196**	**4 101**	**6 070**	**6 070**	**6 070**	**6 365**	**6 682**	**7 069**
5.1 - clinic randvaal		3 164	2 531	2 630	3 017	3 017	3 017	1 862	1 935	2 043
5.2 - clininc meyerton		421	444	348	828	828	828	2 205	2 323	2 460
5.3 - clinic kookrus		960	1 221	1 124	2 225	2 225	2 225	2 298	2 424	2 567
Vote 6 - community & social services		**12 136**	**11 393**	**11 309**	**15 886**	**16 216**	**16 216**	**16 028**	**14 108**	**18 458**
6.1 - library meyerton		4 229	5 472	7 953	7 669	7 969	7 969	9 724	8 882	13 689
6.2 - libaray henley on klip		–	60	132	429	429	429	429	429	429
6.3 - library walkerville		–	63	77	729	729	729	729	729	729
6.4 - library randvaal		–	55	55	100	100	100	100	100	100
6.5 - library sicelo		–	159	194	100	100	100	100	100	100
6.6 - lakeside library		–	617	393	100	100	100	100	100	100
6.7 - library bonte bonke.		–	–	–	–	–	–	–	–	–
6.8 - social services admin		85	–	–	–	–	–	–	–	–
6.9 - parks		788	565	610	938	938	938	1 356	186	196
6.10 - swimming pool		121	172	141	114	114	114	250	265	280
6.11 - sport & recreation		6 300	3 575	1 123	4 900	4 930	4 930	2 940	3 000	2 500
6.12 - cemetries		613	656	630	806	806	806	300	318	335
Vote 7 - public safety		**48 027**	**49 729**	**53 457**	**57 109**	**55 809**	**55 809**	**51 077**	**55 142**	**57 119**
7.1 - traffic		47 181	48 724	49 267	50 568	50 568	50 568	50 504	53 534	56 478
7.2 - fire		845	1 006	4 190	6 541	5 241	5 241	573	1 608	641
Vote 9 - environmental protection		**2 408**	**2 393**	**2 458**	**2 831**	**2 831**	**2 831**	**3 486**	**3 687**	**3 907**
9.1 - environmental services		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Vote 10 - waste water management		**55 257**	**65 872**	**56 689**	**62 252**	**82 379**	**82 379**	**61 035**	**69 354**	**74 001**
10.1 - SEWER CONNECTIONS AND EXTENSIONS		55 257	63 130	56 689	62 252	82 379	82 379	61 035	69 354	74 001
10.2 - purification		–	2 742	–	–	–	–	–	–	–
Vote 11 - solid waste management		**45 792**	**45 136**	**44 005**	**52 295**	**51 295**	**51 295**	**45 665**	**52 318**	**55 777**
11.1 - LAND		–	–	–	–	–	–	–	–	–
11.2 - SOLID WASTE MANAGEMENT		45 792	45 136	44 005	52 295	51 295	51 295	45 665	52 318	55 777
11.3 - ENVIRONMENTAL MANAGEMENT		–	–	–	–	–	–	–	–	–
Vote 12 - roads & transport		**12 412**	**13 056**	**9 248**	**6 589**	**12 089**	**12 089**	**4 281**	**466**	**2 500**
12.1 - roads & stormwater		12 412	13 056	9 248	6 589	12 089	12 089	4 281	466	2 500
12.2 - transport & mechanical workshop		–	–	–	–	–	–	–	–	–
12.3 - storm water		–	–	–	–	–	–	–	–	–
Vote 13 - water services		**160 769**	**161 383**	**195 066**	**197 907**	**217 250**	**217 250**	**254 425**	**269 632**	**289 622**
13.1 - water		160 769	161 383	195 066	197 907	217 250	217 250	254 425	269 632	289 622
Vote 14 - electricty		**267 908**	**307 304**	**351 186**	**358 088**	**354 337**	**354 337**	**358 415**	**394 648**	**422 586**
14.1 - electricity		266 474	305 592	349 440	356 398	352 547	352 547	356 987	393 148	420 986
14.2 - engineering admin		1 434	1 712	1 746	1 690	1 790	1 790	1 428	1 500	1 600
Total Revenue by Vote	2	**776 922**	**859 371**	**952 600**	**1 003 247**	**1 058 460**	**1 058 460**	**1 110 302**	**1 214 519**	**1 302 198**

GT422 Midvaal - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure by Vote	1									
Vote 1 - executive council		**26 078**	**30 230**	**40 676**	**64 567**	**65 313**	**65 313**	**57 482**	**60 382**	**63 886**
1.1 - municipal manager		2 769	3 348	6 395	7 169	9 522	9 522	5 754	5 968	6 308
1.2 - councillors		11 324	12 072	13 052	14 329	14 330	14 330	15 549	16 392	17 338
1.3 - speakers office		3 556	3 875	3 945	5 217	5 089	5 089	5 366	5 621	5 937
1.4 - office of the mayor		4 675	4 781	6 634	11 280	10 189	10 189	10 686	11 178	11 818
1.5 - savannna		3 755	6 155	10 649	26 572	26 184	26 184	20 128	21 224	22 485
Vote 2 - corporate services		**39 249**	**36 014**	**40 373**	**47 804**	**50 707**	**50 707**	**52 602**	**55 070**	**58 013**
2.1 - corporate services admin		13 196	12 857	14 232	15 590	17 486	17 486	15 633	16 577	17 489
2.2 - council building		5 353	4 320	3 648	2 013	2 045	2 045	2 954	2 951	2 951
2.3 - pro		720	795	1 183	1 273	3 308	3 308	3 357	3 424	3 612
2.4 - it services		3 822	4 383	6 979	11 727	11 502	11 502	11 895	12 388	13 085
2.5 - performance audit		2 695	3 035	2 930	2 908	2 985	2 985	3 368	3 541	3 747
2.6 - human resources		13 463	10 623	11 402	14 293	13 380	13 380	15 394	16 189	17 130
Vote 3 - financial services		**53 506**	**56 821**	**58 051**	**93 454**	**95 455**	**95 455**	**71 369**	**77 230**	**84 249**
3.1 - financial sercices - adminitration		53 506	56 821	58 051	56 470	57 145	57 145	31 303	35 269	39 868
3.2 - financial sercices - revenue		–	–	–	18 063	19 220	19 220	20 248	21 259	22 487
3.3 - financial sercices - expenditure		–	–	–	18 921	19 090	19 090	19 818	20 701	21 894
Vote 4 - development & planning		**18 706**	**21 459**	**22 608**	**30 102**	**29 692**	**29 692**	**32 200**	**33 717**	**35 529**
4.1 - development & planning		10 854	12 193	12 212	17 455	18 186	18 186	20 256	21 123	22 195
4.2 - building control		6 242	7 027	8 229	9 518	7 872	7 872	8 311	8 776	9 295
4.3 - town planning		1 610	2 238	2 167	3 129	3 635	3 635	3 633	3 817	4 039
Vote 5 - health		**5 027**	**4 697**	**4 503**	**6 471**	**6 557**	**6 557**	**7 028**	**7 375**	**7 801**
5.1 - clinic randvaal		2 920	2 827	2 863	3 250	1 858	1 858	1 892	2 074	2 189
5.2 - clininc meyerton		791	488	477	957	2 376	2 376	2 754	2 820	2 985
5.3 - clinic kookrus		1 317	1 381	1 163	2 264	2 323	2 323	2 382	2 481	2 627
Vote 6 - community & social services		**33 989**	**38 242**	**38 355**	**48 611**	**48 480**	**48 480**	**50 771**	**53 146**	**55 828**
6.1 - library meyerton		5 704	6 008	6 418	10 615	11 033	11 033	11 211	11 930	12 627
6.2 - libaray henley on klip		628	587	905	825	866	866	1 021	1 057	1 119
6.3 - library walkerville		787	848	863	599	662	662	753	761	806
6.4 - library randvaal		948	1 043	1 061	751	754	754	763	824	871
6.5 - library sicelo		156	140	114	214	249	249	239	237	250
6.6 - lakeside library		66	1 056	1 291	345	479	479	477	484	510
6.7 - library bonte bonke.		–	–	–	–	77	77	71	–	–
6.8 - social services admin		5 545	6 711	6 736	9 537	9 807	9 807	9 607	10 156	10 672
6.9 - parks		17 075	18 233	17 400	21 330	20 238	20 238	22 265	23 208	24 229
6.10 - swimming pool		974	1 045	1 059	1 183	1 212	1 212	1 261	1 287	1 363
6.11 - sport & recreation		1 494	1 946	1 701	2 037	2 122	2 122	2 121	2 186	2 309
6.12 - cemetries		614	625	807	1 174	981	981	981	1 015	1 071
Vote 7 - public safety		**78 806**	**85 893**	**87 515**	**87 084**	**87 750**	**87 750**	**100 282**	**105 534**	**111 221**
7.1 - traffic		62 218	65 816	66 621	63 551	64 354	64 354	73 188	77 094	81 181
7.2 - fire		16 588	20 076	20 895	23 534	23 396	23 396	27 094	28 440	30 040
Vote 9 - environmental protection		**2 423**	**2 462**	**2 458**	**3 021**	**3 039**	**3 039**	**3 751**	**3 886**	**4 117**
9.1 - environmental services		2 423	2 462	2 458	3 021	3 039	3 039	3 751	3 886	4 117
9.2 - nul										
9.3 - nul										
9.4 - nul										
9.5 - nul										
9.6 - nul										
9.7 - nul										
9.8 - nul										
9.9 - nul										
9.10 - nul										
Vote 10 - waste water management		**34 156**	**47 510**	**44 527**	**43 465**	**63 128**	**63 128**	**52 584**	**55 719**	**55 475**
10.1 - SEWER CONNECTIONS AND EXTENSIONS		29 803	41 822	38 844	37 141	49 859	49 859	37 586	40 052	38 901
10.2 - purification		4 352	5 688	5 683	6 324	13 269	13 269	14 998	15 667	16 575
Vote 11 - solid waste management		**35 702**	**46 145**	**46 180**	**50 159**	**49 911**	**49 911**	**50 149**	**52 721**	**55 636**
11.1 - LAND		–	–	–	3 052	3 182	3 182	3 614	3 826	4 054
11.2 - SOLID WASTE MANAGEMENT		35 702	46 136	46 180	47 108	46 729	46 729	46 535	48 895	51 583
11.3 - ENVIRONMENTAL MANAGEMENT		–	9	–	–	–	–	–	–	–
Vote 12 - roads & transport		**65 688**	**65 282**	**65 070**	**66 840**	**65 985**	**65 985**	**73 392**	**75 394**	**78 505**
12.1 - roads & stormwater		63 342	62 175	61 881	63 206	62 315	62 315	69 475	71 301	74 169
12.2 - transport & mechanical workshop		2 346	3 107	3 189	3 634	3 669	3 669	3 917	4 093	4 336
12.3 - storm water		–	–	–	–	–	–	–	–	–
Vote 13 - water services		**127 028**	**138 140**	**142 741**	**131 348**	**147 523**	**147 523**	**175 525**	**190 651**	**208 913**

GT422 Midvaal - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
13.1 - water		127 028	138 140	142 741	131 348	147 523	147 523	175 525	190 651	208 913
Vote 14 - electricty		**278 254**	**303 107**	**338 326**	**339 435**	**339 914**	**339 914**	**382 626**	**405 980**	**433 124**
14.1 - electricity		269 233	289 816	325 585	321 805	322 478	322 478	362 614	385 011	411 095
14.2 - engineering admin		9 021	13 290	12 741	17 630	17 436	17 436	20 012	20 969	22 029
Total Expenditure by Vote	2	**798 611**	**876 001**	**931 383**	**1 012 363**	**1 053 454**	**1 053 454**	**1 109 759**	**1 176 805**	**1 252 297**
Surplus/(Deficit) for the year	2	**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**5 006**	**5 006**	**543**	**37 713**	**49 901**

GT422 Midvaal - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	133 498	146 376	164 775	183 107	188 107	188 107	159 530	206 625	227 765	245 959
Service charges - electricity revenue	2	243 284	273 891	313 820	332 453	330 253	330 253	273 318	353 704	379 718	398 527
Service charges - water revenue	2	139 963	142 408	163 423	166 514	185 514	185 514	159 655	205 140	226 758	249 863
Service charges - sanitation revenue	2	30 301	34 494	34 292	37 412	37 412	37 412	32 867	41 970	39 768	36 260
Service charges - refuse revenue	2	27 114	29 869	30 667	39 958	38 958	38 958	31 708	42 429	43 430	43 498
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		1 532	1 359	610	1 404	1 404	1 404	993	1 300	1 378	1 454
Interest earned - external investments		6 012	7 611	10 082	5 565	6 565	6 565	4 826	6 959	7 376	7 782
Interest earned - outstanding debtors		10 186	11 254	8 312	7 245	7 245	7 245	2 634	7 529	7 829	8 121
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		46 888	48 424	49 029	50 331	50 331	50 331	5 657	50 342	53 362	56 297
Licences and permits		–	–	–	38	38	38	1	41	43	45
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		75 418	84 177	92 056	109 062	105 551	105 551	105 867	119 802	127 829	144 771
Other revenue	2	26 134	34 322	32 338	9 847	29 806	29 806	33 820	9 239	9 793	10 332
Gains on disposal of PPE		5	372	145	100	100	100	725	–	–	–
Total Revenue (excluding capital transfers and contributions)		**740 337**	**814 559**	**899 550**	**943 036**	**981 285**	**981 285**	**811 601**	**1 045 079**	**1 125 051**	**1 202 911**
Expenditure By Type											
Employee related costs	2	172 598	203 225	211 113	257 504	251 667	251 667	185 606	288 593	305 908	324 263
Remuneration of councillors		9 046	9 549	10 628	11 613	11 453	11 453	9 738	12 390	13 133	13 921
Debt impairment	3	71 139	83 124	90 942	81 827	81 827	81 827	22 904	87 815	93 635	99 087
Depreciation & asset impairment	2	112 943	112 758	116 486	117 244	117 244	117 244	102 160	117 244	121 348	128 022
Finance charges		18 899	18 888	18 796	21 369	21 369	21 369	8 763	25 943	27 862	23 584
Bulk purchases	2	216 708	239 020	262 495	316 125	333 925	333 925	271 826	373 213	404 047	441 015
Other materials	8	–	–	–	13 311	13 655	13 655	6 588	13 638	14 285	15 071
Contracted services		54 106	48 945	53 023	143 437	141 855	141 855	83 452	135 741	139 079	146 743
Transfers and subsidies		469	221	142	287	21 437	21 437	1 425	287	297	313
Other expenditure	4, 5	141 550	159 615	167 586	49 547	58 923	58 923	35 872	54 895	57 213	60 279
Loss on disposal of PPE		1 153	657	174	100	100	100	–	–	–	–
Total Expenditure		**798 611**	**876 001**	**931 383**	**1 012 363**	**1 053 454**	**1 053 454**	**728 334**	**1 109 759**	**1 176 805**	**1 252 297**
Surplus/(Deficit)		**(58 275)**	**(61 443)**	**(31 833)**	**(69 326)**	**(72 169)**	**(72 169)**	**83 268**	**(64 680)**	**(51 755)**	**(49 386)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 027	38 704	40 148	60 211	77 175	77 175	64 274	65 223	89 468	99 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	6 558	6 109	12 902	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**5 006**	**5 006**	**147 541**	**543**	**37 713**	**49 901**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**5 006**	**5 006**	**147 541**	**543**	**37 713**	**49 901**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**5 006**	**5 006**	**147 541**	**543**	**37 713**	**49 901**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**5 006**	**5 006**	**147 541**	**543**	**37 713**	**49 901**

GT422 Midvaal - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - executive council		–	–	–	3 647	2 064	2 064	541	2 900	18 150	19 910
Vote 2 - corporate services		–	169	99	7 020	1 958	1 958	793	800	4 115	3 350
Vote 3 - financial services		–	33	37	25	25	25	23	40	40	40
Vote 4 - development & planning		–	–	–	60	260	260	47	20	20	20
Vote 5 - health		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		366	2 074	2 724	8 668	9 764	9 764	3 277	4 965	6 580	5 715
Vote 7 - public safety		–	229	4 612	6 990	6 817	6 817	5 363	1 057	1 780	780
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		3 025	15 582	12 380	32 860	24 182	24 182	16 726	4 950	8 400	14 750
Vote 11 - solid waste management		–	180	16	3 400	3 400	3 400	–	3 550	7 970	7 490
Vote 12 - roads & transport		18 093	11 784	2 518	14 649	24 599	24 599	14 882	5 346	1 816	8 150
Vote 13 - water services		5 606	2 496	11 426	25 540	20 465	20 465	19 539	24 045	22 820	21 977
Vote 14 - electricty		4 261	12 007	19 151	41 105	11 862	11 862	9 930	3 600	2 050	3 850
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**31 350**	**44 553**	**52 964**	**143 964**	**105 396**	**105 396**	**71 122**	**51 273**	**73 741**	**86 032**
Single-year expenditure ***to be appropriated***	2										
Vote 1 - executive council		1 075	2 502	1 377	–	11 481	11 481	9 631	1 500	1 700	1 700
Vote 2 - corporate services		1 754	1 831	3 469	29	143	143	32	90	230	230
Vote 3 - financial services		117	338	105	–	–	–	–	89	–	–
Vote 4 - development & planning		118	–	38	–	–	–	–	–	–	–
Vote 5 - health		–	–	4	–	–	–	–	–	–	–
Vote 6 - community & social services		9 444	4 612	2 367	–	800	800	27	2 955	1 850	2 440
Vote 7 - public safety		1 714	810	578	–	–	–	–	2 750	750	750
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		8 866	6 772	1 666	–	7 716	7 716	–	7 740	8 100	1 300
Vote 11 - solid waste management		3 834	5 468	9 144	–	–	–	–	3 505	1 000	3 610
Vote 12 - roads & transport		2 278	2 921	4 100	–	12 850	12 850	8 951	14 000	17 900	22 500
Vote 13 - water services		2 376	9 644	7 703	–	7 996	7 996	492	11 710	9 680	7 500
Vote 14 - electricty		6 130	3 465	973	–	14 452	14 452	–	14 550	23 007	27 470
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**37 707**	**38 363**	**31 525**	**29**	**55 438**	**55 438**	**19 133**	**58 889**	**64 217**	**67 500**
Total Capital Expenditure - Vote		**69 057**	**82 916**	**84 489**	**143 993**	**160 834**	**160 834**	**90 256**	**110 162**	**137 958**	**153 532**
Capital Expenditure - Functional											
Governance and administration		**3 401**	**5 419**	**5 148**	**11 321**	**16 313**	**16 313**	**11 469**	**5 729**	**26 295**	**25 740**
Executive and council		236	80	586	633	632	632	211	–	–	–
Finance and administration		3 164	5 339	4 562	10 688	15 680	15 680	11 258	5 729	26 295	25 740
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**10 319**	**6 505**	**9 002**	**14 278**	**15 970**	**15 970**	**7 869**	**10 377**	**9 860**	**8 635**
Community and social services		1 090	2 121	3 840	2 738	3 038	3 038	938	4 300	2 500	2 700
Sport and recreation		8 407	4 019	1 198	5 530	7 085	7 085	2 000	3 370	5 430	5 005
Public safety		822	365	3 959	6 010	5 847	5 847	4 931	2 707	1 930	930
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	4	–	–	–	–	–	–	–
Economic and environmental services		**21 348**	**15 379**	**7 887**	**15 689**	**38 679**	**38 679**	**24 312**	**20 466**	**18 836**	**31 270**
Planning and development		118	–	38	60	260	260	47	20	20	20
Road transport		21 230	15 379	7 849	15 629	38 419	38 419	24 265	20 446	18 816	31 250
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**33 989**	**55 614**	**62 452**	**102 705**	**89 873**	**89 873**	**46 606**	**73 590**	**82 967**	**87 887**
Energy sources		10 282	15 472	20 116	40 905	26 114	26 114	9 848	18 090	24 997	31 260
Water management		7 982	12 140	19 130	25 540	28 461	28 461	20 031	35 755	32 500	29 477
Waste water management		11 891	22 354	14 046	32 860	31 898	31 898	16 726	12 690	16 500	16 050
Waste management		3 834	5 648	9 160	3 400	3 400	3 400	–	7 055	8 970	11 100
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**69 057**	**82 916**	**84 489**	**143 993**	**160 834**	**160 834**	**90 256**	**110 162**	**137 958**	**153 532**
Funded by:											
National Government		28 680	34 656	36 527	53 989	59 539	59 539	37 210	52 773	65 368	73 227
Provincial Government		–	2 236	3 621	2 738	3 038	3 038	938	4 300	4 380	4 530
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		1 302	–		7 584	14 748	14 748	11 547	8 150	19 720	21 530
Transfers recognised - capital	4	**29 982**	**36 892**	**40 148**	**64 311**	**77 325**	**77 325**	**49 695**	**65 223**	**89 468**	**99 287**
Public contributions & donations	5	4 535	10 811	9 420							
Borrowing	6	19 239	27 797	15 735	61 710	61 960	61 960	31 970	32 650	33 300	39 940
Internally generated funds		15 301	7 416	19 186	17 972	21 550	21 550	8 591	12 289	15 190	14 305
Total Capital Funding	7	**69 057**	**82 916**	**84 489**	**143 993**	**160 834**	**160 834**	**90 256**	**110 162**	**137 958**	**153 532**

GT422 Midvaal - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - executive council		–	–	–	3 647	2 064	2 064	541	2 900	18 150	19 910
1.1 - municipal manager		–	–	–	–	–	–	–	–	–	–
1.2 - councillors		–	–	–	–	–	–	–	–	–	–
1.3 - speakers office		–	–	–	565	–	–	198	–	–	–
1.4 - office of the mayor		–	–	–	98	97	97	13	–	–	–
1.5 - savannna		–	–	–	2 984	1 967	1 967	331	2 900	18 150	19 910
Vote 2 - corporate services		–	169	99	7 020	1 958	1 958	793	800	4 115	3 350
2.1 - corporate services admin		–	169	–	5 230	724	724	199	–	2 630	1 865
2.2 - council building		–	–	–	–	–	–	–	–	–	–
2.3 - pro		–	–	–	–	–	–	–	–	–	–
2.4 - it services		–	–	–	1 470	1 044	1 044	582	800	1 470	1 470
2.5 - performance audit		–	–	–	20	20	20	12	–	–	–
2.6 - human resources		–	–	99	300	170	170	–	–	15	15
Vote 3 - financial services		–	33	37	25	25	25	23	40	40	40
3.1 - financial sercices - adminitration		–	33	37	20	20	20	20	30	30	30
3.2 - financial sercices - revenue		–	–	–	5	5	5	4	10	10	10
3.3 - financial sercices - expenditure		–	–	–	–	–	–	–	–	–	–
Vote 4 - development & planning		–	–	–	60	260	260	47	20	20	20
4.1 - development & planning		–	–	–	60	260	260	47	20	20	20
4.2 - building control		–	–	–	–	–	–	–	–	–	–
4.3 - town planning		–	–	–	–	–	–	–	–	–	–
Vote 5 - health		–	–	–	–	–	–	–	–	–	–
5.1 - clinic randvaal		–	–	–	–	–	–	–	–	–	–
5.2 - clininc meyerton		–	–	–	–	–	–	–	–	–	–
5.3 - clinic kookrus		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		366	2 074	2 724	8 668	9 764	9 764	3 277	4 965	6 580	5 715
6.1 - library meyerton		366	–	1 592	380	380	380	190	600	250	300
6.2 - libaray henley on klip		–	–	–	700	700	700	487	150	150	200
6.3 - library walkerville		–	–	–	1 258	758	758	61	150	150	200
6.4 - library randvaal		–	–	–	100	100	100	22	150	150	200
6.5 - library sicelo		–	–	–	150	150	150	89	250	250	300
6.6 - lakeside library		–	–	–	150	150	150	61	250	250	300
6.9 - parks		–	–	–	–	–	–	–	–	–	–
6.10 - swimming pool		–	–	–	400	441	441	367	50	50	50
6.11 - sport & recreation		–	512	9	460	1 209	1 209	1 003	545	2 090	1 405
6.12 - cemetries		–	–	–	–	–	–	–	–	–	–
6.11 - sport & recreation		–	1 561	1 123	5 070	5 876	5 876	997	2 820	3 240	2 760
6.12 - cemetries		–	–	–	–	–	–	–	–	–	–
Vote 7 - public safety		–	229	4 612	6 990	6 817	6 817	5 363	1 057	1 780	780
7.1 - traffic		–	35	653	980	970	970	432	–	–	–
7.2 - fire		–	194	3 959	6 010	5 847	5 847	4 931	1 057	1 780	780
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
9.1 - environmental services		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		3 025	15 582	12 380	32 860	24 182	24 182	16 726	4 950	8 400	14 750
10.1 - SEWER CONNECTIONS AND EXTENSIONS		3 025	15 582	12 157	26 260	21 620	21 620	14 981	2 550	7 200	14 050
10.2 - purification		–	–	223	6 600	2 562	2 562	1 745	2 400	1 200	700
Vote 11 - solid waste management		–	180	16	3 400	3 400	3 400	–	3 550	7 970	7 490
11.1 - LAND		–	–	–	–	–	–	–	–	–	–
11.2 - SOLID WASTE MANAGEMENT		–	180	16	3 400	3 400	3 400	–	3 550	7 970	7 490
11.3 - ENVIRONMENTAL MANAGEMENT		–	–	–	–	–	–	–	–	–	–
Vote 12 - roads & transport		18 093	11 784	2 518	14 649	24 599	24 599	14 882	5 346	1 816	8 150
12.1 - roads & stormwater		18 093	11 784	2 518	14 649	24 599	24 599	14 882	5 346	1 816	8 150
12.2 - transport & mechanical workshop		–	–	–	–	–	–	–	–	–	–
12.3 - storm water		–	–	–	–	–	–	–	–	–	–
Vote 13 - water services		5 606	2 496	11 426	25 540	20 465	20 465	19 539	24 045	22 820	21 977
13.1 - water		5 606	2 496	11 426	25 540	20 465	20 465	19 539	24 045	22 820	21 977
Vote 14 - electricty		4 261	12 007	19 151	41 105	11 862	11 862	9 930	3 600	2 050	3 850
14.1 - electricity		4 261	12 007	19 151	40 905	11 712	11 712	9 848	3 570	2 020	3 820
14.2 - engineering admin		–	–	–	200	150	150	82	30	30	30
Capital multi-year expenditure sub-total		31 350	44 553	52 964	143 964	105 396	105 396	71 122	51 273	73 741	86 032
Capital expenditure - Municipal Vote											
Single-year expenditure appropriation	2										
Vote 1 - executive council		1 075	2 502	1 377	–	11 481	11 481	9 631	1 500	1 700	1 700
1.1 - municipal manager		–	–	–	–	–	–	–	–	–	–
1.2 - councillors		–	–	–	–	–	–	–	–	–	–
1.3 - speakers office		9	–	–	–	–	–	–	–	–	–
1.4 - office of the mayor		227	80	586	–	–	–	–	–	–	–
1.5 - savannna		839	2 423	791	–	11 481	11 481	9 631	1 500	1 700	1 700

Vote 2 - corporate services		**1 754**	**1 831**	**3 469**	**29**	**143**	**143**	**32**	**90**	**230**	**230**
2.1 - corporate services admin		669	89	120	20	118	118	6	90	230	230
2.2 - council building		131	345	35	–	–	–	–	–	–	–
2.3 - pro		–	–	–	–	–	–	–	–	–	–
2.4 - it services		524	1 212	3 244	–	18	18	18	–	–	–
2.5 - performance audit		–	–	–	9	8	8	8	–	–	–
2.6 - human resources		431	185	70	–	–	–	–	–	–	–
Vote 3 - financial services		**117**	**338**	**105**	**–**	**–**	**–**	**–**	**89**	**–**	**–**
3.1 - financial sercices - adminitration		117	338	105	–	–	–	–	–	–	–
3.2 - financial sercices - revenue		–	–	–	–	–	–	–	–	–	–
3.3 - financial sercices - expenditure		–	–	–	–	–	–	–	89	–	–
Vote 4 - development & planning		**118**	**–**	**38**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 - development & planning		118	–	38	–	–	–	–	–	–	–
4.2 - building control		–	–	–	–	–	–	–	–	–	–
4.3 - town planning		–	–	–	–	–	–	–	–	–	–
Vote 5 - health		**–**	**–**	**4**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
5.1 - clinic randvaal		–	–	2	–	–	–	–	–	–	–
5.2 - clininc meyerton		–	–	2	–	–	–	–	–	–	–
5.3 - clinic kookrus		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		**9 444**	**4 612**	**2 367**	**–**	**800**	**800**	**27**	**2 955**	**1 850**	**2 440**
6.1 - library meyerton		549	1 178	1 353	–	–	–	–	1 950	1 000	1 000
6.2 - libaray henley on klip		33	60	132	–	–	–	–	400	–	–
6.3 - library walkerville		52	60	77	–	–	–	–	–	–	–
6.4 - library randvaal		56	58	55	–	–	–	–	–	–	–
6.5 - library sicelo		23	149	194	–	–	–	–	–	–	–
6.6 - lakeside library		11	617	393	–	–	–	–	100	–	–
6.9 - parks		–	–	–	–	800	800	27	300	300	200
6.10 - swimming pool		312	546	52	–	–	–	–	200	450	400
6.11 - sport & recreation		1 399	1 176	66	–	–	–	–	5	100	840
6.12 - cemetries		87	–	–	–	–	–	–	–	–	–
6.11 - sport & recreation		6 921	769	–	–	–	–	–	–	–	–
6.12 - cemetries		–	0	44	–	–	–	–	–	–	–
Vote 7 - public safety		**1 714**	**810**	**578**	**–**	**–**	**–**	**–**	**2 750**	**750**	**750**
7.1 - traffic		892	639	578	–	–	–	–	1 100	600	600
7.2 - fire		822	171	–	–	–	–	–	1 650	150	150
Vote 9 - environmental protection		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
9.1 - environmental services		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		**8 866**	**6 772**	**1 666**	**–**	**7 716**	**7 716**	**–**	**7 740**	**8 100**	**1 300**
10.1 - SEWER CONNECTIONS AND EXTENSIONS		7 740	3 876	1 068	–	6 203	6 203	–	7 540	8 100	1 300
10.2 - purification		1 126	2 896	598	–	1 513	1 513	–	200	–	–
Vote 11 - solid waste management		**3 834**	**5 468**	**9 144**	**–**	**–**	**–**	**–**	**3 505**	**1 000**	**3 610**
11.1 - LAND		–	–	–	–	–	–	–	–	–	2 500
11.2 - SOLID WASTE MANAGEMENT		3 834	5 468	9 144	–	–	–	–	3 505	1 000	1 110
11.3 - ENVIRONMENTAL MANAGEMENT		–	–	–	–	–	–	–	–	–	–
Vote 12 - roads & transport		**2 278**	**2 921**	**4 100**	**–**	**12 850**	**12 850**	**8 951**	**14 000**	**17 900**	**22 500**
12.1 - roads & stormwater		2 245	2 921	4 100	–	12 850	12 850	8 951	14 000	16 400	22 500
12.2 - transport & mechanical workshop		34	–	–	–	–	–	–	–	1 500	–
12.3 - storm water		–	–	–	–	–	–	–	–	–	–
Vote 13 - water services		**2 376**	**9 644**	**7 703**	**–**	**7 996**	**7 996**	**492**	**11 710**	**9 680**	**7 500**
13.1 - water		2 376	9 644	7 703	–	7 996	7 996	492	11 710	9 680	7 500
Vote 14 - electricty		**6 130**	**3 465**	**973**	**–**	**14 452**	**14 452**	**–**	**14 550**	**23 007**	**27 470**
14.1 - electricity		5 180	2 163	915	–	14 402	14 402	–	14 520	22 977	27 440
14.2 - engineering admin		950	1 302	58	–	50	50	–	30	30	30
Capital single-year expenditure sub-total		37 707	38 363	31 525	29	55 438	55 438	19 133	58 889	64 217	67 500
Total Capital Expenditure		69 057	82 916	84 489	143 993	160 834	160 834	90 256	110 162	137 958	153 532

GT422 Midvaal - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Current assets											
Cash		75 520	100 000	130 100	130 323	125 810	125 810	296 250	134 558	150 775	174 413
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	108 374	102 864	112 628	131 835	118 259	118 259	132 054	124 409	131 251	138 470
Other debtors		9 952	19 569	27 137	36 614	28 504	28 504	15 258	29 986	31 635	33 375
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	8 727	9 416	9 335	10 610	9 801	9 801	12 399	10 311	10 878	11 477
Total current assets		**202 573**	**231 848**	**279 200**	**309 382**	**282 375**	**282 375**	**455 961**	**299 264**	**324 540**	**357 735**
Non current assets											
Long-term receivables											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		46 930	46 566	46 570	46 570	46 570	46 570	46 570	46 570	46 570	46 570
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	2 040 412	2 012 136	1 981 950	1 977 440	2 025 541	2 025 541	1 970 046	2 018 459	2 035 069	2 060 579
Agricultural		–	–	–				–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		497	1 695	5 958	1 695	5 958	5 958	5 958	5 958	5 958	5 958
Other non-current assets		19	19	19	19	19	19	19	19	19	19
Total non current assets		**2 087 858**	**2 060 416**	**2 034 497**	**2 025 724**	**2 078 087**	**2 078 087**	**2 022 593**	**2 071 005**	**2 087 616**	**2 113 126**
TOTAL ASSETS		**2 290 431**	**2 292 264**	**2 313 697**	**2 335 106**	**2 360 462**	**2 360 462**	**2 478 553**	**2 370 269**	**2 412 156**	**2 470 861**
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	20 865	21 996	22 163	30 000	24 000	24 000	22 163	39 078	41 633	45 058
Consumer deposits		11 647	13 860	15 316	14 324	16 082	16 082	16 213	16 918	17 848	18 830
Trade and other payables	4	71 400	94 520	96 342	116 710	101 159	101 159	80 319	106 419	112 273	118 448
Provisions		5 867	2 251	–	–	–	–	–	–	–	–
Total current liabilities		**109 779**	**132 627**	**133 821**	**161 034**	**141 241**	**141 241**	**118 695**	**162 415**	**171 754**	**182 336**
Non current liabilities											
Borrowing		157 347	144 748	137 558	170 472	169 292	169 292	227 163	154 535	146 202	141 084
Provisions		38 000	46 213	52 131	49 032	54 737	54 737	–	57 584	60 751	64 092
Total non current liabilities		**195 346**	**190 961**	**189 689**	**219 504**	**224 029**	**224 029**	**227 163**	**212 119**	**206 953**	**205 176**
TOTAL LIABILITIES		**305 126**	**323 588**	**323 510**	**380 537**	**365 270**	**365 270**	**345 857**	**374 535**	**378 707**	**387 512**
NET ASSETS	5	**1 985 305**	**1 968 676**	**1 990 187**	**1 954 569**	**1 995 192**	**1 995 192**	**2 132 696**	**1 995 735**	**2 033 448**	**2 083 349**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 985 305	1 968 676	1 990 187	1 954 569	1 995 192	1 995 192	2 132 696	1 995 735	2 033 448	2 083 349
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**1 985 305**	**1 968 676**	**1 990 187**	**1 954 569**	**1 995 192**	**1 995 192**	**2 132 696**	**1 995 735**	**2 033 448**	**2 083 349**

GT422 Midvaal - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		134 780	146 376	148 881	48 401	188 107	188 107	144 903	190 461	210 432	227 640
Service charges		442 119	393 634	476 018	640 998	526 796	526 796	500 934	611 717	655 906	692 254
Other revenue		3 483	90 215	67 045	61 620	73 619	73 619	67 256	20 795	22 043	23 255
Government - operating	1	75 418	84 177	92 056	108 551	105 551	105 551	68 636	119 802	127 829	144 771
Government - capital	1	30 027	38 704	41 797	60 721	62 427	62 427	55 500	65 223	89 468	99 287
Interest		16 198	18 865	18 689	12 810	13 810	13 810	4 069	14 487	15 205	15 903
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(613 161)	(636 840)	(711 813)	(803 459)	(804 220)	(804 220)	(612 604)	(878 505)	(933 703)	(1 001 332)
Finance charges		(18 899)	(18 888)	(18 796)	(21 369)	(21 369)	(21 369)	(8 298)	(25 943)	(27 862)	(23 584)
Transfers and Grants	1		(221)	(142)	(287)	(21 737)	(21 737)	(193)	(287)	(297)	(313)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**69 966**	**116 022**	**113 736**	**107 986**	**122 984**	**122 984**	**220 203**	**117 752**	**159 022**	**177 882**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		2 485	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(68 969)	(80 075)	(76 622)	(143 993)	(160 834)	(160 834)	(90 256)	(110 162)	(137 958)	(153 532)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(66 485)**	**(80 075)**	**(76 622)**	**(143 993)**	**(160 834)**	**(160 834)**	**(90 256)**	**(110 162)**	**(137 958)**	**(153 532)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		(5 515)			58 010	58 010	58 010	36 212	31 900	33 300	39 940
Increase (decrease) in consumer deposits									836	930	982
Payments											
Repayment of borrowing		(13 917)	(11 467)	(7 023)	(26 846)	(24 440)	(24 440)		(31 578)	(39 078)	(41 633)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(19 432)**	**(11 467)**	**(7 023)**	**31 164**	**33 570**	**33 570**	**36 212**	**1 158**	**(4 847)**	**(712)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(15 951)**	**24 479**	**30 091**	**(4 842)**	**(4 281)**	**(4 281)**	**166 159**	**8 748**	**16 217**	**23 638**
Cash/cash equivalents at the year begin:	2	**91 471**	**75 520**	**100 000**	**134 966**	**130 091**	**130 100**	**130 100**	**125 810**	**134 558**	**150 775**
Cash/cash equivalents at the year end:	2	**75 520**	**100 000**	**130 091**	**130 123**	**125 810**	**125 820**	**296 260**	**134 558**	**150 775**	**174 413**

GT422 Midvaal - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	75 520	100 000	130 091	130 123	125 810	125 820	296 260	134 558	150 775	174 413
Other current investments > 90 days		0	(0)	9	200	(0)	(9)	(9)	(0)	(0)	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**75 520**	**100 000**	**130 100**	**130 323**	**125 810**	**125 810**	**296 250**	**134 558**	**150 775**	**174 413**
Application of cash and investments											
Unspent conditional transfers		149	24	–	–	–	–	–	–	–	–
Unspent borrowing		23 314	7 487	6 670	–	–	750		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(26 194)	(3 524)	(17 007)	(25 305)	(21 285)	(21 285)	(69 709)	(31 946)	(33 917)	(35 857)
Other provisions				38 469	42 088	79 177	79 177	52 131	88 661	99 829	105 726
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	91 542	78 709	14 165	18 121	13 008	13 008	146 095	63 402	66 004	68 609
Total Application of cash and investments:		**88 810**	**82 696**	**42 297**	**34 904**	**70 900**	**71 650**	**128 517**	**120 117**	**131 915**	**138 477**
Surplus(shortfall)		**(13 290)**	**17 304**	**87 803**	**95 419**	**54 910**	**54 160**	**167 733**	**14 441**	**18 860**	**35 936**

GT422 Midvaal - Table A9 Consolidated Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
Total New Assets	1	**14 922**	**18 180**	**10 744**	**65 178**	**62 619**	**62 619**	**32 876**	**51 707**	**61 975**
Roads Infrastructure		–	–	–	–	12 850	12 850	–	500	1 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	16 960	9 722	9 722	9 270	20 852	26 370
Water Supply Infrastructure		–	–	–	–	–	–	2 000	–	–
Sanitation Infrastructure		–	–	–	16 000	14 322	14 322	1 500	500	500
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	50
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	**–**	**–**	***32 960***	***36 895***	***36 895***	***12 770***	***21 852***	***27 920***
Community Facilities		–	–	–	13 200	7 189	7 189	3 277	7 700	9 700
Sport and Recreation Facilities		–	–	–	–	–	–	–	500	2 500
Community Assets		**–**	**–**	**–**	***13 200***	***7 189***	***7 189***	***3 277***	***8 200***	***12 200***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	1 500	1 500
Non-revenue Generating		278	10	32	–	–	–	1 560	–	500
Investment properties		***278***	***10***	***32***	**–**	**–**	**–**	***1 560***	***1 500***	***2 000***
Operational Buildings		475	452	215	1 410	570	570	250	7 000	5 400
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***475***	***452***	***215***	***1 410***	***570***	***570***	***250***	***7 000***	***5 400***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	270	–	815	552	552	690	945	1 500
Licences and Rights		–	166	1 533	1 430	1 056	1 056	950	1 350	1 350
Intangible Assets		**–**	***436***	***1 533***	***2 245***	***1 608***	***1 608***	***1 640***	***2 295***	***2 850***
Computer Equipment		**38**	**1 155**	**1 768**	**120**	**318**	**318**	**1 759**	**1 180**	**1 180**
Furniture and Office Equipment		**1 051**	**668**	**1 234**	**773**	**623**	**623**	**135**	**200**	**190**
Machinery and Equipment		**5 621**	**3 064**	**2 259**	**3 720**	**3 772**	**3 772**	**185**	**1 930**	**3 845**
Transport Assets		**7 459**	**12 396**	**3 704**	**10 750**	**11 645**	**11 645**	**11 300**	**7 550**	**6 390**
Libraries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**14 133**	**14 066**	**13 171**	**46 384**	**58 470**	**58 470**	**39 190**	**43 840**	**46 847**
Roads Infrastructure		–	–	–	100	4 900	4 900	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	308	496	1 200	6 900	6 900	5 650	2 700	2 390
Water Supply Infrastructure		5 606	5 710	7 219	24 150	19 257	19 257	25 600	24 370	24 477
Sanitation Infrastructure		779	3 464	494	13 550	8 071	8 071	2 650	4 050	7 950
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***6 385***	***9 481***	***8 208***	***39 000***	***39 128***	***39 128***	***33 900***	***31 120***	***34 817***
Community Facilities		1 279	2 071	3 551	800	1 600	1 600	1 400	3 080	3 330
Sport and Recreation Facilities		5 204	2 105	1 139	4 900	5 626	5 626	2 600	5 500	3 000
Community Assets		***6 483***	***4 176***	***4 690***	***5 700***	***7 226***	***7 226***	***4 000***	***8 580***	***6 330***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	10 292	10 292	150	150	2 650
Investment properties		**–**	**–**	**–**	**–**	***10 292***	***10 292***	***150***	***150***	***2 650***
Operational Buildings		341	125	16	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***341***	***125***	***16***	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**341**	**250**	**194**	**100**	**141**	**141**	**40**	**40**	**1 600**
Furniture and Office Equipment		**582**	**33**	**61**	**84**	**129**	**129**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**55**	**55**	**1 100**	**1 700**	**300**
Transport Assets		**–**	**–**	**–**	**1 500**	**1 500**	**1 500**	**–**	**2 250**	**1 150**
Libraries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Upgrading of Existing Assets	6	**40 002**	**50 670**	**60 574**	**32 431**	**39 745**	**39 745**	**38 096**	**42 411**	**44 710**
Roads Infrastructure		19 602	13 863	6 726	6 839	12 239	12 239	18 226	15 466	24 500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		17 780	28 137	29 851	21 000	8 000	8 000	–	–	–
Water Supply Infrastructure		750	4 304	11 911	–	6 196	6 196	7 310	6 730	4 500
Sanitation Infrastructure		–	1 310	840	–	7 768	7 768	7 540	10 300	6 300
Solid Waste Infrastructure		–	1 500	7 219	3 000	3 000	3 000	3 000	8 000	7 500
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***38 132***	***49 114***	***56 547***	***30 839***	***37 203***	***37 203***	***36 076***	***40 496***	***42 800***
Community Facilities		86	1 556	4 027	–	–	–	–	–	–

Sport and Recreation Facilities		1 784	–	–	–	–	–	–	–	–
Community Assets		***1 870***	***1 556***	***4 027***	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	400	300	250
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	***400***	***300***	***250***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**934**	**1 884**	**1 884**	**1 620**	**1 615**	**1 660**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Libraries		**–**	**–**	**–**	**658**	**658**	**658**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	4									
Roads Infrastructure		19 602	13 863	6 726	6 939	29 989	29 989	18 226	15 966	25 500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		17 780	28 444	30 347	39 160	24 622	24 622	14 920	23 552	28 760
Water Supply Infrastructure		6 356	10 014	19 130	24 150	25 453	25 453	34 910	31 100	28 977
Sanitation Infrastructure		779	4 773	1 334	29 550	30 162	30 162	11 690	14 850	14 750
Solid Waste Infrastructure		–	1 500	7 219	3 000	3 000	3 000	3 000	8 000	7 550
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***44 518***	***58 595***	***64 756***	***102 799***	***113 226***	***113 226***	***82 746***	***93 468***	***105 537***
Community Facilities		1 365	3 627	7 578	14 000	8 789	8 789	4 677	10 780	13 030
Sport and Recreation Facilities		6 988	2 105	1 139	4 900	5 626	5 626	2 600	6 000	5 500
Community Assets		***8 353***	***5 733***	***8 717***	***18 900***	***14 415***	***14 415***	***7 277***	***16 780***	***18 530***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	1 500	1 500
Non-revenue Generating		278	10	32	–	10 292	10 292	1 710	150	3 150
Investment properties		***278***	***10***	***32***	**–**	***10 292***	***10 292***	***1 710***	***1 650***	***4 650***
Operational Buildings		816	577	231	1 410	570	570	650	7 300	5 650
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***816***	***577***	***231***	***1 410***	***570***	***570***	***650***	***7 300***	***5 650***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	270	–	815	552	552	690	945	1 500
Licences and Rights		–	166	1 533	1 430	1 056	1 056	950	1 350	1 350
Intangible Assets		**–**	***436***	***1 533***	***2 245***	***1 608***	***1 608***	***1 640***	***2 295***	***2 850***
Computer Equipment		**379**	**1 405**	**1 962**	**220**	**459**	**459**	**1 799**	**1 220**	**2 780**
Furniture and Office Equipment		**1 632**	**701**	**1 296**	**857**	**751**	**751**	**135**	**200**	**190**
Machinery and Equipment		**5 621**	**3 064**	**2 259**	**4 654**	**5 711**	**5 711**	**2 905**	**5 245**	**5 805**
Transport Assets		**7 459**	**12 396**	**3 704**	**12 250**	**13 145**	**13 145**	**11 300**	**9 800**	**7 540**
Libraries		**–**	**–**	**–**	**658**	**658**	**658**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL CAPITAL EXPENDITURE - Asset class		**69 057**	**82 916**	**84 489**	**143 993**	**160 834**	**160 834**	**110 162**	**137 958**	**153 532**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		620 048	614 852	605 184	529 453	552 353	552 353	18 226	16 316	25 850
Storm water Infrastructure										
Electrical Infrastructure		674 574	618 346	596 697	659 237	645 510	645 510	13 920	24 552	28 760
Water Supply Infrastructure		192 634	199 879	201 440	213 445	216 548	216 548	34 910	31 100	28 977
Sanitation Infrastructure		482 406	473 838	478 155	335 957	334 755	334 755	11 380	15 695	15 650
Solid Waste Infrastructure			1 500	1 500	–	–	–	–	2 000	1 000
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		***1 969 661***	***1 908 415***	***1 882 976***	***1 738 092***	***1 749 166***	***1 749 166***	***78 436***	***89 663***	***100 237***
Community Facilities		45 934	65 906	64 680	800	1 600	1 600	1 700	3 380	3 530
Sport and Recreation Facilities					122 616	117 268	117 268	4 977	9 500	11 000
Community Assets		***45 934***	***65 906***	***64 680***	***123 416***	***118 868***	***118 868***	***6 677***	***12 880***	***14 530***
Heritage Assets										
Revenue Generating										
Non-revenue Generating		19	19	19						
Investment properties		***19***	***19***	***19***	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings										
Housing		47 487	47 487	47 487	178 033	187 114	187 114	3 450	16 150	15 450
Other Assets		***47 487***	***47 487***	***47 487***	***178 033***	***187 114***	***187 114***	***3 450***	***16 150***	***15 450***
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**28**	**(15)**	**(34)**	**–**	**200**	**200**	**–**	**–**	**–**
Furniture and Office Equipment		**22 106**	**25 365**	**24 132**	**5 126**	**5 186**	**5 186**	**3 884**	**3 825**	**5 580**
Machinery and Equipment		**721**	**1 103**	**2 685**	**1 080**	**2 027**	**2 027**	**3 960**	**3 720**	**6 340**
Transport Assets		**1 689**	**12 137**	**12 553**	**15 480**	**15 527**	**15 527**	**1 974 598**	**1 961 378**	**1 970 989**

Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**2 087 645**	**2 060 416**	**2 034 497**	**2 061 227**	**2 078 087**	**2 078 087**	**2 071 005**	**2 087 616**	**2 113 126**
EXPENDITURE OTHER ITEMS										
Depreciation	7	112 943	112 758	116 486	117 244	117 244	117 244	117 244	121 348	128 022
Repairs and Maintenance by Asset Class	3	**41 066**	**51 360**	**50 706**	**48 338**	**104 931**	**104 931**	**112 400**	**117 707**	**124 514**
Roads Infrastructure		18 263	17 586	17 249	19 266	28 583	28 583	30 507	31 872	33 686
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4 029	4 087	5 312	4 923	18 205	18 205	19 838	20 917	22 147
Water Supply Infrastructure		2 156	4 709	4 626	3 198	17 389	17 389	18 715	19 752	20 918
Sanitation Infrastructure		3 740	7 914	7 793	8 369	24 160	24 160	26 078	27 480	29 092
Solid Waste Infrastructure		449	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***28 637***	***34 297***	***34 980***	***35 755***	***88 338***	***88 338***	***95 138***	***100 021***	***105 842***
Community Facilities		–	2	–	291	268	268	498	278	293
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	***2***	**–**	***291***	***268***	***268***	***498***	***278***	***293***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		7 113	12 369	9 595	5 097	4 639	4 639	4 579	4 739	5 000
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***7 113***	***12 369***	***9 595***	***5 097***	***4 639***	***4 639***	***4 579***	***4 739***	***5 000***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**65**	**74**	**89**	**96**	**96**	**96**	**96**	**100**	**105**
Furniture and Office Equipment		**61**	**36**	**26**	**421**	**346**	**346**	**341**	**353**	**372**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**5 190**	**4 583**	**6 016**	**6 677**	**11 243**	**11 243**	**11 748**	**12 216**	**12 901**
Libraries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL EXPENDITURE OTHER ITEMS		**154 010**	**164 118**	**167 191**	**165 582**	**222 175**	**222 175**	**229 644**	**239 055**	**252 536**
Renewal and upgrading of Existing Assets as % of total capex		*78.4%*	*78.1%*	*87.3%*	*54.7%*	*61.1%*	*61.1%*	*70.2%*	*62.5%*	*59.6%*
Renewal and upgrading of Existing Assets as % of deprecn		*47.9%*	*57.4%*	*63.3%*	*67.2%*	*83.8%*	*83.8%*	*65.9%*	*71.1%*	*71.5%*
R&M as a % of PPE		*2.0%*	*2.6%*	*2.6%*	*2.4%*	*5.2%*	*5.2%*	*5.6%*	*5.8%*	*6.0%*
Renewal and upgrading and R&M as a % of PPE		*5.0%*	*6.0%*	*6.0%*	*6.0%*	*10.0%*	*10.0%*	*9.0%*	*10.0%*	*10.0%*

GT422 Midvaal - Table A10 Consolidated basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		19 461	19 461	19 461	19 461	19 850	19 850	19 850	19 850	19 850
Piped water inside yard (but not in dwelling)		5 376	5 376	5 376	5 376	5 484	5 484	5 484	5 484	5 484
Using public tap (at least min.service level)	2	1 467	1 467	1 467	1 467	1 496	1 496	1 496	1 496	1 496
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		26 304	26 304	26 304	26 304	26 830	26 830	26 830	26 830	26 830
Using public tap (< min.service level)	3	2 394	2 394	2 394	2 394	2 442	2 442	2 442	2 442	2 442
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		1 266	1 266	1 266	1 266	1 291	1 291	1 291	1 291	1 291
Below Minimum Service Level sub-total		3 660	3 660	3 660	3 660	3 733	3 733	3 733	3 733	3 733
Total number of households	5	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		17 370	17 370	17 370	17 370	17 717	17 717	17 717	17 717	17 717
Flush toilet (with septic tank)		5 505	5 505	5 505	5 505	5 615	5 615	5 615	5 615	5 615
Chemical toilet		1 842	1 842	1 842	1 842	1 879	1 879	1 879	1 879	1 879
Pit toilet (ventilated)		477	477	477	477	487	487	487	487	487
Other toilet provisions (> min.service level)		3 519	3 519	3 519	3 519	3 589	3 589	3 589	3 589	3 589
Minimum Service Level and Above sub-total		28 713	28 713	28 713	28 713	29 287	29 287	29 287	29 287	29 287
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		645	645	645	645	658	658	658	658	658
No toilet provisions		606	606	606	606	618	618	618	618	618
Below Minimum Service Level sub-total		1 251	1 251	1 251	1 251	1 276	1 276	1 276	1 276	1 276
Total number of households	5	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
Energy:										
Electricity (at least min.service level)		15 906	15 906	15 906	15 906	16 224	16 224	16 224	16 224	16 224
Electricity - prepaid (min.service level)		7 500	7 500	7 500	7 500	7 650	7 650	7 650	7 650	7 650
Minimum Service Level and Above sub-total		23 406	23 406	23 406	23 406	23 874	23 874	23 874	23 874	23 874
Electricity (< min.service level)		363	363	363	363	370	370	370	370	370
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		6 195	6 195	6 195	6 195	6 319	6 319	6 319	6 319	6 319
Below Minimum Service Level sub-total		6 558	6 558	6 558	6 558	6 689	6 689	6 689	6 689	6 689
Total number of households	5	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
Refuse:										
Removed at least once a week		24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
Minimum Service Level and Above sub-total		24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
Removed less frequently than once a week		300	303	303	303	309	309	309	309	309
Using communal refuse dump		579	579	579	579	591	591	591	591	591
Using own refuse dump		3 177	3 177	3 177	3 177	3 241	3 241	3 241	3 241	3 241
Other rubbish disposal		366	363	363	363	370	370	370	370	370
No rubbish disposal		948	948	948	948	967	967	967	967	967
Below Minimum Service Level sub-total		5 370	5 370	5 370	5 370	5 478	5 478	5 478	5 478	5 478
Total number of households	5	**29 964**	**29 964**	**29 964**	**29 964**	**30 564**	**30 564**	**30 564**	**30 564**	**30 564**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		460	1 166	3 753	16 602	16 602	16 602	18 100	20 100	10 000
Sanitation (free minimum level service)		460	1 166	3 753	4 502	4 502	4 502	6 000	8 000	10 000
Electricity/other energy (50kwh per household per month)		360	360	360	900	900	4 502	6 000	8 000	10 000
Refuse (removed at least once a week)		460	1 166	3 753	4 502	4 502	4 502	6 000	8 000	10 000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		7 100	8 134	9 286	9 959	9 959	9 959	12 187	14 887	8 147
Sanitation (free sanitation service to **indigent households**)		829	2 270	7 817	10 583	10 583	10 583	15 444	22 239	29 467
Electricity/other energy (50kwh per **indigent** household per month)		216	191	418	738	738	2 961	4 236	6 099	8 234
Refuse (removed once a week **for indigent households**)		376	1 031	3 550	4 556	4 556	4 556	6 649	9 574	12 686
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**8 522**	**11 625**	**21 071**	**25 836**	**25 836**	**28 059**	**38 516**	**52 800**	**58 534**
Highest level of free service provided per household										
Property rates (R value threshold)		150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		158	171	183	196	196	196	214	232	246
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		85	85	85	85	85	85	85	85	85
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	115 205	112 963	112 963	34 503	37 954	40 990
Water **(in excess of 6 kilolitres per indigent household per month)**		(7 100)	(8 134)	(9 286)	25 327	14 306	14 306	14 579	9 956	14 191
Sanitation **(in excess of free sanitation service to indigent households)**		(152)	(2 270)	(7 817)	1 171	(10 439)	(10 439)	0	(0)	(0)
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		(216)	(191)	(418)	173	(266)	(2 489)	(2 468)	(3 569)	(1 444)
Refuse **(in excess of one removal a week for indigent households)**		(376)	(1 031)	(3 550)	(3 038)	(3 038)	(3 038)	(2 771)	(5 386)	(8 246)
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**(7 845)**	**(11 625)**	**(21 071)**	**138 838**	**113 525**	**111 302**	**43 844**	**38 955**	**45 491**

GT422 Midvaal - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		133 498	146 376	164 775	298 312	301 070	301 070	287 971	241 128	265 719	286 949
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		–	–	–	115 205	112 963	112 963	128 441	34 503	37 954	40 990
Net Property Rates		**133 498**	**146 376**	**164 775**	**183 107**	**188 107**	**188 107**	**159 530**	**206 625**	**227 765**	**245 959**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		243 284	273 891	313 820	333 364	330 725	330 725	186 703	355 472	382 248	405 317
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		(216)	(191)	(418)	173	(266)	(2 489)	(86 615)	(2 468)	(3 569)	(1 444)
less Cost of Free Basis Services (50 kwh per indigent household per month)		216	191	418	738	738	2 961		4 236	6 099	8 234
Net Service charges - electricity revenue		**243 284**	**273 891**	**313 820**	**332 453**	**330 253**	**330 253**	**273 318**	**353 704**	**379 718**	**398 527**
Service charges - water revenue	6										
Total Service charges - water revenue		**139 963**	**142 408**	**163 423**	**201 800**	**209 778**	**209 778**	**171 547**	**231 907**	**251 602**	**272 202**
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***		**(7 100)**	**(8 134)**	**(9 286)**	**25 327**	**14 306**	**14 306**	**11 892**	14 579	9 956	14 191
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		7 100	8 134	9 286	9 959	9 959	9 959		12 187	14 887	8 147
Net Service charges - water revenue		**139 963**	**142 408**	**163 423**	**166 514**	**185 514**	**185 514**	**159 655**	**205 140**	**226 758**	**249 863**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		**30 978**	**34 494**	**34 292**	**49 165**	**37 555**	**37 555**	**34 289**	**57 414**	**62 007**	**65 727**
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***		**(152)**	**(2 270)**	**(7 817)**	**1 171**	**(10 439)**	**(10 439)**	**1 422**		**()**	**()**
less Cost of Free Basis Services (free sanitation service to indigent households)		829	2 270	7 817	10 583	10 583	10 583		15 444	22 239	29 467
Net Service charges - sanitation revenue		**30 301**	**34 494**	**34 292**	**37 412**	**37 412**	**37 412**	**32 867**	**41 970**	**39 768**	**36 260**
Service charges - refuse revenue	6										
Total refuse removal revenue		27 114	29 869	30 667	37 436	37 436	37 436	31 639	42 978	44 022	44 127
Total landfill revenue		–	–	–	4 041	3 041	3 041	1 162	3 330	3 596	3 812
less Revenue Foregone ***(in excess of one removal a week to indigent households)***		(376)	(1 031)	(3 550)	(3 038)	(3 038)	(3 038)	1 093	(2 771)	(5 386)	(8 246)
less Cost of Free Basis Services (removed once a week to indigent households)		376	1 031	3 550	4 556	4 556	4 556		6 649	9 574	12 686
Net Service charges - refuse revenue		**27 114**	**29 869**	**30 667**	**39 958**	**38 958**	**38 958**	**31 708**	**42 429**	**43 430**	**43 498**
Other Revenue by source											
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Other Revenue		–	–	–	5 065	25 024	25 024	31 687	5 198	5 510	5 813
		–	–	–	4 782	4 782	4 782	2 133	4 041	4 284	4 519
		26 134	34 322	32 338	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
	3										
Total 'Other' Revenue	1	**26 134**	**34 322**	**32 338**	**9 847**	**29 806**	**29 806**	**33 820**	**9 239**	**9 793**	**10 332**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	137 795	164 478	169 952	174 609	168 402	168 402	125 698	196 740	208 544	221 057
Pension and UIF Contributions		917	1 050	1 114	1 723	1 723	1 723	1 237	1 850	1 961	2 079
Medical Aid Contributions		8 610	10 050	10 959	45 883	45 239	45 239	33 450	52 023	55 144	58 453
Overtime		7 282	9 178	10 288	14 580	15 040	15 040	9 668	15 040	15 942	16 899
Performance Bonus		–	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		15 702	15 424	15 803	17 357	17 974	17 974	13 203	19 171	20 321	21 540
Cellphone Allowance		205	192	186	–	–	–	–	–	–	–
Housing Allowances		767	1 194	1 117	1 734	1 663	1 663	1 092	1 992	2 112	2 238
Other benefits and allowances		1 320	1 659	1 694	1 619	1 626	1 626	1 258	1 777	1 884	1 997
Payments in lieu of leave		–	–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	4	–	–	–	–	–	–	–	–	–	–
sub-total	5	**172 598**	**203 225**	**211 113**	**257 504**	**251 667**	**251 667**	**185 606**	**288 593**	**305 908**	**324 263**
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	**172 598**	**203 225**	**211 113**	**257 504**	**251 667**	**251 667**	**185 606**	**288 593**	**305 908**	**324 263**
Contributions recognised - capital											
List contributions by contract		6 558	6 109	12 902	–	–	–	–	–	–	–
Total Contributions recognised - capital		**6 558**	**6 109**	**12 902**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		112 943	112 758	116 486	117 244	117 244	117 244	102 160	117 244	121 348	128 022
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	–	–	–	–

Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	**112 943**	**112 758**	**116 486**	**117 244**	**117 244**	**117 244**	**102 160**	**117 244**	**121 348**	**128 022**
Bulk purchases											
Electricity Bulk Purchases		159 962	184 893	204 026	230 625	231 425	231 425	188 009	252 566	270 668	291 527
Water Bulk Purchases		56 746	54 127	58 469	85 500	102 500	102 500	83 816	120 648	133 380	149 488
Total bulk purchases	1	**216 708**	**239 020**	**262 495**	**316 125**	**333 925**	**333 925**	**271 826**	**373 213**	**404 047**	**441 015**
Transfers and grants											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		469	221	142	287	21 437	21 437	1 425	287	297	313
Total transfers and grants	1	**469**	**221**	**142**	**287**	**21 437**	**21 437**	**1 425**	**287**	**297**	**313**
Contracted services											
List services provided by contract		54 106	48 945	53 023	143 437	141 855	141 855	83 452	135 741	139 079	146 743
sub-total	1	**54 106**	**48 945**	**53 023**	**143 437**	**141 855**	**141 855**	**83 452**	**135 741**	**139 079**	**146 743**
Allocations to organs of state:											
Electricity		–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total contracted services		**54 106**	**48 945**	**53 023**	**143 437**	**141 855**	**141 855**	**83 452**	**135 741**	**139 079**	**146 743**
Other Expenditure By Type											
Collection costs		–	–	–	–	–	–	–	–	–	–
Contributions to 'other' provisions		–	–	–	–	–	–	–	–	–	–
Consultant fees		4 361	3 040	6 295	–	–	–	–	–	–	–
Audit fees		2 471	2 270	3 237	2 966	2 966	2 966	2 912	2 966	3 069	3 238
General expenses	3	93 653	102 945	107 349	46 581	55 957	55 957	28 879	51 930	54 144	57 041
List Other Expenditure by Type		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	4 081	(0)	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		41 066	51 360	50 706	–	–	–	–	–	–	–
Total 'Other' Expenditure	1	**141 550**	**159 615**	**167 586**	**49 547**	**58 923**	**58 923**	**35 872**	**54 895**	**57 213**	**60 279**
by Expenditure Item	8										
Employee related costs					–	54 651	54 651	43 139	64 715	68 598	72 714
Other materials		41 066	51 360	50 706	368	430	430	1 245	430	445	469
Contracted Services					47 970	48 017	48 017	33 863	46 160	47 530	50 144
Other Expenditure					–	2 525	2 525	1 227	1 096	1 134	1 187
Total Repairs and Maintenance Expenditure	9	41 066	51 360	50 706	48 338	105 623	105 623	79 475	112 400	117 707	124 514

GT422 Midvaal - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 1 - executive council	Vote 2 - corporate services	Vote 3 - financial services	Vote 4 - development & planning	Vote 5 - health	Vote 6 - community & social services	Vote 7 - public safety	Vote 8 -	Vote 9 - environmental protection	Vote 10 - waste water management	Vote 11 - solid waste management	Vote 12 - roads & transport	Vote 13 - water services	Vote 14 - electricity	Vote 15 -	Total
R thousand	1																
Revenue By Source																	
Property rates		–	2 717	203 908	–	–	–	–		–	–	–	–	–	–		**206 625**
Service charges - electricity revenue		–	9 506	–	–	–	–	–		–	–	–	–	–	344 198		**353 704**
Service charges - water revenue		–	8 127	–	–	–	–	–		–	–	–	–	197 013	–		**205 140**
Service charges - sanitation revenue		–	4 865	–	–	–	–	–		–	37 105	–	–	–	–		**41 970**
Service charges - refuse revenue		–	4 189	–	–	–	–	–		–	–	38 240	–	–	–		**42 429**
Service charges - other		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Rental of facilities and equipment		–	1 300	–	–	–	–	–		–	–	–	–	–	–		**1 300**
Interest earned - external investments		–	–	6 959	–	–	–	–		–	–	–	–	–	–		**6 959**
Interest earned - outstanding debtors		–	–	7 529	–	–	–	–		–	–	–	–	–	–		**7 529**
Dividends received		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Fines, penalties and forfeits		–	–	–	–	–	26	50 175		–	–	–	–	119	22		**50 342**
Licences and permits		–	–	–	–	–	–	41		–	–	–	–	–	–		**41**
Agency services		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Other revenue		6	628	2 414	3 789	–	831	861		–	709	–	–	1	–		**9 239**
Transfers and subsidies		5 754	1 851	41 585	–	6 365	7 931	–		3 486	15 444	7 425	–	26 767	3 196		**119 802**
Gains on disposal of PPE		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Total Revenue (excluding capital transfers and contributio		**5 760**	**33 182**	**262 395**	**3 789**	**6 365**	**8 788**	**51 077**	**–**	**3 486**	**53 258**	**45 665**	**–**	**223 900**	**347 415**	**–**	**1 045 079**
Expenditure By Type																	
Employee related costs		21 275	30 410	28 481	20 822	4 037	28 837	38 618		3 208	21 351	25 970	16 977	16 686	31 920		**288 593**
Remuneration of councillors		12 390	–	–	–	–	–	–		–	–	–	–	–	–		**12 390**
Debt impairment		–	1 470	16 028	–	–	–	40 126		–	1 855	1 746	–	9 771	16 820		**87 815**
Depreciation & asset impairment		1 399	1 667	144	1 164	408	4 699	1 983		193	9 920	2 934	30 804	6 824	55 104		**117 244**
Finance charges		97	730	1 866	620	–	663	589		–	5 722	–	4 405	5 658	5 594		**25 943**
Bulk purchases		–	–	–	–	–	–	–		–	–	–	–	120 648	252 566		**373 213**
Other materials		836	319	793	445	328	2 176	2 034		78	943	2 837	815	1 059	975		**13 638**
Contracted services		9 002	10 490	11 026	8 178	1 248	10 641	14 679		70	11 819	7 993	19 603	13 804	17 188		**135 741**
Transfers and subsidies		287	–	–	–	–	–	–		–	–	–	–	–	–		**287**
Other expenditure		7 703	12 009	13 030	971	1 007	3 754	2 253		201	974	8 669	788	1 075	2 460		**54 895**
Loss on disposal of PPE		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Total Expenditure		**52 988**	**57 096**	**71 369**	**32 200**	**7 028**	**50 771**	**100 282**	**–**	**3 751**	**52 584**	**50 149**	**73 392**	**175 525**	**382 626**	**–**	**1 109 759**
Surplus/(Deficit)		**(47 227)**	**(23 914)**	**191 027**	**(28 411)**	**(663)**	**(41 983)**	**(49 205)**	**–**	**(265)**	**673**	**(4 484)**	**(73 392)**	**48 374**	**(35 211)**	**–**	**(64 680)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	**4 400**	–	–	–	**7 240**	–		–	**7 777**	–	**4 281**	**30 525**	**11 000**		**65 223**
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Surplus/(Deficit) after capital transfers & contributions		**(47 227)**	**(19 514)**	**191 027**	**(28 411)**	**(663)**	**(34 743)**	**(49 205)**	**–**	**(265)**	**8 450**	**(4 484)**	**(69 111)**	**78 899**	**(24 211)**	**–**	**543**

GT422 Midvaal - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Call investment deposits											
Call deposits		–	–	–	–	–	–	–	–	–	–
Other current investments		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	–	–	–	–	–	–	–	–	–	–
Consumer debtors											
Consumer debtors		197 838	216 021	217 449	221 210	207 634	207 634	161 109	212 224	224 886	237 558
Less: Provision for debt impairment		(89 465)	(113 157)	(104 821)	(89 374)	(89 374)	(89 374)	(29 055)	(87 815)	(93 635)	(99 087)
Total Consumer debtors	2	**108 374**	**102 864**	**112 628**	**131 835**	**118 259**	**118 259**	**132 054**	**124 409**	**131 251**	**138 470**
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision		(89 465)	(113 157)	(104 821)	(89 374)	(89 374)	(89 374)	(29 055)	(202 522)	(202 522)	(202 522)
Bad debts written off											
Balance at end of year		**(89 465)**	**(113 157)**	**(104 821)**	**(89 374)**	**(89 374)**	**(89 374)**	**(29 055)**	**(202 522)**	**(202 522)**	**(202 522)**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		2 040 412	2 012 136	1 981 950	1 977 440	2 025 541	2 025 541	1 970 046	2 018 459	2 035 069	2 060 579
Leases recognised as PPE	3										
Less: Accumulated depreciation					–	–	–	–	–	–	–
Total Property, plant and equipment (PPE)	2	**2 040 412**	**2 012 136**	**1 981 950**	**1 977 440**	**2 025 541**	**2 025 541**	**1 970 046**	**2 018 459**	**2 035 069**	**2 060 579**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		20 865	21 996	22 163	30 000	24 000	24 000	3 416	39 078	41 633	45 058
Current portion of long-term liabilities		–	–	–	–	–	–	18 748	–	–	–
Total Current liabilities - Borrowing		**20 865**	**21 996**	**22 163**	**30 000**	**24 000**	**24 000**	**22 163**	**39 078**	**41 633**	**45 058**
Trade and other payables											
Trade and other creditors		78 031	103 287	104 295	127 426	111 876	111 876	80 319	106 419	112 273	118 448
Unspent conditional transfers		149	24	–	–	–	–	–	–	–	–
VAT		(6 780)	(8 791)	(7 953)	(10 716)	(10 716)	(10 716)				
Total Trade and other payables	2	**71 400**	**94 520**	**96 342**	**116 710**	**101 159**	**101 159**	**80 319**	**106 419**	**112 273**	**118 448**
Non current liabilities - Borrowing											
Borrowing	4	147 936	129 044	124 640	149 180	147 129	147 129	173 771	140 167	133 332	125 456
Finance leases (including PPP asset element)		9 411	15 704	12 918	21 292	22 163	22 163	53 392	14 368	12 870	15 628
Total Non current liabilities - Borrowing		**157 347**	**144 748**	**137 558**	**170 472**	**169 292**	**169 292**	**227 163**	**154 535**	**146 202**	**141 084**
Provisions - non-current											
Retirement benefits		13 673	16 444	16 142	17 447	16 949	16 949	–	17 830	18 811	19 846
List other major provision items											
Refuse landfill site rehabilitation		–	–	–	–	–	–	–	–	–	–
Other		24 327	29 769	35 989	31 585	37 788	37 788		39 753	41 940	44 247
Total Provisions - non-current		**38 000**	**46 213**	**52 131**	**49 032**	**54 737**	**54 737**	**–**	**57 584**	**60 751**	**64 092**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1 898 221	1 771 825	1 968 970	2 018 827	1 990 187	1 990 187	1 985 155	1 995 192	1 995 735	2 033 448
GRAP adjustments											
Restated balance		1 898 221	1 771 825	1 968 970	2 018 827	1 990 187	1 990 187	1 985 155	1 995 192	1 995 735	2 033 448
Surplus/(Deficit)		(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Appropriations to Reserves		108 774	213 480		(55 142)	0	0	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	**1 985 305**	**1 968 676**	**1 990 187**	**1 954 569**	**1 995 192**	**1 995 192**	**2 132 696**	**1 995 735**	**2 033 448**	**2 083 349**
Reserves											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement					–	–	–	–	–	–	–
Self-insurance					–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 985 305**	**1 968 676**	**1 990 187**	**1 954 569**	**1 995 192**	**1 995 192**	**2 132 696**	**1 995 735**	**2 033 448**	**2 083 349**

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services											

GT422 Midvaal - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
KPA 1: Governance and Stakeholder Participation	To promote proper governance and public participation.			4 816	5 208	5 966	5 946	5 946	5 946	5 760	6 307	6 307
KPA 2: Safety and Environment	To contribute to the safety of communities in Midvaal through the pro-active identification, prevention, mitigation and management of environmental health, fire and disaster risks			50 435	47 803	55 378	57 134	55 834	55 834	51 103	54 169	57 148
KPA 3: Social and Community Development	To assist and facilitate with the development and empowerment of the poor and the most vulnerable. These include the elderly, youth and disabled			16 600	20 393	27 968	115 995	124 278	124 278	93 797	97 829	108 400
KPA 4: Institutional Transformation	To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services			289	8 800	8 876	687	687	687	500	530	559
KPA 5: Financial Sustainability.	To ensure the financial sustainability of the municipality in order and to adhere to statutory requirements			153 090	180 548	188 123	204 034	210 034	210 034	262 395	284 906	303 032
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Midvaal			483 568	504 316	565 596	556 349	581 606	581 606	625 873	675 360	721 186
KPA 7: Services and Customer Care	To improve our public relations thereby pledging that our customers are serviced with dignity and care			29 051	44 981	45 057	(29 051)					
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within Midvaal and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills			2 489	2 509	2 585	2 891	2 900	2 900	5 651	5 951	6 280
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**740 337**	**814 559**	**899 550**	**913 986**	**981 285**	**981 285**	**1 045 079**	**1 125 051**	**1 202 911**

GT422 Midvaal - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
KPA 1: Governance and Stakeholder Participation	To promote proper governance and public participation.			34 133	23 232	28 751	38 022	40 968	40 968	39 407	41 034	43 116
KPA 2: Safety and Environment	To contribute to the safety of communities in Midvaal through the pro-active identification, prevention, mitigation and			81 229	40 502	42 918	51 003	51 695	51 695	60 147	63 029	66 173
KPA 3: Social and Community Development	To assist and facilitate with the development and empowerment of the poor and the most vulnerable. These include the			30 877	15 220	31 066	65 342	65 192	65 192	64 776	67 453	71 167
KPA 4: Institutional Transformation	To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver			22 137	214 810	246 135	263 357	260 072	260 072	294 515	311 820	330 435
KPA 5: Financial Sustainability.	To ensure the financial sustainability of the municipality in order and to adhere to statutory requirements.			55 852	42 842	45 767	105 930	108 694	108 694	81 461	87 181	94 610
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within			549 354	493 215	482 147	476 610	514 770	514 770	556 937	593 428	633 370
KPA 7: Services and Customer Care	To improve our public relations thereby pledging that our customers are serviced with dignity and care.			6 324	35 982	41 216	5	5	5	5	5	6
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within Midvaal and enabling a viable and conducive economic			18 706	10 199	13 383	12 094	12 058	12 058	12 512	12 855	13 419
Allocations to other priorities												
Total Expenditure			1	**798 611**	**876 001**	**931 383**	**1 012 363**	**1 053 454**	**1 053 454**	**1 109 759**	**1 176 805**	**1 252 297**

GT422 Midvaal - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
KPA 1: Governance and Stakeholder Participation	To promote proper governance and public participation.	A		1 941	338	8 204	5 953	997	997	90	2 860	2 095
KPA 2: Safety and Environment	To contribute to the safety of communities in Midvaal through the pro-active identification, prevention, mitigation and	C		13 643	1 039	5 731	6 560	6 386	6 386	3 807	2 530	1 530
KPA 3: Social and Community Development	To assist and facilitate with the development and empowerment of the poor and the most vulnerable. These include the elderly, youth	E		655	8 681	3 448	15 402	27 721	27 721	19 375	37 250	38 365
KPA 4: Institutional Transformation	To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver	G		117	1 396	10 422	1 799	1 242	1 242	889	1 485	1 485
KPA 5: Financial Sustainability.	To ensure the financial sustainability of the municipality in order and to adhere to statutory requirements.	I		42 310	71 091	56 585	125	167	167	40	40	40
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within	K		10 391	371	100	114 104	124 072	124 072	85 941	93 773	109 997
KPA 7: Services and Customer Care	To improve our public relations thereby pledging that our customers are serviced with dignity and care.	M										
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within Midvaal and enabling a viable and conducive economic	O					50	250	250	20	20	20
Total Capital Expenditure			1	**69 057**	**82 916**	**84 489**	**143 993**	**160 834**	**160 834**	**110 162**	**137 958**	**153 532**

GT422 Midvaal - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Corporate Services										
Administration										
KFA 1: Governance Structures										
Council Meetings	Number of meetings	11	10	9	-	-	-	-	-	-
Ward Committee Meetings (Previously KFA 2)	Number of meetings	56	56	45	60	60	60	60	60	60
KFA 2: Stakeholder Participation										
External Stakeholder Events	Number of events	10	5	6	3	3	3	3	3	3
KFA 3: Inter-Governmental Relations										
IGR Fora meetings	Number of reports	-	-	4	4	4	4	4	4	4
KFA 4: Communications (Internal &										
Draft Communication & Marketing Strategy	Report	-	-	-	1	1	1	0	0	0
Customer satisfaction outcome survey distributed to	Reports distributed quarterly	1	1	4	4	4	4	4	4	4
Section 75 - MFMA requirements ito website updating	Percentage	-	-	100%	100%	100%	100%	100%	100%	100%
Community Services										
Public Safety (Traffic)										
KFA 5: Safety & Security										
Road blocks (Joint/SAPS/Provinvce)	Number of road blocks	34	28	26	-	-	-	-	-	-
Road signs & markings complaints	Percentage compliance to	-	-	100%	-	-	-	-	-	-
Public Safety (Fire)										
Broader Forum meetings attended in terms of Crime	Number of meetings	-	-	7	-	-	-	-	-	-
Actions implemented of the Crime Prevention	Number	-	-	99.9%	90%	6	6	90%	90%	90%
*Disaster Management Plan **(Previously KFA 07**)*	Reviewed annually	1	1	1	1	1	1	1	1	1
Municipal Health Services										
KFA 6: Emergency Services (Previously										
High Risk Industrial Contraventers	Number of actions executed	3 x industries	4	15	9	9	9	9	9	9
Parks & Recreation										
KFA 7: Sport & Recreation Programmes,										
Completion of phase 3 (Construction of the Soccer	Phase 3 completed	Phase 1	Phase 2	95%	Phase 3	Phase 3	Phase 3	Phase 4	Phase 4	-
Public Safety										
KFA 8: Libraries, Arts, Culture & Special										
Emergency vehicles dispatched (KFA 8: Emergency	Turn-around time	99%	100%	96.2%	-	-	-	-	-	-
Health & Social Development										
Programme for gender, elderly, youth & people living	Number of programmes	4	5	4	4	4	4	4	4	4
Early Childhood Development centres	Number formalised	-	-	-	2	2	2	2	2	2
Day Mothers	Number established	-	-	-	5	5	5	5	10	5
Libraries										
Completion of Phase 1 of Savannah City Library/	Number installed	-	-	-	Phase 1	2	2	Phase 2	Phase 3	Phase 4
Public Safety (Traffic)										
KFA 9: Human Capital & Skills Development										
Traffic Fines collected (Previously KFA 9: Law	Percentage collected	-	-	15%	16.46%	8%	8%	12%	13%	14%
Formal/Informal Trading inspections conducted	Number of reports quarterly	278 inspections	216 inspections	4	-	-	-	-	-	-
Corporate Serviices										
Taining & Skills Development										
KFA 9: Human Capital & Skills Development										
Workplace Skills Plan (Previously KFA 15: Human	Percentage expenditure	92%	99.80%	93.84%	90%	92.5%	92.5%	91%	92%	93%
Employment Equity Target groups employed	Number of reports submitted	1	1	10	1	1	1	1	1	1
Performance Management										
KFA 10: Performance Management										
Section 52(d) Reports (Previously KFA 16:	Number of reports	4	4	4	4	4	4	4	4	4

Development & Planning										
LED, Rural Development, Agriculture & Human										
Wards engaged in terms of Draft Human Settlement	Number of wards	-	-	14	-	-	-	-	-	-
Corporate Services										
ICT										
KFA 11: Systems & Technology										
WAN/LAN interruptions (Previously KFA 17: Systems	Percentage uptime	-	-	98.69%	90%	92.50%	92.50%	90%	90%	90%
KFA 12: Policies, Processes & Procedures										
Legal										
Legal Actions assessed (Previously KFA 18: Policies,	Number of average days	14	6	4	10	6	6	10	10	10
Development & Planning										
Building & Land Use										
Compliance ito turn-around time maintained to	Percentage turn around time	-	-	98.5%	90%	95%	95%	90% on 35	90% on 30	90% on 20
Community Services										
Cemeteries										
KFA 13: Financial Management										
Approved Cemeteries Master Plan (Previously KFA	Approved Plan	-	-	1	-	-	-	-	-	-
Finance Services										
Finance Services										
Annual Cost Coverage (Previously KFA 19: Financial	Number of months	1.47 months	1.77 months	2.19 months	1.5 months	1.5 months	1.5 months	1.6 months	1.7 months	1.8 months
Annual Liquidity ratio (Previously KFA 19: Financial	Ratio	1.78:1	1.68:1	2.09:1	1.1	1.1	1.1	1.2	1.3	1.4
Debt Coverage (Previously KFA 19)	Number of times	17 times	15 times	21.36 times	20	20	20	15	15	15
Auditor General Opinion (Previously KFA 19)	Outcome of external audit	Clean	Clean	Clean	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
KFA 14: Revenue Management (Previously										
Outstanding Service Debtors (Previously KFA 19:	Percentage	27.10%	33%	29.35%	33%	33%	33%	33%	32%	31%
Collection Rate (Previously KFA 20)	Percentage	93.06%	93%	93.76%	93%	93%	93%	93%	93%	94%
Households earning less that R1 100 per month	Percentage	100% of 460	100% of 1 166	100%	100%	100%	100%	100%	100%	100%
Outreach programmes conducted quarterly	Number of programmes	-	-	162	-	-	-	-	-	-
Community Services										
Public Safety (Traffic)										
Traffic fines issued , collected annually	Percentage	-	-	15%	11%	8%	8%	12%	13%	14%
Finance Services										
KFA 15: Supply Chain Management										
Capital Budget (Previously KFA 19)	Percentage actually spent	93.47%	90%	91.15%	90%	90%	90%	90%	90%	90%
Annual Procurement spent awarded to Township	Percentage spent	-	-	-	10%	10%	10%	10%	10%	10%
Annual Procurement spent awarded to Youth owned	Percentage spent	-	-	-	5%	5%	5%	7.5%	10%	10%
SCM reports to Municipal Manager within the required	Number of reports submitted	-	12	12	-	-	-	-	-	-
SCM Processes?	Percentage turn-around time	-	-	-						
KFA 16: Asset Management (Previously										
Operating Budget allocted to Repairs and	Percentage	5.5%	5.8%	5.54%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Engineering Department										
Electricity										
KFA 17: Electricity & Energy Efficiency										
Electricity Losses not to exceed target annually	Percentage loss	11.5%	11.83%	11.79%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Conduct Section 78(3)-PPP Electricity process by 30	Feasibility study signed off	-	-	-	0	0	0	1	1	1
Additional formal Households with access to basic	Number of households	-	-	1 108	150	500	500	150	150	150
KFA 18: Roads & Stormwater Infrastructure										
Tarred roads resurfaced annually (Previously KFA 24)	Square meters tarred	70 000 m²	65 471 m²	47 237.46 m²	45 000 m²	45 000 m²	45 000 m²	45 000 m²	45 000 m²	45 000 m²
Water & Sanitation										
KFA 19: Water & Sanitation Infrastructure										
Water losses in line with WDM Plan reduced per	Percentage loss	28.77%	28.61%	28.01%	28.50%	28.50%	28.50%	28.50%	27%	25%

Households with access to basic sanitation	Percentage	87.2%	84.1%	77.93%	84.1%	49%	49%	84.10%	84.10%	84.10%
Additional formal households with access to basic	Number of formal	-	-	1 011	350	1 500	1 500	350	350	350
Water & Sanitation Maintenance Master Plan	Plan submitted annually	1	1	0	-	-	-	-	-	-
Finance Services										
Approved annual budget (Previously KFA 19:	Approved by 30 May	1	1	1	-	-	-	-	-	-
Community Services										
Waste Section										
Additional formal households with access to basic	Number of formal	-	-	1 029	350	1 500	1 500	350	350	350
KFA 20: Landfill Sites & Transfer Stations										
Phase 1 of 5 phases of Savannah City Transfer	Phase 1	-	-	-	Phase 1	Phase 1	Phase 1	Phase 2	Phase 3	Phase 4
Acquisition of 1 x Skip Bin Loader (Previously KFA	1 x loader	-	-	1	-	-	-	-	-	-
Indigent applications received from Finance Dept	Percentage assessed	76% of 1 300	100% of number	100%	-	-	-	-	-	-
Engineering Department										
Landfill Sites										
Status quo capacity assessment for all landfill sites	Status quo report	-	-	-	1	1	1	0	0	0
Municipal Buildings										
KFA 21: Municipal & Public Facilities										
Investigate the possible establishment of a facility	Outcome fo feasibility study	-	-	-	1	1	1	0	0	0
Building Maintenance projects completed (Previously	Number of projects	95%	20%	5	-	-	-	-	-	-
Water & Sanitation										
KFA 22: Water & Sanitation (Previously KFA										
Households with access to basic level of water	Percentage of households	75.8%	75.8%	90.90%	75.80%	54%	54%	75.80%	75.80%	75.80%
Additional formal households with access to basic	Number of formal	-	-	1 778	350	1 500	1 500	350	350	350
KFA 23: Electricity (Previously KFA 29)										
Households with access to basic electricity	Percentage of households	79.3%	79.3%	79.33%	79.30%	42%	42.00%	79.30%	79.30%	79.30%
Community Services										
Waste Section										
KFA 24: Cleansing & Waste Management										
Households with access to basic level of solid waste	Percentage of households	83.1%	83.1%	83.10%	86%	70%	70%	86%	86%	87%
Phases of buy-back centre establishment completed	Phases completed	-	-	-	Phase 2	Phase 2	Phase 2	Phase 3	Phase 4	Phase 5
Development & Planning										
LED										
KFA 25: LED & Capacity Building										
Draft policy to improve Green Buildings focus with	Draft Policy	-	-	-	Draft policy	Draft policy	Draft policy	Approved	Approved	Implementation
Reports on compliance through law enforcement	Number of reports	-	-	-	4	4	4	4	4	4
Jobs created through municipality's local economic	Number of jobs	-	-	1 932	1 200	1 200	1 200	1 200	1 300	1 400
Report on funded Agricultural LED programme	Report on programme	-	-	1	-	-	-	-	-	-
Revised LED Strategy approved by Council	Report	-	1	1	-	-	-	-	-	-
Community Services										
Community Services										
Youth trained to improve their skill-sets	Number trained	-	-	-	30	229	229	50	50	50
Corporate Services										
Human Resources										
Draft strategy developed to reflect a bais towards	Draft strategy developed	-	-	-	Draft strategy	Draft strategy	Draft strategy	0	0	0
Development & Planning										
Spatial Development and Planning										
KFA 26: Spatial Development & Planning										
Compliance in terms of tunr-around time maintained	Percentage compliance	-	-	97%	90%	95%	95%	90% on 60	90% on 60	90% on 50
Developed Single Land use scheme considered by	Developed scheme	-	-	-	1 x draft single	1 x draft single	1 x draft single	Considered by	Promulgated	Final SLUMS
Revised De Deur Precinct Plan	Plan Approved	-	-	1	-	-	-	-	-	-
And so on for the rest of the Votes										
And so on for the rest of the Votes										

GT422 Midvaal - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.1%	3.5%	2.8%	4.8%	4.3%	4.3%	1.2%	5.2%	5.7%	5.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.9%	4.2%	3.2%	5.8%	5.2%	5.2%	1.2%	6.2%	6.7%	6.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-16.0%	0.0%	0.0%	72.8%	69.5%	69.5%	89.3%	71.0%	68.7%	73.6%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.8	1.7	2.1	1.9	2.0	2.0	3.8	1.8	1.9	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.8	1.7	2.1	1.9	2.0	2.0	3.8	1.8	1.9	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	0.8	1.0	0.8	0.9	0.9	2.5	0.8	0.9	1.0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.5%	86.1%	88.4%	90.8%	91.6%	91.6%	98.3%	94.4%	94.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.5%	86.1%	88.4%	90.8%	91.6%	91.6%	98.3%	94.4%	94.4%	94.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	16.0%	15.0%	15.5%	17.9%	15.0%	15.0%	18.2%	14.8%	14.5%	14.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		103.3%	103.3%	80.2%	97.9%	88.9%	88.9%	27.1%	79.1%	74.5%	67.9%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	23.3%	24.9%	23.5%	27.3%	25.6%	25.6%	22.9%	27.6%	27.2%	27.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	24.5%	26.1%	24.7%	28.5%	26.8%	26.8%		28.8%	28.4%	28.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.5%	6.3%	5.6%	5.1%	10.7%	10.7%		10.8%	10.5%	10.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	17.8%	16.2%	15.0%	14.7%	14.1%	14.1%	13.7%	13.7%	13.3%	12.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	21.9	28.4	20.4	21.8	21.8	21.8	15.3	17.0	17.3	18.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	20.6%	19.5%	19.8%	22.1%	18.8%	18.8%	22.4%	18.1%	17.7%	17.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.5	1.8	2.2	1.9	1.8	1.8	5.9	1.8	1.9	2.0

GT422 Midvaal - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2014/15 Outcome	2015/16 Outcome	2016/17 Outcome	Current Year 2017/18 Original Budget	2018/19 Medium Term Revenue & Expenditure Framework Outcome	Outcome	Outcome
Demographics												
Population		Narritive report 1.1		685	95 301	95 301	95 301	112	112	115	118	122
Females aged 5 - 14		Source: Community Survey 2016 for 2016/17		95	6 717	6 717	6 717	9	9	9	9	10
Males aged 5 - 14		Source: STATS SA Census for 2001 and 2011 Census		112	7 011	7 011	7 011	9	9	9	9	10
Females aged 15 - 34		2017/2018 and outer years data projected by 3% growth		169	16 080	16 080	16 080	18	18	18	19	19
Males aged 15 - 34				204	17 970	17 970	17 970	19	19	20	20	21
Unemployment		As per broad definition= 18.8%	7		8 619	8 619	8 619	21	21	22	22	23
Monthly household income (no. of households)	1, 12											
No income					4 350	4 350	4 350	5 326	5 326	5 486	5 650	5 820
R1 - R1 600					6 867	6 867	6 867	8 719	8 719	8 981	9 250	9 527
R1 601 - R3 200					4 917	4 917	4 917	6 243	6 243	6 430	6 623	6 822
R3 201 - R6 400					3 720	3 720	3 720	4 723	4 723	4 865	5 011	5 161
R6 401 - R12 800		2016/17 Data Projected as per 2011 % distribution			3 078	3 078	3 078	3 908	3 908	4 025	4 146	4 270
R12 801 - R25 600					3 273	3 273	3 273	4 155	4 155	4 280	4 408	4 540
R25 601 - R51 200					2 496	2 496	2 496	3 169	3 169	3 264	3 362	3 463
R52 201 - R102 400					933	933	933	1 184	1 184	1 220	1 256	1 294
R102 401 - R204 800					195	195	195	247	247	254	262	270
R204 801 - R409 600					135	135	135	171	171	176	181	187
R409 601 - R819 200												
> R819 200												
Total households					29 964			38 046				
Poverty profiles (no. of households)												
< R2 060 per household per month	13				6 862	6862.00	6862.00	8712.00	8712.00	8712.00	8712.00	8712.00
Insert description	2	2016 Data Projected as per 2011 % distribution										
Household/demographics (000)												
Number of people in municipal area			64 643	83 433	95 301	95	95	112	112	112	112	112
Number of poor people in municipal area					42 777			54	54	54	54	54
Number of households in municipal area		2016 Data Projected as per 2011 % distribution	20 760		29 964	30	30	38	38	38	38	38
Number of poor households in municipal area					11 216	11	11	14	14	14	14	14
Definition of poor household (R per month)		Definition of poor households as per Indegent policy/register							3 500	4 000	4 500	5 000
Housing statistics	3											
Formal			15 915		24 042	24 042	24 042	31 546	31 546	31 546	31 546	31 546
Informal		Midvaal IDP 2005/2006	4 845		5 922	5 922	5 922	6 500	6 303	6 303	6 303	6 303
Total number of households			20 760	-	29 964	29 964	29 964	38 046	37 849	37 849	37 849	37 849
Dwellings provided by municipality	4							-	-	-	-	-
Dwellings provided by province/s		Savanna City, Lakeside and Sicelo					387	947	975	1 200	1 200	1 200
Dwellings provided by private sector	5							166	116	600	600	600
Total new housing dwellings			-	-	-	-	387	1 113	1 091	1 800	1 800	1 800
Economic	6											
Inflation/inflation outlook (CPIX)						6.0%	6.0%	6.0%	6.1%	5.2%	5.5%	5.5%
Interest rate - borrowing						10.0%	10.0%	10.0%	10.5%	10.0%	10.0%	10.0%
Interest rate - investment						6.0%	6.0%	6.0%	7.0%	7.0%	7.0%	7.0%
Remuneration increases						7.0%	6.0%	7.4%	7.4%	7.0%	6.0%	6.0%
Consumption growth (electricity)						-3.9%	-1.6%	6.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						-5.2%	-13.0%	3.0%	0.0%	0.0%	0.0%	0.0%
Collection rates	7											
Property tax/service charges						93.1%	92.9%	93.8%	94.0%	95.0%	95.0%	95.0%
Rental of facilities & equipment						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - external investments						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors						50.0%	50.0%	50.0%	50.0%	60.0%	60.0%	60.0%
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	19 461	19 461	19 461	19 461	19 850	19 850	19 850	19 850	19 850
		Piped water inside yard (but not in dwelling)	5 376	5 376	5 376	5 376	5 484	5 484	5 484	5 484	5 484
	8	Using public tap (at least min.service level)	1 467	1 467	1 467	1 467	1 496	1 496	1 496	1 496	1 496
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	26 304	26 304	26 304	26 304	26 830	26 830	26 830	26 830	26 830
	9	Using public tap (< min.service level)	2 394	2 394	2 394	2 394	2 442	2 442	2 442	2 442	2 442
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	1 266	1 266	1 266	1 266	1 291	1 291	1 291	1 291	1 291
		Below Minimum Service Level sub-total	3 660	3 660	3 660	3 660	3 733	3 733	3 733	3 733	3 733
		Total number of households	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	17 370	17 370	17 370	17 370	17 717	17 717	17 717	17 717	17 717
		Flush toilet (with septic tank)	5 505	5 505	5 505	5 505	5 615	5 615	5 615	5 615	5 615
		Chemical toilet	1 842	1 842	1 842	1 842	1 879	1 879	1 879	1 879	1 879
		Pit toilet (ventilated)	477	477	477	477	487	487	487	487	487
		Other toilet provisions (> min.service level)	3 519	3 519	3 519	3 519	3 589	3 589	3 589	3 589	3 589
		Minimum Service Level and Above sub-total	28 713	28 713	28 713	28 713	29 287	29 287	29 287	29 287	29 287
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	645	645	645	645	658	658	658	658	658
		No toilet provisions	606	606	606	606	618	618	618	618	618
		Below Minimum Service Level sub-total	1 251	1 251	1 251	1 251	1 276	1 276	1 276	1 276	1 276
		Total number of households	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
		Energy:									
		Electricity (at least min.service level)	15 906	15 906	15 906	15 906	16 224	16 224	16 224	16 224	16 224
		Electricity - prepaid (min.service level)	7 500	7 500	7 500	7 500	7 650	7 650	7 650	7 650	7 650
		Minimum Service Level and Above sub-total	23 406	23 406	23 406	23 406	23 874	23 874	23 874	23 874	23 874
		Electricity (< min.service level)	363	363	363	363	370	370	370	370	370
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	6 195	6 195	6 195	6 195	6 319	6 319	6 319	6 319	6 319
		Below Minimum Service Level sub-total	6 558	6 558	6 558	6 558	6 689	6 689	6 689	6 689	6 689
		Total number of households	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
		Refuse:									
		Removed at least once a week	24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
		Minimum Service Level and Above sub-total	24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
		Removed less frequently than once a week	300	303	303	303	309	309	309	309	309
		Using communal refuse dump	579	579	579	579	591	591	591	591	591
		Using own refuse dump	3 177	3 177	3 177	3 177	3 241	3 241	3 241	3 241	3 241
		Other rubbish disposal	366	363	363	363	370	370	370	370	370
		No rubbish disposal	948	948	948	948	967	967	967	967	967
		Below Minimum Service Level sub-total	5 370	5 370	5 370	5 370	5 478	5 478	5 478	5 478	5 478
		Total number of households	**29 964**	**29 964**	**29 964**	**29 964**	**30 564**	**30 564**	**30 564**	**30 564**	**30 564**

Municipal in-house services	Ref.		Census 2011	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	19 461	19 461	19 461	19 461	19 850	19 850	19 850	19 850	19 850
		Piped water inside yard (but not in dwelling)	5 376	5 376	5 376	5 376	5 484	5 484	5 484	5 484	5 484
	8	Using public tap (at least min.service level)	1 467	1 467	1 467	1 467	1 496	1 496	1 496	1 496	1 496
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	26 304	26 304	26 304	26 304	26 830	26 830	26 830	26 830	26 830
	9	Using public tap (< min.service level)	2 394	2 394	2 394	2 394	2 442	2 442	2 442	2 442	2 442
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	1 266	1 266	1 266	1 266	1 291	1 291	1 291	1 291	1 291
		Below Minimum Service Level sub-total	3 660	3 660	3 660	3 660	3 733	3 733	3 733	3 733	3 733
		Total number of households	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	17 370	17 370	17 370	17 370	17 717	17 717	17 717	17 717	17 717
		Flush toilet (with septic tank)	5 505	5 505	5 505	5 505	5 615	5 615	5 615	5 615	5 615
		Chemical toilet	1 842	1 842	1 842	1 842	1 879	1 879	1 879	1 879	1 879
		Pit toilet (ventilated)	477	477	477	477	487	487	487	487	487
		Other toilet provisions (> min.service level)	3 519	3 519	3 519	3 519	3 589	3 589	3 589	3 589	3 589
		Minimum Service Level and Above sub-total	28 713	28 713	28 713	28 713	29 287	29 287	29 287	29 287	29 287
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	645	645	645	645	658	658	658	658	658
		No toilet provisions	606	606	606	606	618	618	618	618	618
		Below Minimum Service Level sub-total	1 251	1 251	1 251	1 251	1 276	1 276	1 276	1 276	1 276
		Total number of households	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
		Energy:									
		Electricity (at least min.service level)	15 906	15 906	15 906	15 906	16 224	16 224	16 224	16 224	16 224
		Electricity - prepaid (min.service level)	7 500	7 500	7 500	7 500	7 650	7 650	7 650	7 650	7 650
		Minimum Service Level and Above sub-total	23 406	23 406	23 406	23 406	23 874	23 874	23 874	23 874	23 874
		Electricity (< min.service level)	363	363	363	363	370	370	370	370	370
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	6 195	6 195	6 195	6 195	6 319	6 319	6 319	6 319	6 319
		Below Minimum Service Level sub-total	6 558	6 558	6 558	6 558	6 689	6 689	6 689	6 689	6 689
		Total number of households	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
		Refuse:									
		Removed at least once a week	24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
		Minimum Service Level and Above sub-total	24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
		Removed less frequently than once a week	300	303	303	303	309	309	309	309	309
		Using communal refuse dump	579	579	579	579	591	591	591	591	591
		Using own refuse dump	3 177	3 177	3 177	3 177	3 241	3 241	3 241	3 241	3 241
		Other rubbish disposal	366	363	363	363	370	370	370	370	370
		No rubbish disposal	948	948	948	948	967	967	967	967	967
		Below Minimum Service Level sub-total	5 370	5 370	5 370	5 370	5 478	5 478	5 478	5 478	5 478
		Total number of households	**29 964**	**29 964**	**29 964**	**29 964**	**30 564**	**30 564**	**30 564**	**30 564**	**30 564**

Detail of Free Basic Services (FBS) provided			2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Electricity	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (50 kwh per indigent household per month R'000)**	216 272	190 733	418 178	738 298	738 298	2 961 293	4 235 531	6 099 164	8 233 871
		Number of HH receiving this type of FBS	360	360	360	900	900	4 502	6 000	8 000	10 000
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Electricity for informal settlements	–	–	–	–	–	–	–	–	–
Water	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (6 kilolitre per indigent household per month R'000)**	7 100 206	8 133 720	9 286 352	9 958 554	9 958 554	9 958 554	12 187 314	14 887 376	8 147 320
		Number of HH receiving this type of FBS	460	1 166	3 753	16 602	16 602	16 602	18 100	20 100	10 000
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Water for informal settlements	–	–	–	–	–	–	–	–	–
Sanitation	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (free sanitation service to indigent households)**	829 132	2 269 782	7 817 348	10 582 761	10 582 761	10 582 761	15 443 968	22 239 313	29 467 090
		Number of HH receiving this type of FBS	460	1 166	3 753	4 502	4 502	4 502	6 000	8 000	10 000
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Sanitation for informal settlements	–	–	–	–	–	–	–	–	–
Refuse Removal	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (removed once a week to indigent households)**	376 464	1 030 651	3 549 566	4 556 024	4 556 024	4 556 024	6 648 840	9 574 330	12 685 987
		Number of HH receiving this type of FBS	460	1 166	3 753	4 502	4 502	4 502	6 000	8 000	10 000
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Refuse Removal for informal settlements	–	–	–	–	–	–	–	–	–

GT422 Midvaal Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	75 520	100 000	130 091	130 123	125 810	125 820	296 260	134 558	150 775	174 413
Cash + investments at the yr end less applications - R'000	18(1)b	2	(13 290)	17 304	87 803	95 419	54 910	54 160	167 733	14 441	18 860	35 936
Cash year end/monthly employee/supplier payments	18(1)b	3	1.5	1.8	2.2	1.9	1.8	1.8	5.9	1.8	1.9	2.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(21 690)	(16 630)	21 216	(9 115)	5 006	5 006	147 541	543	37 713	49 901
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	3.2%	6.7%	1.4%	(3.3%)	(6.0%)	(21.8%)	2.9%	2.0%	0.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	88.1%	87.2%	86.8%	90.7%	90.7%	90.7%	101.8%	89.6%	89.7%	89.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	12.4%	13.3%	12.9%	10.8%	10.5%	10.5%	3.5%	10.3%	10.2%	10.2%
Capital payments % of capital expenditure	18(1)c;19	8	99.9%	96.6%	90.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(14.1%)	0.0%	0.0%	72.8%	69.5%	69.5%	89.3%	71.0%	68.7%	73.6%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	3.5%	14.2%	20.5%	(12.9%)	0.0%	0.4%	5.2%	5.5%	5.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.0%	2.6%	2.6%	2.4%	5.2%	5.2%	5.7%	5.6%	5.8%	6.0%
Asset renewal % of capital budget	20(1)(vi)	14	20.5%	17.0%	15.6%	32.2%	36.4%	36.4%	0.0%	35.6%	31.8%	30.5%

GT422 Midvaal - Supporting Table SA11 Property rates summary

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Valuation:	1									
Date of valuation:		2010/07/01	2010/07/01	2010/07/01	2010/07/01					
Financial year valuation used		**2011/2018**	**2011/2018**	**2011/2018**	**2011/2018**			**2017/2018**		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		No	No	No	No	No	No	No		
No. of assistant valuers (FTE)	3	**3**	**3**	**3**	3	**3**	**3**	3		
No. of data collectors (FTE)	3	3	3	3	3	3	3	3		
No. of internal valuers (FTE)	3	4	4	4	4	4	4	4		
No. of external valuers (FTE)	3	1	1	1	1	1	1	1		
No. of additional valuers (FTE)	4	–	–	–	–	–	–	–		
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)								12 Mths		
No. of properties	5	33 622	34 295	34 981	35 681	35 681	35 681	36 272		
No. of sectional title values	5	346 561 900	33 493 138	360 563 001	367 774 261	367 774 261	367 774 261	375 129 746		
No. of unreasonably difficult properties s7(2)		3	4	5	6	6	6	–		
No. of supplementary valuations		541	576	588	600	600	600	612		
No. of valuation roll amendments		–	–	–	–	–	–	–		
No. of objections by rate payers		2	7	8	9	9	9	10		
No. of appeals by rate payers		–	–	–	–	–	–	–		
No. of successful objections	8	1	1	–						
No. of successful objections > 10%	8	1	1							
Supplementary valuation		1	1	1	1			1		
Public service infrastructure value (Rm)	5		75	76	80			80		
Municipality owned property value (Rm)				284	348			214		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	5	22 457	22 906	23 365	23 832	23 832	23 832	24 309		
Total land value (Rm)	5	–	–	–	–	–	–	–		
Total value of improvements (Rm)	5	–	–	–	–	–	–	–		
Total market value (Rm)	5	22 457	22 906	23 365	23 832	23 832	23 832	24 309		
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Special rating area used? (Y/N)		No	No	No	No			Yes		
Phasing-in properties s21 (number)		0	0	0	0			0		
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)		–	–	–	–					
Non-residential prescribed ratio s19? (%)		0.0%	0.0%	0.0%	0.0%					
Rate revenue:										
Rate revenue budget (R '000)	6	169 568	197 079	216 776	230 861	230 861	230 861	247 021	247 021	247 021
Rate revenue expected to collect (R'000)	6	157 698	183 283	201 602	214 701	214 701	214 701	229 730	229 730	229 730
Expected cash collection rate (%)		93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)	7	–	–	–	–	–	–	–		
Rebates, exemptions - indigent (R'000)		–	–	–	833	833	833	891	891	891
Rebates, exemptions - pensioners (R'000)		–	–	–	289	289	289	309	309	309
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		63 410	62 298	70 789	75 484	75 484	75 484	80 768	80 768	80 768
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–		
Total rebates,exemptns,reductns,discs (R'000)		**63 410**	**62 298**	**70 789**	**76 606**	**76 606**	**76 606**	**81 968**	**81 968**	**81 968**

GT422 Midvaal - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2017/18																	
Valuation:																	
No. of properties		24 345	547	707	2 936	339	756	2 292	2	–	16	–	–	63	1	13	7
No. of sectional title property values		321 931 001	–	38 632 000	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)			2	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		559	24	19	102	7	5	5	–	–	–	–	3	–	–	–	–
Supplementary valuation (Rm)		651 176 571	43 644 851	67 397 143	290 401 714	2 880 000	1 486 286	766 287	–	–	–	–	10 628 571	–	–	–	–
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5
Frequency of valuation **(select)**		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Method of valuation used **(select)**		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation **(select)**		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Rating:																	
Average rate	3	0.016947	0.016947	0.016947	0.016947	0.016947	0.016947	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		202 134	4 657	48 199	82 101	1 711	2 573	–	–	–	–	–	–	–	–	–	–
Rate revenue expected to collect (R'000)		187 984	4 331	44 825	76 354	1 591	2 393	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	4	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)		1 692	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		156 617	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		1 000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–										
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)																	

GT422 Midvaal - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2018/19																	
Valuation:																	
No. of properties		23 227	572	518	7 087	360	828	2 202	1	–	15	–	–	63	–	13	–
No. of sectional title property values		#########		45 597 000													
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation **(select)**		>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5	>5
Frequency of valuation **(select)**		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Method of valuation used **(select)**		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation **(select)**		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	**6**																
Rating:																	
Average rate	3	0.007700	0.015400	0.015400	0.001925	0.015400	–	–	0.007700	–	–	–	–	–	–	–	0.015400
Rate revenue budget (R '000)		113 650	33 500	33 000	18 000	7 800	–	–	–	–	–	–	–	–	–	–	140
Rate revenue expected to collect (R'000)		107 968	31 825	31 350	17 100	7 410	–	–	–	–	–	–	–	–	–	–	133
Expected cash collection rate (%)	4	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)		25 612	–	–	8 200												
Rebates, exemptions - bona fide farm. (R'000)		566	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		126	–	–	–	–	–										
Total rebates,exemptns,reductns,discs (R'000)																	

GT422 Midvaal - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Property rates *(rate in the Rand)*	1								
Residential properties			0.0133	0.0144	0.0154	0.0169	0.0077	0.0085	0.0091
Residential properties - vacant land			0.0133	0.0144	0.0179	0.0229	0.0154	0.0154	0.0277
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			0.0017	0.0019	0.0020	0.0022	0.0077	0.0085	0.0091
Farm properties - used			0.0017	0.0019	0.0020	0.0022	0.0024	0.0027	0.0029
Farm properties - not used			0.0017	0.0019	0.0020	0.0022	0.0019	0.0021	0.0023
Industrial properties			0.0133	0.0144	0.0154	0.0169	0.0154	0.0169	0.0183
Business and commercial properties			0.0133	0.0144	0.0154	0.0169	0.0154	0.0169	0.0183
Communal land - residential			-	-	-	-	-	-	-
Communal land - small holdings			-	-	-	-	-	-	-
Communal land - farm property			-	-	-	-	-	-	-
Communal land - business and commercial			-	-	-	-	-	-	-
Communal land - other			-	-	-	-	-	-	-
State-owned properties			0.0133	0.0144	0.0154	0.0169	0.0154	0.0169	0.0183
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			-	-	-	-	-	-	-
Privately owned towns serviced by the owner			0.0133	0.0144	0.0154	0.0169	0.0077	0.0085	0.0091
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			135 000	135 000	135 000	135 000	135 000	135 000	135 000
Indigent rebate or exemption			1	1	1	1	1	1	1
Pensioners/social grants rebate or exemption			1	1	1	1	1	1	1
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption			1	1	1	1	1	1	1
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
Water usage - flat rate tariff *(c/kl)*		Flats	15	17	20	23	25	27	29
Water usage - life line tariff		0-4	-	-	-	-	-	-	-
Water usage - Block 1 (c/kl)		5-12	22	19	22	24	26	29	31
Water usage - Block 2 (c/kl)		13-20	15	21	24	27	29	32	34
Water usage - Block 3 (c/kl)		21-30	20	22	26	30	33	36	39
Water usage - Block 4 (c/kl)		31-45		24	28	32	35	38	41
Other	2	45+		25	29	33	36	39	43
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		Developed land	158	171	183	196	215	232	246
Service point - vacant land *(Rands/month)*		Undeveloped land	80	87	93	99	109	118	125
Waste water - flat rate tariff *(c/kl)*									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							

Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			94	107	58	-	-	-	-
Service point - vacant land *(Rands/month)*									
FBE		50kwh free to indigents	1	1	1	1	1	1	1
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter *(c/kwh)*									
Flat rate tariff - prepaid*(c/kwh)*									
Meter - IBT Block 1 (c/kwh)		0-50	1	1	1	1	1	1	1
Meter - IBT Block 2 (c/kwh)		51-350	1	1	1	1	1	1	1
Meter - IBT Block 3 (c/kwh)		351-600	1	2	2	2	2	2	2
Meter - IBT Block 4 (c/kwh)		>600	2	2	2	2	2	2	3
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		0-50	1	1	1	1	1	1	1
Prepaid - IBT Block 2 (c/kwh)		51-350	1	1	1	1	1	1	1
Prepaid - IBT Block 3 (c/kwh)		351-600	1	2	2	2	2	2	2
Prepaid - IBT Block 4 (c/kwh)		>600	2	2	2	2	2	2	3
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge			136	147	158	169	185	199	211
Basic charge/fixed fee									
80l bin - once a week				74	79	84	92	100	106
250l bin - once a week									

GT422 Midvaal - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Exemptions, reductions and rebates *(Rands)*									
Residential Rebates									
Impermissible Reduction			15 000	15 000	15 000	15 000	15 000	15 000	15 000
Additional Residential Reduction			60 000	60 000	135 000	135 000	135 000	135 000	135 000
Additional Improved Residential Rebate		35% of the tariff	0	0	0	0	-	-	-
Rebates for specific categories of properties									
Public Service Infrastructure		As per Property Rates Policy	1	1	1	1	1	1	1
Public Benefit Organization		As per Property Rates Policy	1	1	1	1	1	1	1
Place of worship and/or vicarage		As per Property Rates Policy	1	1	1	1	1	1	1
Communal land		As per Property Rates Policy	1	1	1	1	1	1	1
Municipal properties		As per Property Rates Policy	1	1	1	1	1	1	1
Protected areas		As per Property Rates Policy	1	1	1	1	1	1	1
Farm properties used for Residential purposes (smaller		As per Property Rates Policy	1	1	1	1			
Agricultural Holdings used for Residential purposes		As per Property Rates Policy	1	1	1	1			
Privately owned schools		As per Property Rates Policy	1	1	1	1			
Rebates for specific categories of owners									
Approved Indigents - for property values up to R500 000		As per Property Rates Policy	1	1	1	1	1	1	1
Residential property owners who are over 60 years of age,		As per Property Rates Policy	1	1	1	1	1	1	1
Residential property owners who are over 60 years of age,		As per Property Rates Policy	1	1	1	1	1	1	1
An Owner (Township Developer) of a proclaimed township		As per Property Rates Policy	1	1	1	1	1	1	1
Owners of properties exceeding the municipal valuation of		As per Property Rates Policy	0	0	0	0	0	0	0
Privately Owned Schools		As per Property Rates Policy	1	1	1	1	1	1	1
Old Age Institutions registered at the Department of		As per Property Rates Policy	1	1	1	1	1	1	1
Properties on which National Monuments are situated		As per Property Rates Policy	1	1	1	1	1	1	1
Farm properties and agricultural holdings used for		As per Property Rates Policy	1	1	1	1	1	1	1
Water tariffs									
Business Availability Charge		Fixed Charge	125	144	80	-	-	-	-
Business Consumption Charge		R/kl	18	20	23	30	33	36	39
Industrial Availability Charge		Fixed Charge	125	144	80	-	-	-	-
Industrial Consumption Charge		R/kl	18	20	23	30	33	36	39
Charitable Institutions Availability Charge		Fixed Charge	42	48	27	-	-	-	-
Charitable Institutions Consumption Charge		R/kl	15	17	20	23	25	27	29
Vaal Marina Availability Charge		Fixed Charge	42	48	27	-	-	-	-
Vaal Marina Availability Charge 0 - 30kl		R/kl		13	16	19	21	23	25
Vaal Marina Availability Charge > 30kl		R/kl		19	22	26	29	31	34
Vaal Marina Flats		R/kl		13	15	18	20	21	23
Water Leak Tariff		R/kl	-	11	12	13	15	16	17
Township Developers		R/kl		15	17	20	22	24	26
Sport Club Leasing Land from Council		R/kl		11	12	14	16	17	18
Waste water tariffs									
Business Basic Charge		Fixed Rate	80	87	93	99	109	118	125
Service Point		Fixed Rate	78	84	90	96	106	114	121
Flat and Business Premises under one Roof Up to 2000		Fixed Rate	78	84	90	96	106	114	121
Flat and Business Premises under one Roof Over 2000		Fixed Rate	780	842	901	964	1 056	1 140	1 209
Private Hotels and Boarding Houses		Fixed Rate	78	84	90	96	106	114	121
Hotels and Clubs		Fixed Rate	118	127	136	146	159	172	182
Churches		Fixed Rate	72	78	83	89	98	106	112
Halls		Fixed Rate	78	84	90	96	106	114	121
Chartable Institutions		Fixed Rate	32	35	37	40	44	47	50
Schools, Creches, Nurseries and Kolleges		Fixed Rate	67	73	78	83	91	98	104
Boarding Schools and School Hostels		Fixed Rate	96	104	110	118	129	140	148
Sports Clubs excluding school sports ground		Fixed Rate	226	244	261	279	305	330	350
Hospitals and Nursing Homes		Fixed Rate	43	47	50	54	59	63	67
Prison		Fixed Rate	78	84	90	96	106	114	121
Private Owned Compouns or Hostels		Fixed Rate	78	84	90	96	106	114	121
Power Stations		Fixed Rate	78	84	90	96	106	114	121
Public Conveniences		Fixed Rate	78	84	90	96	106	114	121
Storage Premises		Fixed Rate	78	84	90	96	106	114	121
Hotels and Clubs		Fixed Rate	118	127	136	146	159	172	182
Churches		Fixed Rate	72	78	83	89	98	106	112
Chartable Institutions		Fixed Rate	32	35	37	40	44	47	50

Schools, Creches, Nurseries and Kolleges		Fixed Rate	67	73	78	83	91	98	104
Boarding Schools and School Hostels		Fixed Rate	96	104	110	118	129	140	148
Sports Clubs excluding school sports ground		Fixed Rate	226	244	261	279	305	330	350
Hospitals and Nursing Homes		Fixed Rate	43	47	50	54	59	63	67
Electricity tariffs									
Business Basic Charge.		Fixed Charge	442	505	272	-	-	-	-
Unit Charge		c/Kwh	1	2	2	2	198	212	228
R/KvA Low Voltage		R/KvA	98	112	120	123	131	141	151
R/KvA Med Voltage		R/KvA	96	109	118	120	128	138	148
Time of Use: Off Peak Supply Basic Charge		Fixed Charge	718	820	441	-	-	-	-
Low Voltage Demand		R/KvA	211	241	260	265	283	304	327
Medium Voltage Demand		R/KvA	201	230	248	252	270	290	311
Unit Charge		c/Kwh	61	70	75	85	90	97	104
Midvaal Megaflex Basic Charge		Fixed Charge	240	274	148	-	-	-	-
SUMMER PERIOD (SEPTEMBER TO MAY)								-	-
Peak hours c per kWh		c/Kwh	147	168	187	198	212	228	244
Standard hours c per kWh		c/Kwh	60	69	80	89	95	102	110
Off-peak hours c per kWh		c/Kwh	47	54	64	73	75	80	86
Maximum demand charge per kVA (30 minute integrating		R/KvA	62	71.31.	77	78	84	90	97
WINTER PERIOD (JUNE TO AUGUST)								-	-
Peak hours c per kWh		c/Kwh	227	260	286	297	317	340	366
Standard hours c per kWh		c/Kwh	90	103	117	124	132	142	153
Off-peak hours c per kWh		c/Kwh	53	60	71	75	80	86	92
Maximum demand charge R per kVA (30 minute		R/KvA	62	71	77	78	84	90	97
Reactive energy charge R per kVArh		R/KvA	0	0	0	37	40	43	46
Midvaal Miniflex Basic Charge		Fixed Charge	276	316	170	-	-	-	-
SUMMER PERIOD (SEPTEMBER TO MAY)								-	-
Peak hours c per kWh		c/Kwh	163	186	207	218	233	250	269
Standard hours c per kWh		c/Kwh	76	87	100	110	117	126	135
Off-peak hours c per kWh		c/Kwh	44	50	60	69	74	79	85
WINTER PERIOD (JUNE TO AUGUST)								-	-
Peak hours per kWh		c/Kwh	342	391	427	443	473	508	546
Standard hours per kWh		c/Kwh	107	123	138	148	159	170	183
Off-peak hours per kWh		c/Kwh	52	60	70	80	85	91	98
Reactive energy charge per kVArh supplied in excess of		c/Kwh	9	10	17	25	27	29	31
General Lighting and Itenererant Supplies Basic Charge		Fixed Charge	779	890	479	488	521	560	602
Unit Charge		c/Kwh	240	275	302	308	329	353	379
Agricultural Supply		c/Kwh	148	169	188	199	213	228	245
Single phase supplies		Fixed Charge	110	125	67	-	-	-	-
Three Phase Supplies		Fixed Charge	301	344	185	-	-	-	-
Bulk Supplies								-	-
KVA Demand Charge Basic		Fixed Charge	1 536	1 755	945	-	-	-	-
Low Voltage Demand		R/KvA	98	112	120	123	131	141	151
Medium Voltage Demand		R/KvA	96	109	118	120	128	138	148
Unit Charge		c/Kwh	98	112	126	137	145	156	167
Notified Maximum Demand		R/KvA	19	22	23	24	25	27	29

GT422 Midvaal - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		397.18	428.97	459.00	504.88	504.88	504.88	(30.1%)	352.92	388.21	419.27
Electricity: Basic levy		93.90	107.27	57.67	–	–	–	–	–	–	–
Electricity: Consumption		1 181.93	1 447.11	1 616.42	1 645.94	1 645.94	1 645.94	6.8%	1 758.52	1 888.65	2 028.41
Water: Basic levy		41.80	47.86	26.78	–	–	–	–	–	–	–
Water: Consumption		417.00	458.70	582.71	706.50	706.50	706.50	9.5%	773.61	839.37	908.20
Sanitation		158.42	171.10	183.08	195.89	195.89	195.89	9.5%	214.50	231.66	245.56
Refuse removal		136.40	147.31	157.62	168.66	168.66	168.66	9.5%	184.68	199.46	211.42
Other											
sub-total		**2 426.63**	**2 808.32**	**3 083.28**	**3 221.87**	**3 221.87**	**3 221.87**	**1.9%**	**3 284.24**	**3 547.35**	**3 812.86**
VAT on Services		284.12	333.11	367.40	380.38	380.38	407.55	7.9%	439.70	473.87	509.04
Total large household bill:		**2 710.75**	**3 141.43**	**3 450.68**	**3 602.25**	**3 602.25**	**3 629.41**	**3.4%**	**3 723.93**	**4 021.22**	**4 321.90**
% increase/-decrease			**15.9%**	**9.8%**	**4.4%**	**–**	**0.8%**		**2.6%**	**8.0%**	**7.5%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		186.03	204.63	459.00	504.88	504.88	504.88	(30.1%)	352.92	388.21	419.27
Electricity: Basic levy		93.90	107.27	57.67	–	–	–	–		–	–
Electricity: Consumption		514.00	587.19	643.25	655.21	655.21	655.21	6.8%	700.03	751.83	807.46
Water: Basic levy		41.80	47.86	26.78	–	–	–	–		–	–
Water: Consumption		383.35	433.22	453.62	556.20	556.20	556.20	9.5%	609.04	660.80	714.99
Sanitation		158.42	171.10	183.07	195.89	195.89	195.89	9.5%	214.50	231.66	245.56
Refuse removal		136.40	147.31	157.62	168.66	168.66	168.66	9.5%	184.68	199.46	211.42
Other								9.5%			
sub-total		**1 513.90**	**1 698.58**	**1 981.01**	**2 080.84**	**2 080.84**	**2 080.84**	**(0.9%)**	**2 061.16**	**2 231.96**	**2 398.70**
VAT on Services		185.90	209.15	213.08	220.63	220.63	236.39	8.4%	256.24	276.56	296.92
Total small household bill:		**1 699.80**	**1 907.74**	**2 194.09**	**2 301.47**	**2 301.47**	**2 317.23**	**0.7%**	**2 317.40**	**2 508.52**	**2 695.62**
% increase/-decrease			**12.2%**	**15.0%**	**4.9%**	**–**	**0.7%**		**0.0%**	**8.2%**	**7.5%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		279.00	318.72	343.07	392.46	392.46	392.46	6.8%	419.30	450.33	483.65
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		308.00	275.00	324.53	357.63	357.63	357.63	9.5%	391.60	424.89	459.73
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		–	–	–	–	–	–	–	–	–	–
Other											
sub-total		**587.00**	**593.72**	**667.60**	**750.08**	**750.08**	**750.08**	**8.1%**	**810.90**	**875.21**	**943.38**
VAT on Services		82.18	83.12	93.46	105.01	105.01	112.51	8.1%	121.63	131.28	141.51
Total small household bill:		**669.18**	**676.84**	**761.06**	**855.09**	**855.09**	**862.59**	**9.1%**	**932.53**	**1 006.50**	**1 084.89**
% increase/-decrease			**1.1%**	**12.4%**	**12.4%**	**–**	**0.9%**		**8.1%**	**7.9%**	**7.8%**

GT422 Midvaal - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	–	–	–	–	–	–	–	–	–
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		–	–	–	–	–	–	–	–	–

GT422 Midvaal - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment
Parent municipality									
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
Municipality sub-total									
Entities									
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
Entities sub-total									
TOTAL INVESTMENTS AND INTEREST	1								

GT422 Midvaal - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality										
Annuity and Bullet Loans		147 936	129 044	140 869	166 315	166 315	166 315	166 440	163 667	160 332
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		9 411	15 704	18 853	26 476	26 476	26 476	27 173	24 168	25 810
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	**157 347**	**144 748**	**159 722**	**192 790**	**192 790**	**192 790**	**193 613**	**187 835**	**186 142**
Entities										
Annuity and Bullet Loans								–	–	–
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Borrowing	1	**157 347**	**144 748**	**159 722**	**192 790**	**192 790**	**192 790**	**193 613**	**187 835**	**186 142**

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		23 314	7 487	6 670	–	–	750	–	–	–
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	**23 314**	**7 487**	**6 670**	**–**	**–**	**750**	**–**	**–**	**–**
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Unspent Borrowing	1	**23 314**	**7 487**	**6 670**	**–**	**–**	**750**	**–**	**–**	**–**

GT422 Midvaal - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**65 285**	**73 248**	**80 455**	**90 285**	**90 385**	**90 385**	**101 351**	**110 189**	**121 766**
Local Government Equitable Share		60 716	68 291	76 401	86 316	86 316	86 316	97 192	107 139	118 616
		934	930	–	–	–	–	–	–	–
Finance Management		1 350	1 450	1 475	1 550	1 550	1 550	1 550	1 550	1 550
EPWP Incentive		1 135	1 327	1 279	1 119	1 119	1 119	1 181	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
MIG		1 150	1 250	1 300	1 300	1 400	1 400	1 428	1 500	1 600
Provincial Government:		**7 725**	**8 536**	**9 143**	**12 335**	**12 335**	**12 335**	**13 115**	**12 502**	**17 539**
Health subsidy		4 545	4 196	4 101	6 070	6 070	6 070	6 365	6 682	7 069
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
DAC		3 180	4 340	5 042	6 265	6 265	6 265	6 750	5 820	10 470
District Municipality:		**2 408**	**2 393**	**2 458**	**2 831**	**2 831**	**2 831**	**3 486**	**3 687**	**3 907**
		–	–	–	–	–	–	–	–	–
Environmental Health		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Other grant providers:		**–**	**–**	**–**	**3 610**	**–**	**–**	**1 851**	**1 451**	**1 559**
		–	–	–	–	–	–	–	–	–
Urban Development Grant		–	–	–	3 610	–	–	1 851	1 451	1 559
Total Operating Transfers and Grants	5	**75 418**	**84 177**	**92 056**	**109 062**	**105 551**	**105 551**	**119 802**	**127 829**	**144 771**
Capital Transfers and Grants										
National Government:		**28 786**	**36 305**	**36 527**	**53 989**	**59 389**	**59 389**	**52 773**	**65 368**	**73 227**
		100	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant (MIG)		28 686	29 563	27 527	30 989	36 389	36 389	29 773	30 286	31 802
		–	2 742	–	–	–	–	–	–	–
INEP		–	4 000	9 000	8 000	8 000	8 000	8 000	20 082	25 600
WSIG		–	–	–	15 000	15 000	15 000	15 000	15 000	15 825
		–	–	–	–	–	–	–	–	–
Provincial Government:		**1 241**	**2 054**	**3 621**	**2 738**	**3 038**	**3 038**	**4 300**	**4 380**	**4 530**
DAC		1 241	2 054	3 621	2 738	3 038	3 038	4 300	4 380	4 530
District Municipality:		**–**	**345**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		–	–	–	–	–	–	–	–	–
Environmental Health		–	345	–	–	–	–	–	–	–
Other grant providers:		**–**	**–**	**–**	**3 484**	**14 748**	**14 748**	**8 150**	**19 720**	**21 530**
		–	–	–	–	–	–	–	–	–
Urban Development Grant		–	–	–	3 484	14 748	14 748	8 150	19 720	21 530
Total Capital Transfers and Grants	5	**30 027**	**38 704**	**40 148**	**60 211**	**77 175**	**77 175**	**65 223**	**89 468**	**99 287**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**105 445**	**122 881**	**132 205**	**169 273**	**182 726**	**182 726**	**185 025**	**217 297**	**244 058**

GT422 Midvaal - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**65 285**	**73 248**	**80 455**	**90 285**	**90 385**	**90 385**	**101 351**	**110 189**	**121 766**
Local Government Equitable Share		60 716	68 291	76 401	86 316	86 316	86 316	97 192	107 139	118 616
		934	930	–	–	–	–	–	–	–
Finance Management		1 350	1 450	1 475	1 550	1 550	1 550	1 550	1 550	1 550
EPWP Incentive		1 135	1 327	1 279	1 119	1 119	1 119	1 181	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
MIG		1 150	1 250	1 300	1 300	1 400	1 400	1 428	1 500	1 600
Provincial Government:		**7 725**	**8 536**	**9 143**	**12 335**	**12 335**	**12 335**	**13 115**	**12 502**	**17 539**
Health subsidy		4 545	4 196	4 101	6 070	6 070	6 070	6 365	6 682	7 069
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
DAC		3 180	4 340	5 042	6 265	6 265	6 265	6 750	5 820	10 470
District Municipality:		**2 408**	**2 393**	**2 458**	**2 831**	**2 831**	**2 831**	**3 486**	**3 687**	**3 907**
		–	–	–	–	–	–	–	–	–
Environmental Health		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Other grant providers:		**–**	**–**	**–**	**3 610**	**–**	**–**	**1 851**	**1 451**	**1 559**
		–	–	–	–	–	–	–	–	–
Urban Development Grant		–	–	–	3 610	–	–	1 851	1 451	1 559
Total operating expenditure of Transfers and Grants:		**75 418**	**84 177**	**92 056**	**109 062**	**105 551**	**105 551**	**119 802**	**127 829**	**144 771**
Capital expenditure of Transfers and Grants										
National Government:		**28 786**	**36 305**	**36 527**	**53 989**	**59 389**	**59 389**	**52 773**	**65 368**	**73 227**
		100	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant (MIG)		28 686	29 563	27 527	30 989	36 389	36 389	29 773	30 286	31 802
		–	2 742	–	–	–	–	–	–	–
INEP		–	4 000	9 000	8 000	8 000	8 000	8 000	20 082	25 600
WSIG		–	–	–	15 000	15 000	15 000	15 000	15 000	15 825
		–	–	–	–	–	–	–	–	–
Provincial Government:		**1 241**	**2 054**	**3 621**	**2 738**	**3 038**	**3 038**	**4 300**	**4 380**	**4 530**
DAC		1 241	2 054	3 621	2 738	3 038	3 038	4 300	4 380	4 530
District Municipality:		**–**	**345**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		–	–	–	–	–	–	–	–	–
Environmental Health		–	345	–	–	–	–	–	–	–
Other grant providers:		**–**	**–**	**–**	**3 484**	**14 748**	**14 748**	**8 150**	**19 720**	**21 530**
		–	–	–	–	–	–	–	–	–
Urban Development Grant		–	–	–	3 484	14 748	14 748	8 150	19 720	21 530
Total capital expenditure of Transfers and Grants		**30 027**	**38 704**	**40 148**	**60 211**	**77 175**	**77 175**	**65 223**	**89 468**	**99 287**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**105 445**	**122 881**	**132 205**	**169 273**	**182 726**	**182 726**	**185 025**	**217 297**	**244 058**

GT422 Midvaal - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		65 285	73 248	80 455	90 285	90 385	90 385	101 351	110 189	121 766
Conditions met - transferred to revenue		**65 285**	**73 248**	**80 455**	**90 285**	**90 385**	**90 385**	**101 351**	**110 189**	**121 766**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		7 725	8 536	9 143	12 335	12 335	12 335	13 115	12 502	17 539
Conditions met - transferred to revenue		**7 725**	**8 536**	**9 143**	**12 335**	**12 335**	**12 335**	**13 115**	**12 502**	**17 539**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		2 408	2 393	2 458	2 831	2 831	2 831	3 486	3 687	3 907
Conditions met - transferred to revenue		**2 408**	**2 393**	**2 458**	**2 831**	**2 831**	**2 831**	**3 486**	**3 687**	**3 907**
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	3 610	–	–	1 851	1 451	1 559
Conditions met - transferred to revenue		**–**	**–**	**–**	**3 610**	**–**	**–**	**1 851**	**1 451**	**1 559**
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		**75 418**	**84 177**	**92 056**	**109 062**	**105 551**	**105 551**	**119 802**	**127 829**	**144 771**
Total operating transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		28 786	36 305	36 527	53 989	59 389	59 389	52 773	65 368	73 227
Conditions met - transferred to revenue		**28 786**	**36 305**	**36 527**	**53 989**	**59 389**	**59 389**	**52 773**	**65 368**	**73 227**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		1 241	2 054	3 621	2 738	3 038	3 038	4 300	4 380	4 530
Conditions met - transferred to revenue		**1 241**	**2 054**	**3 621**	**2 738**	**3 038**	**3 038**	**4 300**	**4 380**	**4 530**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		–	345	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**345**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	3 484	14 748	14 748	8 150	19 720	21 530
Conditions met - transferred to revenue		**–**	**–**	**–**	**3 484**	**14 748**	**14 748**	**8 150**	**19 720**	**21 530**
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		**30 027**	**38 704**	**40 148**	**60 211**	**77 175**	**77 175**	**65 223**	**89 468**	**99 287**
Total capital transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**105 445**	**122 881**	**132 205**	**169 273**	**182 726**	**182 726**	**185 025**	**217 297**	**244 058**
TOTAL TRANSFERS AND GRANTS - CTBM		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

GT422 Midvaal - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
Insert description	3	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Insert description		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals											
Insert description		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	6	–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other municipalities											
Insert description	1	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms											
Insert description	2	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State											
Insert description	3	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations											
Insert description	4	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals											
Chemical toilets	5	469	221	142	287	21 437	21 437	1 425	287	297	313
		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		**469**	**221**	**142**	**287**	**21 437**	**21 437**	**1 425**	**287**	**297**	**313**
TOTAL NON-CASH TRANSFERS AND GRANTS		**469**	**221**	**142**	**287**	**21 437**	**21 437**	**1 425**	**287**	**297**	**313**
TOTAL TRANSFERS AND GRANTS	6	**469**	**221**	**142**	**287**	**21 437**	**21 437**	**1 425**	**287**	**297**	**313**

GT422 Midvaal - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8 412	8 915	9 875	11 613	11 453	11 453	12 390	13 133	13 921
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		634	633	752	–	–	–	–	–	–
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		**9 046**	**9 549**	**10 628**	**11 613**	**11 453**	**11 453**	**12 390**	**13 133**	**13 921**
% increase	4		**5.6%**	**11.3%**	**9.3%**	**(1.4%)**	**–**	**8.2%**	**6.0%**	**6.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		9 714	8 055	9 166	7 956	7 956	7 956	8 081	8 566	9 080
Pension and UIF Contributions		1 121	954	1 020	1 070	1 070	1 070	1 173	1 243	1 318
Medical Aid Contributions		93	–	87	58	57	57	62	62	70
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	984	1 212	774	924	924	924	900	954	1 011
Cellphone Allowance	3	187	293	174	150	150	150	150	159	169
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**12 099**	**10 513**	**11 221**	**10 158**	**10 157**	**10 157**	**10 366**	**10 984**	**11 647**
% increase	4		**(13.1%)**	**6.7%**	**(9.5%)**	**(0.0%)**	**–**	**2.1%**	**6.0%**	**6.0%**
Other Municipal Staff										
Basic Salaries and Wages		128 080	123 311	125 873	154 137	149 325	149 325	175 431	185 957	197 114
Pension and UIF Contributions		(203)	24 388	25 835	32 756	32 430	32 430	36 034	38 196	40 487
Medical Aid Contributions		8 517	10 050	10 959	13 420	13 111	13 111	16 311	17 290	18 327
Overtime		7 282	9 178	10 288	11 980	12 440	12 440	12 440	13 186	13 978
Performance Bonus		–								
Motor Vehicle Allowance	3	14 718	7 821	8 036	9 798	9 640	9 640	11 067	11 731	12 435
Cellphone Allowance	3	18	1 260	1 283	1 469	1 476	1 476	1 627	1 725	1 828
Housing Allowances	3	767	1 401	1 312	1 734	1 663	1 663	1 992	2 112	2 238
Other benefits and allowances	3	–	15 001	15 942	22 053	21 224	21 224	22 825	24 194	25 646
Payments in lieu of leave		–								
Long service awards		–								
Post-retirement benefit obligations	6	1 320	303	364	–	500	500	500	530	562
Sub Total - Other Municipal Staff		**160 499**	**192 712**	**199 892**	**247 346**	**241 809**	**241 809**	**278 227**	**294 920**	**312 615**
% increase	4		**20.1%**	**3.7%**	**23.7%**	**(2.2%)**	**–**	**15.1%**	**6.0%**	**6.0%**
Total Parent Municipality		**181 644**	**212 774**	**221 740**	**269 117**	**263 419**	**263 419**	**300 982**	**319 037**	**338 183**
			17.1%	**4.2%**	**21.4%**	**(2.1%)**	**–**	**14.3%**	**6.0%**	**6.0%**
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									

Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		**181 644**	**212 774**	**221 740**	**269 117**	**263 419**	**263 419**	**300 982**	**319 037**	**338 183**
% increase	4		**17.1%**	**4.2%**	**21.4%**	**(2.1%)**	**–**	**14.3%**	**6.0%**	**6.0%**
TOTAL MANAGERS AND STAFF	5,7	**172 598**	**203 225**	**211 113**	**257 504**	**251 966**	**251 966**	**288 593**	**305 904**	**324 263**

GT422 Midvaal - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary 1.	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	–	–	–	754 916			754 916
Chief Whip		–	–	–	417 485			417 485
Executive Mayor		–	–	–	931 771			931 771
Deputy Executive Mayor		–	–	–				–
Executive Committee		–	–	–	3 553 529			3 553 529
Total for all other councillors		–	–	–	6 731 835			6 731 835
Total Councillors	8	–	–	–	**12 389 536**			**12 389 536**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		–	1 528 642	268 378	174 000			1 971 020
Chief Finance Officer		–	1 254 954	270 632	168 000			1 693 586
Executive Manager: Corporate Services		–	1 804 734	1 986	84 000			1 890 720
Executive Manager: Development and Planning		–	886 050	161 475	204 000	172 283		1 423 808
Executive Manager: Engineering Services		–	1 254 039	259 436	180 000			1 693 475
Executive Manager: Community Services		–	1 180 664	272 728	240 000			1 693 392
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**7 909 083**	**1 234 633**	**1 050 000**	**172 283**		**10 365 999**
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**7 909 083**	**1 234 633**	**13 439 536**	**172 283**		**22 755 535**

GT422 Midvaal - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)										
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	7	–	7	6	–	6	6	–	6
Other Managers	7	45	32	6	–	–	–		32	6
Professionals		*121*	*95*	*2*	*72*	*66*	*6*	*75*	*78*	*5*
Finance		15	11	–	11	11	–	11	11	–
Spatial/town planning		19	18	–	8	8	–	8	8	–
Information Technology		–	–	–	1	1	–	1	1	–
Roads		1	–	–	2	1	1	2	2	–
Electricity		4	4	–	4	3	1	4	3	1
Water		4	3	–	2	2	–	2	1	1
Sanitation		5	4	–	1	1	–	1	1	–
Refuse		4	4	–	2	2	–	2	–	1
Other		69	51	2	41	37	4	44	51	2
Technicians		*8*	*4*	–	*9*	*4*	*5*	*9*	*9*	–
Finance		–	–	–	1	1	–	1	1	
Spatial/town planning		–	–	–	–	–	–	–		
Information Technology		8	4	–	7	2	5	7	7	–
Roads		–	–	–	–	–	–	–		
Electricity		–	–	–	–	–	–	–		
Water		–	–	–	1	1	–	1	1	
Sanitation		–	–	–	–	–	–	–		
Refuse		–	–	–	–	–	–	–		
Other		–	–	–	–	–	–	–		
Clerks (Clerical and administrative)		151	119	4	194	183	11	207	196	11
Service and sales workers		115	86	24	122	94	28	125	97	28
Skilled agricultural and fishery workers		–	–	–	–	–	–	–		
Craft and related trades		62	52	–	101	101	–	104	104	
Plant and Machine Operators		77	69	–	104	104	–	110	110	
Elementary Occupations		232	209	–	244	244	–	253	253	
TOTAL PERSONNEL NUMBERS	9	**818**	**666**	**43**	**852**	**796**	**56**	**889**	**879**	**56**
% increase					4.2%	19.5%	30.2%	4.3%	10.4%	–
Total municipal employees headcount	6, 10	**818**	**666**	**43**	**852**	**796**	**63**	**889**	**879**	**56**
Finance personnel headcount	8, 10	**818**	**666**	**43**	**852**	**796**	**63**	**889**	**879**	**56**
Human Resources personnel headcount	8, 10	**818**	**666**	**43**	**8 520**	**796**	**63**	**889**	**879**	**56**

GT422 Midvaal - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source																
Property rates		17 219	17 219	17 219	17 219	17 219	17 219	17 219	17 219	17 219	17 219	17 219	17 219	206 625	227 765	245 959
Service charges - electricity revenue		29 475	29 475	29 475	29 475	29 475	29 475	29 475	29 475	29 475	29 475	29 475	29 475	353 704	379 718	398 527
Service charges - water revenue		17 095	17 095	17 095	17 095	17 095	17 095	17 095	17 095	17 095	17 095	17 095	17 095	205 140	226 758	249 863
Service charges - sanitation revenue		3 497	3 497	3 497	3 497	3 497	3 497	3 497	3 497	3 497	3 497	3 497	3 497	41 970	39 768	36 260
Service charges - refuse revenue		3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	3 258	6 588	42 429	43 430	43 498
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 378	1 454
Interest earned - external investments		580	580	580	580	580	580	580	580	580	580	580	580	6 959	7 376	7 782
Interest earned - outstanding debtors		627	627	627	627	627	627	627	627	627	627	627	627	7 529	7 829	8 121
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		4 195	4 195	4 195	4 195	4 195	4 195	4 195	4 195	4 195	4 195	4 195	4 195	50 342	53 362	56 297
Licences and permits		3	3	3	3	3	3	3	3	3	3	3	3	41	43	45
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		39 063	290	290	290	39 063	290	290	290	39 063	290	290	290	119 802	127 829	144 771
Other revenue		(6 093)	(6 093)	(6 093)	(6 093)	(6 093)	(6 093)	(6 093)	(6 093)	(6 093)	(6 093)	(6 093)	76 266	9 239	9 793	10 332
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contribution		**109 028**	**70 256**	**70 256**	**70 256**	**109 028**	**70 256**	**70 256**	**70 256**	**109 028**	**70 256**	**70 256**	**155 945**	**1 045 079**	**1 125 051**	**1 202 911**
Expenditure By Type																
Employee related costs		24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 050	288 593	305 908	324 263
Remuneration of councillors		1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	12 390	13 133	13 921
Debt impairment		7 318	7 318	7 318	7 318	7 318	7 318	7 318	7 318	7 318	7 318	7 318	7 318	87 815	93 635	99 087
Depreciation & asset impairment		10 054	9 739	9 739	9 739	9 739	9 739	9 739	9 739	9 739	9 739	9 739	9 798	117 244	121 348	128 022
Finance charges		651	651	651	651	651	9 669	651	651	651	651	651	9 760	25 943	27 862	23 584
Bulk purchases		16 357	37 402	46 951	36 830	29 538	28 912	27 327	26 735	26 710	26 804	20 656	48 991	373 213	404 047	441 015
Other materials		1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	13 638	14 285	15 071
Contracted services		10 903	10 903	10 903	10 903	10 903	10 903	10 903	10 903	10 903	10 903	10 903	15 805	135 741	139 079	146 743
Transfers and subsidies		24	24	24	24	24	24	24	24	24	24	24	24	287	297	313
Other expenditure		4 534	4 534	4 534	4 534	4 534	4 534	4 534	4 534	4 534	4 534	4 534	5 026	54 895	57 213	60 279
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**76 059**	**96 790**	**106 339**	**96 217**	**88 926**	**97 318**	**86 715**	**86 123**	**86 098**	**86 192**	**80 043**	**122 940**	**1 109 759**	**1 176 805**	**1 252 297**
Surplus/(Deficit)		**32 969**	**(26 534)**	**(36 083)**	**(25 961)**	**20 102**	**(27 062)**	**(16 459)**	**(15 867)**	**22 930**	**(15 936)**	**(9 787)**	**33 005**	**(64 680)**	**(51 755)**	**(49 386)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		19 024	–	–	–	19 024	–	–	–	19 024	–	–	8 150	65 223	89 468	99 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		2 717	–	–	–	2 717	–	–	–	2 717	–	–	(8 150)	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**54 710**	**(26 534)**	**(36 083)**	**(25 961)**	**41 843**	**(27 062)**	**(16 459)**	**(15 867)**	**44 671**	**(15 936)**	**(9 787)**	**33 005**	**543**	**37 713**	**49 901**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**54 710**	**(26 534)**	**(36 083)**	**(25 961)**	**41 843**	**(27 062)**	**(16 459)**	**(15 867)**	**44 671**	**(15 936)**	**(9 787)**	**33 005**	**543**	**37 713**	**49 901**

GT422 Midvaal - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																
Vote 1 - executive council		1 919	1	1	1	1 919	1	1	1	1 919	1	1	35 776	41 536	57 645	61 869
Vote 2 - corporate services		4 695	2 611	2 611	2 611	4 695	2 611	2 611	2 611	4 695	2 611	2 611	(33 165)	1 806	1 915	2 020
Vote 3 - financial services		32 263	18 401	18 401	18 401	32 263	18 401	18 401	18 401	32 263	18 401	18 401	18 401	262 395	284 906	303 032
Vote 4 - development & planning		316	316	316	316	316	316	316	316	316	316	316	316	3 789	4 016	4 237
Vote 5 - health		2 122	–	–	–	2 122	–	–	–	2 122	–	–	–	6 365	6 682	7 069
Vote 6 - community & social services		5 128	71	71	71	5 128	71	71	71	5 128	71	71	71	16 028	14 108	18 458
Vote 7 - public safety		4 256	4 256	4 256	4 256	4 256	4 256	4 256	4 256	4 256	4 256	4 256	4 256	51 077	55 142	57 119
Vote 8 -													–	–	–	–
Vote 9 - environmental protection		290	290	290	290	290	290	290	290	290	290	290	290	3 486	3 687	3 907
Vote 10 - waste water management		10 891	3 151	3 151	3 151	10 891	3 151	3 151	3 151	10 891	3 151	3 151	3 151	61 035	69 354	74 001
Vote 11 - solid waste management		5 662	3 187	3 187	3 187	5 662	3 187	3 187	3 187	5 662	3 187	3 187	3 187	45 665	52 318	55 777
Vote 12 - roads & transport		1 427	–	–	–	1 427	–	–	–	1 427	–	–	–	4 281	466	2 500
Vote 13 - water services		35 525	16 428	16 428	16 428	35 525	16 428	16 428	16 428	35 525	16 428	16 428	16 428	254 425	269 632	289 622
Vote 14 - electricty		33 417	28 685	28 685	28 685	33 417	28 685	28 685	28 685	33 417	28 685	28 685	28 685	358 415	394 648	422 586
Vote 15 -													–	–	–	–
Total Revenue by Vote		**137 910**	**77 397**	**77 397**	**77 397**	**137 910**	**77 397**	**77 397**	**77 397**	**137 910**	**77 397**	**77 397**	**77 397**	**1 110 302**	**1 214 519**	**1 302 198**
Expenditure by Vote to be appropriated																
Vote 1 - executive council		4 501	4 389	4 389	4 389	4 389	4 389	4 389	4 389	4 389	4 389	4 389	9 087	57 482	60 382	63 886
Vote 2 - corporate services		4 698	4 698	4 698	4 698	4 698	5 057	4 698	4 698	4 698	4 698	4 698	563	52 602	55 070	58 013
Vote 3 - financial services		5 797	5 797	5 797	5 797	5 797	6 699	5 797	5 797	5 797	5 797	5 797	6 703	71 369	77 230	84 249
Vote 4 - development & planning		2 632	2 632	2 632	2 632	2 632	2 941	2 632	2 632	2 632	2 632	2 632	2 941	32 200	33 717	35 529
Vote 5 - health		586	586	586	586	586	586	586	586	586	586	586	586	7 028	7 375	7 801
Vote 6 - community & social services		4 385	4 182	4 182	4 182	4 182	4 182	4 182	4 182	4 182	4 182	4 182	4 569	50 771	53 146	55 828
Vote 7 - public safety		8 357	8 357	8 357	8 357	8 357	8 357	8 357	8 357	8 357	8 357	8 357	8 357	100 282	105 534	111 221
Vote 8 -													–	–	–	–
Vote 9 - environmental protection		313	313	313	313	313	313	313	313	313	313	313	313	3 751	3 886	4 117
Vote 10 - waste water management		4 217	4 217	4 217	4 217	4 217	5 208	4 217	4 217	4 217	4 217	4 217	5 208	52 584	55 719	55 475
Vote 11 - solid waste management		4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	50 149	52 721	55 636
Vote 12 - roads & transport		5 839	5 839	5 839	5 839	5 839	7 501	5 839	5 839	5 839	5 839	5 839	7 501	73 392	75 394	78 505
Vote 13 - water services		9 027	13 301	15 680	16 522	14 630	16 937	14 242	14 311	13 720	14 020	11 705	21 430	175 525	190 651	208 913
Vote 14 - electricty		21 530	38 301	45 471	34 508	29 108	30 969	27 286	26 624	27 190	26 985	23 151	51 504	382 626	405 980	433 124
Vote 15 -													–	–	–	–
Total Expenditure by Vote		**76 059**	**96 790**	**106 339**	**96 217**	**88 926**	**97 318**	**86 715**	**86 123**	**86 098**	**86 192**	**80 043**	**122 940**	**1 109 759**	**1 176 805**	**1 252 297**
Surplus/(Deficit) before assoc.		**61 851**	**(19 393)**	**(28 942)**	**(18 821)**	**48 984**	**(19 921)**	**(9 318)**	**(8 726)**	**51 812**	**(8 795)**	**(2 646)**	**(45 543)**	**543**	**37 713**	**49 901**
Taxation														–	–	–
Attributable to minorities														–	–	–
Share of surplus/ (deficit) of associate														–	–	–
Surplus/(Deficit)	1	**61 851**	**(19 393)**	**(28 942)**	**(18 821)**	**48 984**	**(19 921)**	**(9 318)**	**(8 726)**	**51 812**	**(8 795)**	**(2 646)**	**(45 543)**	**543**	**37 713**	**49 901**

GT422 Midvaal - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional																
Governance and administration		39 352	21 012	21 012	21 012	39 352	21 012	21 012	21 012	39 352	21 012	21 012	21 012	307 166	345 966	368 521
Executive and council		1 918	–	–	–	1 918	–	–	–	1 918	–	–	–	5 754	6 300	6 300
Finance and administration		37 434	21 012	21 012	21 012	37 434	21 012	21 012	21 012	37 434	21 012	21 012	21 012	301 412	339 666	362 221
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		7 298	119	119	119	7 298	119	119	119	7 298	119	119	119	22 966	22 398	26 169
Community and social services		3 719	36	36	36	3 719	36	36	36	3 719	36	36	36	11 482	10 658	15 483
Sport and recreation		1 409	35	35	35	1 409	35	35	35	1 409	35	35	35	4 546	3 451	2 975
Public safety		48	48	48	48	48	48	48	48	48	48	48	48	573	1 608	641
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		2 122	–	–	–	2 122	–	–	–	2 122	–	–	–	6 365	6 682	7 069
Economic and environmental services		6 242	4 815	4 815	4 815	6 242	4 815	4 815	4 815	6 242	4 815	4 815	4 815	62 059	61 703	67 122
Planning and development		316	316	316	316	316	316	316	316	316	316	316	316	3 789	4 016	4 237
Road transport		5 636	4 209	4 209	4 209	5 636	4 209	4 209	4 209	5 636	4 209	4 209	4 209	54 785	54 000	58 978
Environmental protection		290	290	290	290	290	290	290	290	290	290	290	290	3 486	3 687	3 907
Trading services		85 019	51 451	51 451	51 451	85 019	51 451	51 451	51 451	85 019	51 451	51 451	51 451	718 111	784 452	840 386
Energy sources		32 941	28 685	28 685	28 685	32 941	28 685	28 685	28 685	32 941	28 685	28 685	28 685	356 987	393 148	420 986
Water management		35 525	16 428	16 428	16 428	35 525	16 428	16 428	16 428	35 525	16 428	16 428	16 428	254 425	269 632	289 622
Waste water management		10 891	3 151	3 151	3 151	10 891	3 151	3 151	3 151	10 891	3 151	3 151	3 151	61 035	69 354	74 001
Waste management		5 662	3 187	3 187	3 187	5 662	3 187	3 187	3 187	5 662	3 187	3 187	3 187	45 665	52 318	55 777
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		137 910	77 397	77 397	77 397	137 910	77 397	77 397	77 397	137 910	77 397	77 397	77 397	1 110 302	1 214 519	1 302 198
Expenditure - Functional																
Governance and administration		17 302	17 191	17 191	17 191	17 191	18 711	17 191	17 191	17 191	17 191	17 191	24 255	214 988	227 900	243 184
Executive and council		3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 299	37 354	39 159	41 401
Finance and administration		14 207	14 095	14 095	14 095	14 095	15 615	14 095	14 095	14 095	14 095	14 095	20 956	177 633	188 742	201 784
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		6 460	6 257	6 257	6 257	6 257	6 257	6 257	6 257	6 257	6 257	6 257	6 257	75 285	78 805	82 998
Community and social services		1 479	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	15 516	16 308	17 255
Sport and recreation		2 137	2 137	2 137	2 137	2 137	2 137	2 137	2 137	2 137	2 137	2 137	2 137	25 647	26 682	27 901
Public safety		2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	27 094	28 440	30 040
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		586	586	586	586	586	586	586	586	586	586	586	586	7 028	7 375	7 801
Economic and environmental services		14 556	14 556	14 556	14 556	14 556	16 528	14 556	14 556	14 556	14 556	14 556	16 528	178 613	185 998	194 996
Planning and development		2 632	2 632	2 632	2 632	2 632	2 941	2 632	2 632	2 632	2 632	2 632	2 941	32 200	33 717	35 529
Road transport		11 612	11 612	11 612	11 612	11 612	13 273	11 612	11 612	11 612	11 612	11 612	13 273	142 663	148 395	155 350
Environmental protection		313	313	313	313	313	313	313	313	313	313	313	313	3 751	3 886	4 117
Trading services		37 741	58 786	68 335	58 214	50 922	55 823	48 711	48 119	48 094	48 188	42 039	75 901	640 873	684 102	731 119
Energy sources		20 318	37 089	44 259	33 296	27 896	29 498	26 073	25 412	25 978	25 773	21 938	45 084	362 614	385 011	411 095
Water management		9 027	13 301	15 680	16 522	14 630	16 937	14 242	14 311	13 720	14 020	11 705	21 430	175 525	190 651	208 913
Waste water management		4 217	4 217	4 217	4 217	4 217	5 208	4 217	4 217	4 217	4 217	4 217	5 208	52 584	55 719	55 475
Waste management		4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	4 179	50 149	52 721	55 636
Other		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	–	–
Total Expenditure - Functional		76 059	96 790	106 339	96 217	88 926	97 318	86 715	86 123	86 098	86 192	80 043	122 940	1 109 759	1 176 805	1 252 297
Surplus/(Deficit) before assoc.		61 851	(19 393)	(28 942)	(18 821)	48 984	(19 921)	(9 318)	(8 726)	51 812	(8 795)	(2 646)	(45 543)	543	37 713	49 901
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	61 851	(19 393)	(28 942)	(18 821)	48 984	(19 921)	(9 318)	(8 726)	51 812	(8 795)	(2 646)	(45 543)	543	37 713	49 901

GT422 Midvaal - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure *to be appropriated*	1															
Vote 1 - executive council		–	–	–	–	–	–	–	–	–	–	–	2 900	2 900	18 150	19 910
Vote 2 - corporate services		–	–	–	–	–	–	–	–	–	–	–	800	800	4 115	3 350
Vote 3 - financial services		–	–	–	–	–	–	–	–	–	–	–	40	40	40	40
Vote 4 - development & planning		–	–	–	–	–	–	–	–	–	–	–	20	20	20	20
Vote 5 - health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		–	295	–	–	–	–	–	–	–	–	–	4 670	4 965	6 580	5 715
Vote 7 - public safety		–	–	–	–	–	–	–	–	–	–	–	1 057	1 057	1 780	780
Vote 8 -													–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		–	150	–	–	–	–	–	–	–	–	–	4 800	4 950	8 400	14 750
Vote 11 - solid waste management		3 100	–	3 100	3 100	3 100	3 100	3 100	3 100	3 100	3 100	3 100	(27 450)	3 550	7 970	7 490
Vote 12 - roads & transport		–	560	–	–	–	–	–	–	–	–	–	4 786	5 346	1 816	8 150
Vote 13 - water services		–	100	–	–	–	–	–	–	–	–	–	23 945	24 045	22 820	21 977
Vote 14 - electricty		–	–	–	–	–	–	–	–	–	–	–	3 600	3 600	2 050	3 850
Vote 15 -													–	–	–	–
Capital multi-year expenditure sub-total	2	**3 100**	**1 105**	**3 100**	**3 100**	**3 100**	**3 100**	**3 100**	**3 100**	**3 100**	**3 100**	**3 100**	**19 168**	**51 273**	**73 741**	**86 032**
Single-year expenditure *to be appropriated*																
Vote 1 - executive council		–	–	30	–	–	50	–	–	–	–	10	1 410	1 500	1 700	1 700
Vote 2 - corporate services		–	–	–	–	–	–	–	–	–	–	–	90	90	230	230
Vote 3 - financial services		–	–	–	–	39	–	–	50	–	–	–	–	89	–	–
Vote 4 - development & planning		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		–	5	–	50	400	–	–	–	940	1 050	–	510	2 955	1 850	2 440
Vote 7 - public safety		–	–	–	50	–	800	50	300	1 500	–	50	–	2 750	750	750
Vote 8 -													–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		80	240	600	1 280	1 780	1 377	1 313	830	–	–	–	240	7 740	8 100	1 300
Vote 11 - solid waste management		–	–	5	–	–	–	–	–	–	–	–	3 500	3 505	1 000	3 610
Vote 12 - roads & transport		–	500	2 000	2 000	2 000	1 500	1 500	1 500	1 500	1 500	–	–	14 000	17 900	22 500
Vote 13 - water services		–	80	80	230	880	880	780	850	950	1 700	1 350	3 930	11 710	9 680	7 500
Vote 14 - electricty		–	–	–	–	1 000	1 000	1 000	1 620	2 210	1 950	3 470	2 300	14 550	23 007	27 470
Vote 15 -													–	–	–	–
Capital single-year expenditure sub-total	2	**80**	**825**	**2 715**	**3 610**	**6 099**	**5 607**	**4 643**	**5 150**	**7 100**	**6 200**	**4 880**	**11 980**	**58 889**	**64 217**	**67 500**
Total Capital Expenditure	2	**3 180**	**1 930**	**5 815**	**6 710**	**9 199**	**8 707**	**7 743**	**8 250**	**10 200**	**9 300**	**7 980**	**31 148**	**110 162**	**137 958**	**153 532**

GT422 Midvaal - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
Governance and administration		**–**	**–**	**60**	**150**	**138**	**1 400**	**–**	**400**	**230**	**20**	**140**	**3 191**	**5 729**	**26 295**	**25 740**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		–	–	60	150	138	1 400	–	400	230	20	140	3 191	5 729	26 295	25 740
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**–**	**300**	**505**	**1 050**	**980**	**220**	**450**	**515**	**3 550**	**1 050**	**50**	**1 707**	**10 377**	**9 860**	**8 635**
Community and social services		–	–	–	150	400	–	–	–	2 050	1 050	–	650	4 300	2 500	2 700
Sport and recreation		–	300	505	850	580	220	400	515	–	–	–	–	3 370	5 430	5 005
Public safety		–	–	–	50	–	–	50	–	1 500	–	50	1 057	2 707	1 930	930
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**–**	**1 060**	**2 440**	**2 805**	**2 605**	**3 100**	**1 981**	**2 345**	**1 500**	**2 625**	**5**	**–**	**20 466**	**18 836**	**31 270**
Planning and development		–	–	–	5	5	–	–	–	–	5	5	–	20	20	20
Road transport		–	1 060	2 440	2 800	2 600	3 100	1 981	2 345	1 500	2 620	–	–	20 446	18 816	31 250
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**3 180**	**570**	**1 755**	**3 210**	**6 405**	**6 457**	**4 343**	**5 550**	**7 560**	**8 400**	**9 340**	**16 820**	**73 590**	**82 967**	**87 887**
Energy sources		–	–	20	–	1 000	1 000	1 000	1 620	2 210	1 950	4 740	4 550	18 090	24 997	31 260
Water management		–	180	980	1 330	3 025	3 680	2 030	2 950	4 900	5 450	4 400	6 830	35 755	32 500	29 477
Waste water management		80	390	750	1 880	1 930	1 777	1 313	980	450	1 000	200	1 940	12 690	16 500	16 050
Waste management		3 100	–	5	–	450	–	–	–	–	–	–	3 500	7 055	8 970	11 100
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	2	**3 180**	**1 930**	**4 760**	**7 215**	**10 128**	**11 177**	**6 774**	**8 810**	**12 840**	**12 095**	**9 535**	**21 718**	**110 162**	**137 958**	**153 532**
Funded by:																
National Government		80	880	1 920	3 360	5 760	6 807	4 946	2 845	6 530	5 425	155	**14 065**	**52 773**	**65 368**	**73 227**
Provincial Government						400				950	1 050		1 900	4 300	4 380	4 530
District Municipality													–	–	–	–
Other transfers and grants			295	535	1 605	1 124	1 020	500	200	500	500	500	1 371	8 150	19 720	21 530
Transfers recognised - capital		**80**	**1 175**	**2 455**	**4 965**	**7 284**	**7 827**	**5 446**	**3 045**	**7 980**	**6 975**	**655**	**17 336**	**65 223**	**89 468**	**99 287**
Public contributions & donations													–	–	–	–
Borrowing			550	1 950	2 200	1 980	2 350	1 278	2 265	3 010	4 820	9 300	2 947	32 650	33 300	39 940
Internally generated funds			205	355	50	414	750	50	3 500	1 150	300	1 080	4 435	12 289	15 190	14 305
Total Capital Funding		**80**	**1 930**	**4 760**	**7 215**	**9 678**	**10 927**	**6 774**	**8 810**	**12 140**	**12 095**	11 035	24 718	110 162	137 958	153 532

GT422 Midvaal - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													1		
Property rates	15 872	15 315	15 315	15 315	15 315	15 315	15 315	15 315	15 315	15 315	15 315	21 440	190 461	210 432	227 640
Service charges - electricity revenue	29 491	29 491	29 491	29 491	29 491	29 491	29 491	29 491	29 491	29 491	29 491	12 013	336 409	361 183	378 834
Service charges - water revenue	16 247	15 205	15 205	15 205	15 205	15 205	15 205	15 205	15 205	15 205	15 205	26 667	194 963	215 505	237 459
Service charges - sanitation revenue	3 323	3 111	3 111	3 111	3 111	3 111	3 111	3 111	3 111	3 111	3 111	5 441	39 871	37 779	34 447
Service charges - refuse revenue	3 373	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	5 653	40 474	41 438	41 514
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–			
Rental of facilities and equipment	108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 378	1 454
Interest earned - external investments	580	580	580	580	580	580	580	580	580	580	580	580	6 959	7 376	7 782
Interest earned - outstanding debtors	627	627	627	627	627	627	627	627	627	627	627	627	7 529	7 829	8 121
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	851	851	851	851	851	851	851	851	851	851	851	851	10 216	10 829	11 424
Licences and permits	3	3	3	3	3	3	3	3	3	3	3	3	41	43	45
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	9 984	9 984	9 984	9 984	9 984	9 984	9 984	9 984	9 984	9 984	9 984	9 984	119 802	127 829	144 771
Other revenue	770	785	785	785	785	785	785	785	785	785	785	615	9 239	9 793	10 332
Cash Receipts by Source	**81 228**	**79 205**	**79 205**	**79 205**	**79 205**	**79 205**	**79 205**	**79 205**	**79 205**	**79 205**	**79 205**	**83 982**	**957 264**	**1 031 416**	**1 103 823**
Other Cash Flows by Source															
Transfer receipts - capital	21 741	–	–	–	21 741	–	–	–	21 741	–	–	–	65 223	89 468	99 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–		–	–	–	–	–	31 900	31 900	33 300	39 940
Increase (decrease) in consumer deposits	70	70	70	70	70	70	70	70	70	70	70	70	836	930	982
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**103 039**	**79 275**	**79 275**	**79 275**	**101 016**	**79 275**	**79 275**	**79 275**	**101 016**	**79 275**	**79 275**	**115 952**	**1 055 223**	**1 155 114**	**1 244 032**
Cash Payments by Type															
Employee related costs	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 049	24 050	288 593	305 908	324 263
Remuneration of councillors	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	12 390	13 133	13 921
Finance charges	651	651	651	651	651	9 669	651	651	651	651	651	9 760	25 943	27 862	23 584
Bulk purchases - Electricity	11 484	28 256	35 426	24 463	19 063	18 640	17 240	16 579	17 145	16 939	13 105	34 225	252 566	270 668	291 527
Bulk purchases - Water & Sewer	4 873	9 146	11 525	12 367	10 475	10 273	10 087	10 156	9 566	9 865	7 550	14 765	120 648	133 380	149 488
Other materials	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	13 638	14 285	15 071
Contracted services	10 903	10 903	10 903	10 903	10 903	10 903	10 903	10 903	10 903	10 903	10 903	15 805	135 741	139 079	146 743
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	24	24	24	24	24	24	24	24	24	24	24	24	287	297	313
Other expenditure	308	308	308	308	308	308	308	308	308	308	308	51 504	54 895	57 213	60 279
Cash Payments by Type	**54 462**	**75 507**	**85 057**	**74 935**	**67 643**	**76 035**	**65 432**	**64 840**	**64 815**	**64 909**	**58 761**	**152 302**	**904 700**	**961 823**	**1 025 188**
Other Cash Flows/Payments by Type															
Capital assets	3 180	1 930	4 730	7 140	10 059	10 477	6 774	8 610	12 725	12 085	9 465	22 987	110 162	137 958	153 532
Repayment of borrowing	(1 512)	(12)	238	(12)	(262)	(662)	(312)	188	138	138	(312)	33 960	31 578	39 078	41 633
Other Cash Flows/Payments	3	3	3	3	3	3	3	3	3	3	3	3	35	39	41
Total Cash Payments by Type	**56 133**	**77 428**	**90 027**	**82 066**	**77 443**	**85 853**	**71 897**	**73 641**	**77 681**	**77 135**	**67 917**	**209 252**	**1 046 475**	**1 138 897**	**1 220 394**
NET INCREASE/(DECREASE) IN CASH HELD	**46 906**	**1 847**	**(10 752)**	**(2 791)**	**23 573**	**(6 578)**	**7 378**	**5 634**	**23 335**	**2 140**	**11 358**	**(93 301)**	**8 748**	**16 217**	**23 638**
Cash/cash equivalents at the month/year begin:	125 810	172 716	174 563	163 811	161 020	184 592	178 014	185 392	191 026	214 361	216 500	227 859	125 810	134 558	150 775
Cash/cash equivalents at the month/year end:	172 716	174 563	163 811	161 020	184 592	178 014	185 392	191 026	214 361	216 500	227 859	134 558	134 558	150 775	174 413

GT422 Midvaal - Supporting Table SA31 Aggregated entity budget

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R million		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates		–	–	–	–	–	–	–	–	–
Service charges		–	–	–	–	–	–	–	–	–
Investment revenue		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		–	–	–	–	–	–	–	–	–
Other own revenue		–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	–	–
Employee costs		–	–	–	–	–	–	–	–	–
Remuneration of Board Members		–	–	–	–	–	–	–	–	–
Depreciation & asset impairment		–	–	–	–	–	–	–	–	–
Finance charges		–	–	–	–	–	–	–	–	–
Materials and bulk purchases		–	–	–	–	–	–	–	–	–
Transfers and grants		–	–	–	–	–	–	–	–	–
Other expenditure		–	–	–	–	–	–	–	–	–
Total Expenditure		–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–
Capital expenditure & funds sources										
Capital expenditure		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		–	–	–	–	–	–	–	–	–
Public contributions & donations		–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–
Total sources		–	–	–	–	–	–	–	–	–
Financial position										
Total current assets		–	–	–	–	–	–	–	–	–
Total non current assets		–	–	–	–	–	–	–	–	–
Total current liabilities		–	–	–	–	–	–	–	–	–
Total non current liabilities		–	–	–	–	–	–	–	–	–
Equity		–	–	–	–	–	–	–	–	–
Cash flows										
Net cash from (used) operating		–	–	–	–	–	–	–	–	–
Net cash from (used) investing		–	–	–	–	–	–	–	–	–
Net cash from (used) financing		–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end		–	–	–	–	–	–	–	–	–

GT422 Midvaal - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

GT422 Midvaal - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
ABSA		1 388	1 379	1 428	1 428	1 428	1 506	1 602						10 158
NdlalaValuation				1 000	1 052	1 110	1 176	1 247						5 584
Contract 3 etc														–
Total Operating Expenditure Implication		1 388	1 379	2 428	2 479	2 537	2 682	2 848	–	–	–	–	–	15 742
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		**1 388**	**1 379**	**2 428**	**2 479**	**2 537**	**2 682**	**2 848**	**–**	**–**	**–**	**–**	**–**	15 742
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–

GT422 Midvaal - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	–	–	**32 960**	**36 895**	**36 895**	**12 770**	**21 852**	**27 920**
Roads Infrastructure		–	–	–	–	12 850	12 850	–	500	1 000
Roads		–	–	–	–	12 750	12 750	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	100	100	–	500	1 000
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	16 960	9 722	9 722	9 270	20 852	26 370
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	600	8 250	8 250	8 250	20 332	25 850
LV Networks		–	–	–	16 360	1 472	1 472	1 020	520	520
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	2 000	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	2 000	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	16 000	14 322	14 322	1 500	500	500
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	12 000	12 000	12 000	–	–	–
Waste Water Treatment Works		–	–	–	2 000	2 000	2 000	1 500	500	500
Outfall Sewers		–	–	–	2 000	322	322	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	50
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	50
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–

Piers	–	–	–	–	–	–	–	–	–
Revetments	–	–	–	–	–	–	–	–	–
Promenades	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres	–	–	–	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	**–**	**–**	**–**	**13 200**	**7 189**	**7 189**	**3 277**	**8 200**	**12 200**
Community Facilities	–	–	–	13 200	7 189	7 189	3 277	7 700	9 700
Halls	–	–	–	–	–	–	–	–	–
Centres	–	–	–	5 000	–	–	–	1 000	4 000
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	–	–	6 000	4 966	4 966	277	1 000	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	–	–	–	–	–	–
Police	–	–	–	–	–	–	–	–	–
Purls	–	–	–	–	–	–	–	–	–
Public Open Space	–	–	–	700	1 200	1 200	1 000	1 200	1 200
Nature Reserves	–	–	–	–	423	423	1 500	2 000	2 000
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	1 500	600	600	500	500	500
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	2 000	2 000
Sport and Recreation Facilities	–	–	–	–	–	–	–	500	2 500
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	500	2 500
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	**278**	**10**	**32**	**–**	**–**	**–**	**1 560**	**1 500**	**2 000**
Revenue Generating	–	–	–	–	–	–	–	1 500	1 500
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	1 500	1 500
Non-revenue Generating	278	10	32	–	–	–	1 560	–	500
Improved Property	278	10	32	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	1 560	–	500
Other assets	**475**	**452**	**215**	**1 410**	**570**	**570**	**250**	**7 000**	**5 400**
Operational Buildings	475	452	215	1 410	570	570	250	7 000	5 400
Municipal Offices	475	345	166	410	570	570	–	–	–
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Yards	–	–	–	–	–	–	250	1 500	–
Stores	–	–	–	–	–	–	–	500	400
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	106	49	–	–	–	–	–	–

Capital Spares		–	–	–	1 000	–	–	–	5 000	5 000
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	436	1 533	2 245	1 608	1 608	1 640	2 295	2 850
Servitudes		–	270	–	815	552	552	690	945	1 500
Licences and Rights		–	166	1 533	1 430	1 056	1 056	950	1 350	1 350
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	1 430	1 056	1 056	950	1 350	1 350
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	166	1 533	–	–	–	–	–	–
Computer Equipment		38	1 155	1 768	120	318	318	1 759	1 180	1 180
Computer Equipment		38	1 155	1 768	120	318	318	1 759	1 180	1 180
Furniture and Office Equipment		1 051	668	1 234	773	623	623	135	200	190
Furniture and Office Equipment		1 051	668	1 234	773	623	623	135	200	190
Machinery and Equipment		5 621	3 064	2 259	3 720	3 772	3 772	185	1 930	3 845
Machinery and Equipment		5 621	3 064	2 259	3 720	3 772	3 772	185	1 930	3 845
Transport Assets		7 459	12 396	3 704	10 750	11 645	11 645	11 300	7 550	6 390
Transport Assets		7 459	12 396	3 704	10 750	11 645	11 645	11 300	7 550	6 390
Libraries		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**14 922**	**18 180**	**10 744**	**65 178**	**62 619**	**62 619**	**32 876**	**51 707**	**61 975**

GT422 Midvaal - Supporting Table SA34b Consolidated capital expenditure on the renewal of existing assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**6 385**	**9 481**	**8 208**	**39 000**	**39 128**	**39 128**	**33 900**	**31 120**	**34 817**
Roads Infrastructure		–	–	–	100	4 900	4 900	–	–	–
Roads		–	–	–	100	4 900	4 900	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	308	496	1 200	6 900	6 900	5 650	2 700	2 390
Power Plants					–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	297	700	6 200	6 200	2 650	1 000	1 000
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	308	199	500	700	700	3 000	1 700	1 390
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		5 606	5 710	7 219	24 150	19 257	19 257	25 600	24 370	24 477
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		5 606	5 710	7 219	–	–	–	–	–	–
Distribution Points		–	–	–	24 150	19 257	19 257	25 600	24 370	24 477
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		779	3 464	494	13 550	8 071	8 071	2 650	4 050	7 950
Pump Station		–	568	172	2 000	4 009	4 009	–	–	–
Reticulation		–	–	–	700	700	700	1 000	1 000	1 000
Waste Water Treatment Works		779	2 896	322	6 250	2 800	2 800	750	2 350	6 750
Outfall Sewers		–	–	–	4 600	562	562	900	700	200
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–

Revetments	–	–	–	–	–	–	–	–	–
Promenades	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres	–	–	–	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	**6 483**	**4 176**	**4 690**	**5 700**	**7 226**	**7 226**	**4 000**	**8 580**	**6 330**
Community Facilities	1 279	2 071	3 551	800	1 600	1 600	1 400	3 080	3 330
Halls	555	204	–	–	–	–	–	–	–
Centres	–	–	–	–	–	–	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	–	–	–	–	–	–	–	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	725	1 749	3 551	800	1 600	1 600	1 400	3 080	3 330
Cemeteries/Crematoria	–	118	–	–	–	–	–	–	–
Police	–	–	–	–	–	–	–	–	–
Purls	–	–	–	–	–	–	–	–	–
Public Open Space	–	–	–	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	5 204	2 105	1 139	4 900	5 626	5 626	2 600	5 500	3 000
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	5 204	2 105	1 139	–	–	–	–	–	–
Capital Spares	–	–	–	4 900	5 626	5 626	2 600	5 500	3 000
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**10 292**	**10 292**	**150**	**150**	**2 650**
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	10 292	10 292	150	150	2 650
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	10 292	10 292	150	150	2 650
Other assets	**341**	**125**	**16**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	341	125	16	–	–	–	–	–	–
Municipal Offices	–	–	–	–	–	–	–	–	–
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Yards	341	125	16	–	–	–	–	–	–
Stores	–	–	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–

Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		341	250	194	100	141	141	40	40	1 600
Computer Equipment		341	250	194	100	141	141	40	40	1 600
Furniture and Office Equipment		582	33	61	84	129	129	–	–	–
Furniture and Office Equipment		582	33	61	84	129	129	–	–	–
Machinery and Equipment		–	–	–	–	55	55	1 100	1 700	300
Machinery and Equipment		–	–	–	–	55	55	1 100	1 700	300
Transport Assets		–	–	–	1 500	1 500	1 500	–	2 250	1 150
Transport Assets		–	–	–	1 500	1 500	1 500	–	2 250	1 150
Libraries		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	**14 133**	**14 066**	**13 171**	**46 384**	**58 470**	**58 470**	**39 190**	**43 840**	**46 847**
Renewal of Existing Assets as % of total capex		*35.3%*	*17.0%*	*15.6%*	*32.2%*	*36.4%*	*36.4%*	*35.6%*	*31.8%*	*30.5%*
Renewal of Existing Assets as % of deprecn"		*12.5%*	*12.5%*	*11.3%*	*39.6%*	*49.9%*	*49.9%*	*33.4%*	*36.1%*	*36.6%*

GT422 Midvaal - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**28 637**	**34 297**	**34 980**	**35 755**	**88 338**	**88 338**	**95 138**	**100 021**	**105 842**
Roads Infrastructure		18 263	17 586	17 249	19 266	28 583	28 583	30 507	31 872	33 686
Roads		–	–	–	–	–	–	–	–	–
Road Structures		18 263	17 586	17 249	19 266	18 381	18 381	18 506	19 154	20 207
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	10 203	10 203	12 001	12 718	13 479
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4 029	4 087	5 312	4 923	18 205	18 205	19 838	20 917	22 147
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		4 029	4 087	5 312	4 923	4 863	4 863	4 323	4 474	4 720
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	13 343	13 343	15 515	16 443	17 427
Water Supply Infrastructure		2 156	4 709	4 626	3 198	17 389	17 389	18 715	19 752	20 918
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	32	32	32	32	33	35
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		2 156	4 709	4 626	3 166	3 526	3 526	3 306	3 422	3 610
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	13 830	13 830	15 377	16 297	17 273
Sanitation Infrastructure		3 740	7 914	7 793	8 369	24 160	24 160	26 078	27 480	29 092
Pump Station		3 740	7 914	7 793	4 992	4 992	4 992	4 192	4 338	4 577
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	3 377	11 185	11 185	11 090	11 699	12 388
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	7 983	7 983	10 796	11 442	12 127
Solid Waste Infrastructure		449	–	–	–	–	–	–	–	–
Landfill Sites		449	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–

Piers	–	–	–	–	–	–	–	–	–
Revetments	–	–	–	–	–	–	–	–	–
Promenades	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres	–	–	–	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–

Community Assets	–	**2**	–	**291**	**268**	**268**	**498**	**278**	**293**
Community Facilities	–	2	–	291	268	268	498	278	293
Halls	–	–	–	–	–	–	–	–	–
Centres	–	–	–	–	–	–	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	–	–	–	–	–	–	–	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	128	105	105	335	109	115
Cemeteries/Crematoria	–	–	–	163	163	163	163	169	178
Police	–	–	–	–	–	–	–	–	–
Purls	–	–	–	–	–	–	–	–	–
Public Open Space	–	2	–	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	**7 113**	**12 369**	**9 595**	**5 097**	**4 639**	**4 639**	**4 579**	**4 739**	**5 000**
Operational Buildings	7 113	12 369	9 595	5 097	4 639	4 639	4 579	4 739	5 000
Municipal Offices	2 588	5 780	5 663	5 097	4 639	4 639	4 579	4 739	5 000
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	4 524	6 589	3 931	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Yards	–	–	–	–	–	–	–	–	–
Stores	–	–	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	–	–	–	–	–	–	–	–	–
Capital Spares									
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–

Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		65	74	89	96	96	96	96	100	105
Computer Equipment		65	74	89	96	96	96	96	100	105
Furniture and Office Equipment		61	36	26	421	346	346	341	353	372
Furniture and Office Equipment		61	36	26	421	346	346	341	353	372
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		5 190	4 583	6 016	6 677	11 243	11 243	11 748	12 216	12 901
Transport Assets		5 190	4 583	6 016	6 677	11 243	11 243	11 748	12 216	12 901
Libraries		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**41 066**	**51 360**	**50 706**	**48 338**	**104 931**	**104 931**	**112 400**	**117 707**	**124 514**
R&M as a % of PPE		*2.0%*	*2.6%*	*2.6%*	*2.4%*	*5.2%*	*5.2%*	*5.7%*	*5.8%*	*6.1%*
R&M as % Operating Expenditure		*5.1%*	*5.9%*	*5.4%*	*4.8%*	*10.0%*	*10.0%*	*15.4%*	*10.6%*	*10.6%*

GT422 Midvaal - Supporting Table SA34d Consolidated Depreciation by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Depreciation by Asset Class/Sub-class										
Infrastructure		**100 432**	**100 267**	**99 191**	**99 837**	**99 837**	**99 837**	**99 837**	**103 331**	**109 014**
Roads Infrastructure		16 925	16 897	30 104	30 300	30 300	30 300	30 301	31 361	33 086
Roads		16 925	16 897	30 104	30 300	30 300	30 300	30 301	31 361	33 086
Road Structures								–	–	–
Road Furniture								–	–	–
Capital Spares								–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		80 327	80 195	53 477	53 825	53 825	53 825	53 825	55 709	58 773
Power Plants								53 723	55 604	58 662
HV Substations								–	–	–
HV Switching Station								–	–	–
HV Transmission Conductors								–	–	–
MV Substations		80 327	80 195	53 477	53 825	53 825	53 825	–	–	–
MV Switching Stations								–	–	–
MV Networks								–	–	–
LV Networks								102	105	111
Capital Spares								–	–	–
Water Supply Infrastructure		3 180	3 175	6 254	6 294	6 294	6 294	6 294	6 515	6 873
Dams and Weirs								6 294	6 515	6 873
Boreholes								–	–	–
Reservoirs								–	–	–
Pump Stations								–	–	–
Water Treatment Works								–	–	–
Bulk Mains								–	–	–
Distribution		3 180	3 175	6 254	6 294	6 294	6 294	–	–	–
Distribution Points								–	–	–
PRV Stations								–	–	–
Capital Spares								–	–	–
Sanitation Infrastructure		–	–	9 356	9 417	9 417	9 417	9 417	9 746	10 282
Pump Station					9 417	9 417	9 417	9 407	9 736	10 272
Reticulation				9 356				–	–	–
Waste Water Treatment Works								–	–	–
Outfall Sewers								10	10	11
Toilet Facilities								–	–	–
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										

Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
Community Assets	**514**	**513**	**554**	**567**	**567**	**567**	**567**	**587**	**620**
Community Facilities	514	513	554	567	567	567	567	587	620
Halls	419	418	118	119	119	119	119	123	130
Centres							–	–	–
Crèches							–	–	–
Clinics/Care Centres							–	–	–
Fire/Ambulance Stations							–	–	–
Testing Stations							–	–	–
Museums							–	–	–
Galleries							–	–	–
Theatres							–	–	–
Libraries	94	94	436	448	448	448	245	254	268
Cemeteries/Crematoria							–	–	–
Police							–	–	–
Purls							–	–	–
Public Open Space							–	–	–
Nature Reserves							–	–	–
Public Ablution Facilities							–	–	–
Markets							203	210	222
Stalls							–	–	–
Abattoirs							–	–	–
Airports							–	–	–
Taxi Ranks/Bus Terminals							–	–	–
Capital Spares							–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Indoor Facilities									
Outdoor Facilities									
Capital Spares									
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Other assets	**10 852**	**10 835**	**15 238**	**15 308**	**15 308**	**15 308**	**15 308**	**15 844**	**16 715**
Operational Buildings	10 852	10 835	15 238	15 308	15 308	15 308	15 308	15 844	16 715
Municipal Offices	10 852	10 835	15 238	15 308	15 308	15 308	15 308	15 844	16 715
Pay/Enquiry Points							–	–	–
Building Plan Offices							–	–	–
Workshops							–	–	–
Yards							–	–	–
Stores							–	–	–
Laboratories							–	–	–
Training Centres							–	–	–
Manufacturing Plant							–	–	–
Depots							–	–	–

Capital Spares								–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		33	33	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		33	33	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		33	33							
Load Settlement Software Applications										
Unspecified										
Computer Equipment		72	72	934	941	941	941	941	973	1 027
Computer Equipment		72	72	934	941	941	941	941	973	1 027
Furniture and Office Equipment		506	505	568	591	591	591	591	612	646
Furniture and Office Equipment		506	505	568	591	591	591	591	612	646
Machinery and Equipment		534	533	–	–	–	–	–	–	–
Machinery and Equipment		534	533							
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Libraries		–	–	–	–	–	–	–	–	–
Libraries										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	**112 943**	**112 758**	**116 486**	**117 244**	**117 244**	**117 244**	**117 244**	**121 348**	**128 022**

GT422 Midvaal - Supporting Table SA34e Consolidated capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**38 132**	**49 114**	**56 547**	**30 839**	**37 203**	**37 203**	**36 076**	**40 496**	**42 800**
Roads Infrastructure		19 602	13 863	6 726	6 839	12 239	12 239	18 226	15 466	24 500
Roads		–	–	–	6 839	12 239	12 239	18 226	15 466	24 500
Road Structures		19 602	13 863	6 618	–	–	–	–	–	–
Road Furniture		–	–	108	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		17 780	28 137	29 851	21 000	8 000	8 000	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		10 278	21 944	18 984	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	136	–	–	–	–	–	–
LV Networks		7 502	6 192	10 731	21 000	8 000	8 000	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		750	4 304	11 911	–	6 196	6 196	7 310	6 730	4 500
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		750	–	250	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	4 304	11 661	–	6 196	6 196	7 310	6 730	4 500
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	1 310	840	–	7 768	7 768	7 540	10 300	6 300
Pump Station		–	–	496	–	–	–	–	–	–
Reticulation		–	1 310	160	–	7 105	7 105	7 540	9 000	5 000
Waste Water Treatment Works		–	–	184	–	663	663	–	1 300	1 300
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	1 500	7 219	3 000	3 000	3 000	3 000	8 000	7 500
Landfill Sites		–	1 500	7 219	3 000	3 000	3 000	3 000	4 000	3 000
Waste Transfer Stations		–	–	–	–	–	–	–	4 000	4 500
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–

Promenades	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres	–	–	–	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	**1 870**	**1 556**	**4 027**	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities	86	1 556	4 027	–	–	–	–	–	–
Halls	–	–	–	–	–	–	–	–	–
Centres	–	–	–	–	–	–	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	194	3 734	–	–	–	–	–	–
Testing Stations	–	–	–	–	–	–	–	–	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	–	–	–	–	–	–
Police	–	–	–	–	–	–	–	–	–
Purls	–	–	–	–	–	–	–	–	–
Public Open Space	86	1 362	284	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	9	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	1 784	–	–	–	–	–	–	–	–
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	1 784	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	**–**	**–**	**–**	**–**	**–**	**–**	**400**	**300**	**250**
Operational Buildings	–	–	–	–	–	–	400	300	250
Municipal Offices	–	–	–	–	–	–	400	200	250
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Yards	–	–	–	–	–	–	–	–	–
Stores	–	–	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	–	–	–	–	–	–	100	–
Capital Spares	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–

Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	934	1 884	1 884	1 620	1 615	1 660
Machinery and Equipment		–	–	–	934	1 884	1 884	1 620	1 615	1 660
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	658	658	658	–	–	–
Libraries		–	–	–	658	658	658	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	1	**40 002**	**50 670**	**60 574**	**32 431**	**39 745**	**39 745**	**38 096**	**42 411**	**44 710**
Upgrading of Existing Assets as % of total capex		*0.0%*	*61.1%*	*71.7%*	*22.5%*	*24.7%*	*24.7%*	*34.6%*	*30.7%*	*29.1%*
Upgrading of Existing Assets as % of deprecn"		*35.4%*	*44.9%*	*52.0%*	*27.7%*	*33.9%*	*33.9%*	*32.5%*	*34.9%*	*34.9%*

GT422 Midvaal - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
Capital expenditure	1							
Vote 1 - executive council		4 400	19 850	21 610				
Vote 2 - corporate services		890	4 345	3 580	4 034			
Vote 3 - financial services		129	40	40	10			
Vote 4 - development & planning		20	20	20	10			
Vote 5 - health		–	–	–				
Vote 6 - community & social services		7 920	8 430	8 155	7 275	3 430	135	
Vote 7 - public safety		3 807	2 530	1 530	10			
Vote 8 -		–	–	–				
Vote 9 - environmental protection		–	–	–				
Vote 10 - waste water management		12 690	16 500	16 050				
Vote 11 - solid waste management		7 055	8 970	11 100	4 500	600		
Vote 12 - roads & transport		19 346	19 716	30 650	500			
Vote 13 - water services		35 755	32 500	29 477				
Vote 14 - electricty		18 150	25 057	31 320	3 080			
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**110 162**	**137 958**	**153 532**	**19 419**	**4 030**	**135**	**–**
Future operational costs by vote	2							
Vote 1 - executive council		220	1 132	1 182	–	–	–	
Vote 2 - corporate services		45	162	161	202	–	–	
Vote 3 - financial services		6	2	2	1	–	–	
Vote 4 - development & planning		1	1	1	1	–	–	
Vote 5 - health		–	–	–	–	–	–	
Vote 6 - community & social services		376	429	408	364	172	7	
Vote 7 - public safety		138	88	38	1	–	–	
Vote 8 -		–	–	–	–	–	–	
Vote 9 - environmental protection		–	–	–	–	–	–	
Vote 10 - waste water management		634	790	803	–	–	–	
Vote 11 - solid waste management		353	474	555	225	30	–	
Vote 12 - roads & transport		970	986	1 533	25	–	–	
Vote 13 - water services		1 793	1 625	1 474	–	–	–	
Vote 14 - electricty		870	1 253	1 566	154	–	–	
Vote 15 -		–	–	–	–	–	–	
List entity summary if applicable					–	–	–	
Total future operational costs		5 404	6 940	7 721	971	202	7	–
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**115 566**	**144 898**	**161 253**	**20 390**	**4 232**	**142**	**–**

GT422 Midvaal - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4				6	3	3	5		Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
01106400320FPG53ZZHO		Acquisition Of Land / Servitudes (Ophir)			Yes	Revenue Generating	Improved Property				–	–	1 500	1 500	HO	NEW
01106460020F5C12ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	–	15	–	HO	NEW
01106460020F5C98ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	–	–	–	HO	NEW
01106460020F5G16ZZHO		Plastic Chairs			Yes	Computer Equipment	Computer Equipment				–	–	–	–	HO	NEW
01106473520F5C06ZZHO		Community Assets - Iu C: Acquisition			Yes	Community Facilities	Centres				–	–	–	–	HO	NEW
01106600420F4D84ZZWM		Ppe Nl: Transport -Acquisitions			Yes	Transport Assets	Transport Assets				–	–	200	200	WM	RENEWAL
01206460020F5C11ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	–	15	15	HO	NEW
01206600420F4D22ZZHO		Ppe Nl: Transport -Acquisitions			Yes	Transport Assets	Transport Assets				–	–	400	–	HO	RENEWAL
01456460020F5C94ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	–	–	–	HO	NEW
01456600420F4D07ZZHO		Ppe Nl: Transport -Acquisitions			Yes	Transport Assets	Transport Assets				–	–	–	350	HO	NEW
01456600420F4D32ZZHO		Ppe Nl: Transport -Acquisitions			Yes	Transport Assets	Transport Assets				–	–	700	–	HO	RENEWAL
02206456020F5G54ZZHO		Turnstiles			Yes	Non-Revenue Generating	Unimproved Property				–	–	–	–	HO	RENEWAL
02206460020F5C36ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	–	–	–	HO	NEW
02206460020F5C92ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	–	–	–	HO	NEW
02206460020F5D16ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	–	–	–	HO	NEW
05156460020FKD43ZZWM		Furn/Off Equip - Iu C: Acquisition			Yes	Community Facilities	Stalls				–	–	–	–	WM	NEW
05406474020F5G05ZZHO		Steel Carpots ? De Deur	G05		Yes	Operational Buildings	Municipal Offices				–	–	100	–	HO	UPGRADING
05406600420F4G06ZZHO		16 Seater Kombi	G06		Yes	Transport Assets	Transport Assets				–	–	–	400	HO	NEW
05406600420F4G10ZZHO		Ldv	G10		Yes	Transport Assets	Transport Assets				–	–	350	–	HO	NEW
07056460020F5C22ZZWM		Furn/Off Equip - Iu C: Acquisition	C22		Yes	Computer Equipment	Computer Equipment				–	–	–	–	WM	RENEWAL
07056600420F4G10ZZWM		Ldv	G10		Yes	Transport Assets	Transport Assets				–	–	300	300	WM	NEW
08056420420F4D79ZZWM		Ppe Co: Transport -Acquisitions	D79		Yes	Transport Assets	Transport Assets				–	–	550	550	WM	RENEWAL
08056420420F5C87ZZWM		Ppe Co: Transport -Acquisitions	C87		Yes	Operational Buildings	Depots				–	–	100	–	WM	UPGRADING
08056460020F5C19ZZWM		Furn/Off Equip - Iu C: Acquisition	C19		Yes	Operational Buildings	Municipal Offices				–	–	100	–	WM	UPGRADING
08056460020F5C43ZZWM		Furn/Off Equip - Iu C: Acquisition	C43		Yes	Operational Buildings	Municipal Offices				–	–	–	250	WM	UPGRADING
08056474020F5G15ZZWM		2x Store Rooms For Flameable Materials	G15		Yes	Operational Buildings	Yards				–	–	100	–	WM	NEW
08056600420F4C32ZZWM		Ppe Nl: Transport -Acquisitions	C32		Yes	Transport Assets	Transport Assets				–	–	500	–	WM	NEW
08056600420F4G13ZZWM		Ldv's (New)	G13		Yes	Transport Assets	Transport Assets				–	–	–	840	WM	NEW
08156473520FGC99ZZWM		Community Assets - Iu C: Acquisition	C99		Yes	Sport And Recreation Facilities	Outdoor Facilities				–	–	500	2 500	WM	NEW
10056449420F5D01ZZWM		Ppe Co: Inf Waste Wtr - Acquisitions	D01		Yes	Operational Buildings	Yards				–	–	400	400	WM	NEW
10056449420FGC80ZZ01		Ppe Co: Inf Waste Wtr - Acquisitions	C80		Yes	Sanitation Infrastructure	Reticulation				–	–	–	–	01	RENEWAL
10056449420FGD33ZZWM		Replacement Pumps	D33		Yes	Sanitation Infrastructure	Reticulation				–	–	800	–	WM	RENEWAL
10056449420FGD82ZZWM		Ppe Co: Inf Waste Wtr - Acquisitions	D82		Yes	Sanitation Infrastructure	Reticulation				–	–	–	6 000	WM	RENEWAL
10056449420FGR30ZZ04		Extension Daleside Sewer	R30		Yes	Sanitation Infrastructure	Reticulation				–	–	3 000	5 000	04	UPGRADING
10056449420FNG18ZZWM		Refurbishment Of Pumpstations	G18		Yes	Sanitation Infrastructure	Waste Water Treatment Works				–	–	1 300	1 300	WM	UPGRADING
10056449420FPC41ZZ04		Ppe Co: Inf Waste Wtr - Acquisitions	C41		Yes	Sanitation Infrastructure	Pump Station				–	–	–	–	04	RENEWAL
10056449420FPD33ZZWM		Ppe Co: Inf Waste Wtr - Acquisitions	D33		Yes	Sanitation Infrastructure	Reticulation				–	–	800	–	WM	RENEWAL
10056456420F5D08ZZWM		Wa At C - Fu C: Acquisition	D08		Yes	Machinery And Equipment	Machinery And Equipment				–	–	–	–	WM	NEW
10056456420F5D65ZZWM		Wa At C - Fu C: Acquisition	D65		Yes	Machinery And Equipment	Machinery And Equipment				–	–	400	–	WM	NEW
10106449420F5D62ZZWM		Ppe Co: Inf Waste Wtr - Acquisitions	D62		Yes	Sanitation Infrastructure	Waste Water Treatment Works				–	–	–	–	WM	RENEWAL
10106449420FND18ZZ11		Ppe Co: Inf Waste Wtr - Acquisitions	D18		Yes	Sanitation Infrastructure	Waste Water Treatment Works				–	–	–	–	11	RENEWAL
10106449420FND68ZZ10		Ppe Co: Inf Waste Wtr - Acquisitions	D68		Yes	Sanitation Infrastructure	Waste Water Treatment Works				–	–	–	–	10	RENEWAL
10106449420FPD62ZZWM		Ppe Co: Inf Waste Wtr - Acquisitions	D62		Yes	Sanitation Infrastructure	Waste Water Treatment Works				–	–	–	–	WM	RENEWAL
11056472420F5D38ZZWM		Roads Infra - Iu C: Acquisition	D38		Yes	Servitudes	Servitudes				–	–	–	–	WM	NEW
11056472420FPD20ZZWM		Roads Infra - Iu C: Acquisition	D20		Yes	Roads Infrastructure	Roads				–	–	1 000	1 000	WM	UPGRADING
11056472420FPG20ZZWM		Infrastructure-Existing-Renewal-Electric	G20		Yes	Roads Infrastructure	Roads				–	–	–	7 000	WM	UPGRADING
11056474020F5C58ZZWM		Other Assets - Iu C: Acquisition	C58		Yes	Roads Infrastructure	Roads				–	–	–	–	WM	UPGRADING
11056474020F5R53ZZWM		Road Servitudes - Hill Road / Anchovy	R53		Yes	Servitudes	Servitudes				–	–	500	500	WM	NEW
11056600420F4C33ZZWM		Ppe Nl: Transport -Acquisitions	C33		Yes	Transport Assets	Transport Assets				–	–	–	1 000	WM	NEW
11056600420F4R21ZZWM		Tlb	R21		Yes	Machinery And Equipment	Machinery And Equipment				–	–	1 400	–	WM	RENEWAL
11106474020FPG24ZZWM		Galloway Depot External Parking Area	G24		Yes	Operational Buildings	Workshops				–	–	1 500	–	WM	NEW
12056420420F5C25ZZWM		Ppe Co: Transport -Acquisitions	C25		Yes	Machinery And Equipment	Machinery And Equipment				–	–	400	–	WM	NEW
12056420420F5C35ZZWM		Ppe Co: Transport -Acquisitions	C35		Yes	Machinery And Equipment	Machinery And Equipment				–	–	550	–	WM	NEW
12056446020F5D19ZZWM		Wa At C - Distribution: Acquisition	D19		Yes	Water Supply Infrastructure	Distribution				–	–	–	–	WM	RENEWAL
12056446020FNC29ZZ12		Wa At C - Distribution: Acquisition	C29		Yes	Water Supply Infrastructure	Distribution				–	–	–	–	12	RENEWAL
12056446020FND69ZZWM		Wa At C - Distribution: Acquisition	D69		Yes	Water Supply Infrastructure	Distribution				–	–	–	–	WM	RENEWAL
13056433020F4R28ZZWM		New Cable Test Trailer	R28		Yes	Transport Assets	Transport Assets				–	–	–	–	WM	NEW
13056433020F5R63ZZWM		Risiville:Refurbish Ocbsx7 & Protection	R63		Yes	Electrical Infrastructure	Mv Substations				–	–	–	–	WM	RENEWAL
13056433020FPC17ZZWM		El Iu C - Lv Networks:Acquisition	C17		Yes	Electrical Infrastructure	Lv Networks				–	–	–	–	WM	NEW
13056433020FPD52ZZWM		El Iu C - Lv Networks:Acquisition	D52		Yes	Electrical Infrastructure	Mv Networks				–	–	–	–	WM	NEW
13056433020FPR64ZZWM		Kliprivier St-Zambesie St:Ht C&Mini-Sub	R64		Yes	Electrical Infrastructure	Mv Networks				–	–	1 200	–	WM	RENEWAL
13056433020FQC37ZZWM		El Iu C - Lv Networks:Acquisition	C37		Yes	Electrical Infrastructure	Lv Networks				–	–	–	–	WM	NEW
13056437020F5G33ZZWM		K13 Refurbish Ocbs X 7 And Protection	G33		Yes	Electrical Infrastructure	Mv Networks				–	–	–	–	WM	RENEWAL
13056437020F5G34ZZWM		Marthinus Oosthuizen Street	G34		Yes	Electrical Infrastructure	Mv Networks				–	–	–	70	WM	RENEWAL
13056437020F5G35ZZWM		Rabie Avenue	G35		Yes	Electrical Infrastructure	Mv Networks				–	–	–	70	WM	RENEWAL
13056437020F5G37ZZWM		Glen Donald:Replace Wood Cross Arms-Str	G37		Yes	Electrical Infrastructure	Mv Networks				–	–	–	150	WM	RENEWAL
13056437020F5G39ZZWM		Rose Avenue	G39		Yes	Electrical Infrastructure	Mv Networks				–	–	–	300	WM	RENEWAL
13056437020F5G40ZZWM		Van Ribeeck Street	G40		Yes	Electrical Infrastructure	Mv Networks				–	–	–	300	WM	RENEWAL
13056437020FPD34ZZWM		El Fu C - Mv Networks:Acquisition	D34		Yes	Electrical Infrastructure	Lv Networks				–	–	–	–	WM	UPGRADING
13056449420F5D47ZZWM		Ppe Co: Inf Waste Wtr - Acquisitions	D47		Yes	Servitudes	Servitudes				–	–	–	–	WM	NEW
13056460020F5C26ZZWM		Furn/Off Equip - Iu C: Acquisition	C26		Yes	Computer Equipment	Computer Equipment				–	–	–	1 500	WM	RENEWAL
13056460020FPR73ZZWM		V/Boeschotenst:Ltline;Pil Boxes&Strlight	R73		Yes	Electrical Infrastructure	Mv Networks				–	–	–	–	WM	RENEWAL
13056474020F5C05ZZWM		Other Assets - Iu C: Acquisition	C05		Yes	Operational Buildings	Municipal Offices				–	–	–	–	WM	NEW
13056600420F4C69ZZWM		Ppe Nl: Transport -Acquisitions	C69		Yes	Transport Assets	Transport Assets				–	–	–	–	WM	NEW
14056456020F4G38ZZWM		Landfill Compactor	G38		Yes	Non-Revenue Generating	Unimproved Property				–	–	–	2 500	WM	RENEWAL
15056460020F5C84ZZWM		Furn/Off Equip - Iu C: Acquisition	C84		Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	–	–	–	WM	NEW
16056450020FQD88ZZWM		Ppe Co: Inf Waste Man - Acquisitions	D88		Yes	Solid Waste Infrastructure	Waste Transfer Stations				–	–	2 000	1 000	WM	UPGRADING
16056456420FQC31ZZ11		Wa At C - Fu C: Acquisition	C31		Yes	Community Facilities	Public Open Space				–	–	–	–	11	NEW
16056473520FQC24ZZWM		Community Assets - Iu C: Acquisition	C24		Yes	Community Facilities	Halls				–	–	1 000	4 000	WM	NEW
16056473520FQC60ZZWM		Community Assets - Iu C: Acquisition	C60		Yes	Community Facilities	Stalls				–	–	–	–	WM	NEW
16056473520FQD64ZZ11		Community Assets - Iu C: Acquisition	D64		Yes	Sport And Recreation Facilities	Outdoor Facilities				–	–	3 000	3 000	11	RENEWAL
16056474020FQC85ZZWM		Other Assets - Iu C: Acquisition	C85		Yes	Community Facilities	Taxi Ranks/Bus Terminals				–	–	2 000	2 000	WM	NEW
16056474020FQC88ZZHO		Other Assets - Iu C: Acquisition	C88		Yes	Operational Buildings	Depots				–	–	5 000	5 000	HO	NEW
16056475020FKC75ZZWM		Ppe Oc : Library - Acquisition	C75		Yes	Community Facilities	Libraries				–	–	1 880	1 830	WM	RENEWAL
17056449420FGG47ZZWM		Refurbishment-Blackwood Transfer Station	G47		Yes	Solid Waste Infrastructure	Waste Transfer Stations				–	–	1 000	500	WM	UPGRADING
17056456020F4G51ZZWM		Bob Cat Waste Transfer Station	G51		Yes	Non-Revenue Generating	Unimproved Property				–	–	–	500	WM	NEW
17056460020F5G44ZZWM		Furniture For Transfer Station	G44		Yes	Computer Equipment	Computer Equipment				–	–	–	60	WM	RENEWAL
17056460020F5G48ZZWM		Carport At Kliprivier Transfer Station	G48		Yes	Solid Waste Infrastructure	Waste Transfer Stations				–	–	–	50	WM	NEW
17056473520F5G46ZZWM		Refurbishment-Male&Female Change Room	G46		Yes	Operational Buildings	Depots				–	–	–	–	WM	UPGRADING
17056474020FGD80ZZWM		Other Assets - Iu C: Acquisition	D80		Yes	Solid Waste Infrastructure	Waste Transfer Stations				–	–	1 000	3 000	WM	UPGRADING
17056474020FGD81ZZWM		Other Assets - Iu C: Acquisition	D81		Yes	Solid Waste Infrastructure	Landfill Sites				–	–	1 000	–	WM	UPGRADING
17056600420F4C72ZZWM		Ppe Nl: Transport -Acquisitions	C72		Yes	Transport Assets	Transport Assets				–	–	2 100	–	WM	NEW
17056600420F4D59ZZWM		Ppe Nl: Transport -Acquisitions	D59		Yes	Transport Assets	Transport Assets				–	–	300	900	WM	NEW
08056456020F5G49ZZWM		Compressor	G49		Yes	Non-Revenue Generating	Unimproved Property				–	5	–	–	WM	NEW
17056456020F5G49ZZWM		Compressor	G49		Yes	Non-Revenue Generating	Unimproved Property				–	5	–	–	WM	NEW
01106460020F5G04ZZHO		Disaster Recovery Equipment (Records)			Yes	Computer Equipment	Computer Equipment				–	10	–	–	HO	NEW
08056460020F5C10ZZWM		Furn/Off Equip - Iu C: Acquisition	C10		Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	10	10	10	WM	NEW
08056420420F5D76ZZWM		Ppe Co: Transport -Acquisitions	D76		Yes	Machinery And Equipment	Machinery And Equipment				–	25	25	25	WM	NEW
01106460020F5G08ZZHO		Furniture & Equipment			Yes	Computer Equipment	Computer Equipment				–	30	30	30	HO	NEW
05406460020F5C47ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				–	30	30	30	HO	NEW
02156460020F5G36ZZHO		Shelves For Stores			Yes	Computer Equipment	Computer Equipment				–	39	–	–	HO	NEW
01106460020F5G28ZZHO		Recording Equipment			Yes	Computer Equipment	Computer Equipment				–	50	–	–	HO	NEW
02156456020F5G42ZZHO		Cable Stand			Yes	Non-Revenue Generating	Unimproved Property				–	50	–	–	HO	NEW
05056460020LBG19ZZ14		Meyerton Library Furniture			Yes	Computer Equipment	Computer Equipment				–	100	–	–	14	NEW
05306460020LBG41ZZ06		Lakeside Library Children Sec Furniture			Yes	Computer Equipment	Computer Equipment				–	100	–	–	06	NEW
08056420420F5C66ZZWM		Ppe Co: Transport -Acquisitions	C66		Yes	Machinery And Equipment	Machinery And Equipment				–	100	100	100	WM	NEW
07106460020F5G56ZZWM		Replacement Of Cctv Cameras	G56		Yes	Non-Revenue Generating	Unimproved Property				–	150	150	150	WM	RENEWAL
13056600420F4G31ZZWM		Half Ton Ldv (Metering)	G31		Yes	Transport Assets	Transport Assets				–	160	–	–	WM	NEW
05406473520FGR58ZZ10		Park Fencing&Jungle Gym (Ecd - Sicelo)	R58		Yes	Non-Revenue Generating	Unimproved Property				–	200	–	–	10	NEW
13056600420F4G32ZZWM		1 Ton Ldv	G32		Yes	Transport Assets	Transport Assets				–	220	–	–	WM	NEW
08056420420F5C86ZZWM		Ppe Co: Transport -Acquisitions	C86		Yes	Operational Buildings	Workshops				–	250	–	–	WM	NEW
13056433020F5R60ZZWM		H/Mast&Street Lights:Un-Serviced Areas	R60		Yes	Electrical Infrastructure	Mv Networks				–	250	250	250	WM	NEW
05356475020LBR43ZZ01		Bantu Bonke Library Books (Dac)			Yes	Transport Assets	Transport Assets				–	300	300	200	01	NEW
07056600420F4G11ZZWM		Vehicle Replacements	G11		Yes	Machinery And Equipment	Machinery And Equipment				–	300	300	300	WM	RENEWAL
05106473520LBG55ZZ15		Refurbishment Of Library - Hok Library			Yes	Operational Buildings	Municipal Offices				–	400	–	–	15	UPGRADING

12056600420F4D87ZZWM	Ppe Nl: Transport -Acquisitions	D87		Yes	Transport Assets	Transport Assets				–	400	–	–	WM	NEW
12056600420F4G27ZZWM	1 Ton Doublecabs	G27		Yes	Transport Assets	Transport Assets				–	400	450	500	WM	NEW
12056446020FGR32ZZ01	Mamello Bulk Water (Mig)	R32		Yes	Water Supply Infrastructure	Distribution				–	430	–	–	01	UPGRADING
05056600420LBG14ZZWM	Vehicle			Yes	Transport Assets	Transport Assets				–	450	–	–	WM	NEW
10056449420FPR71ZZ12	Pipe Rising Main Rep(Klipriver Bus Park)	R71		Yes	Sanitation Infrastructure	Reticulation				–	500	–	–	12	UPGRADING
12056446020F5R37ZZWM	Prv's - W/L Programme	R37		Yes	Water Supply Infrastructure	Distribution				–	500	500	–	WM	UPGRADING
12056446020F5R57ZZWM	Water Pipe Installation - W/L Programme	R57		Yes	Water Supply Infrastructure	Distribution				–	500	500	–	WM	UPGRADING
12056446020F5R66ZZWM	Bulk Water Meters - Water Loss Programme	R66		Yes	Water Supply Infrastructure	Distribution				–	500	500	–	WM	UPGRADING
12056446020FPG25ZZWM	Replacement-Prepaid&Conventional Water	G25		Yes	Water Supply Infrastructure	Distribution				–	500	1 000	1 000	WM	RENEWAL
13056433020FPD57ZZ10	El Iu C - Lv Networks:Acquisition	D57		Yes	Electrical Infrastructure	Lv Networks				–	500	–	–	10	NEW
13056433020FPR54ZZ08	Sicelo Reticulation Network (Erf 204)	R54		Yes	Electrical Infrastructure	Mv Networks				–	500	–	–	08	RENEWAL
16056473520FQR36ZZ11	Informal Trading Facilities	R36		Yes	Community Facilities	Markets				–	500	500	500	11	NEW
12056446020F5R56ZZWM	Reservior Refurbishment - W/L Programme	R56		Yes	Water Supply Infrastructure	Distribution				–	730	730	–	WM	UPGRADING
07056600420F4R29ZZ01	Land Cruiser Vaal Marina	R29		Yes	Machinery And Equipment	Machinery And Equipment				–	800	–	–	01	RENEWAL
10056600420F4C34ZZWM	Ppe Nl: Transport -Acquisitions	C34		Yes	Transport Assets	Transport Assets				–	800	850	900	WM	NEW
13056433020F4R23ZZWM	Land Cruisers	R23		Yes	Transport Assets	Transport Assets				–	1 000	1 000	–	WM	NEW
13056600420F4D77ZZWM	Ppe Nl: Transport -Acquisitions	D77		Yes	Transport Assets	Transport Assets				–	1 300	–	–	WM	NEW
17056456020F4G50ZZWM	Backhoe Loader (Tlb) For Illegal Dumping	G50		Yes	Non-Revenue Generating	Unimproved Property				–	1 300	–	–	WM	NEW
05056460020LBG30ZZ14	Rfid Security System-Meyerton			Yes	Computer Equipment	Computer Equipment				–	1 400	1 000	1 000	14	NEW
07106600420FPR33ZZ01	Fire Engine Refurbishment	R33		Yes	Transport Assets	Transport Assets				–	1 500	–	–	01	NEW
12056446020FNG26ZZWM	Refurbishment/Replacement-Supply Valves	G26		Yes	Water Supply Infrastructure	Distribution				–	1 500	1 500	1 500	WM	RENEWAL
13056433020FPR51ZZ02	Risiville Sub-Ripple Injection Equip	R51		Yes	Electrical Infrastructure	Mv Substations				–	1 900	–	–	02	RENEWAL
11056472420FPG23ZZWM	Construction Of Gravel Roads	G23		Yes	Roads Infrastructure	Roads				–	2 000	2 000	2 000	WM	UPGRADING
12056446020FNR25ZZWM	Bulk Water Meters	R25		Yes	Water Supply Infrastructure	Distribution				–	2 000	2 000	2 000	WM	UPGRADING
12056446020FNR70ZZ06	Installation:Domestic W/Meters(Lakeside)	R70		Yes	Water Supply Infrastructure	Distribution				–	2 000	–	–	06	NEW
13056600420FQR59ZZ02	Cable Feeders-Consemfuleni Connections	R59		Yes	Electrical Infrastructure	Mv Networks				–	2 000	–	–	02	RENEWAL
17056600420F4G45ZZWM	1 X 30 M3 Tipper Trucks-Transfer Station	G45		Yes	Transport Assets	Transport Assets				–	2 200	–	–	WM	NEW
12056446020FNR47ZZWM	Pressure Management Infrastructure	R47		Yes	Water Supply Infrastructure	Distribution				–	2 500	2 500	2 500	WM	UPGRADING
10056449420FGR46ZZ01	Mamello Sewage Scheme Augmentation	R46		Yes	Sanitation Infrastructure	Reticulation				–	2 640	–	–	01	UPGRADING
11056472420FPG21ZZWM	Road Resurfacing	G21		Yes	Roads Infrastructure	Roads				–	4 000	4 000	4 000	WM	UPGRADING
10056449420FGR34ZZ08	Sicello North Outfall Sewer	R34		Yes	Sanitation Infrastructure	Reticulation				–	4 400	6 000	–	08	UPGRADING
11056472420FPG22ZZWM	Road Resurfacing	G22		Yes	Roads Infrastructure	Roads				–	8 000	8 000	8 000	WM	UPGRADING
13056433020FTR41ZZ08	Sicelo Electrification Network	R41		Yes	Electrical Infrastructure	Mv Networks				–	8 000	20 082	25 600	08	NEW
01456460020F5C83ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				2	–	–	–	HO	NEW
01106460020F5C95ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				5	–	–	–	HO	NEW
01206460020F5C77ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				5	–	–	–	HO	NEW
02106460020F5C84ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				5	10	10	10	HO	NEW
01106460020F5D42ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				8	–	–	–	HO	NEW
01406460020F5D24ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				8	–	–	–	HO	RENEWAL
13056433020F5D31ZZWM	El Iu C - Lv Networks:Acquisition	D31		Yes	Electrical Infrastructure	Lv Networks				8	20	20	20	WM	NEW
01106460020F5R50ZZHO	Steel Square Tables			Yes	Computer Equipment	Computer Equipment				10	–	–	–	HO	RENEWAL
01206460020F5D11ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				10	–	–	–	HO	NEW
03056460020F5C84ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				10	10	10	10	HO	NEW
07106460020F5C84ZZWM	Furn/Off Equip - Iu C: Acquisition	C84		Yes	Furniture And Office Equipment	Furniture And Office Equipment				11	–	–	–	WM	NEW
10056600420F5D49ZZWM	Ppe Nl: Transport -Acquisitions	D49		Yes	Transport Assets	Transport Assets				11	–	–	–	WM	NEW
01106460020F5C59ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				14	–	–	–	HO	NEW
01456460020F5D23ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				15	–	–	–	HO	RENEWAL
01106460020F5C97ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				15	–	–	–	HO	NEW
01356460020F5C49ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Computer Equipment	Computer Equipment				18	–	–	–	HO	RENEWAL
02056460020F5C49ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Computer Equipment	Computer Equipment				20	30	30	30	HO	RENEWAL
01106460020F5C11ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				20	–	–	–	HO	NEW
01206460020F5C71ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				20	–	–	–	HO	NEW
01406460020F5C96ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				20	–	–	–	HO	NEW
02206460020F5C90ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				20	–	15	15	HO	NEW
07056460020F5C49ZZWM	Furn/Off Equip - Iu C: Acquisition	C49		Yes	Computer Equipment	Computer Equipment				20	–	–	–	WM	RENEWAL
16056460020FQC15ZZWM	Furn/Off Equip - Iu C: Acquisition	C15		Yes	Machinery And Equipment	Machinery And Equipment				24	25	25	30	WM	UPGRADING
01106460020F5C13ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				26	–	–	–	HO	RENEWAL
10056456420F5D09ZZWM	Wa At C - Fu C: Acquisition	D09		Yes	Machinery And Equipment	Machinery And Equipment				38	–	–	–	WM	NEW
08056420420F5C14ZZWM	Ppe Co: Transport -Acquisitions	C14		Yes	Machinery And Equipment	Machinery And Equipment				39	60	65	70	WM	NEW
08056420420F5C70ZZWM	Ppe Co: Transport -Acquisitions	C70		Yes	Machinery And Equipment	Machinery And Equipment				40	–	40	–	WM	NEW
13056433020F5C44ZZWM	El Iu C - Lv Networks:Acquisition	C44		Yes	Machinery And Equipment	Machinery And Equipment				40	–	–	–	WM	NEW
12056460020F5D40ZZWM	Furn/Off Equip - Iu C: Acquisition	D40		Yes	Machinery And Equipment	Machinery And Equipment				40	45	–	–	WM	UPGRADING
08056420420F5D74ZZWM	Ppe Co: Transport -Acquisitions	D74		Yes	Transport Assets	Transport Assets				50	–	100	–	WM	NEW
08056420420F5D73ZZWM	Ppe Co: Transport -Acquisitions	D73		Yes	Transport Assets	Transport Assets				50	100	100	–	WM	NEW
07056460020F5D63ZZWM	Furn/Off Equip - Iu C: Acquisition	D63		Yes	Machinery And Equipment	Machinery And Equipment				50	–	–	–	WM	UPGRADING
11056472420F5C79ZZWM	Roads Infra - Iu C: Acquisition	C79		Yes	Servitudes	Servitudes				50	–	–	–	WM	NEW
03056460020F5C50ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Computer Equipment	Computer Equipment				50	10	10	10	HO	RENEWAL
15056460020F5R27ZZHO	Minor Capital Items	R27		Yes	Computer Equipment	Computer Equipment				50	30	30	30	HO	NEW
10106449420F5R52ZZWM	Servitute - Rothdene To Meyerton Wwtw	R52		Yes	Servitudes	Servitudes				50	200	–	–	WM	NEW
10106449420F5D48ZZ01	Ppe Co: Inf Waste Wtr - Acquistions	D48		Yes	Sanitation Infrastructure	Waste Water Treatment Works				50	700	–	–	01	RENEWAL
10056456020F5R24ZZWM	Sewer trailer	R24		Yes	Transport Assets	Transport Assets				55	–	–	–		
01106460020F5D66ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				60	–	–	–	HO	NEW
01356460020F5C89ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Computer Equipment	Computer Equipment				68	–	120	120	HO	NEW
01456460020F5D15ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				80	–	–	–	HO	RENEWAL
16056460020FQC51ZZ11	Furn/Off Equip - Iu C: Acquisition	C51		Yes	Furniture And Office Equipment	Furniture And Office Equipment				80	25	45	50	11	NEW
05056460020FKD46ZZWM	Furn/Off Equip - Iu C: Acquisition			Yes	Licences And Rights	Computer Software And Applications				80	150	–	–	WM	NEW
05406460020F5C84ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				91	20	20	20	HO	NEW
01206460020F5C82ZZHO	Furn/Off Equip - Iu C: Acquisition			Yes	Furniture And Office Equipment	Furniture And Office Equipment				100	–	–	–	HO	NEW
05056474020FKC20ZZWM	Other Assets - Iu C: Acquisition			Yes	Operational Buildings	Municipal Offices				100	–	–	–	WM	NEW
10106449420F5D12ZZWM	Ppe Co: Inf Waste Wtr - Acquistions	D12		Yes	Sanitation Infrastructure	Waste Water Treatment Works				100	–	700	–	WM	RENEWAL
11056472420F5R35ZZWM	Establishment Of Borrow Pit	R35		Yes	Roads Infrastructure	Road Furniture				100	–	500	1 000	WM	NEW
11056472420FGC78ZZWM	Roads Infra - Iu C: Acquisition	C78		Yes	Roads Infrastructure	Roads				100	–	–	–	WM	RENEWAL
07106461020F5D90ZZWM	Furn/Off Equip - Le C: Acquisition	D90		Yes	Machinery And Equipment	Machinery And Equipment				100	100	100	100	WM	UPGRADING
17056456420F5D67ZZWM	Wa At C - Fu C: Acquisition	D67		Yes	Machinery And Equipment	Machinery And Equipment				100	100	120	140	WM	UPGRADING
05106475020FKC56ZZ15	Ppe Oc : Library - Acquisition			Yes	Community Facilities	Libraries				100	150	150	200	15	RENEWAL
05156475020FKC30ZZ11	Ppe Oc : Library - Acquisition			Yes	Community Facilities	Libraries				100	150	150	200	11	RENEWAL
05206475020FKD14ZZ04	Ppe Oc : Library - Acquisition			Yes	Community Facilities	Libraries				100	150	150	200	04	RENEWAL
01106600420F4D45ZZWM	Ppe Nl: Transport -Acquisitions			Yes	Transport Assets	Transport Assets				150	–	–	–	WM	NEW
02206600420F4D28ZZHO	Ppe Nl: Transport -Acquisitions			Yes	Transport Assets	Transport Assets				150	–	–	–	HO	RENEWAL
10106449420F5D61ZZWM	Ppe Co: Inf Waste Wtr - Acquistions	D61		Yes	Sanitation Infrastructure	Waste Water Treatment Works				150	–	–	–	WM	RENEWAL
15056460020F5C48ZZHO	Furn/Off Equip - Iu C: Acquisition	C48		Yes	Furniture And Office Equipment	Furniture And Office Equipment				150	30	30	30	HO	NEW
12056446020FNR69ZZ01	Relocation-Vaalmarina Ringfeed In Mamelo	R69		Yes	Water Supply Infrastructure	Distribution				150	150	–	–	01	UPGRADING
05256475020FKD55ZZ10	Ppe Oc : Library - Acquisition			Yes	Community Facilities	Libraries				150	250	250	300	10	RENEWAL
05306475020FKC67ZZ06	Ppe Oc : Library - Acquisition			Yes	Community Facilities	Libraries				150	250	250	300	06	RENEWAL
12056446020F5R07ZZWM	Wa At C - Distribution: Acquisition	R07		Yes	Water Supply Infrastructure	Distribution				183	–	–	–	WM	RENEWAL
11056600420F4C01ZZWM	Ppe Nl: Transport -Acquisitions	C01		Yes	Transport Assets	Transport Assets				195	320	–	–	WM	NEW
03056470020F5D97ZZWM	Computer Equip - Iu C: Acquisition			Yes	Computer Equipment	Computer Equipment				200	–	–	–	WM	NEW
08056600420F4C74ZZWM	Ppe Nl: Transport -Acquisitions	C74		Yes	Transport Assets	Transport Assets				200	–	400	400	WM	RENEWAL
10056456420F5D02ZZWM	Wa At C - Fu C: Acquisition	D02		Yes	Machinery And Equipment	Machinery And Equipment				200	–	–	–	WM	NEW
13056474020FPR61ZZWM	Cable Feeders-Consemfuleni Connections	R61		Yes	Electrical Infrastructure	Mv Networks				200	–	–	–	WM	RENEWAL
05056475020FKC81ZZ14	Ppe Oc : Library - Acquisition			Yes	Community Facilities	Libraries				200	450	250	300	14	RENEWAL
11056472420F5C62ZZWM	Roads Infra - Iu C: Acquisition	C62		Yes	Roads Infrastructure	Roads				250	–	–	–	WM	UPGRADING
12056460020F5D39ZZWM	Furn/Off Equip - Iu C: Acquisition	D39		Yes	Machinery And Equipment	Machinery And Equipment				250	–	–	–	WM	UPGRADING
13056433020F5C55ZZ10	El Iu C - Lv Networks:Acquisition	C55		Yes	Electrical Infrastructure	Lv Networks				250	–	–	–	10	NEW
08156420420F5D35ZZWM	Ppe Co: Transport -Acquisitions	D35		Yes	Machinery And Equipment	Machinery And Equipment				250	220	240	260	WM	UPGRADING
10106449420F5C46ZZWM	Ppe Co: Inf Waste Wtr - Acquistions	C46		Yes	Sanitation Infrastructure	Waste Water Treatment Works				262	200	–	200	WM	RENEWAL
07106473520F5R02ZZ01	Community Assets - Iu C: Acquisition	R02		Yes	Community Facilities	Fire/Ambulance Stations				266	–	–	–	01	NEW
07106461020F5D91ZZWM	Furn/Off Equip - Le C: Acquisition	D91		Yes	Machinery And Equipment	Machinery And Equipment				300	200	200	200	WM	UPGRADING
17056474020F5D60ZZWM	Other Assets - Iu C: Acquisition	D60		Yes	Machinery And Equipment	Machinery And Equipment				300	450	450	450	WM	UPGRADING
10056449420FQC39ZZWM	Ppe Co: Inf Waste Wtr - Acquistions	C39		Yes	Sanitation Infrastructure	Reticulation				300	750	750	750	WM	RENEWAL
10056449420F5R05ZZ04	Ppe Co: Inf Waste Wtr - Acquistions	R05		Yes	Sanitation Infrastructure	Outfall Sewers				322	–	–	–	04	NEW
05406600420F4D85ZZWM	Ppe Nl: Transport -Acquisitions	D85		Yes	Transport Assets	Transport Assets				350	–	–	–	WM	RENEWAL
11056472420F5D04ZZWM	Roads Infra - Iu C: Acquisition	D04		Yes	Machinery And Equipment	Machinery And Equipment				350	–	350	350	WM	NEW
01206600420F4D29ZZHO	Ppe Nl: Transport -Acquisitions			Yes	Transport Assets	Transport Assets				400	–	–	–	HO	RENEWAL
07056600420F4D85ZZWM	Ppe Nl: Transport -Acquisitions	D85		Yes	Transport Assets	Transport Assets				400	–	–	–	WM	RENEWAL
16056456420FQR12ZZ11	Wa At C - Fu C: Acquisition	R12		Yes	Community Facilities	Public Open Space				423	1 500	2 000	2 000	11	NEW
13056449420F5R55ZZWM	Land Acquisitions&Serv-59 Development	R55		Yes	Servitudes	Servitudes				452	490	445	1 000	WM	NEW
16056473520FQD10ZZ11	Community Assets - Iu C: Acquisition	D10		Yes	Operational Buildings	Municipal Offices				470	–	–	–	11	NEW
07106461020F5D92ZZWM	Furn/Off Equip - Le C: Acquisition	D92		Yes	Machinery And Equipment	Machinery And Equipment				470	480	480	480	WM	UPGRADING
07056600420F4C73ZZWM	Ppe Nl: Transport -Acquisitions	C73		Yes	Transport Assets	Transport Assets				500	–	–	–	WM	NEW
13056433020FQC38ZZWM	El Iu C - Lv Networks:Acquisition	C38		Yes	Electrical Infrastructure	Mv Networks				500	500	500	500	WM	RENEWAL
13056433020FQC93ZZWM	El Iu C - Lv Networks:Acquisition	C93		Yes	Electrical Infrastructure	Lv Networks				500	500	500	500	WM	RENEWAL
05106460020FKD44ZZWM	Furn/Off Equip - Iu C: Acquisition			Yes	Community Facilities	Stalls				600	–	–	–	WM	NEW
12056448020F5D75ZZWM	Wa At C - Wa Treatment: Acquisition	D75		Yes	Water Supply Infrastructure	Distribution				600	600	–	–	WM	RENEWAL
05156460020FKD17ZZWM	Furn/Off Equip - Iu C: Acquisition			Yes	Libraries	Libraries				658	–	–	–	WM	UPGRADING

10106449420FND62ZZWM		Ppe Co: Inf Waste Wtr - Acquistions	D62		Yes	Sanitation Infrastructure	Waste Water Treatment Works				663	–	–	–	WM	RENEWAL
08156473520F5R04ZZ06		Community Assets - Iu C: Acquisition	R04		Yes	Sport And Recreation Facilities	Outdoor Facilities				696	–	–	–	06	RENEWAL
10056449420FND70ZZWM		Ppe Co: Inf Waste Wtr - Acquistions	D70		Yes	Sanitation Infrastructure	Reticulation				700	–	–	–	WM	RENEWAL
10056473520FPD30ZZWM		Community Assets - Iu C: Acquisition	D30		Yes	Sanitation Infrastructure	Pump Station				700	1 000	1 000	1 000	WM	RENEWAL
10056600420F4C03ZZWM		Ppe Nl: Transport -Acquisitions	C03		Yes	Transport Assets	Transport Assets				750	–	–	–	WM	NEW
12056448020F5C21ZZWM		Wa At C - Wa Treatment: Acquisition	C21		Yes	Water Supply Infrastructure	Distribution				785	–	–	–	WM	RENEWAL
05356475020FKC56ZZWM		Ppe Oc : Library - Acquisition			Yes	Community Facilities	Libraries				800	–	–	–	WM	RENEWAL
10106449420FPR44ZZ11		Spare Pumps And Pump Replacement	R44		Yes	Sanitation Infrastructure	Reticulation				800	–	–	–	11	UPGRADING
08056420420F5R03ZZWM		Ppe Co: Transport -Acquisitions	R03		Yes	Transport Assets	Transport Assets				830	–	–	–	WM	NEW
08156473520FGD53ZZ10		Community Assets - Iu C: Acquisition	D53		Yes	Sport And Recreation Facilities	Outdoor Facilities				830	–	–	–	10	RENEWAL
12056445020FGG01ZZWM		Wa At C - Bulk Mains:Acquisition	G01		Yes	Water Supply Infrastructure	Bulk Mains				880	–	–	–	WM	RENEWAL
12056600420F4D78ZZWM		Ppe Nl: Transport -Acquisitions	D78		Yes	Transport Assets	Transport Assets				918	–	–	–	WM	NEW
13056433020F5R11ZZWM		El Iu C - Lv Networks:Acquisition	R11		Yes	Electrical Infrastructure	Lv Networks				964	–	–	–	WM	NEW
16056600420FQD86ZZ11		Ppe Nl: Transport -Acquisitions	D86		Yes	Transport Assets	Transport Assets				970	1 350	1 200	1 000	11	NEW
01356460020F5C63ZZHO		Furn/Off Equip - Iu C: Acquisition			Yes	Licences And Rights	Computer Software And Applications				976	800	1 350	1 350	HO	NEW
12056446020FND54ZZWM		Wa At C - Distribution: Acquisition	D54		Yes	Water Supply Infrastructure	Distribution				1 000	–	–	–	WM	RENEWAL
13056433020F4C17ZZWM		El Iu C - Lv Networks:Acquisition	C17		Yes	Electrical Infrastructure	Lv Networks				1 000	–	–	–	WM	NEW
12056446020F5D89ZZWM		Wa At C - Distribution: Acquisition	D89		Yes	Water Supply Infrastructure	Distribution				1 100	1 150	1 150	1 150	WM	RENEWAL
10056449420FNR45ZZ04		Refurbishment Of Bantu Bonke Wwtw	R45		Yes	Sanitation Infrastructure	Reticulation				1 137	–	–	–	04	UPGRADING
11056600420F4C04ZZWM		Ppe Nl: Transport -Acquisitions	C04		Yes	Transport Assets	Transport Assets				1 200	800	–	–	WM	NEW
16056456020FQR62ZZ11		Dev-Walkways And Boulevards (Spineroad)	R62		Yes	Community Facilities	Purls				1 200	1 000	1 200	1 200	11	NEW
12056446020F5R06ZZWM		Wa At C - Distribution: Acquisition	R06		Yes	Water Supply Infrastructure	Distribution				1 443	–	–	–	WM	RENEWAL
13056433020FPD21ZZWM		El Iu C - Lv Networks:Acquisition	D21		Yes	Electrical Infrastructure	Mv Substations				1 700	750	1 000	1 000	WM	RENEWAL
10056449420FGC41ZZ04		Ppe Co: Inf Waste Wtr - Acquistions	C41		Yes	Sanitation Infrastructure	Pump Station				1 751	–	–	–	04	RENEWAL
12056447020FGG03ZZWM		Wa At C - Reservoirs: Acquisition	G03		Yes	Water Supply Infrastructure	Reservoirs				1 800	–	–	–	WM	RENEWAL
12056446020FND72ZZWM		Wa At C - Distribution: Acquisition	D72		Yes	Water Supply Infrastructure	Distribution				2 000	–	–	–	WM	RENEWAL
10106449420FPD13ZZWM		Ppe Co: Inf Waste Wtr - Acquistions	D13		Yes	Sanitation Infrastructure	Waste Water Treatment Works				2 000	1 500	500	500	WM	NEW
12056446020FND71ZZWM		Wa At C - Distribution: Acquisition	D71		Yes	Water Supply Infrastructure	Distribution				2 166	–	–	–	WM	RENEWAL
10056449420FPC41ZZ01		Ppe Co: Inf Waste Wtr - Acquistions	C41		Yes	Sanitation Infrastructure	Pump Station				2 258	–	–	–	01	RENEWAL
10056449420FGD51ZZ04		Ppe Co: Inf Waste Wtr - Acquistions	D51		Yes	Sanitation Infrastructure	Outfall Sewers				2 426	–	–	–	04	NEW
10056600420F4C23ZZWM		Ppe Nl: Transport -Acquisitions	C23		Yes	Transport Assets	Transport Assets				2 432	–	–	–	WM	NEW
11056600420F4C02ZZWM		Ppe Nl: Transport -Acquisitions	C02		Yes	Transport Assets	Transport Assets				2 600	–	–	–	WM	NEW
10056449420FPC42ZZ04		Ppe Co: Inf Waste Wtr - Acquistions	C42		Yes	Sanitation Infrastructure	Reticulation				2 742	–	–	–	04	RENEWAL
17056474020F5C07ZZWM		Other Assets - Iu C: Acquisition	C07		Yes	Solid Waste Infrastructure	Landfill Sites				3 000	3 000	3 000	3 000	WM	UPGRADING
11056600420F4C52ZZWM		Ppe Nl: Transport -Acquisitions	C52		Yes	Machinery And Equipment	Machinery And Equipment				3 065	–	–	3 300	WM	NEW
08156473520FGC68ZZ06		Community Assets - Iu C: Acquisition	C68		Yes	Sport And Recreation Facilities	Outdoor Facilities				4 100	2 600	2 500	–	06	RENEWAL
13056433020FPD37ZZWM		El Iu C - Lv Networks:Acquisition	D37		Yes	Electrical Infrastructure	Lv Networks				4 500	–	–	–	WM	NEW
07106473520FGC45ZZ01		Community Assets - Iu C: Acquisition	C45		Yes	Community Facilities	Fire/Ambulance Stations				4 700	277	1 000	–	01	NEW
11056472420F5D98ZZWM		Roads Infra - Iu C: Acquisition	D98		Yes	Roads Infrastructure	Roads				4 800	–	–	–	WM	RENEWAL
12056446020FNC08ZZWM		Wa At C - Distribution: Acquisition	C08		Yes	Water Supply Infrastructure	Distribution				7 334	6 850	7 700	8 525	WM	RENEWAL
12056448020FGD58ZZWM		Wa At C - Wa Treatment: Acquisition	D58		Yes	Water Supply Infrastructure	Distribution				7 812	15 000	13 020	12 302	WM	RENEWAL
13056433020FTD56ZZWM		El Iu C - Lv Networks:Acquisition	D56		Yes	Electrical Infrastructure	Lv Networks				8 000	–	–	–	WM	NEW
13056437020FPC16ZZWM		El Fu C - Mv Networks:Acquisition	C16		Yes	Electrical Infrastructure	Lv Networks				8 000	–	–	–	WM	UPGRADING
16056400320FQD99ZZWM		Ppe Co: Ld Dist Plt - Acquisitions	D99		Yes	Non-Revenue Generating	Unimproved Property				10 281	–	–	–	WM	RENEWAL
11056472420FGC53ZZWM		Roads Infra - Iu C: Acquisition	C53		Yes	Roads Infrastructure	Roads				11 989	4 226	466	2 500	WM	UPGRADING
10056449420FPC64ZZ12		Ppe Co: Inf Waste Wtr - Acquistions	C64		Yes	Sanitation Infrastructure	Reticulation				12 000	–	–	–	12	NEW
11056472420FPD95ZZWM		Roads Infra - Iu C: Acquisition	D95		Yes	Roads Infrastructure	Roads				12 750	–	–	–	WM	NEW
	1										**160 834**	**110 162**	**137 958**	**153 532**		
										–	–	–	–	–		
										–	**160 834**	**110 162**	**137 958**	**153 532**		

GT422 Midvaal - Supporting Table SA37 Consolidated projects delayed from previous financial year/s

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2017/18 Original Budget	Current Year 2017/18 Full Year Forecast	2018/19 Medium Term Revenue & Expenditure Framework Budget Year 2018/19	2018/19 Medium Term Revenue & Expenditure Framework Budget Year +1 2019/20	2018/19 Medium Term Revenue & Expenditure Framework Budget Year +2 2020/21
Parent municipality:												
List all capital projects grouped by Municipal Vote				*Examples*	*Examples*							
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:												
List all capital projects grouped by Municipal Entity												
Entity Name												
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-

ANNEXURE B1 – DRAFT CAPITAL BUDGET SUMMARY

Capital Summary Report: Capital Expenditure per Fund

Non Current Assets (Capital)	Adjusted Budget	2018/2019	2019/2020	2020/2021
Capital Annuity Loans	47 650 000	22 650 000	23 500 000	27 000 000
Capital Leases	14 310 000	10 000 000	9 800 000	12 940 000
Capital Operational Revenue	21 549 751	12 289 000	15 190 000	14 305 000
Capital Monetary INEP	8 000 000	8 000 000	20 082 000	25 600 000
Capital Monetary MIG	36 389 000	29 773 000	30 286 000	31 802 000
Capital Monetary WSIG	15 150 000	15 000 000	15 000 000	15 825 000
Capital Monetary Developers Contributions	14 747 605	8 150 000	19 720 000	21 530 000
Capital Monetary DAC	3 038 000	4 300 000	4 380 000	4 530 000
TOTAL CAPITAL	**160 834 356**	**110 162 000**	**137 958 000**	**153 532 000**

ANNEXURE B2 – DRAFT CAPITAL BUDGET PROJECT LIST

Expenditure Summary Report: Capital per Item

Vote Number	Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021	MTREF
01106400320FPG53ZZHO	Corporate Services	External Loans	Acquisition of Land / Servitudes (Ophir)	-	1 500 000	1 500 000	3 000 000
01106460020F5C12ZZHO	Corporate Services	CRR	Airconditioners (records section)	-	15 000	-	15 000
01106460020F5G04ZZHO	Corporate Services	CRR	Disaster recovery equipment (records)	10 000	-	-	10 000
01106460020F5G08ZZHO	Corporate Services	CRR	Furniture & Equipment	30 000	30 000	30 000	90 000
01106600420F4D84ZZWM	Corporate Services	HP	Vehicle replacement	-	200 000	200 000	400 000
01206600420F4D22ZZHO	Council	HP	Replacement of a Speaker's vehicle	-	400 000	-	400 000
01456600420F4D07ZZHO	Council	HP	Pool vehicle	-	-	350 000	350 000
01456600420F4D32ZZHO	Council	HP	Replacement of vehicle	-	700 000	-	700 000
01106460020F5G28ZZHO	Corporate Services	CRR	Recording equipment	50 000	-	-	50 000
01356460020F5C63ZZHO	Corporate Services	CRR	IT Networks and servers	800 000	1 350 000	1 350 000	3 500 000
02056460020F5C49ZZHO	Finance	CRR	Furniture and Equipment	30 000	30 000	30 000	90 000
02106460020F5C84ZZHO	Finance	CRR	Minor capital items (previously non-capital)	10 000	10 000	10 000	30 000
02156456020F5G42ZZHO	Finance	CRR	Shelves for stores	50 000	-	-	50 000
02156460020F5G36ZZHO	Finance	CRR	Cable stand	39 000	-	-	39 000
03056460020F5C50ZZHO	Development & Planning	CRR	Furniture and Equipment new	10 000	10 000	10 000	30 000
03056460020F5C84ZZHO	Development & Planning	CRR	Minor capital items (previously non-capital)	10 000	10 000	10 000	30 000
05056460020FKD46ZZWM	Community Services	DAC Grant	Server - Meyerton Library	150 000	-	-	150 000
05056460020LBG19ZZ14	Community Services	DAC Grant	Meyerton Library furniture	100 000	-	-	100 000
05406474020F5G05ZZHO	Community Services	CRR	Steel Carpots – De deur	-	100 000	-	100 000
05406600420F4G06ZZHO	Community Services	HP	16 Seater Kombi	-	-	400 000	400 000
05406600420F4G10ZZHO	Community Services	HP	LDV	-	350 000	-	350 000
07056600420F4G10ZZWM	Community Services	HP	LDV	-	300 000	300 000	600 000
05056460020LBG30ZZ14	Community Services	DAC Grant	RFID security system-Meyerton	1 400 000	1 000 000	1 000 000	3 400 000
05056475020FKC81ZZ14	Community Services	DAC Grant	Meyerton Library Books (DAC)	450 000	250 000	300 000	1 000 000
05056600420LBG14ZZWM	Community Services	DAC Grant	Vehicle	450 000	-	-	450 000
05106473520LBG55ZZ15	Community Services	DAC Grant	Refurbishment of Library - HOK Library	400 000	-	-	400 000
08056420420F4D79ZZWM	Community Services	HP	Tractors (Replacement)	-	550 000	550 000	1 100 000
05106475020FKC56ZZ15	Community Services	DAC Grant	HOK Library Books (DAC)	150 000	150 000	200 000	500 000
08056420420F5C87ZZWM	Community Services	CRR	Chain Powered Roller Shutter door Tractor Storeroom	-	100 000	-	100 000
05156475020FKC30ZZ11	Community Services	DAC Grant	De Deur Library Books (DAC)	150 000	150 000	200 000	500 000
05206475020FKD14ZZ04	Community Services	DAC Grant	Randvaal Library Books (DAC)	150 000	150 000	200 000	500 000
05256475020FKD55ZZ10	Community Services	DAC Grant	Sicelo Library Books (DAC)	250 000	250 000	300 000	800 000
08056460020F5C19ZZWM	Community Services	CRR	Carport Roof Renovations at depot	-	100 000	-	100 000
08056460020F5C43ZZWM	Community Services	CRR	Extension Tractor Garage 100 m²	-	-	250 000	250 000
08056474020F5G15ZZWM	Community Services	CRR	2x Store rooms for flameable materials (depot)	-	100 000	-	100 000
08056600420F4C32ZZWM	Community Services	HP	Double Cab Tipper Truck (Replacement)	-	500 000	-	500 000
08056600420F4G13ZZWM	Community Services	HP	LDV's (new)	-	-	840 000	840 000
08156473520FGC99ZZWM	Community Services	MIG	Other Sports Projects	-	500 000	2 500 000	3 000 000
10056449420F5D01ZZWM	Engineering	CRR	Palisade Security Fence (Depot)	-	400 000	400 000	800 000
10056449420FGD33ZZWM	Engineering	MIG	Extension To Henley On Klip Sewer	-	800 000	-	800 000
10056449420FGD82ZZWM	Engineering	MIG	Upgrade Sewage Network	-	-	6 000 000	6 000 000
10056449420FGR30ZZ04	Engineering	MIG	Extension Daleside Sewer	-	3 000 000	5 000 000	8 000 000
05306460020LBG41ZZ06	Community Services	DAC Grant	Lakeside Library Children section furniture	100 000	-	-	100 000
05306475020FKC67ZZ06	Community Services	DAC Grant	Lakeside Library Books (DAC)	250 000	250 000	300 000	800 000
10056449420FNG18ZZWM	Engineering	Water Service Infrastructure G	Refurbishment of pumpstations	-	1 300 000	1 300 000	2 600 000
10056449420FPD33ZZWM	Engineering	External Loans	Extension To Henley On Klip Sewer	-	800 000	-	800 000
05356475020LBR43ZZ01	Community Services	DAC Grant	Bantu bonke library books (DAC)	300 000	300 000	200 000	800 000
10056456420F5D65ZZWM	Engineering	CRR	Standby Generator	-	400 000	-	400 000
05406460020F5C47ZZHO	Community Services	CRR	Furniture & Equipment	30 000	30 000	30 000	90 000
11056472420FPD20ZZWM	Engineering	External Loans	Remedial work to Iffley Road Bridge - HOK (Kidson Bridge)	-	1 000 000	1 000 000	2 000 000
11056472420FPG20ZZWM	Engineering	External Loans	Substations	-	-	7 000 000	7 000 000
05406460020F5C84ZZHO	Community Services	CRR	Minor capital items (previously non-capital)	20 000	20 000	20 000	60 000
05406473520FGR58ZZ10	Community Services	MIG	Park fencing&jungle gym (ECD - Sicelo)	200 000	-	-	200 000
07056600420F4G11ZZWM	Community Services	HP	Vehicle Replacements	300 000	300 000	300 000	900 000

Vote Number	Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021	MTREF
11056474020F5R53ZZWM	Engineering	CRR	Road Servitudes - Hill road / anchovy	-	500 000	500 000	1 000 000
11056600420F4C33ZZWM	Engineering	HP	Water Tanker	-	-	1 000 000	1 000 000
11056600420F4R21ZZWM	Engineering	HP	TLB	-	1 400 000	-	1 400 000
11106474020FPG24ZZWM	Engineering	External Loans	Galloway depot external parking area	-	1 500 000	-	1 500 000
12056420420F5C25ZZWM	Engineering	CRR	Compressor	-	400 000	-	400 000
12056420420F5C35ZZWM	Engineering	CRR	Drilling Machine	-	550 000	-	550 000
07056600420F4R29ZZ01	Community Services	HP	Land cruiser vaal marina	800 000	-	-	800 000
07106460020F5G56ZZWM	Community Services	CRR	Replacement of CCTV Cameras	150 000	150 000	150 000	450 000
07106461020F5D90ZZWM	Community Services	CRR	Radios and repeaters	100 000	100 000	100 000	300 000
07106461020F5D91ZZWM	Community Services	CRR	Thermal and Night Vision cameras	200 000	200 000	200 000	600 000
07106461020F5D92ZZWM	Community Services	CRR	CCTV Cameras and monitors and DVR's	480 000	480 000	480 000	1 440 000
07106473520FGC45ZZ01	Community Services	MIG	Fire Station Vaal Marina (MIG)	277 480	1 000 000	-	1 277 480
07106600420FPR33ZZ01	Community Services	External Loans	Fire engine refurbishment	1 500 000	-	-	1 500 000
08056420420F5C14ZZWM	Community Services	CRR	Brush Cutters	60 000	65 000	70 000	195 000
08056420420F5C66ZZWM	Community Services	CRR	Kudus	100 000	100 000	100 000	300 000
08056420420F5C86ZZWM	Community Services	CRR	Motor Elevating Work Platform	250 000	-	-	250 000
08056420420F5D73ZZWM	Community Services	CRR	Swing Axle Water cart	100 000	100 000	-	200 000
08056420420F5D76ZZWM	Community Services	CRR	Telescopic Pole Pruners	25 000	25 000	25 000	75 000
08056456020F5G49ZZWM	Community Services	CRR	Compressor	5 000	-	-	5 000
08056460020F5C10ZZWM	Community Services	CRR	Aircons	10 000	10 000	10 000	30 000
08156420420F5D35ZZWM	Community Services	CRR	Ride on lawnmowers with trailers	220 000	240 000	260 000	720 000
08156473520FGC68ZZ06	Community Services	MIG	Lakeside Sport Centre	2 600 000	2 500 000	-	5 100 000
13056433020FPR64ZZWM	Engineering	External Loans	Kliprivier st-Zambesie st:ht c&mini-sub	-	1 200 000	-	1 200 000
10056449420FGR34ZZ08	Engineering	MIG	Sicello North Outfall Sewer	4 400 000	6 000 000	-	10 400 000
13056437020F5G34ZZWM	Engineering	CRR	Marthinus Oosthuizen Street: Remove LT line install cables pillar boxes and street light complete. Upgrading	-	-	70 000	70 000
13056437020F5G35ZZWM	Engineering	CRR	Rabie Avenue: Remove LT line install cables pillar boxes and streets light part off.	-	-	70 000	70 000
13056437020F5G37ZZWM	Engineering	CRR	Glen Donald: Replace wood cross arms with steel.	-	-	150 000	150 000
13056437020F5G39ZZWM	Engineering	CRR	Rose Avenue: Remove LT line install cables pillar boxes and street light part off.	-	-	300 000	300 000
13056437020F5G40ZZWM	Engineering	CRR	Van Ribeeck Street: Remove LT line install cables pillar boxes and street light complete and install HT cable.	-	-	300 000	300 000
13056460020F5C26ZZWM	Engineering	CRR	Computer program for load control	-	-	1 500 000	1 500 000
10056449420FGR46ZZ01	Engineering	MIG	Mamello Sewage Scheme augmentation	2 640 000	-	-	2 640 000
10056449420FPR71ZZ12	Engineering	External Loans	Pipe rising main rep(Klipriver Bus Park)	500 000	-	-	500 000
10056449420FQC39ZZWM	Engineering	Developer Contributions	Extend Sewer Network	750 000	750 000	750 000	2 250 000
10056473520FPD30ZZWM	Engineering	External Loans	Replacement Of Pumps in networks / pumpstations	1 000 000	1 000 000	1 000 000	3 000 000
14056456020F4G38ZZWM	Engineering	HP	Landfill Compactor	-	-	2 500 000	2 500 000
16056450020FQD88ZZWM	Savanna City	Urban Management Grant	Waste Transfer Stations	-	2 000 000	1 000 000	3 000 000
16056473520FQC24ZZWM	Savanna City	Urban Management Grant	Community Hall	-	1 000 000	4 000 000	5 000 000
16056473520FQD64ZZ11	Savanna City	Urban Management Grant	Sports Facilities	-	3 000 000	3 000 000	6 000 000
10056600420F4C34ZZWM	Engineering	HP	Double Cab truck (Replacement)	800 000	850 000	900 000	2 550 000
16056474020FQC85ZZWM	Savanna City	Urban Management Grant	Modal Transport Facilities	-	2 000 000	2 000 000	4 000 000
16056475020FKC75ZZWM	Savanna City	DAC Grant	Library	-	1 880 000	1 830 000	3 710 000
17056449420FGG47ZZWM	Community Services	MIG	Refurbishment of Blackwood transfer station	-	1 000 000	500 000	1 500 000
10106449420F5C46ZZWM	Engineering	CRR	Flow Meters	200 000	-	200 000	400 000
17056456020F4G51ZZWM	Community Services	HP	Bob Cat Waste Transfer Station	-	-	500 000	500 000
10106449420F5D48ZZ01	Engineering	CRR	Servitute - Mamelo sewerage	700 000	-	-	700 000
17056460020F5G44ZZWM	Community Services	CRR	Furniture for transfer station	-	-	60 000	60 000
17056460020F5G48ZZWM	Community Services	CRR	Carport at Kliprivier transfer station	-	-	50 000	50 000
17056474020FGD80ZZWM	Community Services	MIG	Upg Vaalmarina Trf Station Phase 2 (Cs/Ga/7089/09)	-	1 000 000	3 000 000	4 000 000
17056474020FGD81ZZWM	Community Services	MIG	Upgr Vaalmarina Landfill site (GS/SA/83)	-	1 000 000	-	1 000 000
17056600420F4C72ZZWM	Community Services	HP	Skip Bin Loader With Trailer	-	2 100 000	-	2 100 000
17056600420F4D59ZZWM	Community Services	HP	LDV	-	300 000	900 000	1 200 000
10106449420F5R52ZZWM	Engineering	CRR	Servitute - Rothdene to meyerton WWTW	200 000	-	-	200 000

Vote Number	Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021	MTREF
01206460020F5C11ZZHO	Council	CRR	Airconditioners	-	15 000	15 000	30 000
10106449420FPD13ZZWM	Engineering	External Loans	Pumpstation Refurbishment and Upgrade	1 500 000	500 000	500 000	2 500 000
11056472420FGC53ZZWM	Engineering	MIG	Gravel To Tar	4 225 520	466 000	2 500 000	7 191 520
16056474020FQC88ZZHO	Savanna City	Urban Management Grant	Municipal Depot	-	5 000 000	5 000 000	10 000 000
11056472420FPG21ZZWM	Engineering	External Loans	Rebuilding of roads	4 000 000	4 000 000	4 000 000	12 000 000
11056472420FPG22ZZWM	Engineering	External Loans	Road resurfacing	8 000 000	8 000 000	8 000 000	24 000 000
11056472420FPG23ZZWM	Engineering	External Loans	Construction of gravel roads	2 000 000	2 000 000	2 000 000	6 000 000
11056600420F4C01ZZWM	Engineering	HP	2 x Half Ton LDV (Roads foreman)	320 000	-	-	320 000
02206460020F5C90ZZHO	Corporate Services	CRR	New aircons (Copy room, open office and reception)	-	15 000	15 000	30 000
11056600420F4C04ZZWM	Engineering	HP	4 Ton Truck	800 000	-	-	800 000
12056446020F5D89ZZWM	Engineering	CRR	Water Meter Replacement Programme	1 150 000	1 150 000	1 150 000	3 450 000
08056420420F5C70ZZWM	Community Services	CRR	Large Chainsaws	-	40 000	-	40 000
12056446020F5R37ZZWM	Engineering	CRR	PRV's - Water loss programme	500 000	500 000	-	1 000 000
08056420420F5D74ZZWM	Community Services	CRR	Tandem High Trailer	-	100 000	-	100 000
12056446020F5R56ZZWM	Engineering	CRR	Reservior Refurbishment - Water loss programme	730 000	730 000	-	1 460 000
12056446020F5R57ZZWM	Engineering	CRR	Water pipe installation - Water loss programme	500 000	500 000	-	1 000 000
12056446020F5R66ZZWM	Engineering	CRR	Bulk water meters - Water loss programme	500 000	500 000	-	1 000 000
12056446020FGR32ZZ01	Engineering	MIG	Mamello Bulk Water (MIG)	430 000	-	-	430 000
12056446020FNC08ZZWM	Engineering	Water Service Infrastructure G	Aged Bulk Water Pipe Replacement	6 850 000	7 700 000	8 525 000	23 075 000
01356460020F5C89ZZHO	Corporate Services	CRR	Network switches	-	120 000	120 000	240 000
12056446020FNG26ZZWM	Engineering	Water Service Infrastructure G	Refurbishment and Replacement of Water Supply Valves	1 500 000	1 500 000	1 500 000	4 500 000
12056446020FNR25ZZWM	Engineering	Water Service Infrastructure G	Bulk water meters	2 000 000	2 000 000	2 000 000	6 000 000
12056446020FNR47ZZWM	Engineering	Water Service Infrastructure G	Pressure management infrastructure	2 500 000	2 500 000	2 500 000	7 500 000
12056446020FNR69ZZ01	Engineering	Water Service Infrastructure G	Relocation-Vaalmarina ringfeed in Mamelo	150 000	-	-	150 000
12056446020FNR70ZZ06	Engineering	Water Service Infrastructure G	Installation:domestic W/meters(Lakeside)	2 000 000	-	-	2 000 000
12056446020FPG25ZZWM	Engineering	External Loans	Pre-paid water meters (new)	500 000	1 000 000	1 000 000	2 500 000
12056448020F5D75ZZWM	Engineering	CRR	Telemetry of Water Supply and Distribution System - Meyerton	600 000	-	-	600 000
10106449420F5D12ZZWM	Engineering	CRR	pump	-	700 000	-	700 000
11056472420F5R35ZZWM	Engineering	CRR	Establishment of Borrow Pit	-	500 000	1 000 000	1 500 000
12056448020FGD58ZZWM	Engineering	MIG	Sicelo/Highbury (Valley Settlements) Reservoir	15 000 000	13 020 000	12 302 000	40 322 000
12056460020F5D40ZZWM	Engineering	CRR	Plate Compactor	45 000	-	-	45 000
12056600420F4D87ZZWM	Engineering	HP	LDV'sWater Demand Management (Additional vehicles)	400 000	-	-	400 000
12056600420F4G27ZZWM	Engineering	HP	1-Ton Doublecab	400 000	450 000	500 000	1 350 000
13056433020F4R23ZZWM	Engineering	HP	Land Cruisers	1 000 000	1 000 000	-	2 000 000
13056433020F5D31ZZWM	Engineering	CRR	Replacement of tools for mechanics	20 000	20 000	20 000	60 000
13056433020F5R60ZZWM	Engineering	CRR	H/mast&street lights:un-serviced areas	250 000	250 000	250 000	750 000
08056600420F4C74ZZWM	Community Services	HP	LDV's (Replacement)	-	400 000	400 000	800 000
13056433020FPD21ZZWM	Engineering	External Loans	Replace Redundant Switchgear	750 000	1 000 000	1 000 000	2 750 000
13056433020FPD57ZZ10	Engineering	External Loans	Sicelo Bulk network (erf 78-204)	500 000	-	-	500 000
13056433020FPR51ZZ02	Engineering	External Loans	Risiville sub-ripple injection equip	1 900 000	-	-	1 900 000
13056433020FPR54ZZ08	Engineering	External Loans	Sicelo reticulation network (erf 204)	500 000	-	-	500 000
13056433020FQC38ZZWM	Engineering	Developer Contributions	New Connections	500 000	500 000	500 000	1 500 000
11056472420F5D04ZZWM	Engineering	CRR	Pedestrian rollers with trailers	-	350 000	350 000	700 000
13056433020FQC93ZZWM	Engineering	Developer Contributions	Electricity Metering	500 000	500 000	500 000	1 500 000
13056433020FTR41ZZ08	Engineering	INEP	Sicelo Electrification Network	8 000 000	20 082 000	25 600 000	53 682 000
13056449420F5R55ZZWM	Engineering	CRR	Land acquisitions&serv-59 development	490 000	445 000	1 000 000	1 935 000
13056600420F4D77ZZWM	Engineering	HP	TLB	1 300 000	-	-	1 300 000
13056600420F4G31ZZWM	Engineering	HP	Half Ton LDV (Metering)	160 000	-	-	160 000
13056600420F4G32ZZWM	Engineering	HP	1 Ton LDV	220 000	-	-	220 000
13056600420FQR59ZZ02	Engineering	Developer Contributions	Cable feeders-consemfuleni connections	2 000 000	-	-	2 000 000
15056460020F5C48ZZHO	Engineering	CRR	Furniture and Equipment	30 000	30 000	30 000	90 000
15056460020F5R27ZZHO	Engineering	CRR	Minor capital items	30 000	30 000	30 000	90 000
16056456020FQR62ZZ11	Savanna City	Urban Management Grant	Dev-walkways and boulevards (spineroad)	1 000 000	1 200 000	1 200 000	3 400 000
16056456420FQR12ZZ11	Savanna City	Urban Management Grant	Development of Parks - Savanna City	1 500 000	2 000 000	2 000 000	5 500 000
16056460020FQC15ZZWM	Savanna City	Urban Management Grant	Machinery and Equipment, including small tools	25 000	25 000	30 000	80 000

Vote Number	Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021	MTREF
16056460020FQC51ZZ11	Savanna City	Urban Management Grant	Office Furniture and Equipment	25 000	45 000	50 000	120 000
16056473520FQR36ZZ11	Savanna City	Urban Management Grant	Informal trading facilities	500 000	500 000	500 000	1 500 000
16056600420FQD86ZZ11	Savanna City	Urban Management Grant	Vehicles / Trailers	1 350 000	1 200 000	1 000 000	3 550 000
11056600420F4C52ZZWM	Engineering	HP	Grader	-	-	3 300 000	3 300 000
17056456020F4G50ZZWM	Community Services	HP	Backhoe loader (TLB) for illegal dumping	1 300 000	-	-	1 300 000
17056456020F5G49ZZWM	Community Services	CRR	Compressor	5 000	-	-	5 000
17056456420F5D67ZZWM	Community Services	CRR	Street Litter Bins	100 000	120 000	140 000	360 000
17056474020F5C07ZZWM	Community Services	Accumulated Surplus	Adjustment to Provision for landfill site rehab asset	3 000 000	3 000 000	3 000 000	9 000 000
17056474020F5D60ZZWM	Community Services	CRR	Skip Bins 6 Cubic Meters	450 000	450 000	450 000	1 350 000
17056600420F4G45ZZWM	Community Services	HP	1 x 30 m3 Tipper trucks for transfer station	2 200 000	-	-	2 200 000

ANNEXURE C – BUDGET PER mSCOA SEGMENTS

Midvaal Local Municipality - mSCOA Summary Budget Report

mSCOA Segment	2018/2019	2019/2020	2020/2021
Segment 1 Fund			
Income	1 110 301 817	1 214 518 867	1 302 197 868
Expenditure	1 109 759 258	1 176 805 488	1 252 297 122
Surplus / (Deficit)	542 559	37 713 379	49 900 746
Capital	110 162 000	137 958 000	153 532 000
Segment 2 Function			
Income	1 110 301 817	1 214 518 867	1 302 197 868
Expenditure	1 109 759 258	1 176 805 488	1 252 297 122
Surplus / (Deficit)	542 559	37 713 379	49 900 746
Capital			
Segment 3 Muni Std Class			
Income	1 110 301 817	1 214 518 867	1 302 197 868
Expenditure	1 109 759 258	1 176 805 488	1 252 297 122
Surplus / (Deficit)	542 559	37 713 379	49 900 746
Capital			
Segment 4 Project	-		
Income	1 110 301 817	1 214 518 867	1 302 197 868
Expenditure	1 109 759 258	1 176 805 488	1 252 297 122
Surplus / (Deficit)	542 559	37 713 379	49 900 746
Capital			
Segment 5 Costing			
Income	1 110 301 817	1 214 518 867	1 302 197 868
Expenditure	1 109 759 258	1 176 805 488	1 252 297 122
Surplus / (Deficit)	542 559	37 713 379	49 900 746
Capital			
Segment 6 Region			
Income	1 110 301 817	1 214 518 867	1 302 197 868
Expenditure	1 109 759 249	1 176 805 488	1 252 297 122
Surplus / (Deficit)	542 568	37 713 379	49 900 746
Capital			
Segment 7 Item			
Income	1 110 301 817	1 214 518 867	1 302 197 868
Expenditure	1 109 759 258	1 176 805 488	1 252 297 122
Surplus / (Deficit)	542 559	37 713 379	49 900 746

Income Summary Report: Income per Fund

Income	**2018/2019**	**2019/2020**	**2020/2021**
Capital Annuity Loans	-	-	-
Capital Leases	-	-	-
Capital Operational Revenue	-	-	-
Capital In Kind MIG	-	-	-
Capital Monetary Energy Efficiency and Demand Side	8 000 000	20 082 000	25 600 000
Capital Monetary INEP	-	-	-
Capital Monetary MIG	31 201 000	31 786 000	33 402 000
Capital Monetary WSIG	15 000 000	15 000 000	15 825 000
Capital Monetary Developers Contributions	10 001 017	21 170 847	23 088 746
Capital Monetary DAC	-	-	-
Default	-	-	-
Disposal of PPE	20 000	21 200	22 366
Equitable Share	97 192 000	107 139 000	118 616 000
Fines Penalties and Forfeits	50 184 709	53 195 792	56 121 560
Interest, Dividends and Rent on land	7 528 500	7 829 010	8 121 005
Non-funding transactions	-	-	-
Operational Revenue	2 360 264	2 501 880	2 639 481
Property Rates	219 283 645	241 184 132	260 115 964
Rental from Fixed Assets	1 300 000	1 378 000	1 453 790
Sale of goods and Rendering of services	506 200	536 572	566 084
Service Charges Electricity	353 725 859	379 741 268	398 551 497
Service Charges Unspecified	-	-	-
Service Charges Waste	42 428 977	43 429 712	43 498 297
Service Charges Waste Water	42 678 558	40 518 843	37 052 800
Service Charges Water	205 259 646	226 885 244	249 996 672
Transfer DAC	11 050 000	10 200 000	15 000 000
Transfer Health Subsidy	6 364 541	6 681 903	7 069 466
Transfers DBSA	-	-	-
Transfers EPWP	1 181 000	-	-
Transfers FMG	1 550 000	1 550 000	1 550 000
Transfers from District Environmental Health	3 485 901	3 687 464	3 907 140
TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**

Expenditure Summary Report: Expenditure per Fund

Expenditure	2018/2019	2019/2020	2020/2021
Capital Annuity Loans	-	-	-
Capital Leases	-	-	-
Capital Operational Revenue	-	-	-
Capital In Kind MIG	1 430 479	1 506 892	1 611 811
Capital Monetary Energy Efficiency and Demand S	-	-	-
Capital Monetary INEP	-	-	-
Capital Monetary MIG	-	-	-
Capital Monetary WSIG	-	-	-
Capital Monetary Developers Contributions	-	-	-
Capital Monetary DAC	-	-	-
Default	-	-	-
Disposal of PPE	-	-	-
Equitable Share	12 513 432	13 261 138	14 053 600
Fines Penalties and Forfeits	2 897 979	3 008 447	3 168 409
Interest, Dividents and Rent on land	-	-	-
Non-funding transactions	-	-	-
Operational Revenue	5 744 741	5 854 072	6 176 045
Property Rates	429 182 050	450 946 340	476 957 307
Rental from Fixed Assets	-	-	-
Sale of goods and Rendering of services	-	-	-
Service Charges Electricity	371 604 874	394 565 214	421 231 693
Service Charges Unspecified	-	-	-
Service Charges Waste	46 744 263	49 121 561	51 822 635
Service Charges Waste Water	52 801 045	55 981 699	55 753 887
Service Charges Water	175 931 614	191 091 951	209 389 622
Transfer DAC	6 743 889	7 139 072	7 561 154
Transfer Health Subsidy	293 638	303 915	320 630
Transfers DBSA	-	-	-
Transfers EPWP	2 227 835	2 305 809	2 432 628
Operational (MIG)	-	-	-
Transfers FMG	1 643 419	1 719 378	1 817 701
Transfers from District Environmental Health	-	-	-
TOTAL EXPENDITURE	**1 109 759 258**	**1 176 805 488**	**1 252 297 122**

Capital Summary Report: Capital Expenditure per Fund

Non Current Assets (Capital)	**2018/2019**	**2019/2020**	**2020/2021**
Capital Annuity Loans	22 650 000	23 500 000	27 000 000
Capital Leases	10 000 000	9 800 000	12 940 000
Capital Operational Revenue	12 289 000	15 190 000	14 305 000
Capital Monetary INEP	8 000 000	20 082 000	25 600 000
Capital Monetary MIG	29 773 000	30 286 000	31 802 000
Capital Monetary WSIG	15 000 000	15 000 000	15 825 000
Capital Monetary Developers Contributions	8 150 000	19 720 000	21 530 000
Capital Monetary DAC	4 300 000	4 380 000	4 530 000
TOTAL CAPITAL	**110 162 000**	**137 958 000**	**153 532 000**

Income Summary Report: Income per Function

Income	2018/2019	2019/2020	2020/2021
Function:Community And Social Services:Core Function:Cemeteries; Funeral Parlours And Crematoriums	300 000	318 000	335 490
Function:Community And Social Services:Core Function:Libraries And Archives	11 181 663	10 339 563	15 147 238
Function:Energy Sources:Core Function:Electricity	356 987 260	393 148 366	420 986 323
Function:Environmental Protection:Non-Core Function:Pollution Control	3 485 901	3 687 464	3 907 140
Function:Executive And Council:Core Function:Mayor And Council	5 754 000	6 300 000	6 300 000
Function:Executive And Council:Core Function:Municipal Manager; Town Secretary And Chief Executive	-	-	-
Function:Finance And Administration:Core Function:Administrative And Corporate Support	37 216 461	52 851 768	57 176 321
Function:Finance And Administration:Core Function:Finance	262 395 201	284 905 930	303 031 682
Function:Finance And Administration:Core Function:Fleet Management	-	-	-
Function:Finance And Administration:Core Function:Human Resources	500 000	530 000	559 150
Function:Finance And Administration:Core Function:Information Technology	-	-	-
Function:Finance And Administration:Core Function:Marketing; Customer Relations; Publicity And Media Co-Ordination	-	-	-
Function:Finance And Administration:Core Function:Property Services	1 300 000	1 378 000	1 453 790
Function:Health:Non-Core Function:Health Services	6 364 541	6 681 903	7 069 466
Function:Planning And Development:Core Function:Economic Development/Planning	15 000	15 900	16 775
Function:Planning And Development:Core Function:Town Planning; Building Regulations And Enforcement; And City Eng	3 773 657	4 000 077	4 220 081
Function:Public Safety:Core Function:Fire Fighting And Protection	573 423	1 607 828	641 259
Function:Road Transport:Core Function:Police Forces; Traffic And Street Parking Control	50 503 556	53 533 769	56 478 125
Function:Road Transport:Core Function:Roads	4 281 000	466 000	2 500 000
Function:Sport And Recreation:Core Function:Community Parks (Including Nurseries)	1 356 000	185 500	195 703
Function:Sport And Recreation:Core Function:Recreational Facilities	3 190 000	3 265 000	2 779 575
Function:Waste Management:Core Function:Solid Waste Disposal (Landfill Sites)	-	-	-
Function:Waste Management:Core Function:Solid Waste Removal	45 664 881	52 318 071	55 777 155
Function:Waste Water Management:Core Function:Sewerage	61 034 677	69 354 119	74 000 611
Function:Waste Water Management:Core Function:Waste Water Treatment	-	-	-
Function:Water Management:Core Function:Water Distribution	254 424 596	269 631 609	289 621 984
TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**

Expenditure Summary Report: Expenditure per Function

Expenditure	2018/2019	2019/2020	2020/2021
Function:Community And Social Services:Core Function:Cemeteries; Funeral Parlours And Crematoriums	981 155	1 015 495	1 071 348
Function:Community And Social Services:Core Function:Libraries And Archives	14 535 118	15 292 163	16 184 140
Function:Energy Sources:Core Function:Electricity	355 674 698	377 561 129	402 988 288
Function:Environmental Protection:Non-Core Function:Pollution Control	3 750 618	3 886 333	4 117 085
Function:Executive And Council:Core Function:Mayor And Council	31 600 781	33 190 659	35 092 728
Function:Executive And Council:Core Function:Municipal Manager; Town Secretary And Chief Executive	5 753 605	5 967 850	6 308 019
Function:Finance And Administration:Core Function:Administrative And Corporate Support	80 482 068	85 119 358	90 251 890
Function:Finance And Administration:Core Function:Finance	71 368 678	77 229 697	84 249 099
Function:Finance And Administration:Core Function:Fleet Management	3 916 590	4 093 226	4 336 065
Function:Finance And Administration:Core Function:Human Resources	15 393 745	16 188 622	17 129 726
Function:Finance And Administration:Core Function:Information Technology	11 895 307	12 387 623	13 084 518
Function:Finance And Administration:Core Function:Marketing; Customer Relations; Publicity And Media Co-Ordination	3 357 367	3 423 899	3 612 212
Function:Finance And Administration:Core Function:Property Services	2 953 891	2 951 365	2 951 084
Function:Health:Non-Core Function:Health Services	7 027 944	7 374 857	7 801 179
Function:Planning And Development:Core Function:Economic Development/Planning	20 256 280	21 123 252	22 194 812
Function:Planning And Development:Core Function:Town Planning; Building Regulations And Enforcement; And City Eng	11 943 435	12 593 793	13 334 025
Function:Public Safety:Core Function:Fire Fighting And Protection	27 093 802	28 440 415	30 040 041
Function:Road Transport:Core Function:Police Forces; Traffic And Street Parking Control	73 187 732	77 093 822	81 180 585
Function:Road Transport:Core Function:Roads	69 475 042	71 301 130	74 169 101
Function:Sport And Recreation:Core Function:Community Parks (Including Nurseries)	22 265 312	23 208 360	24 229 000
Function:Sport And Recreation:Core Function:Recreational Facilities	3 382 028	3 473 582	3 672 033
Function:Waste Management:Core Function:Solid Waste Disposal (Landfill Sites)	3 614 471	3 825 683	4 053 511
Function:Waste Management:Core Function:Solid Waste Removal	46 534 833	48 895 376	51 582 879
Function:Waste Water Management:Core Function:Sewerage	37 585 746	40 051 658	38 900 903
Function:Waste Water Management:Core Function:Waste Water Treatment	14 998 457	15 667 339	16 574 520
Function:Water Management:Core Function:Water Distribution	170 730 555	185 448 802	203 188 331
TOTAL EXPENDITURE	**1 109 759 258**	**1 176 805 488**	**1 252 297 122**

Capital Summary Report: Capital Expenditure per Function

Non Current Assets (Capital)	**2018/2019**	**2019/2020**	**2020/2021**
Function:Community And Social Services:Core Function:Cemeteries; Funeral Parlours And Crematoriums	-	-	-
Function:Community And Social Services:Core Function:Libraries And Archives	4 300 000	2 500 000	2 700 000
Function:Energy Sources:Core Function:Electricity	18 090 000	24 997 000	31 260 000
Function:Environmental Protection:Non-Core Function:Pollution Control	-	-	-
Function:Executive And Council:Core Function:Mayor And Council	-	1 115 000	365 000
Function:Executive And Council:Core Function:Municipal Manager; Town Secretary And Chief Executive	-	-	-
Function:Finance And Administration:Core Function:Administrative And Corporate Support	4 800 000	22 155 000	23 850 000
Function:Finance And Administration:Core Function:Finance	129 000	40 000	40 000
Function:Finance And Administration:Core Function:Fleet Management	-	1 500 000,00	-
Function:Finance And Administration:Core Function:Human Resources	-	15 000	15 000
Function:Finance And Administration:Core Function:Information Technology	800 000	1 470 000	1 470 000
Function:Finance And Administration:Core Function:Marketing; Customer Relations; Publicity And Media Co-Ordination	-	-	-
Function:Finance And Administration:Core Function:Property Services	-	-	-
Function:Health:Non-Core Function:Health Services	-	-	-
Function:Planning And Development:Core Function:Economic Development/Planning	20 000	20 000	20 000
Function:Planning And Development:Core Function:Town Planning; Building Regulations And Enforcement; And City Eng	-	-	-
Function:Public Safety:Core Function:Fire Fighting And Protection	2 707 480	1 930 000	930 000
Function:Road Transport:Core Function:Police Forces; Traffic And Street Parking Control	1 100 000	600 000	600 000
Function:Road Transport:Core Function:Roads	19 345 520	18 216 000	30 650 000
Function:Sport And Recreation:Core Function:Community Parks (Including Nurseries)	550 000	2 190 000	2 245 000
Function:Sport And Recreation:Core Function:Recreational Facilities	2 820 000	3 240 000	2 760 000
Function:Waste Management:Core Function:Solid Waste Disposal (Landfill Sites)	-	-	2 500 000,00
Function:Waste Management:Core Function:Solid Waste Removal	7 055 000	8 970 000	8 600 000
Function:Waste Water Management:Core Function:Sewerage	10 090 000	15 300 000	15 350 000
Function:Waste Water Management:Core Function:Waste Water Treatment	2 600 000	1 200 000	700 000
Function:Water Management:Core Function:Water Distribution	35 755 000	32 500 000	29 477 000
TOTAL CAPITAL	**110 162 000**	**137 958 000**	**153 532 000**

Income Summary Report: Income per Department (Municipal Standard Classification)

Income	**2018/2019**	**2019/2020**	**2020/2021**
Municipal Manager	-	-	-
Council	5 754 000	6 300 000	6 300 000
Corporate Services	1 806 371	1 914 753	2 020 064
Financial Services	262 395 201	284 905 930	303 031 682
Development & Planning	3 788 657	4 015 977	4 236 856
Community Services	122 619 965	131 937 098	142 331 151
Engineering Services	678 155 533	734 100 094	788 708 918
Savanna City	35 782 090	51 345 015	55 569 197
TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**

Income	**2018/2019**	**2019/2020**	**2020/2021**
Municipal Manager	6 371	6 753	7 124
Corporate Services Administration	5 754 000	6 300 000	6 300 000
Councillors	33 000 000	36 800 000	39 744 000
Speaker’s Office	-	-	-
Council Buildings	1 300 000	1 378 000	1 453 790
Public Relations Officer	-	-	-
IT Services	-	-	-
Performance Audit	-	-	-
Office Of The Mayor	-	-	-
Financial Services - Administration	229 395 201	248 105 930	263 287 682
Financial Services - Income	-	-	-
Financial Services - Expenditure	500 000	530 000	559 150
Human Resources	-	-	-
Development & Planning	15 000	15 900	16 775
Building Control	1 973 657	2 092 077	2 207 141
Town Planning	1 800 000	1 908 000	2 012 940
Clinic Meyerton	1 861 956	1 934 655	2 042 662
Clinic Randvaal	2 204 993	2 323 198	2 459 672
Clinic Kookrus	2 297 592	2 424 050	2 567 132
Library Meyerton	9 723 663	8 881 563	13 689 238

Income	**2018/2019**	**2019/2020**	**2020/2021**
Library Henley On Klip	429 000	429 000	429 000
Library Walkerville	729 000	729 000	729 000
Library Randvaal	100 000	100 000	100 000
Library Sicelo	100 000	100 000	100 000
Library Lakeside	100 000	100 000	100 000
Social Services Admin	-	-	-
Traffic	50 503 556	53 533 769	56 478 125
Fire	573 423	1 607 828	641 259
Parks	1 356 000	185 500	195 703
Swimming Pool	250 000	265 000	279 575
Sport & Recreation Administration	2 940 000	3 000 000	2 500 000
Cemeteries	300 000	318 000	335 490
Municipal Health Services (Sedibeng Fundin	3 485 901	3 687 464	3 907 140
Sanitation Network	61 034 677	69 354 119	74 000 611
Waste Water Purification	-	-	-
Roads	4 281 000	466 000	2 500 000
Mechanical Workshop	-	-	-
Storm Water	-	-	-
Water Network	254 424 596	269 631 609	289 621 984
Electrical Network	356 987 260	393 148 366	420 986 323
Landfill Sites	-	-	-
Engineering Admin	1 428 000	1 500 000	1 600 000
Savanna City	35 782 090	51 345 015	55 569 197
Solid Waste	45 664 881	52 318 071	55 777 155
Environmental Management	-	-	-
TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**

Expenditure Summary Report: Expenditure per Department (Municipal Standard Classification)

Expenditure	**2018/2019**	**2019/2020**	**2020/2021**
Municipal Manager	5 753 605	5 967 850	6 308 019
Council	31 600 781	33 190 659	35 092 728
Corporate Services	52 601 736	55 069 584	58 012 630
Financial Services	71 368 678	77 229 697	84 249 099
Development & Planning	32 199 715	33 717 045	35 528 837
Community Services	208 365 470	218 836 661	230 549 957
Engineering Services	676 007 547	718 918 261	766 239 806
Savanna City	31 861 727	33 875 731	36 316 046
TOTAL EXPENDITURE	**1 109 759 258**	**1 176 805 488**	**1 252 297 122**

Expenditure	**2018/2019**	**2019/2020**	**2020/2021**
Municipal Manager	1 587 753	1 620 497	1 717 726
Corporate Services Administration	1 298 797	1 178 317	1 186 543
Councillors	12 732 740	13 477 972	14 268 975
Speaker’s Office	180 673	115 343	112 529
Council Buildings	1 004 145	892 267	770 294
Public Relations Officer	117 576	58 175	61 375
IT Services	233 677	185 965	196 193
Performance Audit	9	9	9
Office Of The Mayor	452 807	383 951	405 068
Financial Services - Administration	204 735	146 895	89 262
Financial Services - Income	44 672	4 299	4 535
Financial Services - Expenditure	97 585	3 503	3 696
Human Resources	236 343	144 067	148 556
Development & Planning	20 256 280	21 123 252	22 194 812
Building Control	8 310 770	8 776 489	9 294 995
Town Planning	3 632 665	3 817 304	4 039 030
Clinic Meyerton	1 891 709	2 073 524	2 189 132
Clinic Randvaal	2 754 095	2 820 261	2 984 992
Clinic Kookrus	2 382 141	2 481 072	2 627 055
Library Meyerton	11 210 819	11 929 544	12 627 178

Expenditure	**2018/2019**	**2019/2020**	**2020/2021**
Library Henley On Klip	1 020 664	1 056 669	1 118 821
Library Walkerville	753 405	761 420	806 265
Library Randvaal	762 814	823 740	871 441
Library Sicelo	239 198	237 009	250 045
Library Lakeside	477 218	483 781	510 390
Library Bantu Bonke	71 000	-	-
Social Services Admin	1 390 486	1 370 607	1 372 233
Traffic	73 187 732	77 093 822	81 180 585
Fire	27 093 802	28 440 415	30 040 041
Parks	22 265 312	23 208 360	24 229 000
Swimming Pool	1 261 445	1 287 378	1 362 871
Sport & Recreation Administration	2 120 584	2 186 204	2 309 162
Cemeteries	981 155	1 015 495	1 071 348
Municipal Health Services (Sedibeng Funding)	3 750 618	3 886 333	4 117 085
Sanitation Network	37 585 746	40 051 658	38 900 903
Waste Water Purification	14 998 457	15 667 339	16 574 520
Roads	69 475 042	71 301 130	74 169 101
Mechanical Workshop	3 916 590	4 093 226	4 336 065
Storm Water	-	-	-
Water Network	170 730 555	185 448 802	203 188 331
Electrical Network	355 674 698	377 561 129	402 988 288
Landfill Sites	3 614 471	3 825 683	4 053 511
Engineering Admin	4 916 909	4 845 404	4 970 830
Savanna City	31 861 727	33 875 731	36 316 046
Solid Waste	46 534 833	48 895 376	51 582 879
Environmental Management	-	-	-
TOTAL EXPENDITURE	**943 314 450**	**998 649 417**	**1 061 241 716**

Capital Summary Report: Capital Expenditure per Department (Municipal Standard Classification)

Non Current Assets (Capital)	**2018/2019**	**2019/2020**	**2020/2021**
Municipal Manager	-	-	-
Corporate Services	890 000	3 230 000	3 215 000
Financial Services	129 000	40 000	40 000
Development & Planning	20 000	20 000	20 000
Community Services	18 782 480	19 930 000	18 285 000
Engineering Services	85 940 520	93 773 000	109 997 000
Council	-	1 115 000	365 000
Savanna City	4 400 000	19 850 000	21 610 000
TOTAL CAPITAL	**110 162 000**	**137 958 000**	**153 532 000**

Non Current Assets (Capital)	**2018/2019**	**2019/2020**	**2020/2021**
Municipal Manager	-	-	-
Corporate Services Administration	90 000	1 745 000	1 730 000
Councillors	-	-	-
Speaker’s Office	-	415 000	15 000
Council Buildings	-	-	-
Public Relations Officer	-	-	-
IT Services	800 000	1 470 000	1 470 000
Performance Audit	-	-	-
Office Of The Mayor	-	700 000	350 000
Financial Services - Administration	30 000	30 000	30 000
Financial Services - Income	10 000	10 000	10 000
Financial Services - Expenditure	89 000	-	-
Human Resources	-	15 000	15 000
Development & Planning	20 000	20 000	20 000
Building Control	-	-	-
Town Planning	-	-	-
Clinic Meyerton	-	-	-
Clinic Randvaal	-	-	-
Clinic Kookrus	-	-	-
Library Meyerton	2 550 000	1 250 000	1 300 000
Library Henley On Klip	550 000	150 000	200 000

Non Current Assets (Capital)	2018/2019	2019/2020	2020/2021
Library Walkerville	150 000	150 000	200 000
Library Randvaal	150 000	150 000	200 000
Library Sicelo	250 000	250 000	300 000
Library Lakeside	350 000	250 000	300 000
Library Bantu Bonke	300 000	300 000	200 000
Social Services Admin	250 000	500 000	450 000
Traffic	1 100 000	600 000	600 000
Fire	2 707 480	1 930 000	930 000
Parks	550 000	2 190 000	2 245 000
Swimming Pool	-	-	-
Sport & Recreation Administration	2 820 000	3 240 000	2 760 000
Cemeteries	-	-	-
Municipal Health Services (Sedibeng Funding)	-	-	-
Sanitation Network	10 090 000	15 300 000	15 350 000
Waste Water Purification	2 600 000	1 200 000	700 000
Roads	19 345 520	18 216 000	30 650 000
Mechanical Workshop	-	1 500 000	-
Storm Water	-	-	-
Water Network	35 755 000	32 500 000	29 477 000
Electrical Network	18 090 000	24 997 000	31 260 000
Landfill Sites	-	-	2 500 000
Engineering Admin	60 000	60 000	60 000
Savanna City	4 400 000	19 850 000	21 610 000
Solid Waste	7 055 000	8 970 000	8 600 000
Environmental Management	-	-	-
TOTAL CAPITAL	**110 162 000**	**137 958 000**	**153 532 000**

Income Summary Report: Income per Project

Income	**2018/2019**	**2019/2020**	**2020/2021**
Default	1 196 207 762	1 312 497 612	1 415 357 363
TWS: Cost of Free Basic Electricity	- 1 767 540	- 2 529 938	- 6 789 722
TWS: Rebate Discretionary	- 1 000 000	- 1 100 000	- 1 188 000
TWS: Rebate Pensioners	- 566 086	- 622 695	- 672 511
TWS: Rebate Residential	- 32 937 240	- 36 230 964	- 39 129 441
TWS: Revenue cost of Free Waste	- 7 424 507	- 10 412 050	- 13 573 971
TWS: Revenue cost of Free Waste Water	- 15 443 968	- 22 239 313	- 29 467 090
TWS: Revenue cost of Free Water	- 26 766 604	- 24 843 785	- 22 338 760
TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**

Expenditure Summary Report: Expenditure per Project

Expenditure	2018/2019	2019/2020	2020/2021
Corrective Maintenance Emergency Stormwater Infra Stormwater Conveyance Pipe Work	-	-	-
Corrective Maintenance Planned Elec Capital Spares	15 515 353	16 443 330	17 426 884
Corrective Maintenance Planned Elec MV Network Equipment	4 322 620	4 473 912	4 719 977
Corrective Maintenance Planned Furniture and Office Equipment	343 094	353 034	372 452
Corrective Maintenance Planned Roads Infra Capital Spares	12 000 888	12 718 499	13 479 082
Corrective Maintenance Planned Sanitation Infra Capital Spares	10 795 988	11 441 906	12 126 514
Corrective Maintenance Planned Sanitation Infra WWTW External Facilities	8 913 092	9 446 184	10 011 202
Corrective Maintenance Planned Sanitation WWTW Pipe Work	2 177 005	2 253 200	2 377 126
Corrective Maintenance Planned Transport Assets	3 021 343	3 127 089	3 299 079
Corrective Maintenance Planned Water Infra Capital Spares	15 377 109	16 297 260	17 272 534
Default	-	-	-
Fleet	6 135 740	6 345 319	6 694 319
DAC Salaries	100 000	155 250	163 789
Mechanical Workshop	2 588 688	2 743 503	2 907 590
Municipal Running Cost	973 784 076	1 034 599 198	1 101 940 868
Operational (MIG)	-	-	-
Preventative Maintenance Condition Based Computer Equipment	96 286	99 656	105 137
Preventative Maintenance Interval Based Cemeteries and Crematoria Blds	163 224	168 937	178 229
Preventative Maintenance Interval Based Library Buildings	335 099	108 777	114 760
Preventative Maintenance Interval Based Municipal Office Buildings	4 579 223	4 739 495	5 000 169
Preventative Maintenance Interval Based Roads Civil Structures	18 505 811	19 153 515	20 206 960
Preventative Maintenance Interval Based Sanitation Pump Station Civil Structures	4 191 713	4 338 423	4 577 036
Preventative Maintenance Interval Based Water Supply Boreholes Pipe Work	31 830	32 944	34 756
Preventative Maintenance Interval Based Water Supply Distribution Pipe Work	3 306 292	3 422 012	3 610 223
TWS: Aids/HIV TB Cancer Aids Day	303 329	313 946	331 214
TWS: Capacity Building Unemployed	150 000	414 000	436 770
TWS: Capacity Building Workshops, Seminars and Subject Matter Training	-	-	-
TWS: Communication and Public Participation Awareness Campaign	26 343	-	-
TWS: Communication and Public Participation By-Laws Promulgation	500 000	517 500	545 963
TWS: Communication and Public Participation Mayoral Campaigns	1 530 500	1 584 068	1 671 194
TWS: Community Development Child Programmes	14 000	-	-
TWS: Community Development Disability	26 343	-	-
TWS: Community Development Library Programmes	-	-	-
TWS: Cost of Free Basic Electricity	-	-	-
TWS: Cost of Free Basic Waste Removal	-	-	-
TWS: Cost of Free Basic Waste Water	-	-	-
TWS: Cost of Free Basic Water	-	-	-
TWS: Environmental Health	95 172	98 503	103 921
TWS: EPWP Project	4 719 151	4 729 071	4 989 169
TWS: FMG Interns Compensation	744 872	789 382	836 556
TWS: Functions and Events Special Events and Functions	265 637	274 935	290 056
TWS: HR Management	31 969	33 088	34 908
TWS: NERSA customer account expenses supervision	-	-	-

Expenditure	**2018/2019**	**2019/2020**	**2020/2021**
TWS: NERSA Customer assistance expenses	-	-	-
TWS: NERSA Customer records and collection expenses	-	-	-
TWS: NERSA Customer service and info supervision	-	-	-
TWS: NERSA General Expenses	-	-	-
TWS: NERSA Information and instructional advert expenses	-	-	-
TWS: NERSA IT and customer accounts expenses	-	-	-
TWS: NERSA Load settlement expenses	-	-	-
TWS: NERSA Meter reading expenses	-	-	-
TWS: NERSA Other specified customer accounts expenses	-	-	-
TWS: NERSA Sales expenses	-	-	-
TWS: NERSA Specified customer service and information expenses	-	-	-
TWS: NERSA Uncollectible accounts	-	-	-
TWS: Parks Programme	4 703 687	4 868 317	5 136 075
TWS: Procurement Reforms and Fighting Corruption	-	-	-
TWS: Rebate Bona Fide Farmers	-	-	-
TWS: Rebate Disaster	-	-	-
TWS: Rebate Discretionary	-	-	-
TWS: Rebate Indigents	-	-	-
TWS: Rebate Pensioners	-	-	-
TWS: Rebate Phase-in Reductions	-	-	-
TWS: Rebate Residential	-	-	-
TWS: Rebate Temporary Relief	-	-	-
TWS: Revenue cost of FBE	-	-	-
TWS: Revenue cost of Free Waste	-	-	-
TWS: Revenue cost of Free Waste Water	-	-	-
TWS: Revenue cost of Free Water	-	-	-
TWS: Revenue cost of Housing	-	-	-
TWS: Revenue cost of Rental Rebates	-	-	-
TWS: Staff Rehabilitation	8 000	8 280	8 735
TWS: Strategic Management Lekgotla	-	-	-
TWS: Strategic Management Masterplan	858 564	888 613	937 487
TWS: Strategic Management Risk Management	300 000	310 500	327 578
TWS: Strategic Planning Plan Development	1 000 000	1 035 000	1 091 925
TWS: Strategic Planning Plan Workshops and Sessions	150 800	150 800	150 800
TWS: Ward Committee Meetings	805 148	833 328	879 161
TWS: Water Saving Initiatives	7 241 270	7 494 714	7 906 924
TOTAL EXPENDITURE	**1 109 759 258**	**1 176 805 488**	**1 252 297 122**
Repairs and Maintenance	112 400 397	117 706 995	124 514 029
	1 109 759 258	1 176 805 488	1 252 297 122
	-	-	-

Capital Summary Report: Capital Expenditure per Project

Non Current Assets (Capital)	2018/2019	2019/2020	2020/2021
Capital Infra Existing Renewal Elec Infra MV Networks	3 000 000	1 700 000	1 390 000
Capital Infra Existing Renewal Elec Infra Substations	2 650 000	1 000 000	1 000 000
Capital Infra Existing Renewal Roads Infra Roads	-	-	-
Capital Infra Existing Renewal Sanitation Infra Pump Station	1 000 000	1 000 000	1 000 000
Capital Infra Existing Renewal Sanitation Infra Reticulation	750 000	2 350 000	6 750 000
Capital Infra Existing Renewal Sanitation Infra WWTW	900 000	700 000	200 000
Capital Infra Existing Renewal Water Supply Bulk Mains	-	-	-
Capital Infra Existing Renewal Water Supply Infra Distribution	25 600 000	24 370 000	24 477 000
Capital Infra Existing Renewal Water Supply Reservoirs	-	-	-
Capital Infra Existing Upgrading Elec Infra LV Networks	-	-	-
Capital Infra Existing Upgrading Elec Infra MV Substations	-	-	-
Capital Infra Existing Upgrading Roads Infra Roads	18 225 520	16 766 000	25 800 000
Capital Infra Existing Upgrading Sanitation Reticulation	7 540 000	9 000 000	5 000 000
Capital Infra Existing Upgrading Sanitation WWTW	-	-	-
Capital Infra Existing Upgrading Solid Waste Infra Landfill Sites	3 000 000	4 000 000	3 000 000
Capital Infra Existing Upgrading Solid Waste Infra Waste Transfer Stations	-	4 000 000	4 500 000
Capital Infra Existing Upgrading Water Distribution	7 310 000	6 730 000	4 500 000
Capital Infra New Elec Infra LV Networks	1 020 000	520 000	520 000
Capital Infra New Elec Infra MV Networks	8 250 000	20 332 000	25 850 000
Capital Infra New Roads Infra Road Furniture	-	500 000	1 000 000
Capital Infra New Roads Infra Roads	-	-	-
Capital Infra New Sanitation Infra Outfall Sewers	-	-	-
Capital Infra New Sanitation Infra WWTW	1 500 000	500 000	500 000
Capital Infra New Water Distribution	2 000 000	-	-
Capital Non Infra Existing Renewal Community Libraries	1 400 000	3 080 000	3 330 000
Capital Non Infra Existing Renewal Community Sport and Recreation Outdoor Facilities	2 600 000	5 500 000	3 000 000
Capital Non Infra Existing Renewal Computer Equipment	40 000	40 000	1 540 000
Capital Non Infra Existing Renewal Furniture and Office Equipment	-	-	-
Capital Non Infra Existing Renewal Machinery and Equipment	1 100 000	1 700 000	300 000
Capital Non Infra Existing Renewal Other Assets Operational Buildings Workshops	-	200 000	200 000
Capital Non Infra Existing Renewal Transport Assets	-	2 050 000	950 000
Capital Non Infra Existing Upgrading Community Assets Community Facilities Fire/Ambulance Stati	-	-	-
Capital Non Infra Existing Upgrading Community Assets Libraries	-	-	-
Capital Non Infra Existing Upgrading Machinery and Equipment	1 620 000	1 615 000	1 660 000

Non Current Assets (Capital)	2018/2019	2019/2020	2020/2021
Capital Non Infra Existing Upgrading Other Assets Operational Buildings Depots	-	100 000	-
Capital Non Infra Existing Upgrading Other Assets Operational Buildings Municipal Offices	400 000	200 000	250 000
Capital Non Infra Land	-	-	-
Capital Non Infra New Community Assets Community Facilities Centres	-	-	-
Capital Non Infra New Community Assets Community Facilities Fire/Ambulance Stations	277 480	2 000 000	4 000 000
Capital Non Infra New Community Assets Community Facilities Public Open Space	1 500 000	2 000 000	2 000 000
Capital Non Infra New Community Assets Community Facilities Purls	1 000 000	1 200 000	1 200 000
Capital Non Infra New Community Assets Community Facilities Stalls	-	-	-
Capital Non Infra New Community Assets Community Facilities Taxi Ranks/Bus Terminals	-	2 000 000	2 000 000
Capital Non Infra New Community Assets Community Markets	500 000	500 000	500 000
Capital Non Infra New Computer Equipment	259 000	180 000	180 000
Capital Non Infra New Furniture and Equipment	95 000	145 000	150 000
Capital Non Infra New Furniture and Office Equipment	40 000	55 000	40 000
Capital Non Infra New Intangible Assets Computer Software & Applications	2 450 000	2 350 000	2 350 000
Capital Non Infra New Intangible Assets Servitudes	690 000	945 000	1 500 000
Capital Non Infra New Investment Property	200 000	-	-
Capital Non Infra New Machinery and Equipment	185 000	1 930 000	3 845 000
Capital Non Infra New Other Assets Operational Buildings Depots	-	5 000 000	5 000 000
Capital Non Infra New Other Assets Operational Buildings Municipal Offices	-	-	-
Capital Non Infra New Other Assets Operational Buildings Workshops	250 000	1 500 000	-
Capital Non Infra New Other Assets Operational Buildings Yards	-	500 000	400 000
Capital Non Infra New Transport Assets	11 300 000	7 550 000	6 390 000
Capital Non Infra Renewal Property	-	-	-
Capital Infra New Solid Waste Infra Waste transfer station	-	-	50 000
Capital Investment Property	1 360 000	1 500 000	2 000 000
Capital Non Infra Property	150 000	150 000	2 650 000
Capital to identify	-	-	60 000
Capital Non Infra Sport Outdoor facilities	-	500 000	2 500 000
TOTAL CAPITAL	**110 162 000**	**137 958 000**	**153 532 000**

Income Summary Report: Income per Costing

Income	**2018/2019**	**2019/2020**	**2020/2021**
Costing Default	1 110 301 817	1 214 518 867	1 302 197 868
TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**

Expenditure Summary Report: Expenditure per Costing

Expenditure	**2018/2019**	**2019/2020**	**2020/2021**
Costing Default	1 109 759 258	1 176 805 488	1 252 297 122
TOTAL EXPENDITURE	**1 109 759 258**	**1 176 805 488**	**1 252 297 122**

Capital Summary Report: Capital Expenditure per Costing

Non Current Assets (Capital)	**2018/2019**	**2019/2020**	**2020/2021**
Costing Default	110 162 000	137 958 000	153 532 000
TOTAL EXPENDITURE	**110 162 000**	**137 958 000**	**153 532 000**

Income Summary Report: Internal Income per Costing

Losses and Gains / Contributions		**2018/2019**		**2019/2020**		**2020/2021**
Internal billing Recovery: Electricity consumption	-	2 412 825,41	-	2 590 168,08	-	2 780 545
Internal billing Recovery: Electricity streetlights	-	2 540 150,92	-	2 726 852,01	-	2 927 276
Internal billing Recovery: Refuse removal	-	2 463 594,51	-	2 660 682,07	-	2 820 323
Internal billing Recovery: Sanitation charges	-	47 118,95	-	50 888,46	-	53 942
Internal billing Recovery: Water consumption	-	1 219 427,04	-	1 323 078,34	-	1 431 571
TOTAL INTERNAL INCOME	**-**	**8 683 117**	**-**	**9 398 788**	**-**	**10 013 657**

Expenditure Summary Report: Internal Expenditure per Costing

Losses and Gains / Contributions	**2018/2019**	**2019/2020**	**2020/2021**
Internal billing: Electricity consumption	2 737 485	2 938 691	3 154 684
Internal billing: Electricity streetlights	97 545,99	104 716	112 412
Internal billing: Other internal billings	2 156 782	2 372 461	2 562 257
Internal billing: Refuse removal	1 236 055,71	1 322 668	1 323 446
Internal billing: Sanitation charges	738 084,75	797 132	844 959
Internal billing: Water consumption	1 717 162,58	1 863 121	2 015 897
TOTAL INTERNAL EXPENDITURE	**8 683 117**	**9 398 788**	**10 013 657**

Income Summary Report: Income per Region

Income	**2018/2019**	**2019/2020**	**2020/2021**
Whole of Municipality	838 981 958	919 965 720	989 317 372
Head Office	271 319 859	294 553 147	312 880 496
TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**

Expenditure Summary Report: Expenditure per Region

Expenditure	**2018/2019**	**2019/2020**	**2020/2021**
Whole of Municipality	932 539 787	989 008 820	1 051 606 692
Head Office	177 004 462	187 574 143	200 455 666
Ward 1	215 000	222 525	234 764
TOTAL EXPENDITURE	**1 109 759 249**	**1 176 805 488**	**1 252 297 122**

Capital Summary Report: Capital Expenditure per Region

Non Current Assets (Capital)	**2018/2019**	**2019/2020**	**2020/2021**
Whole of Municipality	71 840 520	85 166 000	103 532 000
Head Office	1 149 000	9 765 000	8 950 000
Ward 1	6 797 480	1 300 000	200 000
Ward 2	3 900 000,00	-	-
Ward 3	-	-	-
Ward 4	150 000	3 150 000	5 200 000
Ward 5	-	-	-
Ward 6	4 950 000	2 750 000	300 000
Ward 7	-	-	-
Ward 8	12 900 000,00	26 082 000,00	25 600 000,00
Ward 9	-	-	-
Ward 10	950 000	250 000	300 000
Ward 11	4 525 000	8 095 000	7 950 000
Ward 12	500 000	-	-
Ward 13	-	-	-
Ward 14	1 950 000	1 250 000	1 300 000
Ward 15	550 000	150 000	200 000
TOTAL CAPITAL	**110 162 000**	**137 958 000**	**153 532 000**

Income Summary Report: Income per Item

	Income	2018/2019	2019/2020	2020/2021		
	Non-Exchange Revenue					
	Property Rates					
1020300	Business & Commercial Properties	33 000 000	36 800 000	39 744 000	1020300	**Property Rates**
1020620	Communal Land: Other	-	-	-	1020620	**Property Rates**
1021500	Farm Properties: Agricultural Purposes	-	-	-	1021500	**Property Rates**
1022400	Industrial Properties	33 500 000	36 850 000	39 798 000	1022400	**Property Rates**
1023600	Mining Properties	140 000	154 000	166 320	1023600	**Property Rates**
1023610	Municipal Properties	-	-	-	1023610	**Property Rates**
1024510	Protected Areas	-	-	-	1024510	**Property Rates**
1024530	Public Service Infrastructure	-	-	-	1024530	**Property Rates**
1025100	Residential Properties: Developed	86 684 544	95 331 485	102 930 571	1025100	**Property Rates**
1025110	Residential Properties: Vacant Land	27 500 000	30 250 000	32 670 000	1025110	**Property Rates**
1025460	State-Owned Properties	7 800 000	8 580 000	9 266 400	1025460	**Property Rates**
1025480	Agricultural Property	18 000 000	19 800 000	21 384 000	1025480	**Property Rates**
1025500	Other Categories	-	-	-	1025500	**Property Rates**
	Fines Penalties And Forfeits					
1040050	Fines: Overdue Books Fine	25 632	27 170	28 664	1040050	**Fines Penalties And Forfeits**
1040060	Fines: Pound Fees	18 204	19 296	20 357	1040060	**Fines Penalties And Forfeits**
1040100	Fines: Traffic - Municipal	50 157 293	53 166 731	56 090 901	1040100	**Fines Penalties And Forfeits**
1040510	Penalties: Disconnection Fees	140 499	148 929	157 120	1040510	**Fines Penalties And Forfeits**
1041000	Forfeits: Deposits	-	-	-	1041000	**Fines Penalties And Forfeits**
1041010	Forfeits: Retentions	-	-	-	1041010	**Fines Penalties And Forfeits**
1041020	Forfeits: Unclaimed Money	-	-	-	1041020	**Fines Penalties And Forfeits**
	Transfers And Subsidies					
	Operational : Monetary					
1152220	DM GP: Sedibeng - Environ Health & Safet	3 485 901	3 687 464	3 907 140	1152220	**Operational : Monetary**
1162050	PG GP - Primary Health Care	6 364 541	6 681 903	7 069 466	1162050	**Operational : Monetary**
1162300	PG GP - Recap Comm Libraries Grant	6 750 000	5 820 000	10 470 000	1162300	**Operational : Monetary**
1171020	N-Gov: Expanded Public Works Grt Sch 5b	1 181 000	-	-	1171020	**Operational : Monetary**
1171050	N-Gov: Local Gov Fin Manag Grt Sch 5b	1 550 000	1 550 000	1 550 000	1171050	**Operational : Monetary**
1171360	N-Gov: MIG	1 428 000	1 500 000	1 600 000	1171360	**Operational : Monetary**
1172010	National Revenue Fund: Equitable Share	97 192 000	107 139 000	118 616 000	1172010	**Operational : Monetary**
1173380	Priv Ent: Oth Trf -Old Mutual	-	-	-	1173380	**Operational : Monetary**
1177850	Pub Corp O/Trf: Unspecified	1 851 017	1 450 847	1 558 746	1177850	**Operational : Monetary**
	Capital : Monetary					
1242300	PG GP - Recapital. Comm Libraries Grant	4 300 000	4 380 000	4 530 000	1242300	**Capital : Monetary**
1251010	ND - Municipal Infrastr Grant Sch 5b	29 773 000	30 286 000	31 802 000	1251010	**Capital : Monetary**
1251100	ND - Energy Effic & Demand Side Sch 5b	8 000 000	20 082 000	25 600 000	1251100	**Capital : Monetary**
1251130	ND - Water Serv Infrastructure Grant	15 000 000	15 000 000	15 825 000	1251130	**Capital : Monetary**
1253120	Priv Ent: Oth Trf -Developers Contrib	8 150 000	19 720 000	21 530 000	1253120	**Capital : Monetary**
	Exchange Revenue					
	Service Charges					
1321010	Elec: Con/Recon - Change Circuit Breaker	-	-	-	1321010	**Service Charges**

	Income	2018/2019	2019/2020	2020/2021		
1321030	Elec: Connec New Fees Non-Govern Housing	-	-	-	1321030	**Service Charges**
1321040	Elec: Connec/Recon Disconn/Reconn Fees	6 927 339	7 342 979	7 746 843	1321040	**Service Charges**
1321080	Elec: Meter Reading Fees	9 453	10 020	10 571	1321080	**Service Charges**
1321120	Elec Sales: Commerc Conven Single Phase	27 159 035	29 938 840	27 276 470	1321120	**Service Charges**
1321130	Elec Sales: Commercial Conven 3-Phase	-	-	-	1321130	**Service Charges**
1321140	Elec Sales: Commercial Prepaid	8 000 000	8 588 000	9 219 218	1321140	**Service Charges**
1321160	Elec Sales: Domesti Low Home Light 1 60a	1 000 000	1 073 500	1 152 402	1321160	**Service Charges**
1321170	Elec Sales: Domesti Low Home Light 2 20a	-	-	-	1321170	**Service Charges**
1321190	Elec Sales: Domestic Low: Prepaid	29 738 599	31 291 902	29 518 024	1321190	**Service Charges**
1321200	Elec Sales: Domestic High Home Power 1	50 000 000	53 675 000	57 620 113	1321200	**Service Charges**
1321210	Elec Sales: Domestic High Home Power 2	135 657 965	145 588 191	156 261 330	1321210	**Service Charges**
1321230	Elec Sales: Time Of Use Tariffs	-	-	-	1321230	**Service Charges**
1321250	Elec Sales: Agricultural Medium	3 900 000	4 186 650	4 494 369	1321250	**Service Charges**
1321260	Elec Sales: Industrial 400 Volts (Low)	-	-	-	1321260	**Service Charges**
1321270	Elec Sales: Industr 11 000 Volts (High)	52 491 805	56 349 953	60 491 675	1321270	**Service Charges**
1321310	Elec Sales: Sport/Church/Holiday/Old-Age	320 000	343 520	368 769	1321310	**Service Charges**
1321320	Elec Sales: Street Lighting	8 500 000	9 124 750	9 795 419	1321320	**Service Charges**
1321380	Elec: Availability Charges	-	-	-	1321380	**Service Charges**
1321390	Elec Sales: Industr More Than 11 000 V	30 000 000	32 205 000	34 572 068	1321390	**Service Charges**
1322010	Waste Mangement: Disposal Facilities	3 329 591	3 595 958	3 811 715	1322010	**Service Charges**
1322020	Waste Mangement: Refuse Bags	-	-	-	1322020	**Service Charges**
1322030	Waste Mangement: Refuse Removal	36 773 744	37 322 061	37 024 187	1322030	**Service Charges**
1322040	Waste Mangement: Waste Bins	107 555	116 159	123 129	1322040	**Service Charges**
1322060	Waste Mangement: Skip	2 218 087	2 395 534	2 539 266	1322060	**Service Charges**
1323000	Waste Water Mang: Industrial Effluent	161 026	173 908	184 342	1323000	**Service Charges**
1323020	Waste Water Mang: Sanitation Charges	56 382 211	60 892 788	64 546 355	1323020	**Service Charges**
1323060	Waste Water Mang: Availability Charges	- 14 573 250	- 21 298 938	- 28 470 292	1323060	**Service Charges**
1324000	Water: Connection/Reconnection	-	-	-	1324000	**Service Charges**
1324010	Water: Meter Reading Fees	118 394	125 498	132 400	1324010	**Service Charges**
1324020	Water: Sale - Conventional	188 618 373	208 835 413	230 473 568	1324020	**Service Charges**
1324030	Water: Sale - Prepaid	1 000 000	1 085 000	1 173 970	1324030	**Service Charges**
1324060	Water: Industrial Water	21 131 881	22 928 091	24 808 194	1324060	**Service Charges**
1324070	Water: Availability Charges	- 5 728 625	- 6 215 558	- 6 725 234	1324070	**Service Charges**
	Interest Dividends And Rent On Land					
1341010	Inter: Receiv - Electricity	756 840	802 250	846 374	1341010	**Interest Dividends And Rent On Land**
1341090	Inter: Receiv - Service Charges	77 910	82 585	87 127	1341090	**Interest Dividends And Rent On Land**
1341120	Inter: Receiv - Waste Management	612 150	648 879	684 567	1341120	**Interest Dividends And Rent On Land**
1341130	Inter: Receiv - Waste Water Management	445 200	471 912	497 867	1341130	**Interest Dividends And Rent On Land**
1341140	Inter: Receiv - Water	3 116 400	3 303 384	3 485 070	1341140	**Interest Dividends And Rent On Land**
1341150	Inter: Bank Accounts	-	-	-	1341150	**Interest Dividends And Rent On Land**
1341170	Inter: Short Term Invest & Call Accounts	6 958 900	7 376 434	7 782 138	1341170	**Interest Dividends And Rent On Land**
1341200	Int Div & Rent Land -Int: Rec-Prop Rates	2 520 000	2 520 000	2 520 000	1341200	**Interest Dividends And Rent On Land**
	Operational Revenue					
1380010	Administrative Handling Fees	1 462 239	1 549 972	1 635 220	1380010	**Operational Revenue**
1380011	Dishonoured Cheques	-	-	-	1380011	**Operational Revenue**

	Income	2018/2019	2019/2020	2020/2021		
1380012	Lost Tokens	-	-	-	1380012	**Operational Revenue**
1380013	Membership Fees	-	-	-	1380013	**Operational Revenue**
1380014	Service Charges	-	-	-	1380014	**Operational Revenue**
1380015	Sundry Income	-	-	-	1380015	**Operational Revenue**
1380310	Breakages Recovered	7 159	7 589	8 006	1380310	**Operational Revenue**
1380600	Collection Charges	517 195	548 227	578 379	1380600	**Operational Revenue**
1382400	Incidental Cash Surpluses	4 295	4 553	4 803	1382400	**Operational Revenue**
1385170	Replacement Of Security Cards	-	-	-	1385170	**Operational Revenue**
1385230	Req Info - Plan Printing & Duplicates	53 239	56 433	59 537	1385230	**Operational Revenue**
1385240	Insurance Refund	1 497 144	1 586 973	1 674 257	1385240	**Operational Revenue**
1385250	Sale Of Property	-	-	-	1385250	**Operational Revenue**
1385290	Bursary Refund	-	-	-	1385290	**Operational Revenue**
1385330	Skills Development Levy Refund	500 000	530 000	559 150	1385330	**Operational Revenue**
	Rental From Fixed Assets					
1401100	N-M-R PPE: Ad Hoc-Other Assets	-	-	-	1401100	**Rental From Fixed Assets**
1402870	M-R PPE: S/Line -Other Assets	1 300 000	1 378 000	1 453 790	1402870	**Rental From Fixed Assets**
1403180	M-R PPE: Ad Hoc-Other Assets	-	-	-	1403180	**Rental From Fixed Assets**
	Sales Of Goods And Rendering Of Services					
1420080	Advertisements	50 000	53 000	55 915	1420080	**Sales Of Goods And Rendering Of Services**
1420610	Cemetery & Burial	300 000	318 000	335 490	1420610	**Sales Of Goods And Rendering Of Services**
1420620	Cleaning & Removal	175 000	185 500	195 703	1420620	**Sales Of Goods And Rendering Of Services**
1420910	Development Charges	-	-	-	1420910	**Sales Of Goods And Rendering Of Services**
1421200	Escort Fees	200 000	212 000	223 660	1421200	**Sales Of Goods And Rendering Of Services**
1421210	Entrance Fees	250 000	265 000	279 575	1421210	**Sales Of Goods And Rendering Of Services**
1421500	Fire Services	-	-	-	1421500	**Sales Of Goods And Rendering Of Services**
1423310	Legal Fees	15 000	15 900	16 775	1423310	**Sales Of Goods And Rendering Of Services**
1423330	Library Fees: Membership	-	-	-	1423330	**Sales Of Goods And Rendering Of Services**
1424200	Objections & Appeals	-	-	-	1424200	**Sales Of Goods And Rendering Of Services**
1424510	Photocopies & Faxes	63 713	67 536	71 250	1424510	**Sales Of Goods And Rendering Of Services**
1424540	Plan & Dev: Building Plan Approval	1 996 211	2 115 984	2 232 363	1424540	**Sales Of Goods And Rendering Of Services**
1424560	Plan & Dev: Clearance Certificates	120 000	127 200	134 196	1424560	**Sales Of Goods And Rendering Of Services**
1424590	Plan & Dev: Occupation Certificates	-	-	-	1424590	**Sales Of Goods And Rendering Of Services**
1424610	Plan & Dev: Town Planning & Servitudes	1 821 200	1 930 472	2 036 648	1424610	**Sales Of Goods And Rendering Of Services**
1425510	Sale Of: Publication - Tender Documents	206 486	218 875	230 913	1425510	**Sales Of Goods And Rendering Of Services**
1425520	Sale Of: Valuation Rolls	200	212	224	1425520	**Sales Of Goods And Rendering Of Services**
1425570	Sale Of Scrap Waste & Oth: Scrap	-	-	-	1425570	**Sales Of Goods And Rendering Of Services**
	Licences And Permits					
1482020	Road & Trsp: Activ On Public Roads Fees	40 522	42 953	45 315	1482020	**Licences And Permits**
	TOTAL INCOME	**1 110 301 817**	**1 214 518 867**	**1 302 197 868**		

Expenditure Summary Report: Expenditure per Item

	Expenditure	2018/2019	2019/2020	2020/2021		
	Employee Related Cost					
	Senior Management					
	SM - Salaries Allow And Serv Benefits					
	MM - Salaries Allow And Serv Benefits					
2030050	SM MM: Sal & All - Basic Salary	1 528 642	1 620 361	1 717 583	2030050	**MM - Salaries Allow And Serv Benefits**
2030070	SM MM: Allow - Cellular & Telephone	30 000	31 800	33 708	2030070	**MM - Salaries Allow And Serv Benefits**
2030090	SM MM: Allow - Travel Or Motor Vehicle	144 000	152 640	161 798	2030090	**MM - Salaries Allow And Serv Benefits**
	CFO - Salaries Allow And Serv Benefits					
2030450	SM CFO: Sal & All - Basic Salary	1 254 954	1 330 251	1 410 066	2030450	**CFO - Salaries Allow And Serv Benefits**
2030470	SM CFO: Allow - Cellular & Telephone	24 000	25 440	26 966	2030470	**CFO - Salaries Allow And Serv Benefits**
2030490	SM CFO: Allow - Travel Or Motor Vehicle	144 000	152 640	161 798	2030490	**CFO - Salaries Allow And Serv Benefits**
	DMM - Salaries Allow And Serv Benefits					
2031250	DMM: Sal & All - Basic Salary	1 804 734	1 913 018	2 027 799	2031250	**DMM - Salaries Allow And Serv Benefits**
2031270	DMM: Allow - Cellular & Telephone	24 000	25 440	26 966	2031270	**DMM - Salaries Allow And Serv Benefits**
2031290	DMM: Allow - Travel Or Motor Vehicle	60 000	63 600	67 416	2031290	**DMM - Salaries Allow And Serv Benefits**
	HOD D&P - Salaries Allow And Serv Benefits					
2031650	HOD D&P: Sal & All - Basic Salary	1 058 333	1 121 833	1 189 143	2031650	**HOD D&P - Salaries Allow And Serv Benefits**
2031670	HOD D&P: Allow - Cellular & Telephone	24 000	25 440	26 966	2031670	**HOD D&P - Salaries Allow And Serv Benefits**
2031690	HOD D&P: Allow - Travel Or Motor Vehicle	180 000	190 800	202 248	2031690	**HOD D&P - Salaries Allow And Serv Benefits**
	HOD CS - Salaries Allow And Serv Benefits					
2032050	HOD CS: Sal & All - Basic Salary	1 180 664	1 251 504	1 326 594	2032050	**HOD CS - Salaries Allow And Serv Benefits**
2032070	HOD CS: Allow - Cellular & Telephone	24 000	25 440	26 966	2032070	**HOD CS - Salaries Allow And Serv Benefits**
2032090	HOD CS: Allow - Travel Or Motor Vehicle	216 000	228 960	242 698	2032090	**HOD CS - Salaries Allow And Serv Benefits**
	HOD ES - Salaries Allow And Serv Benefits					
2032850	HOD ES: Sal & All - Basic Salary	1 254 039	1 329 281	1 409 038	2032850	**HOD ES - Salaries Allow And Serv Benefits**
2032870	HOD ES: Allow - Cellular & Telephone	24 000	25 440	26 966	2032870	**HOD ES - Salaries Allow And Serv Benefits**
2032890	HOD ES: Allow - Travel Or Motor Vehicle	156 000	165 360	175 282	2032890	**HOD ES - Salaries Allow And Serv Benefits**
	SM - Social Contributions					
	MM - Social Contributions					
2050210	SM MM: Soc Contr: Medical	40 281	42 698	45 260	2050210	**MM - Social Contributions**
2050220	SM MM: Soc Contr: Pension Funds	226 111	239 678	254 059	2050220	**MM - Social Contributions**
2050230	SM MM: Soc Contr: Uif	1 893	2 007	2 127	2050230	**MM - Social Contributions**
2050240	SM MM: Soc Contr: Bargaining Council	93	98	104	2050240	**MM - Social Contributions**
	CFO - Social Contributions					
2050620	SM CFO: Soc Contr: Pension Funds	268 646	284 765	301 851	2050620	**CFO - Social Contributions**
2050630	SM CFO: Soc Contr: Uif	1 893	2 007	2 127	2050630	**CFO - Social Contributions**
2050640	SM CFO: Soc Contr: Bargaining Council	93	98	104	2050640	**CFO - Social Contributions**
	DPS - Social Contributions					
2051430	DMM: Soc Contr: Uif	1 893	2 007	2 127	2051430	**DPS - Social Contributions**
2051440	DMM: Soc Contr: Bargaining Council	93	98	104	2051440	**DPS - Social Contributions**
	DCH - Social Contributions					
2051820	HOD D&P: Soc Contr: Pension Funds	159 489	169 058	179 201	2051820	**DCH - Social Contributions**
2051830	HOD D&P: Soc Contr: Uif	1 893	2 007	2 127	2051830	**DCH - Social Contributions**

	Expenditure	2018/2019	2019/2020	2020/2021	
2051840	HOD D&P: Soc Contr: Bargaining Council	93	98	104	2051840 **DCH - Social Contributions**
	DSC - Social Contributions				
2052210	HOD CS: Soc Contr: Medical	21 685	22 986	24 365	2052210 **DSC - Social Contributions**
2052220	HOD CS: Soc Contr: Pension Funds	249 057	264 000	279 840	2052220 **DSC - Social Contributions**
2052230	HOD CS: Soc Contr: Uif	1 893	2 007	2 127	2052230 **DSC - Social Contributions**
2052240	HOD CS: Soc Contr: Bargaining Council	93	98	104	2052240 **DSC - Social Contributions**
	D06 - Social Contributions				
2053020	HOD ES: Soc Contr: Pension Funds	257 450	272 897	289 271	2053020 **D06 - Social Contributions**
2053030	HOD ES: Soc Contr: Uif	1 893	2 007	2 127	2053030 **D06 - Social Contributions**
2053040	HOD ES: Soc Contr: Bargaining Council	93	98	104	2053040 **D06 - Social Contributions**
	Municipal Staff				
	MS - Salaries Allow And Serv Benefits				
2110010	MS: Sal & All: Basic Salary & Wages	175 430 884	185 956 738	197 114 141	2110010 **MS - Salaries Allow And Serv Benefits**
2110100	MS: Sal & All: Performance Based Bonuses	-	-	-	2110100 **MS - Salaries Allow And Serv Benefits**
2110220	MS: All - Cellular & Telephone	1 627 200	1 724 832	1 828 321	2110220 **MS - Salaries Allow And Serv Benefits**
2110260	MS: Hb & Inc: Housing Benefits	1 992 000	2 111 520	2 238 210	2110260 **MS - Salaries Allow And Serv Benefits**
2110320	MS: All - Leave Pay	1 603 841	1 700 074	1 802 080	2110320 **MS - Salaries Allow And Serv Benefits**
2110340	MS: All - Travel Or Motor Vehicle	11 067 000	11 731 020	12 434 881	2110340 **MS - Salaries Allow And Serv Benefits**
2110360	MS: Overtime - Non Structured	12 440 000	13 186 400	13 977 584	2110360 **MS - Salaries Allow And Serv Benefits**
2110400	MS: Payments - Shift Add Remuneration	2 600 000	2 756 000	2 921 360	2110400 **MS - Salaries Allow And Serv Benefits**
2110440	MS: SRB - Acting Allowance	933 815	989 843	1 049 233	2110440 **MS - Salaries Allow And Serv Benefits**
2110460	MS: SRB - Annual Bonus	13 498 647	14 308 563	15 167 076	2110460 **MS - Salaries Allow And Serv Benefits**
2110500	MS: SRB - Long Service Award	-	-	-	2110500 **MS - Salaries Allow And Serv Benefits**
2110560	MS: SRB - Standby Allowance	3 895 000	4 128 700	4 376 422	2110560 **MS - Salaries Allow And Serv Benefits**
	MS - Social Contributions				
2130010	MS: Soc Contr - Bargaining Council	84 015	89 055	94 398	2130010 **MS - Social Contributions**
2130100	MS: Soc Contr - Group Life Insurance	209 385	221 946	235 265	2130100 **MS - Social Contributions**
2130200	MS: Soc Contr - Medical	16 311 200	17 289 872	18 327 265	2130200 **MS - Social Contributions**
2130300	MS: Soc Contr - Pension	34 550 951	36 624 009	38 821 447	2130300 **MS - Social Contributions**
2130400	MS: Soc Contr - Unemployment Insur Fund	1 482 577	1 571 534	1 665 830	2130400 **MS - Social Contributions**
2140020	MS: Soc Contr - Medical (Post retirement)	500 000	530 000	561 800	2140020 **MS - Social Contributions**
	Remuneration Of Councillors				
	Roc - Allowances & Serv Related Benefits				
	Speaker - Allowances & Srb				
2210050	Speaker: Travelling Allowance	176 852	187 463	198 711	2210050 **MS - Social Contributions**
2210100	Speaker: Basic Salary	530 556	562 389	596 132	2210100 **MS - Social Contributions**
2210120	Speaker: Cell Phone Allowance	47 508	50 358	53 379	2210120 **MS - Social Contributions**
	Whip - Allowances & Srb				
2210350	Whip: Travelling Allowance	92 494	98 044	103 927	2210350 **Whip - Allowances & Srb**
2210400	Whip: Basic Salary	277 483	294 132	311 780	2210400 **Whip - Allowances & Srb**
2210420	Whip: Cell Phone Allowance	47 508	50 358	53 379	2210420 **Whip - Allowances & Srb**
	Exec Mayor - Allowances & Srb				
2210650	Exec Mayor: Travelling Allowance	221 066	234 330	248 390	2210650 **Whip - Allowances & Srb**
2210700	Exec Mayor: Basic Salary	663 197	702 989	745 168	2210700 **Whip - Allowances & Srb**
2210720	Exec Mayor: Cell Phone Allowance	47 508	50 358	53 379	2210720 **Whip - Allowances & Srb**

	Expenditure	2018/2019	2019/2020	2020/2021		
	Exco - Allowances & Srb					
2211250	Exco: Travelling Allowance	828 997	878 737	931 461	2211250	**Exco - Allowances & Srb**
2211300	Exco: Basic Salary	2 486 992	2 636 211	2 794 384	2211300	**Exco - Allowances & Srb**
2211320	Exco: Cell Phone Allowance	237 540	251 792	266 900	2211320	**Exco - Allowances & Srb**
	Other Council - Allowances & Srb					
2211550	Oth Council: Travelling Allowance	1 433 542	1 519 554	1 610 727	2211550	**Other Council - Allowances & Srb**
2211600	Oth Council: Basic Salary	4 300 626	4 558 663	4 832 183	2211600	**Other Council - Allowances & Srb**
2211620	Oth Council: Cell Phone Allowance	997 668	1 057 528	1 120 980	2211620	**Other Council - Allowances & Srb**
	Contracted Services					
	Outsource Services					
2260300	OS: Burial Services	1 078 131	1 115 865	1 177 238	2260300	**Outsource Services**
2260360	OS: B&A Occupational Health & Safety	642 382	652 445	688 329	2260360	**Outsource Services**
2260420	OS: B&A Valuer	1 780 000	1 051 750	1 109 596	2260420	**Outsource Services**
2260600	OS: Catering Services	876 059	872 077	934 886	2260600	**Outsource Services**
2260601	OS: Catering Services - Munic Activities	30 000	-	-	2260601	**Outsource Services**
2260602	OS: Catering Services - Training	-	-	-	2260602	**Outsource Services**
2260610	OS: Call Centre	2 246 581	2 325 211	2 453 097	2260610	**Outsource Services**
2260620	OS: Cleaning Services	-	92 589	97 681	2260620	**Outsource Services**
2260630	OS: Clearing & Grass Cutting Services	4 703 687	4 868 317	5 136 075	2260630	**Outsource Services**
2261200	OS: Electrical	996	1 031	1 088	2261200	**Outsource Services**
2262100	OS: Hygiene Services	1 284 986	1 125 620	1 187 531	2262100	**Outsource Services**
2262410	OS: Illegal Dumping	587 408	742 517	783 355	2262410	**Outsource Services**
2263300	OS: Litter Picking & Street Cleaning	639 458	-	-	2263300	**Outsource Services**
2263610	OS: Meter Management	500 000	517 500	545 963	2263610	**Outsource Services**
2264500	OS: Personnel & Labour	4 659 067	4 666 884	4 923 562	2264500	**Outsource Services**
2265110	OS: Connect/Dis-Connection: Electicity	2 041 696	2 113 155	2 229 379	2265110	**Outsource Services**
2265120	OS: Con/Discon: Restricted Water Flow	-	-	-	2265120	**Outsource Services**
2265130	OS: Connect/Disconnection: Water	8 238 798	8 527 156	8 996 150	2265130	**Outsource Services**
2265140	OS: Refuse Removal	800	435 528	459 482	2265140	**Outsource Services**
2265150	OS: Removal Of Struct & Illegal Signs	1 500 000	1 552 500	1 637 888	2265150	**Outsource Services**
2265400	OS: Security Services	10 821 309	11 200 054	11 816 058	2265400	**Outsource Services**
2265710	OS: Traffic Fines Management	5 945 705	6 153 805	6 492 264	2265710	**Outsource Services**
2265720	OS: Transport Services	34 686	-	-	2265720	**Outsource Services**
	Consultants And Professional Services					
2270300	C&PS: B&A Accountants & Auditors	1 583 581	1 639 007	1 729 153	2270300	**Consultants And Professional Services**
2270301	C&PS: B&A Audit Sitting Allowance	-	-	-	2270301	**Consultants And Professional Services**
2270302	C&PS: B&A Internal Audit	-	-	-	2270302	**Consultants And Professional Services**
2270340	C&PS: B&A Business & Fin Management	6 774 594	7 011 704	7 397 348	2270340	**Consultants And Professional Services**
2270360	C&PS: B&A Communications	300 000	310 500	327 578	2270360	**Consultants And Professional Services**
2270370	C&PS: B&A Human Resources	1 425 996	1 475 906	1 557 082	2270370	**Consultants And Professional Services**
2270380	C&PS: B&A Medical Examinations	64 349	66 600	70 262	2270380	**Consultants And Professional Services**
2270410	C&PS: B&A Project Management	1 000 000	1 035 000	1 091 925	2270410	**Consultants And Professional Services**
2270420	C&PS: B&A Research & Advisory	800 000	828 000	873 541	2270420	**Consultants And Professional Services**
2270460	C&PS: B&A Forensic Investigators	500 000	517 500	545 963	2270460	**Consultants And Professional Services**
2270470	C&PS: B&A Credit Rating Agencies	60 000	62 100	65 516	2270470	**Consultants And Professional Services**

	Expenditure	2018/2019	2019/2020	2020/2021		
2270480	C&PS: B&A Actuaries	120 210	124 417	131 260	2270480	**Consultants And Professional Services**
2272460	C&PS: I&P Engineering Civil	-	-	-	2272460	**Consultants And Professional Services**
2272470	C&PS: I&P Engineering Electrical	858 564	888 613	937 487	2272470	**Consultants And Professional Services**
2272530	C&PS: I&P Geodetic Control & Surveys	200 000	207 000	218 385	2272530	**Consultants And Professional Services**
2272540	C&PS: I&P Geoinformatic Services	1 100 000	1 138 500	1 201 118	2272540	**Consultants And Professional Services**
2272580	C&PS: I&P Town Planner	1 000 000	1 035 000	1 091 925	2272580	**Consultants And Professional Services**
2273300	C&PS: Lab Serv Agriculture	2 991	3 096	3 266	2273300	**Consultants And Professional Services**
2273340	C&PS: Legal Cost Advice & Litigation	6 925 512	7 167 905	7 562 139	2273340	**Consultants And Professional Services**
2273360	C&PS: Legal Cost Collection	1 105 738	1 144 439	1 207 383	2273360	**Consultants And Professional Services**
	Contractors					
2280030	Contr: Artists & Performers	305 537	305 881	322 705	2280030	**Contractors**
2280040	Contr: Auctioneers	-	-	-	2280040	**Contractors**
2280050	Contr: Audio-Visual Services	20 000	20 700	21 838	2280050	**Contractors**
2280610	Contr: Catering Services	322 000	279 450	294 820	2280610	**Contractors**
2281210	Contr: Employee Wellness	24 890	25 761	27 177	2281210	**Contractors**
2281500	Contr: First Aid	-	-	-	2281500	**Contractors**
2281520	Contr: Fire Services	15 000	15 525	16 379	2281520	**Contractors**
2283600	Contr: Maint Of Buildings & Facilities	24 576 106	25 177 519	26 562 284	2283600	**Contractors**
2283610	Contr: Maintenance Of Equipment	906 676	1 119 210	1 180 766	2283610	**Contractors**
2283620	Contr: Maintenance Of Unspecified Assets	30 733 940	31 807 559	33 556 977	2283620	**Contractors**
228362F	Contr: Maintenance Fleet	5 705 986	5 900 520	6 225 055	228362F	**Contractors**
2283640	Contr: Medical Services	34 000	35 190	37 125	2283640	**Contractors**
2284500	Contr: Pest Control & Fumigation	95 172	98 503	103 921	2284500	**Contractors**
2285400	Contr: Safeguard & Security	85 000	87 975	92 814	2285400	**Contractors**
2285420	Contr: Sports & Recreation	48 455	50 151	52 909	2285420	**Contractors**
2285430	Contr: Stage & Sound Crew	260 000	269 100	283 900	2285430	**Contractors**
2285700	Contr: Tracing Agents & Debt Collectors	931 746	964 357	1 017 397	2285700	**Contractors**
2285750	Contr: Transportation Contractor	243 310	251 827	265 678	2285750	**Contractors**
	Operational Cost					
2300010	OC: Achievements & Awards	61 833	63 997	67 517	2300010	**Operational Cost**
2300100	OC: Adv/Pub/Mark - Auctions	50 000	51 750	54 596	2300100	**Operational Cost**
2300120	OC: Adv/Pub/Mark - Corp & Mun Activities	1 122 285	1 448 261	1 527 918	2300120	**Operational Cost**
2300121	OC: Corporate & Municipal Activities	34 562	35 772	37 740	2300121	**Operational Cost**
2300122	OC: Mayoral Donations	5 974	6 183	6 523	2300122	**Operational Cost**
2300123	OC: Nutritional Care	22 644	23 436	24 725	2300123	**Operational Cost**
2300124	OC: Services Charges	694 433	718 738	758 269	2300124	**Operational Cost**
2300125	OC: SOCial Services Programme	-	-	-	2300125	**Operational Cost**
2300130	OC: Adv/Pub/Mark - Customer/Client Info	1 632 433	1 689 568	1 782 494	2300130	**Operational Cost**
2300140	OC: Adv/Pub/Mark - Gifts & Promo Items	45 191	26 073	27 508	2300140	**Operational Cost**
2300150	OC: Adv/Pub/Mark - Municipal Newsletters	16 000	16 560	17 471	2300150	**Operational Cost**
2300162	OC: Adv/Pub/Mark - Sings - Branding	-	-	-	2300162	**Operational Cost**
2300170	OC: Adv/Pub/Mark - Staff Recruitment	425 332	440 219	464 431	2300170	**Operational Cost**
2300190	OC: Assets Less Than Capital Threshold	1 660 550	1 716 601	1 811 017	2300190	**Operational Cost**
2300200	OC: Audit Cost: External	2 965 582	3 069 377	3 238 193	2300200	**Operational Cost**
2300400	OC: Bc/Fac/C Fees - Bank Accounts	1 379 425	1 427 705	1 506 229	2300400	**Operational Cost**

	Expenditure	2018/2019	2019/2020	2020/2021		
2300410	OC: Bc/Fac/C Fees - Third Parties	-	-	-	2300410	**Operational Cost**
2300420	OC: Bc/Fac/C Fees - Flt&Oth Ct/Dt Cards	-	-	-	2300420	**Operational Cost**
2300430	OC: Bc/Fac/C Fees - Investments	-	-	-	2300430	**Operational Cost**
2300440	OC: Bc/Fac/C Fees - Lease Payments	-	-	-	2300440	**Operational Cost**
2300450	OC: Bc/Fac/C Fees - Lng/Shrt Loans/Bor	-	-	-	2300450	**Operational Cost**
2300460	OC: Bargaining Council	2 415 440	2 499 980	2 637 479	2300460	**Operational Cost**
2300490	OC: Bursaries (Employees)	433 346	448 513	473 182	2300490	**Operational Cost**
2300710	OC: Clean Serv - Car Valet/Washing Serv	19 000	10 350	10 919	2300710	**Operational Cost**
2300900	OC: Commission - Third Party Vendors	800 000	828 000	873 540	2300900	**Operational Cost**
2300910	OC: Commission - Prepaid Electricity	-	-	-	2300910	**Operational Cost**
2300930	OC: Courier & Delivery Services	259 800	268 893	283 682	2300930	**Operational Cost**
2301110	OC: Comm - Licences (Radio & Television)	105 164	105 345	105 639	2301110	**Operational Cost**
2301120	OC: Comm - Postage/Stamps/Franking Mach	638 582	660 933	697 284	2301120	**Operational Cost**
2301130	OC: Comm - Radio & Tv Transmissions	100 000	103 500	109 193	2301130	**Operational Cost**
2301140	OC: Comm - Rent Private Bag & Postal Box	-	-	-	2301140	**Operational Cost**
2301150	OC: Comm - Satellite Signals	-	-	-	2301150	**Operational Cost**
2301160	OC: Comm - Sms Bulk Message Service	-	-	-	2301160	**Operational Cost**
2301170	OC: Comm - Phone Fax Telegraph & Telex	1 338 715	1 373 150	1 448 671	2301170	**Operational Cost**
2301420	OC: Contr To Prov - Rehab Landfill Sites	3 372 566	3 490 606	3 682 589	2301420	**Operational Cost**
2301600	OC: Entertainment - Mayor	2 000	2 000	2 000	2301600	**Operational Cost**
2301610	OC: Entertainment - Councillors	12 000	12 000	12 000	2301610	**Operational Cost**
2301620	OC: Entertainment - Senior Management	12 000	12 000	12 000	2301620	**Operational Cost**
2301700	OC: Ext Com Serv Prov - Data Lines	380 000	393 300	414 931	2301700	**Operational Cost**
2301750	OC: Ext Com Serv Prov - Network Extens	90 000	93 150	98 273	2301750	**Operational Cost**
2301780	OC: Ext Com Serv Prov - S/Ware Licences	3 134 505	3 192 463	3 368 050	2301780	**Operational Cost**
2301790	OC: Ext Com Serv Prov - Spec Comput Serv	3 284 114	3 399 057	3 586 005	2301790	**Operational Cost**
2301800	OC: Ext Com Serv Prov - System Adviser	750 000	776 250	818 944	2301800	**Operational Cost**
2301820	OC: Ext Com Serv Prov - Wireless Network	360 000	372 600	393 093	2301820	**Operational Cost**
2301870	OC: Hire Charges	8 301 242	11 922 426	12 578 162	2301870	**Operational Cost**
2301871	OC: Hire Charges - Copiers	2 963 874	-	-	2301871	**Operational Cost**
2301880	OC: Fine Road Traffic & Others	-	-	-	2301880	**Operational Cost**
2302410	OC: Insur Under - Claim Paid 3rd Parties	-	-	-	2302410	**Operational Cost**
2302420	OC: Insur Under - Insurance Brokers Fees	-	-	-	2302420	**Operational Cost**
2302430	OC: Insur Under - Insurance Claims	-	-	-	2302430	**Operational Cost**
2302440	OC: Insur Under - Excess Payments	297 003	307 398	324 305	2302440	**Operational Cost**
230244F	OC: Insur Under - Excess Payments Fleet	-	-	-	230244F	**Operational Cost**
2302450	OC: Insur Under - Risk Man Programs	-	-	-	2302450	**Operational Cost**
2302460	OC: Insur Under - Premiums	3 298 605	3 414 056	3 601 829	2302460	**Operational Cost**
2303330	OC: Lic - Vehicle Lic & Registrations	921 609	953 865	1 006 325	2303330	**Operational Cost**
230333F	OC: Lic - Vehicle Lic & Registr Fleet	7 491	7 753	8 180	230333F	**Operational Cost**
2304510	OC: Printing & Publications	297 192	311 754	327 305	2304510	**Operational Cost**
2304511	OC: Printing & Publications: Flyers	-	-	-	2304511	**Operational Cost**
2304520	OC: Professional Bodies M/Ship & Subs	141 668	146 626	154 690	2304520	**Operational Cost**
2304521	OC: Training - Internship	87 220	90 273	95 238	2304521	**Operational Cost**
2304522	OC: Membership Fees	3 137	3 247	3 426	2304522	**Operational Cost**

	Expenditure	2018/2019	2019/2020	2020/2021		
2305110	OC: Reg Fees National	597 229	618 131	652 127	2305110	**Operational Cost**
2305130	OC: Remuneration To Ward Committees	805 148	833 328	879 161	2305130	**Operational Cost**
230516F	OC: Road Worthy Test Fleet	-	-	-	230516F	**Operational Cost**
2305400	OC: System Access & Information Fees	114 050	118 042	124 534	2305400	**Operational Cost**
2305410	OC: Skills Development Fund Levy	2 435 003	2 491 725	2 578 934	2305410	**Operational Cost**
2305420	OC: Search Fees	-	-	-	2305420	**Operational Cost**
2305470	OC: Small Differences Tolerances	-	-	-	2305470	**Operational Cost**
2305720	OC: Toll Gate Fees	81 053	83 890	88 504	2305720	**Operational Cost**
230572F	OC: Toll Gate Fees Fleet	-	-	-	230572F	**Operational Cost**
2305760	OC: T&S Dom - Accommodation	327 084	338 532	357 152	2305760	**Operational Cost**
2305761	OC: Accommodation: DA	59 500	59 500	59 500	2305761	**Operational Cost**
2305762	OC: Accommodation: ANC	31 500	31 500	31 500	2305762	**Operational Cost**
2305763	OC: Accommodation: EFF	3 500	3 500	3 500	2305763	**Operational Cost**
2305764	OC: Accommodation: FF	7 000	7 000	7 000	2305764	**Operational Cost**
2305771	OC: Daily Allowance: DA	17 000	17 000	17 000	2305771	**Operational Cost**
2305772	OC: Daily Allowance: ANC	9 000	9 000	9 000	2305772	**Operational Cost**
2305773	OC: Daily Allowance: EFF	1 000	1 000	1 000	2305773	**Operational Cost**
2305774	OC: Daily Allowance: FF	2 000	2 000	2 000	2305774	**Operational Cost**
2305791	OC: Incidental Cost: DA	3 400	3 400	3 400	2305791	**Operational Cost**
2305792	OC: Incidental Cost: ANC	1 800	1 800	1 800	2305792	**Operational Cost**
2305793	OC: Incidental Cost: EFF	200	200	200	2305793	**Operational Cost**
2305794	OC: Incidental Cost: FF	400	400	400	2305794	**Operational Cost**
2305801	OC: Without opr car rental: DA	30 600	30 600	30 600	2305801	**Operational Cost**
2305802	OC: Without opr car rental: ANC	16 200	16 200	16 200	2305802	**Operational Cost**
2305803	OC: Without opr car rental: EFF	1 800	1 800	1 800	2305803	**Operational Cost**
2305804	OC: Without opr car rental: FF	3 600	3 600	3 600	2305804	**Operational Cost**
2305831	OC: Air Transport: DA	59 500	59 500	59 500	2305831	**Operational Cost**
2305832	OC: Air Transport: ANC	31 500	31 500	31 500	2305832	**Operational Cost**
2305833	OC: Air Transport: EFF	3 500	3 500	3 500	2305833	**Operational Cost**
2305834	OC: Air Transport: FF	7 000	7 000	7 000	2305834	**Operational Cost**
2305770	OC: T&S Dom - Daily Allowance	116 892	120 983	127 638	2305770	**Operational Cost**
2305790	OC: T&S Dom - Incidental Cost	-	-	-	2305790	**Operational Cost**
2305800	OC: T&S Dom Trp - Without Opr Car Rental	207 177	214 429	226 222	2305800	**Operational Cost**
2305810	OC: T&S Dom Trp - W/Out Opr Own Transprt	-	-	-	2305810	**Operational Cost**
2305830	OC: T&S Dom Pub Trp - Air Transport	298 487	308 934	325 924	2305830	**Operational Cost**
2305870	OC: T&S Foreign - Accommodation	80 000	82 800	87 354	2305870	**Operational Cost**
2305880	OC: T&S Foreign - Daily Allowance	60 000	62 100	65 516	2305880	**Operational Cost**
2305900	OC: T&S Foreign - Incidental Cost	-	-	-	2305900	**Operational Cost**
2305910	OC: T&S Foreign Trp - No Opr Car Rental	-	-	-	2305910	**Operational Cost**
2305920	OC: T&S Foreign Trp - With Orp Trp Prov	20 000	20 700	21 838	2305920	**Operational Cost**
2305930	OC: T&S Foreign Pub Trp - Air Transport	160 000	165 600	174 708	2305930	**Operational Cost**
2305940	OC: T&S Foreign Pub Trp - Railway Trans	-	-	-	2305940	**Operational Cost**
2305950	OC: T&S Foreign Pub Trp - Road Transp	-	-	-	2305950	**Operational Cost**
2305960	OC: T&S Foreign Pub Trp - Water Transp	-	-	-	2305960	**Operational Cost**
2306100	OC: Uniform & Protective Clothing	2 846 261	2 927 709	3 082 133	2306100	**Operational Cost**

	Expenditure	2018/2019	2019/2020	2020/2021		
2306300	OC: Vehicle Tracking	709 072	733 890	774 253	2306300	**Operational Cost**
230630F	OC: Vehicle Tracking Fleet	-	-	-	230630F	**Operational Cost**
2306620	OC: Workmen's Compensation Fund	893 512	924 785	975 648	2306620	**Operational Cost**
2307020	OC: Indigent Relief	911 849	943 764	995 671	2307020	**Operational Cost**
	Inventory					
232060F	Inventory - Consumable Stores -Std Rated Fleet	414 754	429 274	452 885	232060F	**Inventory**
232061F	Inventory - Consumabl Stores -Zero Rated Fleet	7 339 745	7 610 714	8 029 304	232061F	**Inventory**
2323600	Inventory - Materials & Supplies	4 341 188	4 930 416	5 201 590	2323600	**Inventory**
2323601	Inventory - Stationery	902 003	703 493	742 187	2323601	**Inventory**
2323602	Inventory - Stationery (Cartridges)	70 000	20 700	21 839	2323602	**Inventory**
2323603	Inventory - Computer Requirements	555 289	574 722	606 332	2323603	**Inventory**
232360F	Inventory - Materials & Supplies Fleet	15 000	15 525	16 379	232360F	**Inventory**
	Bulk Purchases					
2340010	Escom	252 565 802	270 667 676	291 527 414	2340010	**Bulk Purchases**
2340250	Bulk Water Purchases	120 647 660	133 379 520	149 488 014	2340250	**Bulk Purchases**
	Interest Dividends And Rent On Land					
2362420	Int Paid Bor: Annuity Loans	18 035 835	18 911 064	19 497 832	2362420	**Interest Dividends And Rent On Land**
2362540	Int Paid Bor: Financial Leases	7 907 618	8 950 766	4 086 298	2362540	**Interest Dividends And Rent On Land**
	Operating Leases					
238570F	Opr Leases: Transport Assets Fleet	-	-	-	238570F	**Operating Leases**
	Bad Debts Written Off					
2400010	Bad Debts Written Off	87 815 258	93 634 867	99 087 417	2400010	**Bad Debts Written Off**
	Transfers And Subsidies					
	Operational : Monetary					
2593120	Priv Ent: Oth Trf-Mayors' Charity	286 520	296 548	312 858	2593120	**Operational : Monetary**
	Capital : Allocations In Kind					
2616270	Nat Dpt Agen - Special Investigation Uni	-	-	-	2616270	**Capital : Allocations In Kind**
	Capital : Monetary					
2693170	Priv Ent: Oth Trf - Developers Contr	-	-	-	2693170	**Capital : Monetary**
	Depreciation & Amortisation					
2720600	Dep & Amor: Dep Computer Equipment	940 538	973 458	1 026 999	2720600	**Depreciation & Amortisation**
2720040	Dep & Amor: Intan. Assets C/Softw & Apll	-	-	-	2720040	**Depreciation & Amortisation**
2721500	Dep & Amor: Dep Furniture & Office Equip	591 418	612 119	645 787	2721500	**Depreciation & Amortisation**
2722410	Dep & Amor: Dep Infra - Electricity	53 825 089	55 708 967	58 772 960	2722410	**Depreciation & Amortisation**
2722600	Dep Infra: Waste Management	-	-	-	2722600	**Depreciation & Amortisation**
2722620	Dep Infra: Water	6 294 377	6 514 679	6 872 987	2722620	**Depreciation & Amortisation**
2722630	Dep Infra: Waste Water Management	9 416 589	9 746 171	10 282 211	2722630	**Depreciation & Amortisation**
2723310	Dep & Amor: Libraries	448 434	464 128	489 656	2723310	**Depreciation & Amortisation**
2723600	Dep & Amor: Machinery & Equipment	-	-	-	2723600	**Depreciation & Amortisation**
2725700	Dep & Amor: Transport Assets	-	-	-	2725700	**Depreciation & Amortisation**
2727550	Dep & Amor: Roads Infrastructure	30 300 510	31 361 028	33 085 885	2727550	**Depreciation & Amortisation**
2727750	Dep & Amor: Community Assets	118 999	123 163	129 937	2727750	**Depreciation & Amortisation**
2727800	Dep & Amor: Other Assets	15 308 146	15 843 929	16 715 344	2727800	**Depreciation & Amortisation**
	TOTAL EXPENDITURE	**1 109 759 258**	**1 176 805 488**	**1 252 297 122**		

Expenditure Summary Report: Capital per Item

Vote Number	Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021	MTREF
01106400320FPG53ZZHO	Corporate Services	External Loans	Acquisition of Land / Servitudes (Ophir)	-	1 500 000	1 500 000	3 000 000
01106460020F5C12ZZHO	Corporate Services	CRR	Airconditioners (records section)	-	15 000	-	15 000
01106460020F5G04ZZHO	Corporate Services	CRR	Disaster recovery equipment (records)	10 000	-	-	10 000
01106460020F5G08ZZHO	Corporate Services	CRR	Furniture & Equipment	30 000	30 000	30 000	90 000
01106600420F4D84ZZWM	Corporate Services	HP	Vehicle replacement	-	200 000	200 000	400 000
01206600420F4D22ZZHO	Council	HP	Replacement of a Speaker's vehicle	-	400 000	-	400 000
01456600420F4D07ZZHO	Council	HP	Pool vehicle	-	-	350 000	350 000
01456600420F4D32ZZHO	Council	HP	Replacement of vehicle	-	700 000	-	700 000
01106460020F5G28ZZHO	Corporate Services	CRR	Recording equipment	50 000	-	-	50 000
01356460020F5C63ZZHO	Corporate Services	CRR	IT Networks and servers	800 000	1 350 000	1 350 000	3 500 000
02056460020F5C49ZZHO	Finance	CRR	Furniture and Equipment	30 000	30 000	30 000	90 000
02106460020F5C84ZZHO	Finance	CRR	Minor capital items (previously non-capital)	10 000	10 000	10 000	30 000
02156456020F5G42ZZHO	Finance	CRR	Shelves for stores	50 000	-	-	50 000
02156460020F5G36ZZHO	Finance	CRR	Cable stand	39 000	-	-	39 000
03056460020F5C50ZZHO	Development & Planning	CRR	Furniture and Equipment new	10 000	10 000	10 000	30 000
03056460020F5C84ZZHO	Development & Planning	CRR	Minor capital items (previously non-capital)	10 000	10 000	10 000	30 000
05056460020FKD46ZZWM	Community Services	DAC Grant	Server - Meyerton Library	150 000	-	-	150 000
05056460020LBG19ZZ14	Community Services	DAC Grant	Meyerton Library furniture	100 000	-	-	100 000
05406474020F5G05ZZHO	Community Services	CRR	Steel Carpots – De deur	-	100 000	-	100 000
05406600420F4G06ZZHO	Community Services	HP	16 Seater Kombi	-	-	400 000	400 000
05406600420F4G10ZZHO	Community Services	HP	LDV	-	350 000	-	350 000
07056600420F4G10ZZWM	Community Services	HP	LDV	-	300 000	300 000	600 000
05056460020LBG30ZZ14	Community Services	DAC Grant	RFID security system-Meyerton	1 400 000	1 000 000	1 000 000	3 400 000
05056475020FKC81ZZ14	Community Services	DAC Grant	Meyerton Library Books (DAC)	450 000	250 000	300 000	1 000 000
05056600420LBG14ZZWM	Community Services	DAC Grant	Vehicle	450 000	-	-	450 000
05106473520LBG55ZZ15	Community Services	DAC Grant	Refurbishment of Library - HOK Library	400 000	-	-	400 000
08056420420F4D79ZZWM	Community Services	HP	Tractors (Replacement)	-	550 000	550 000	1 100 000
05106475020FKC56ZZ15	Community Services	DAC Grant	HOK Library Books (DAC)	150 000	150 000	200 000	500 000
08056420420F5C87ZZWM	Community Services	CRR	Chain Powered Roller Shutter door Tractor Storeroom	-	100 000	-	100 000
05156475020FKC30ZZ11	Community Services	DAC Grant	De Deur Library Books (DAC)	150 000	150 000	200 000	500 000
05206475020FKD14ZZ04	Community Services	DAC Grant	Randvaal Library Books (DAC)	150 000	150 000	200 000	500 000
05256475020FKD55ZZ10	Community Services	DAC Grant	Sicelo Library Books (DAC)	250 000	250 000	300 000	800 000
08056460020F5C19ZZWM	Community Services	CRR	Carport Roof Renovations at depot	-	100 000	-	100 000
08056460020F5C43ZZWM	Community Services	CRR	Extension Tractor Garage 100 m²	-	-	250 000	250 000
08056474020F5G15ZZWM	Community Services	CRR	2x Store rooms for flameable materials (depot)	-	100 000	-	100 000
08056600420F4C32ZZWM	Community Services	HP	Double Cab Tipper Truck (Replacement)	-	500 000	-	500 000
08056600420F4G13ZZWM	Community Services	HP	LDV's (new)	-	-	840 000	840 000
08156473520FGC99ZZWM	Community Services	MIG	Other Sports Projects	-	500 000	2 500 000	3 000 000
10056449420F5D01ZZWM	Engineering	CRR	Palisade Security Fence (Depot)	-	400 000	400 000	800 000
10056449420FGD33ZZWM	Engineering	MIG	Extension To Henley On Klip Sewer	-	800 000	-	800 000
10056449420FGD82ZZWM	Engineering	MIG	Upgrade Sewage Network	-	-	6 000 000	6 000 000
10056449420FGR30ZZ04	Engineering	MIG	Extension Daleside Sewer	-	3 000 000	5 000 000	8 000 000
05306460020LBG41ZZ06	Community Services	DAC Grant	Lakeside Library Children section furniture	100 000	-	-	100 000
05306475020FKC67ZZ06	Community Services	DAC Grant	Lakeside Library Books (DAC)	250 000	250 000	300 000	800 000
10056449420FNG18ZZWM	Engineering	Water Service Infrastructure G	Refurbishment of pumpstations	-	1 300 000	1 300 000	2 600 000
10056449420FPD33ZZWM	Engineering	External Loans	Extension To Henley On Klip Sewer	-	800 000	-	800 000
05356475020LBR43ZZ01	Community Services	DAC Grant	Bantu bonke library books (DAC)	300 000	300 000	200 000	800 000
10056456420F5D65ZZWM	Engineering	CRR	Standby Generator	-	400 000	-	400 000
05406460020F5C47ZZHO	Community Services	CRR	Furniture & Equipment	30 000	30 000	30 000	90 000
11056472420FPD20ZZWM	Engineering	External Loans	Remedial work to Iffley Road Bridge - HOK (Kidson Bridge)	-	1 000 000	1 000 000	2 000 000
11056472420FPG20ZZWM	Engineering	External Loans	Substations	-	-	7 000 000	7 000 000
05406460020F5C84ZZHO	Community Services	CRR	Minor capital items (previously non-capital)	20 000	20 000	20 000	60 000
05406473520FGR58ZZ10	Community Services	MIG	Park fencing&jungle gym (ECD - Sicelo)	200 000	-	-	200 000
07056600420F4G11ZZWM	Community Services	HP	Vehicle Replacements	300 000	300 000	300 000	900 000

Vote Number	Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021	MTREF
11056474020F5R53ZZWM	Engineering	CRR	Road Servitudes - Hill road / anchovy	-	500 000	500 000	1 000 000
11056600420F4C33ZZWM	Engineering	HP	Water Tanker	-	-	1 000 000	1 000 000
11056600420F4R21ZZWM	Engineering	HP	TLB	-	1 400 000	-	1 400 000
11106474020FPG24ZZWM	Engineering	External Loans	Galloway depot external parking area	-	1 500 000	-	1 500 000
12056420420F5C25ZZWM	Engineering	CRR	Compressor	-	400 000	-	400 000
12056420420F5C35ZZWM	Engineering	CRR	Drilling Machine	-	550 000	-	550 000
07056600420F4R29ZZ01	Community Services	HP	Land cruiser vaal marina	800 000	-	-	800 000
07106460020F5G56ZZWM	Community Services	CRR	Replacement of CCTV Cameras	150 000	150 000	150 000	450 000
07106461020F5D90ZZWM	Community Services	CRR	Radios and repeaters	100 000	100 000	100 000	300 000
07106461020F5D91ZZWM	Community Services	CRR	Thermal and Night Vision cameras	200 000	200 000	200 000	600 000
07106461020F5D92ZZWM	Community Services	CRR	CCTV Cameras and monitors and DVR's	480 000	480 000	480 000	1 440 000
07106473520FGC45ZZ01	Community Services	MIG	Fire Station Vaal Marina (MIG)	277 480	1 000 000	-	1 277 480
07106600420FPR33ZZ01	Community Services	External Loans	Fire engine refurbishment	1 500 000	-	-	1 500 000
08056420420F5C14ZZWM	Community Services	CRR	Brush Cutters	60 000	65 000	70 000	195 000
08056420420F5C66ZZWM	Community Services	CRR	Kudus	100 000	100 000	100 000	300 000
08056420420F5C86ZZWM	Community Services	CRR	Motor Elevating Work Platform	250 000	-	-	250 000
08056420420F5D73ZZWM	Community Services	CRR	Swing Axle Water cart	100 000	100 000	-	200 000
08056420420F5D76ZZWM	Community Services	CRR	Telescopic Pole Pruners	25 000	25 000	25 000	75 000
08056456020F5G49ZZWM	Community Services	CRR	Compressor	5 000	-	-	5 000
08056460020F5C10ZZWM	Community Services	CRR	Aircons	10 000	10 000	10 000	30 000
08156420420F5D35ZZWM	Community Services	CRR	Ride on lawnmowers with trailers	220 000	240 000	260 000	720 000
08156473520FGC68ZZ06	Community Services	MIG	Lakeside Sport Centre	2 600 000	2 500 000	-	5 100 000
13056433020FPR64ZZWM	Engineering	External Loans	Klipriver st-Zambesie st:ht c&mini-sub	-	1 200 000	-	1 200 000
10056449420FGR34ZZ08	Engineering	MIG	Sicello North Outfall Sewer	4 400 000	6 000 000	-	10 400 000
13056437020F5G34ZZWM	Engineering	CRR	Marthinus Oosthuizen Street: Remove LT line install cables pillar boxes and street light complete. Upgrading	-	-	70 000	70 000
13056437020F5G35ZZWM	Engineering	CRR	Rabie Avenue: Remove LT line install cables pillar boxes and streets light part off.	-	-	70 000	70 000
13056437020F5G37ZZWM	Engineering	CRR	Glen Donald: Replace wood cross arms with steel.	-	-	150 000	150 000
13056437020F5G39ZZWM	Engineering	CRR	Rose Avenue: Remove LT line install cables pillar boxes and street light part off.	-	-	300 000	300 000
13056437020F5G40ZZWM	Engineering	CRR	Van Ribeeck Street: Remove LT line install cables pillar boxes and street light complete and install HT cable.	-	-	300 000	300 000
13056460020F5C26ZZWM	Engineering	CRR	Computer program for load control	-	-	1 500 000	1 500 000
10056449420FGR46ZZ01	Engineering	MIG	Mamello Sewage Scheme augmentation	2 640 000	-	-	2 640 000
10056449420FPR71ZZ12	Engineering	External Loans	Pipe rising main rep(Klipriver Bus Park)	500 000	-	-	500 000
10056449420FQC39ZZWM	Engineering	Developer Contributions	Extend Sewer Network	750 000	750 000	750 000	2 250 000
10056473520FPD30ZZWM	Engineering	External Loans	Replacement Of Pumps in networks / pumpstations	1 000 000	1 000 000	1 000 000	3 000 000
14056456020F4G38ZZWM	Engineering	HP	Landfill Compactor	-	-	2 500 000	2 500 000
16056450020FQD88ZZWM	Savanna City	Urban Management Grant	Waste Transfer Stations	-	2 000 000	1 000 000	3 000 000
16056473520FQC24ZZWM	Savanna City	Urban Management Grant	Community Hall	-	1 000 000	4 000 000	5 000 000
16056473520FQD64ZZ11	Savanna City	Urban Management Grant	Sports Facilities	-	3 000 000	3 000 000	6 000 000
10056600420F4C34ZZWM	Engineering	HP	Double Cab truck (Replacement)	800 000	850 000	900 000	2 550 000
16056474020FQC85ZZWM	Savanna City	Urban Management Grant	Modal Transport Facilities	-	2 000 000	2 000 000	4 000 000
16056475020FKC75ZZWM	Savanna City	DAC Grant	Library	-	1 880 000	1 830 000	3 710 000
17056449420FGG47ZZWM	Community Services	MIG	Refurbishment of Blackwood transfer station	-	1 000 000	500 000	1 500 000
10106449420F5C46ZZWM	Engineering	CRR	Flow Meters	200 000	-	200 000	400 000
17056456020F4G51ZZWM	Community Services	HP	Bob Cat Waste Transfer Station	-	-	500 000	500 000
10106449420F5D48ZZ01	Engineering	CRR	Servitute - Mamelo sewerage	700 000	-	-	700 000
17056460020F5G44ZZWM	Community Services	CRR	Furniture for transfer station	-	-	60 000	60 000
17056460020F5G48ZZWM	Community Services	CRR	Carport at Kliprivier transfer station	-	-	50 000	50 000
17056474020FGD80ZZWM	Community Services	MIG	Upg Vaalmarina Trf Station Phase 2 (Cs/Ga/7089/09)	-	1 000 000	3 000 000	4 000 000
17056474020FGD81ZZWM	Community Services	MIG	Upgr Vaalmarina Landfill site (GS/SA/83)	-	1 000 000	-	1 000 000
17056600420F4C72ZZWM	Community Services	HP	Skip Bin Loader With Trailer	-	2 100 000	-	2 100 000
17056600420F4D59ZZWM	Community Services	HP	LDV	-	300 000	900 000	1 200 000
10106449420F5R52ZZWM	Engineering	CRR	Servitute - Rothdene to meyerton WWTW	200 000	-	-	200 000

Vote Number	Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021	MTREF
01206460020F5C11ZZHO	Council	CRR	Airconditioners	-	15 000	15 000	30 000
10106449420FPD13ZZWM	Engineering	External Loans	Pumpstation Refurbishment and Upgrade	1 500 000	500 000	500 000	2 500 000
11056472420FGC53ZZWM	Engineering	MIG	Gravel To Tar	4 225 520	466 000	2 500 000	7 191 520
16056474020FQC88ZZHO	Savanna City	Urban Management Grant	Municipal Depot	-	5 000 000	5 000 000	10 000 000
11056472420FPG21ZZWM	Engineering	External Loans	Rebuilding of roads	4 000 000	4 000 000	4 000 000	12 000 000
11056472420FPG22ZZWM	Engineering	External Loans	Road resurfacing	8 000 000	8 000 000	8 000 000	24 000 000
11056472420FPG23ZZWM	Engineering	External Loans	Construction of gravel roads	2 000 000	2 000 000	2 000 000	6 000 000
11056600420F4C01ZZWM	Engineering	HP	2 x Half Ton LDV (Roads foreman)	320 000	-	-	320 000
02206460020F5C90ZZHO	Corporate Services	CRR	New aircons (Copy room, open office and reception)	-	15 000	15 000	30 000
11056600420F4C04ZZWM	Engineering	HP	4 Ton Truck	800 000	-	-	800 000
12056446020F5D89ZZWM	Engineering	CRR	Water Meter Replacement Programme	1 150 000	1 150 000	1 150 000	3 450 000
08056420420F5C70ZZWM	Community Services	CRR	Large Chainsaws	-	40 000	-	40 000
12056446020F5R37ZZWM	Engineering	CRR	PRV's - Water loss programme	500 000	500 000	-	1 000 000
08056420420F5D74ZZWM	Community Services	CRR	Tandem High Trailer	-	100 000	-	100 000
12056446020F5R56ZZWM	Engineering	CRR	Reservior Refurbishment - Water loss programme	730 000	730 000	-	1 460 000
12056446020F5R57ZZWM	Engineering	CRR	Water pipe installation - Water loss programme	500 000	500 000	-	1 000 000
12056446020F5R66ZZWM	Engineering	CRR	Bulk water meters - Water loss programme	500 000	500 000	-	1 000 000
12056446020FGR32ZZ01	Engineering	MIG	Mamello Bulk Water (MIG)	430 000	-	-	430 000
12056446020FNC08ZZWM	Engineering	Water Service Infrastructure G	Aged Bulk Water Pipe Replacement	6 850 000	7 700 000	8 525 000	23 075 000
01356460020F5C89ZZHO	Corporate Services	CRR	Network switches	-	120 000	120 000	240 000
12056446020FNG26ZZWM	Engineering	Water Service Infrastructure G	Refurbishment and Replacement of Water Supply Valves	1 500 000	1 500 000	1 500 000	4 500 000
12056446020FNR25ZZWM	Engineering	Water Service Infrastructure G	Bulk water meters	2 000 000	2 000 000	2 000 000	6 000 000
12056446020FNR47ZZWM	Engineering	Water Service Infrastructure G	Pressure management infrastructure	2 500 000	2 500 000	2 500 000	7 500 000
12056446020FNR69ZZ01	Engineering	Water Service Infrastructure G	Relocation-Vaalmarina ringfeed in Mamelo	150 000	-	-	150 000
12056446020FNR70ZZ06	Engineering	Water Service Infrastructure G	Installation:domestic W/meters(Lakeside)	2 000 000	-	-	2 000 000
12056446020FPG25ZZWM	Engineering	External Loans	Pre-paid water meters (new)	500 000	1 000 000	1 000 000	2 500 000
12056448020F5D75ZZWM	Engineering	CRR	Telemetry of Water Supply and Distribution System - Meyerton	600 000	-	-	600 000
10106449420F5D12ZZWM	Engineering	CRR	pump	-	700 000	-	700 000
11056472420F5R35ZZWM	Engineering	CRR	Establishment of Borrow Pit	-	500 000	1 000 000	1 500 000
12056448020FGD58ZZWM	Engineering	MIG	Sicelo/Highbury (Valley Settlements) Reservoir	15 000 000	13 020 000	12 302 000	40 322 000
12056460020F5D40ZZWM	Engineering	CRR	Plate Compactor	45 000	-	-	45 000
12056600420F4D87ZZWM	Engineering	HP	LDV'sWater Demand Management (Additional vehicles)	400 000	-	-	400 000
12056600420F4G27ZZWM	Engineering	HP	1-Ton Doublecab	400 000	450 000	500 000	1 350 000
13056433020F4R23ZZWM	Engineering	HP	Land Cruisers	1 000 000	1 000 000	-	2 000 000
13056433020F5D31ZZWM	Engineering	CRR	Replacement of tools for mechanics	20 000	20 000	20 000	60 000
13056433020F5R60ZZWM	Engineering	CRR	H/mast&street lights:un-serviced areas	250 000	250 000	250 000	750 000
08056600420F4C74ZZWM	Community Services	HP	LDV's (Replacement)	-	400 000	400 000	800 000
13056433020FPD21ZZWM	Engineering	External Loans	Replace Redundant Switchgear	750 000	1 000 000	1 000 000	2 750 000
13056433020FPD57ZZ10	Engineering	External Loans	Sicelo Bulk network (erf 78-204)	500 000	-	-	500 000
13056433020FPR51ZZ02	Engineering	External Loans	Risiville sub-ripple injection equip	1 900 000	-	-	1 900 000
13056433020FPR54ZZ08	Engineering	External Loans	Sicelo reticulation network (erf 204)	500 000	-	-	500 000
13056433020FQC38ZZWM	Engineering	Developer Contributions	New Connections	500 000	500 000	500 000	1 500 000
11056472420F5D04ZZWM	Engineering	CRR	Pedestrian rollers with trailers	-	350 000	350 000	700 000
13056433020FQC93ZZWM	Engineering	Developer Contributions	Electricity Metering	500 000	500 000	500 000	1 500 000
13056433020FTR41ZZ08	Engineering	INEP	Sicelo Electrification Network	8 000 000	20 082 000	25 600 000	53 682 000
13056449420F5R55ZZWM	Engineering	CRR	Land acquisitions&serv-59 development	490 000	445 000	1 000 000	1 935 000
13056600420F4D77ZZWM	Engineering	HP	TLB	1 300 000	-	-	1 300 000
13056600420F4G31ZZWM	Engineering	HP	Half Ton LDV (Metering)	160 000	-	-	160 000
13056600420F4G32ZZWM	Engineering	HP	1 Ton LDV	220 000	-	-	220 000
13056600420FQR59ZZ02	Engineering	Developer Contributions	Cable feeders-consemfuleni connections	2 000 000	-	-	2 000 000
15056460020F5C48ZZHO	Engineering	CRR	Furniture and Equipment	30 000	30 000	30 000	90 000
15056460020F5R27ZZHO	Engineering	CRR	Minor capital items	30 000	30 000	30 000	90 000
16056456020FQR62ZZ11	Savanna City	Urban Management Grant	Dev-walkways and boulevards (spineroad)	1 000 000	1 200 000	1 200 000	3 400 000
16056456420FQR12ZZ11	Savanna City	Urban Management Grant	Development of Parks - Savanna City	1 500 000	2 000 000	2 000 000	5 500 000
16056460020FQC15ZZWM	Savanna City	Urban Management Grant	Machinery and Equipment, including small tools	25 000	25 000	30 000	80 000

Vote Number	Department	Funding Source	Project Description	2018/2019	2019/2020	2020/2021	MTREF
16056460020FQC51ZZ11	Savanna City	Urban Management Grant	Office Furniture and Equipment	25 000	45 000	50 000	120 000
16056473520FQR36ZZ11	Savanna City	Urban Management Grant	Informal trading facilities	500 000	500 000	500 000	1 500 000
16056600420FQD86ZZ11	Savanna City	Urban Management Grant	Vehicles / Trailers	1 350 000	1 200 000	1 000 000	3 550 000
11056600420F4C52ZZWM	Engineering	HP	Grader	-	-	3 300 000	3 300 000
17056456020F4G50ZZWM	Community Services	HP	Backhoe loader (TLB) for illegal dumping	1 300 000	-	-	1 300 000
17056456020F5G49ZZWM	Community Services	CRR	Compressor	5 000	-	-	5 000
17056456420F5D67ZZWM	Community Services	CRR	Street Litter Bins	100 000	120 000	140 000	360 000
17056474020F5C07ZZWM	Community Services	Accumulated Surplus	Adjustment to Provision for landfill site rehab asset	3 000 000	3 000 000	3 000 000	9 000 000
17056474020F5D60ZZWM	Community Services	CRR	Skip Bins 6 Cubic Meters	450 000	450 000	450 000	1 350 000
17056600420F4G45ZZWM	Community Services	HP	1 x 30 m3 Tipper trucks for transfer station	2 200 000	-	-	2 200 000

ANNEXURE D – TARIFF SCHEDULE FOR 2018/2019

ANNEXURE "D"

MIDVAAL
LOCAL MUNICIPALITY

2018/2019
TARIFFS

MIDVAAL
LOCAL MUNICIPALITY

INDEX

1. Property Rates Tariffs
2. Electricity Tariffs
3. Water Tariffs
3.1 Civil Services – Bulk Contribution Tariffs
4. Sanitation Services Tariffs
5. Cleansing and Solid Waste Tariffs
6. Hire of City Halls Tariffs – Bantu Bonke, Sicelo and Lakeside 1
6.1 Hire of City Halls Tariffs – Meyerton City Hall
6.2 Hire of City Halls Tariffs – Rothdene Hall
6.3 Hire of City Halls Tariffs – Vaal Marina Community Hall
7. Outdoor Advertisements and Building By-Laws Tariffs
8. National Building Regulations and By-Laws Tariffs
9. Determination of Fees for Land Use Applications Tariffs
10. Fire & Rescue Tariffs

11. Protection Services Tariffs
12. Grass Cutting Tariffs
13. Standard Public Amenities By-Laws Tariffs (Swimming Pools)
14. Cemeteries Tariffs – Meyerton, Old Kookrus and Riversdal
14.1 Cemeteries Tariffs – Meyerton South & Kookrus New
15. Issuing of certificates and furnishing of information Tariffs
16. Libraries Tariffs
17. Finance Sundry Tariffs
18. Development Planning and Housing: Law Enforcement Tariffs

PROPERTY RATES TARIFFS FOR 2018/2019 FINANCIAL YEAR, EFFECTIVE 1 JULY 2018

No	Tariff Code	Policy Ref	Property Category	Rate Ratio (to residential rate)	Tariff 2018/2019	Impermissible	Reductions	Exemptions	Rebate
CATEGORIES OF PROPERTIES AS PER PROPERTY RATES POLICY									
1	RES001	9.1.8	Residential properties	1:1	0,007700	15,000		135,000	
2	IND001		Industrial properties	1:2	0,015400				
3	BUS001		Business and Commercial properties	1:2	0,015400				
4	AGR001		Agricultural properties	1:0.25	0,001925				
5	MIN001		Mining Properties	1:2	0,015400				
6	POS001		Properties owned by an organ of state and used for public service purposes	1:2	0,015400				
7	PSI001	9.1.7	Public Service Infrastructure properties	Exempt				100%	
8	PBO001	9.1.1	Properties owned by Public Benefit Organisations and used for specified public benefit activities	Exempt				100%	
9	SOP001		State Owned Properties	1:2	0,015400				
10	PRO001	9.1.4	Protected areas	Exempt				100%	
11	MUN001	9.1.2	Municipal properties	Exempt				100%	
12	PMM001	9.1.3	Public monuments and memorials	Exempt				100%	
13	UNR001		Unregistered Properties (Administrative Purposes)	Exempt				100%	
14	COM001	9.1.5	Communal land and Land Reform Beneficiaries	Exempt				100%	
15	POW001	9.1.6	Place of Worship and Vicarage	Exempt				100%	
16	VAC001		Vacant Land	1:3	0,023100				
CATEGORIES OF OWNERS QUALIFYING FOR ADDITIONAL REBATES									
19		9.3.1	Approved Indigents	As per Council's Indigent Policy					100% up to R500 000 property value
20		9.3.2	Pensioners earning less than two state pensions	Residential property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned whose aggregate household income do not exceed two state pensions per month					100% up to R500 000 property value
21		9.3.2	Pensioners earning less than R7 500 per month	Residential property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property concerned whose aggregate household income do not exceed R7 500 per month					50% up to R1 300 000 property value
22		9.3.3	Sports grounds used for amateur sports	Application Based					75%
23		9.3.4	Old Age Institutions registered at the Department of Welfare	Application Based					85%
24	RESAGR	9.3.5	Residential property owners residing on agriculatural holdings	Owners of small holdings (with property type agricultural holdings / farms)					50% up to R750 000 property value
25		9.3.6	Privately Owned Schools	Application Based					50%
26	RESFLP	9.3.7	FLISP	First time owners of Government Flisp Housing who qualified for government subsidy. Once the Flisp subsidy beneficiary sells the property, the new property owner will not qualify for the rebate unless he/she is also a Flisp subsidy beneficiary.					75% up to R500 000 property value
27	BREW01	9.4	Developer Incentive	Application Based					10%
28	SAV005	9.4	Developer Incentive	Application Based					75%

Assessment Rates is Non Vatable

A van Schalkwyk
Chief Financial Officer Schalkwyk

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION		2017/2018		2018/2019	PERCENTAGE
	Electricity		[R] VAT EXCL		[R] VAT EXCL	INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018					6,84
						%
	PART 1 : SUPPLY OF ELECTRICITY					
1	1. AVAILABILITY CHARGES					
1.1	Except as provided in 1.2 the following availability charge per month or part thereof, shallbe payable monthly by the owner, per erf or other area and per meter, with or without improvements, which is or, in the opinion of the Council, can be connected to the network, whether electricity is consumed or not.					
1.1.1	Erven used or intended to be used for individual residential or religious purposes, per erf and per meter where more than one meter per erf exists					
	Single phase supplies (EBE821)	R	0,00	R	0,00	0.00
	Three phase supplies (EBE825)	R	0,00	R	0,00	0.00
1.1.2	Erven used or intended to be used for flats, businesses, industries or other purposes of which the anticipated maximum demand is less than 100 kVA per erf and permeter where more than one meter per erf exists					
	(EBE811) (EBE841) (RV0304)	R	0,00	R	0,00	0.00
	If the maximum demand is 100 kVa and above the Non-Domestic Supplies tariffs will apply					
1.1.3	Erven used or intended to be used for flats, industries or other purposes of which the anticipated maximum demand is at least 100 Kva (EBE812)	R	0,00	R	0,00	0.00
1.1.4	Flats and townhouses individually metered by the council,per dwelling unit (EBE813)	R	0,00	R	0,00	0.00
1.1.5	Agricultural consumers, per supply point:					
	Single phase supplies (EBE831)	R	0,00	R	0,00	0.00
	Three phase supplies (EBE832)	R	0,00	R	0,00	0.00
1.1.6	Every other erf or piece of land used or intended to be used for purposes not mentioned in 1.1.1 to 1.1.5	R	0,00	R	0,00	0.00
1.2	1.2 EXCLUSIONS					
	The charge set out in sub item 1.1 shall not be payable by the following consumers:					
1.2.1	Township owners in respect of an erf or other areas where such township owner has made an interest-free loan to the Council for the construction of an electricity supply scheme, until such erf or other area is sold or building plans in respect thereof are approved in terms of the Council's Building By-laws, or the economical portion of the loan has been repaid by the Council to the township owner.					
2	DOMESTIC SUPPLIES - CONVENTIONAL AND PREPAY METERS					
2.1	Consumer falling within the following classifications shall pay for the electricity supplied to them on the basis set out below regardless of the meter- reading period,an energy charge for the consumption of electricity, since the previous meter reading, per kWh					
	Availability charges per meter per month					
	Single phase supplies (EBE821)	R	0,00	R	0,00	0.00
	Three phase supplies (EBE825)	R	0,00	R	0,00	0.00

ITEM	DESCRIPTION		2017/2018			2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	The above charges will not apply to registered indigents.							
2.1.1	Private residences, each flat or town house where it is separately metered by council and used as such. EEL051, VA0460, WA0441, EELLOW							
	0 to 50 units- c/per unit		91,91	c		98,20	c	6,84%
	51 to 350 units-c/ per unit		115,50	c		123,40	c	6,84%
	351 to 600 units-c/ per unit		175,17	c		187,15	c	6,84%
	Above 600 units-c/ per unit		203,89	c		217,84	c	6,84%
2.1.2	Flats and town houses (where consumption for each flat or town house complex is metered on a single meter for the complex by the Council) (EEL060) c/per unit		185,14	c		197,81	c	6,84%
	Availability charges for complex per meter per month if the maximum demand is < 100 kVA If the maximum demand is ≥ 100 kVA then Non-Domestic Supplies tariffs will apply	R	0,00		R	0,00		0,00
	If the maximum demand is ≥ 100 kVA then Non-Domestic Supplies tariffs will apply							
2.1.3	Charitable institutions, supported by voluntary subscriptions or contributions.(EEL047) per unit		177,06	c		189,17	c	6,84%
	Availability charges for complex per meter per month if the maximum demand is < 100 kVA If the maximum demand is ≥ 100 kVA then Non-Domestic Supplies tariffs will apply	R	0,00		R	0,00		0,00
2.1.4	Provincial Hospitals (EEL048) c/ per unit		177,06	c		189,17	c	6,84%
	Availability charges for complex per meter per month if the maximum demand is < 100 KVA If the maximum demand is ≥ 100 kVA then Non-Domestic Supplies tariffs will apply	R	0,00		R	0,00		0,00
2.1.5	Churches and Church halls (EEL049) per unit		177,06	c		189,17	c	6,84%
	Availability charges for complex per meter per month if the maximum demand is < 100 KVA	R	0,00		R	0,00		0,00
3	**NON-DOMESTIC SUPPIES**							
3.1	Consumers with the following general classifications shall pay for electricity on the basis set out in 3.2							
3.1.1	Businesses (EEL052)							
3.1.2	Industries							
3.1.3	Nursing homes, private hospitals, hotels and boarding houses							
3.1.4	Recreation halls, clubs, schools and hostels							
3.1.5	Mixed loads for domestic and non-domestic purposes							
3.1.6	All purposes not expressly specified in 2 or 3.1.1 to 3.1.5							
3.2	Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh and where the maximum demand is < 100 VA(EEL028) (EEL052) (WAO462) (EEL069) (WAO052) (WAO442) (VA0052)(VA0462)c/ per unit		185,14	c		197,81	c	6,84%
	Availability charges per meter per month	R	0,00		R	0,00		0,00
	Provided that if the notified or registered maximum demand exceeds 100 kVA, the charge shall be calculated in terms of 3.3							
3.2.1	This tariff provides for existing commercial pre-paid consumers who have paid all the relevant connection or transfer fees for the electrical connection(service cable, electricity meter, ready board etc.) and where availability charges are levied.							
	60 Amp connection - cost c-per kWh (EEL028)		185,14	c		197,81	c	6,84%
	Availability charge per meter per month	R	0,00		R	0,00		0,00

ITEM	DESCRIPTION		2017/2018			2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
3.3	Where the notified maximum demand is at least 100 kVA, the charges for electricity consumed shall be calculated in accordance with the provisions of a two-part tariff based upon metered demand and energy as set out in 3.3.1 and 3.3.2							
	Regardless of the meter-reading period, the following charges shall be levied for the consumption of electricity where the electricity is supplied or made available at a separate point of supply, per month or part thereof.							
	Availability charge per meter per month	R	0,00		R	0,00		0,00
3.3.1 a	**Low Voltage Demand**. When the supply is furnished at the nominal voltage of 400 Volts between phases, per kVA, (EEL041) (WAO444,)	R	122,54		R	130,92		6,84%
3.3.1 b	**Medium Voltage Demand**. When the supply is furnished at a nominal phase to phase voltage of 11 000 volts, per kVA. (EEL042)	R	119,88		R	128,08		6,84%
3.3.2 a	**Low Voltage**. Regardless of the metering period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh (EEL061) (EEL062) (EEL053) (EEL054), (WAO443)		135,54			144,81	c	6,84%
3.3.2 b	**High Voltage**. Regardless of the metering period, an energy charge for the consumption of electricity, since the previous meter reading, per kWh (EEL061) (EEL062) (EEL053) (EEL054)		136,50	c		145,84	c	6,84%
4	TIME OF USE SUPPLIES							
4.1	MIDVAAL OFF-PEAK TARIFF							
	Where the monthly maximum demand exceeds 25 kVA and the consumer requests that an off-peak tariff be applied the following charges will apply:							
4.1.1	Regardless of the meter-reading period, the following charges shall be levied for the consumption of electricity where the electricity is supplied or made available at a separate point of supply, per meter per month or part thereof.							
	Availability charges per meter per month	R	0,00		R	0,00		0,00
4.1.2	A demand charge, per kVA (Registered between 0600 and 2200)							
(a)	**Low Voltage Demand**. When the supply is furnished at the nominal voltage of 400 volts between phases, per kVA (EEL065)	R	264,96		R	283,08		6,84%
(b)	**Medium Voltage Demand**. When the supply is furnished at a nominal phase to phase of 11 000 volts, per kVA (EEL066)	R	252,36		R	269,62		6,84%
4.1.3	Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, c per kWh		84,58	c		90,36	c	6,84%
4.2	MIDVAAL MEGAFLEX TARIFF							
	This tariff is available to customers who can shift their load to defined time periods and of whom the monthly maximum demand is at least 1 MW and will not be applicable to supplies being fed from rural networks.							
	Availability charge per meter per month	R	0,00		R	0,00		0,00

ITEM	DESCRIPTION		2017/2018			2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
4.2.1	SUMMER PERIOD (SEPTEMBER TO MAY)							
(a)	Peak hours c per kWh (EEL081)		198,33	c		211,89	c	6,84%
(b)	Standard hours c per kWh (EEL82)		89,00	c		95,09	c	6,84%
(c)	Off-peak hours c per kWh (EEL083)		70,05	c		74,84	c	6,84%
(d)	Maximum demand charge per kVA (EEL---) (30 minute integrating period)	R	78,34		R	83,70		6,84%
4.2.3	WINTER PERIOD (JUNE TO AUGUST)							
(a)	Peak hours c per kWh (EEL085)		296,68	c		316,97	c	6,84%
(b)	Standard hours c per kWh (EEL086)		123,89	c		132,36	c	6,84%
(c)	Off-peak hours c per kWh (EEL087)		75,00	c		80,13	c	6,84%
(d)	Maximum demand charge R per kVA (EEL088) (30 minute integration period)	R	78,34		R	83,70		6,84%
4.2.4	Reactive energy charge R per kVArh (EEL089)		37,18	c		39,72	c	6,84%
	For all kVArh supplied in access of 30% (0.96PF) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minutes integrating period.							
4.3	MIDVAAL MINIFLEX TARIFF							
	This tariff is available to consumers who can shift their load to defined periods and of whom the monthly maximum demand is between 200 kVA and 5000 kVA.							
	Availability charges R per meter per month	R	0,00		R	0,00		0,00
4.3.1	SUMMER PERIOD (SEPTEMBER TO MAY)							
(a)	Peak hours c per kWh (ELE091)		218,31	c		233,24	c	6,84%
(b)	Standard hours c per kWh (ELE092)		109,87	c		117,38	c	6,84%
(c)	Off-peak hours c per kWh (ELE093)		69,20	c		73,94	c	6,84%
4.3.2	WINTER PERIOD (JUNE TO AUGUST)							
(a)	Peak hours per kWh (ELE094)		442,82	c		473,11	c	6,84%
(b)	Standard hours per kWh (ELE095)		148,49	c		158,64	c	6,84%
(c)	Off-peak hours per kWh (ELE096)		79,52	c		84,95	c	6,84%
4.3.3	Reactive energy charge per kVArh (ELE097) supplied in excess of 30% (0.96PF) of the kWh recorded during the entire billing period. The excess reactive energy is determined using the billing period totals.		25,25	c		26,98	c	6,84%
4.4	CONVERSION SURCHARGE							
	When a consumer elects to change from the Non-Domestic tariff to either the Megaflex of Miniflex tariff the actual savings achieved and paid over to the consumer as follows:							
	PERIOD TO CONSUMER							
	RETAINED COUNCIL							
	YEAR 1 10%							
	90%							
	YEAR 2 28%							
	72%							
	YEAR 3 46%							
	54%							
	YEAR 4 64%							
	36%							
	YEAR 5 82%							
	18%							
	THE TIMES FOR MEGAFLEX AND MINIFLEX ARE THE SAME AS THE ESKOM TIMES							

ITEM	DESCRIPTION		2017/2018			2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	TIME FOR SUMMER PERIOD (SEPTEMBER TO MAY)							
(a)	Peak hours from 7:00 to 10:00 and 18:00 to 20:00 weekdays							
(b)	Standard hours from 6:00 to 7:00 and 10:00 to 18:00 and 20:00 to 22:00 weekdays.							
	From 7:00 to 12:00 and 18:00 to 20:00 Saturdays							
(c)	Off-peak hours from 22:00 to 6:00 weekdays.							
	12:00 to 18:00, and 20:00 to 7:00 on Saturdays and all Sunday.							
	TIME FOR WINTER PERIOD (JUNE TO AUGUST)							
(a)	Peak hours from 6:00 to 9:00 and 17:00 to 19:00 weekdays							
(b)	Standard hours from 9:00 to 17:00 and 19:00 to 22:00 weekdays.							
	From 7:00 to 12:00 and 18:00 to 20:00 Saturdays							
(c)	Off-peak hours from 22:00 to 6:00 weekdays.							
	12:00 to 18:00, and 20:00 to 7:00 on Saturdays and all Sunday.							
5.	**GENERAL LIGHTING AND ITINERANT SUPPLIES**							
	In the case of itinerant consumers such as circuses, merry-go-rounds, amusement parks and persons carrying on construction work or for general lighting, the charges payable per month or part thereof shall be as follows:							
5.1	Fixed charge for availability of supply, whether taken or not	R	488,11		R	521,49		6,84%
5,2	Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading per kWh (EEL055)		307,57	c		328,60	c	6,84%
6	**ELECTRICITY SUPPLIES TO CONSUMERS OUTSIDE THE MUNICIPAL AREA**							
	Electricity supply to consumers outside the municipal area where supply is available from the Council's main network shall be charged at the applicable tariff. (EEL056)							
7	**AGRICULTURAL SUPPLIES**							
7.1	**STANDARD**							
	This tariff is applicable to consumers of electricity for agricultural purposes on farms and agricultural land within the municipal area. Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading, c/ per kWh (EEL056) (EEL057)		199,08	c		212,70	c	6,84%
	AVAILABILITY CHARGE PER METER PER MONTH							
(a)	Single phase supplies (EBE831)	R	0,00		R	0,00		0.00
(b)	Three Phase Supplies (EBE832)	R	0,00		R	0,00		0.00
	Where monthly consumption of energy exceeds 10 000 kWh per month, the provisions of item 3.2 and 3.3 shall apply							
7.2	**NITE SAVE**							
	For all consumers with 20 hectares or more under irrigation, with written approval of the Council :							
	Availability charge R per meter per month							
(a)	Single phase supply (EBE831)	R	0,00		R	0,00		0.00
(b)	Three phase supply (EBE832)	R	0,00		R	0,00		0.00
7.2.1	For all electricity consumed between 06:00 and 22:00 during weekdays, an energy charge, per kWh		199,08	c		212,70	c	6,84%

ITEM	DESCRIPTION		2017/2018			2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
7.2.2	For all electricity consumed between 22:00 and 06:00 during weekdays, over weekends and during Megaflex public holidays, per kWh		97,42	c		104,08	c	6,84%
8	**BULK SUPPLIES**							
	Customers located in the Midvaal local municipality licenced area of supply and are currently supplied or intended to be supplied by Eskom (only Eskom networks available), will be supplied by Midvaal local Council and charged for actual electricity consumed at the appropriate Eskom tariff (non local authority rates) as if supplied directly by Eskom plus a 15% surcharge. The tariff will be updated as and when the Eskom tariffs changes.		15,00	%		15,00	%	0,00%
	This tariffs contained in this item are only applicable to major bulk consumers, that is consumers with a maximum demand figure of at least 2000 kVA and who contributed pro rata (maximum demand of consumer divided by the maximum demand of all consumers who will be supplied from the main substation) to the capital outlay expenditure in respect of the main substation and main supply cables. Regardless of the meter-reading period, the following charges shall be levied for the consumption of electricity where the electricity is supplied or made available at a separate point of supply.							
	Availability charge R per meter per month or part thereof	R	0,00		R	0,00		0.00
8,1	A kVA demand charge							
(a)	**Low Voltage Demand**. When the supply is furnished at the nominal voltage of 400 volts between phases, R per kVA (EEL071)	R	122,54		R	130,92		6,84%
(b)	**Medium Voltage Demand**. When the supply is furnished at a nominal phase to phase voltage of 11 000 volts, R per kVA (EEL074) (EEL072)	R	119,88		R	128,08		6,84%
8.2(a)	**Low Voltage**. Regardless of the meter-reading period, an energy charge, for the consumption of electricity, since the previous meter reading, c per kWh (EEL076)		135,54			144,81	c	6,84%
8.2(b)	**High Voltage**. Regardless of the meter-reading period, an energy charge, for the consumption of electricity, since the previous meter reading, c per kWh (EEL076)		136,50	c		145,84	c	6,84%
8,3	Where a developer develops an area for business purposes and do not use electricity, a Notified Maximum Demand charge on the unused capacity for which the Council have paid Eskom , to secure capacity for the development will be payable by the developer until the notified capacity have been utilised, R per kVA	R	23,85		R	25,48		6,84%
	Demand of at least 5000kV and is located in the Graceview Supply area							
	Customers located in the Graceview supply area registering a demand of more than 5000kVA with a load factor of 75% or more will be charged for actual electricity consumed at ESKOM11kV Megaflex Key Customer tariff as if supplied directly by ESKOM plus a 15% surcharge. The tariff will be updated as and when the Eskom tariffs changes.		15,00	%		15,00	%	0,00%
9	**HEINEKEN BREWERY**							
	Heineken brewery will be charged for actual electricity consumed at the ESKOM 11 kV Megaflex Key Customer tariff as if applied directly by ESKOM. The tariffs will be updated as and when ESKOM tariffs change. No additional charge will be levied in respect of the bulk electricity supply infrastructure already paid for by them.							

ITEM	DESCRIPTION		2017/2018			2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
10	MUNICIPAL SUPPLIES							
	Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter-reading period, per c kWh(EEL059) (VAO461) (WAO443)		131,44	c		140,43	c	6,84%
Part II	PART II : GENERAL CHARGES							
1.	TESTING AND INSPECTION							6,84
								%
	Meters will be tested upon requests by the consumers after payment of the following fees per meter							
1.1	Single phase meter	R	536,36		R	573,05		6,84%
1.2	Three phase meter	R	536,36		R	573,05		6,84%
1.2.1	Electro mechanical	R	848,00		R	906,00		6,84%
1.2.2	Actual cost plus 10% administrative fee for electronic and programmable Actual cost plus 10% administrative fee for electronic and programmable type of meters		10,00	%		10,00	%	0,00%
2.	For the initial inspection and testing of an installation on request of the customer		FREE			FREE		
3.	For any subsequent inspection and testing where the installation failed to pass the initial test or was not ready for the initial test, for each inspection and test	R	487,60		R	520,95		6,84%
4	COMPLAINTS							
	Where an employee of the Council is called to a consumer's premises to attend to a complaint of failure of light and power, no charge shall be made if the Council's equipment is found to be faulty, but if the defect has been caused by a fault in the consumer's equipment for which the Council is not responsible, the following charges will be made							
4,1	Residential	R	503,50		R	537,94		6,84%
4,2	Business and industrial	R	670,98		R	716,88		6,84%
4,3	Where material such as fuses etc. has to be replaced, the full cost thereof plus 10% will be for the account of the consumer.		10,00	%		10,00	%	0,00%
5	SERVICE CONNECTIONS							
5,1	The owner of the premises concerned shall make application for the installation or reinstatement of a service connection in a form prescribed by the engineer.							
5,2	A non standard service connection shall be installed at the expense of the owner and the cost thereof as determined by the Council's engineer shall be paid to the Council before supply is authorised.							
5,3	New single phase 60 A -Pre-paid meter connection	R	6057,74		R	6,472,09		6,84%
5,4	New or upgrading to a three phase 60 A connection	R	13022,30		R	13,913,02		6,84%
	Three phase pre-paid meter/Conventional (business only)	R	1879,01		R	2,007,53		6,84%
5,5	New or upgrading to a three phase 80 A connection will be based on three single phase supplies of 13.8kVA each, resulting in a contribution based on the allowable capacity for the stand.							
5,6	Where developers paid for the infrastructure and the kiosks is on the erf boundary (e.g., Eye of Africa) Excluding sectional title developments:							
5.6.1	New single phase 60 A -Pre-paid meter connection	R	3325,58		R	3,553,05		6,84%

ITEM	DESCRIPTION		2017/2018			2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
5.6.2	New or upgrading to a three phase 60 A connection	R	7373,13		R	7,877,45		6,84%
	Three phase pre-paid meter/Conventional (business only)	R	1879,01		R	2,007,53		6,84%
5,7	Change over to Prepaid electrical meter	R	1879,01		R	2,007,53		6,84%
5.7.1	Administration fee 10%		10,00	%		10,00	%	0,00%
5.7.2	Three phase pre-paid meter including labour and transport	R	1879,01		R	2,007,53		6,84%
5.7.3	Single phase pre-paid meter including labour and transport	R	1019,14		R	1,088,85		6,84%
5,8	Registration and sealing of meters if consumer obtain meter from contractor	R	374,02		R	399,61		6,84%
5,9	Every part of the service connection shall remain the property of the Council.							
5.10	Notwithstanding the fact that the service connection to an approved electrical installation may already have been completed, the Council may in its absolute discretion refuse to supply electricity to that installation until all amounts due to the Council by the same consumer in respect of that or any other service connection, whether or not on the same premises, have been paid.							
5,11	No owner shall be entitled to require more than one service connection for a supply to any premises even if it comprises or occupies more than one stand. The engineer may, however, subject to such conditions as he thinks fit to impose on the owner, provide more than one service connection to a premise and where more than one service connection is so provided, it shall be unlawful to interconnect them							
5.12	The applicant for a service connection shall, before work on his installation is commenced, furnish the Council with such indemnity as it may specify.							
5.13	The engineer may, notwithstanding any indemnity given in terms of paragraph 5.12 refuse to install a service connection until he is satisfied that no person is entitled to object to such installation.							
5.14	The levy for all connections includes the cost to the consumer of all material, meters, equipment, transport and labour which to the reasonable estimate of the Council's Engineer, will be required to establish the connection plus an amount of 10% of such costs for administrative fees.		10,00	%		10,00	%	0,00%
6	BULK SUPPLY CONTRIBUTIONS							
6.1	Erf Quota is defined as the authorised maximum demand (AMD) of each individual erf. Housing units in a group development will only be allowed a 20 Amp circuit breaker, if a larger capacity circuit breaker is required, a recalculation of the extra capacity above the 20 Amp capacities needed , will be done and the developer will have to pay the extra amount, before the connection will be made, at a rate of per 5 Amp	R	2920,92		R	3120,71		6,84%
	The above also apply after completion of a project and the consumer within the development request an increase in capacity.							

ITEM	DESCRIPTION	2017/2018	2018/2019	PERCENTAGE
	Electricity	[R] VAT EXCL	[R] VAT EXCL	INCREASE %
	Note: Over and above the bulk contribution the developer must pay the connection fees as applicable for the particular application			
	Housing units must incorporate alternative energy technology to be able keep the load within the 20 Amp limitations.			
	AMD = ZMD x N x C			
	Where AMD = Authorised maximum demand			
	ZMD = Zoned maximum demand (13.8 kVa)			
	N = Number of housing units C = Housing factor according to the table below			
6.1.1	Zoned maximum demand (ZMD) per erf and is determined by the Town-planning Scheme and is as follows:			
(i)	Residential 1,or Special and Undetermined, for a specific use which, in the opinion of the Executive Director: Engineering Services, is in accordance with Residential, on which only one or, at the most two, dwelling-units per erf, may be erected. **13.8 kVA per potential dwelling**			
(ii)	Multiple Residential, Residential 2 or Special or Undetermined, for a specific use which in the opinion of the Executive Director: Engineering Services, is in accordance with Multiple Residential. **13.8 kVA per potential dwelling**			
	For blocks or groups of housing units: The number of potential dwelling units is calculated in accordance with the permissible floor space ratio as determined in the Town planning Scheme and where each dwelling-unit has an area of 100 m², or the number of dwelling-units as determined by the Scheme.			
	1 unit = 1,00			
	2 units = 0.72			
	3 units = 0.62			
	4 units = 0,57			
	5 units = 0,53			
	6 to 10 units = 0,50			
	11 to 20 units = 0.48			
	21 to 30 units = 0,47			
	31 to 40 units = 0.46			
	41 to 50 units = 0.45			
	More than 50 units = 0.40			
	The final rating and the provision of a single connection point will be at the discretion of the Executive Director: Engineering Services. Where there are twelve dwelling-units or more (including the service connection)at a density of twenty dwelling-units or more per hectare, and where the Municipality does not take over the internal electrical network, the premises will be provided with a single connection point. These dwelling-units will be rated at the next, lower kVA rating for the specific area.			
	The final rating and the provision of a single connection point will be at the discretion of the Executive Director: Engineering Services.			
(iii)	Businesses or Special and Undetermined, for a specific use which, in the opinion of the Executive Director: Engineering Services, is in accordance with business.			
	7 kVA per 100 m² of potential floor area			

ITEM	DESCRIPTION	2017/2018	2018/2019	PERCENTAGE
	Electricity	[R] VAT EXCL	[R] VAT EXCL	INCREASE %
(iv)	Industrial and Light Industrial or Special and Undetermined, for a specific use which is in the opinion of the Executive Director: Engineering Services, is in accordance with Industrial and Light Industrial.			
	2.5 kVA per 100 m² of potential floor area.			
(v)	Agricultural or Special and Undetermined, for a specific use which, in the opinion of the Executive Director: Engineering Services, is in accordance with Agricultural.			
	13.8 kVA per erf			
(vi)	Any other use not referred to in (i), (ii), (iii), (iv) or (v) of the above : **0 kVA per erf**			
6.2	**QUOTA CHARGES**			
6.2.1	**General**			
	The scales of the tariff for the supply of electricity as detailed in the Schedule. Supply of Electricity Part 1 are based on the costs associated with the provision of the supply to the various groups of consumers in the normal electrically developed areas within the Midvaal electricity supplied area. Where the supply needs to be provided to new premises or groups of premises or where an existing customer applies for an increased supply, the cost of extending the distribution and reticulation networks within the Municipality that is not recovered from the tariff for the supply of electricity as set out in the Schedule : Supply of Electricity Part I must be paid by the developer/consumer as an external engineering service.			
	The developer of a township must provide for and install the full quota allocated			
	per erf for which an application has been made in respect of the distribution and			
	reticulation systems. If the distribution and reticulation systems are not fully			
	installed, the developer must compensate the Municipality for the difference			
	between the allocated quota and the set quota at the prevailing quota charge. This			
	is deemed to be contributions for external engineering services. The existing quota			
	of the property prior to the latest application for development is used as a credit			
	in the calculation. This quota is calculated in the same way as mentioned above			
6.2.2	Determining charges			
	The quota charge is finally determined by the actual level at which the development connects to the supply system. The charge is calculated as follows			
	Q = [(Dn - De) C]			
	Q = quota charge payable in rand			
	Dn = Sum of new development property ADMDs in kVA			
	De =Sum of existing development property ADMDs in kVA			
	C = Contribution per kVA at connection level as indicated in 6.2.3 below			
6.2.3	**Contributions**			
	The quota charge, which does not include the connection cost, must be such as to cover the possible existing or future capital liabilities incurred or to be incurred by the Municipality in supplying the distribution and/or reticulation network to increase the quota to the premises or group of premises. The contributions per kVA at the different connection levels are as follows: (if in a particular development the contribution will not cover the infrastructure to be installed the Director: Electrical will determine the cost, witch will be payable by the developer)			

ITEM	DESCRIPTION		2017/2018		2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL		[R] VAT EXCL		INCREASE %
(i)	**Low-voltage connections**						
(a)	For connections made at a metering cubicle/distribution kiosk, per kVA	R	2893,35	R	3,091,26		6,84%
(b)	For connections made to the low-voltage distribution network, per kVa	R	2686,33	R	2,870,08		6,84%
(c)	For connections made to the low-voltage busbars within miniature and communal substations, as well as to the outgoing terminals of the 11000/400 V transformer on rural lines, per kVA	R	2346,23	R	2,506,71		6,84%
(ii)	**Medium-voltage connections**						
	For connections made at the 11kV distribution network:						
(a)	Taken from the 11 kV distribution network, per kVA	R	2102,24	R	2,246,03		6,84%
(b)	Taken directly from the 11 kV switchgear of a satellite- or 88kV substation, per kVA	R	1843,47	R	1,969,56		6,84%
(c)	Taken directly from the 11 kV switchgear of a 88kV substation where the developer provides the substation, per kVA	R	1675,88	R	1,790,51		6,84%
	In instances where township owners/developers have already paid a quota charge during township establishment, or where a quota charge was paid at the time of scheme amendments, subdivision or consent use, a quota charge is payable for every kVA by which the notified maximum demand indicated by the end consumer or his or her authorised representative exceeds the allocated quota which has already been paid for.						
	Once payment, calculated at the applicable connection level, has been received, this notified maximum demand will then become the new AMD of the erf.						
7	**NETWORK FEASIBILITY LOAD STUDY**						
	For all subdivisions or developments where such a development has, to the reasonable discression of the Executive Director: Engineering Services, an impact on the electrical network, the applicant will have to obtain at his cost a feasibility report from Council's Electrical consultants regarding the impact of the development of the overall network.						
8	**TESTING OF CABLES, SWITCHGEAR, ETC**						
	Cables, switchgear, etc. will be tested on request from a consumer at:						
	a fee for the first two hours or part there of	R	1508,29	R	1,611,46		6,84%
	and a further amount per hour or part thereoff or each additional hour that the Council's employee spends in testing the equipment	R	754,14	R	805,73		6,84%
9	**DEPOSITS Not Vatable**						
	The following deposits shall be payable when application for a connection is made:						
9,1	The Government of the Republic of South Africa (including the Gauteng Provincial Administration and the South African Transport Services) or any other class of consumer approved by the Council :		FREE		FREE		
9,2	Consumers above 30 000 kVA: a deposit based on a **half of one month's consumption**						
9,3	Consumers above 10 000 kVA but under 30 000 kVA a deposit based on **one and a half month's consumption.**						

ITEM	DESCRIPTION		2017/2018		2018/2019		PERCENTAGE
	Electricity		[R] VAT EXCL		[R] VAT EXCL		INCREASE %
9.4	Consumers above 6 000 kVA but under 10 000 kVA: a deposit based on **two month's consumption**.						
9.5	Consumers of dwellings and town houses (excluding users with pre-paid meters)which amount, if insufficient, shall be increased to the average consumption of three months after the consumption of three months has been determined:						
	initial deposit	R	2346,23		R 2,506,71		6,84%
9.6	Consumers of flats (excluding users with pre-paid meters) an initial deposit,	R	1508,29		R 1,611,46		6,84%
	which amount, if insufficient, shall be increased to the average consumption of three months after the consumption of three months has been determined.						
9.7	Other consumers (excluding users with pre-paid meters): a **deposit based on the consumption of three consecutive months**; provided that the deposit of a consumer who has obtained a connection before 19 October 1983 as well as a consumer who is the owner of the building and whose supply has not been disconnected because of non-payment, or has not appeared on the warning list for two consecutive months, shall be based on the **consumption of two consecutive months.**						
9.8 a.	Beneficiaries of Provincial funded RDP housing is exempted from paying a deposit for the opening of an Electricity account		Exempted		Exempted		
b.	The deposit for Electricity become payable at the promulgated Tariff upon approval of building plans to improve the RDP properties.						

VALUE ADDED TAX
All tariffs are subject to VAT

*** IMPORTANT NOTE**
Tariffs containing three or more decimals will be rounded off to the nearest last two decimals. Where only two decimals are shown in the in the tariffs, no rounding off will take place. On the Residential sliding scale tariffs, no rounding off is applicable.

S COETZEE
EXECUTIVE DIRECTOR ENGINEERING

P. P. M Duncan
14/03/2018

MIDVAAL LOCAL MUNICIPALITY					
ITEM	TARIFF CODE	DESCRIPTION	2017/2018	2018/2019	Percentage
		WATER	(R) VAT EXCL	(R) VAT EXCL	Increase
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018			9,50%
		WATER CONSUMPTION LEVEL 1 TARIFFS			
1.		DEFINITIONS			
		For the purposes of this tariffs, "month" means a calendar month			
		or a period between two consecutive readings of the meter, providing			
		that the period shall not be less than 10 days. No minimum charges			
		shall be levied in respect of meter reading covering a period of less			
		than 15 days. Provided that, except with the consent or at the request			
		of the consumer, not more than 12 readings shall be taken within			
		a period of one calendar year in respect of the same meter.			
2.		Availability Charges			
(2.1)		Except as provided in sub-item 2, the following availability			
		charges per month or part thereof shall be payable by the			
		owner per erf, stand, lot or other area, with or without			
		improvements, which is, or in the opinion of the Council, can			
		be connected to the main, whether water is consumed or not			
(a)	EBW721	Erven used or intended for purposes set out in item 3(1)	0,00	0,00	-100,00%
(b)	EBW741	Erven used or intended for purposes of flats and multi-family dwellings, per erf	0,00	0,00	-100,00%
(c)	EBW721	Erven used or intended for purposes set out in item 3(3)	0,00	0,00	-100,00%
(d)	EBW711	Erven used or intended for purposes set out in item 3(4)	0,00	0,00	-100,00%
(e)		Erven used or intended for purposes set out in item 3(5)	0,00	0,00	-100,00%
(f)	EBW731	Agricultural Holdings	0,00	0,00	-100,00%
(g)	EBW711	Erven used or intended for purposes set out above	0,00	0,00	-100,00%
(h)		Approved Indigents	-	-	0,00%
(2.2)		The charge set out in sub item (1) shall not be payable by			
		a township owner in respect of an erf, stand, holding or other			
		area of which the water supply scheme has been constructed			
		by himself at his own expense until such erf, stand, holding or			
		other area has been transferred or until building plans are			
		approved by the Council on such area			
(2.3)		The charge set out sub-item (1) shall be payable by the owner			
		or occupier (where liability shall be joint or several) of such			
		erf, stand, premises or other area			
3.		CHARGES FOR THE SUPPLY OF WATER			
		Irrespective of the meter reading period, the following charges will apply:			
(3.1)		Domestic (private residences) per kl, per month			
(a)		Residential			
	WAIND	0-6 Indigent households	-	-	0,00%
		7-12 Indigent households	24,14	26,43	9,50%
	RV0331, OD0331, EWA001, WA0331, RV0380	0-4 Non indigent households	-	-	0,00%
		5-12 Non indigent households	24,14	26,43	9,50%
		13 - 20kl	26,60	29,13	9,50%
		21 - 30kl	30,06	32,92	9,50%
		31 - 45kl	31,91	34,94	9,50%
		45+kl	33,14	36,29	9,50%
(b)	VA0450	Vaal Marina Holiday Township			
		0 - 30 kl	19,32	21,16	9,50%
		31 kl +	26,23	28,72	9,50%
(i)		Provided that where an erf is sub-divided into more than one			
		residential portion, each of which has a separate entrance,			
		each portion shall be metered separately			
(ii)		Provided that where a private residence is put to more than			
		one use, the highest tariff in respect of such different uses			
		shall apply, unless the portions put to such different uses			
		have been provided with separate meters.			
(3.2)		Flats and multi-family dwellings, if each dwelling			
		is not separately metered, per kl or part thereof			
(a)	EWA012	Residential Areas	22,52	24,66	9,50%
(b)	RV0012	Vaal Marina Holiday Town	17,85	19,55	9,50%
	VA0451				
	VA0452				

ITEM	TARIFF CODE	DESCRIPTION WATER	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	Percentage Increase
(3.3)	EWA007	Charitable institutions, NGO's, PBO's, NPO's, churches, church halls,			
	RV0007	social, athletic and sports clubs, public hospitals, schools and school hostels,			
	EWA007	except race courses, sports grounds or halls used for profit, per kl or part thereof	22,52	24,68	9,50%
(3.4)	EWA003	The water supplied to any Manufacturing, Industrial or			
	VA0002	Business which interalia includes the following:			
	WA0002	Shops, offices, banks, garages, tearooms, butcheries,			
	DO0002	bakeries, laundries, restaurants, hotels, private hostels,			
	EIK002	boarding houses, lodging-houses, industrial compounds,			
	EWA002	married and single quarters (if supplied through one meter),			
	RV0002	race courses, sport grounds or halls used for profit, theatres,			
	EWA008	workshops and temporary supplies per kl or part thereof	30,06	32,92	9,50%
	EWA013				
(3.5)		Heineken Breweries - Randwater purchase price + R0.025 per kl			
(3.6)		Informal settlements where water is supplied by			
		a stand pipe per kl or part thereof	0,00	0,00	0,00%
(3.7)		For any quantity of non-potable (grey) water			
		supply to consumers per kl or part thereof	30,06	32,92	9,50%
(3.8)	EWA009	For any quantity of non-potable (grey) water			
		supply to consumers in areas outside the			
		municipality the same rate as (3.7) plus 25%.			
(3.9)	EWA004	Charges for the supply of water to municipal departments	8,90	9,75	9,50%
(3.10)		Water Leak Adjustment Tariff applicable to residential tariffs	13,39	14,66	9,50%
(3.11)	EWA014	Township Developers can apply for a special consumption tariff during the			
		development of the project. The Project must be bigger than 50 Hectares.	20,00	21,90	9,50%
		(The tariff is based on Business/Industrial Tariff Less 25%)			
(3.12)	EWA015	Sport Clubs leasing land from Council	14,19	15,54	9,50%
4.		CHARGES FOR CONNECTING WATER SUPPLY			
(4.1)		For the supply and laying of the following			
		connection pipe and installation of the meter			
		including connecting the supply per contractor			
		20 mm	2,720	2,979	9,50%
		25 mm	3,870	4,245	9,50%
		50 mm	12,887	14,112	9,50%
		80 mm	18,362	20,106	9,50%
		100 mm	23,938	26,213	9,50%
(4.2)		Fire and other connections not specified herein. Estimated			
		average costs as determined by the ED: Engineering Services			
		plus 15%. Such costs shall be certified by the ED: Engineering			
		Services and such certificate shall be prima			
		facie evidence of the correctness thereof.			
(4.3)		Prepaid Connection Costs for a new pre-paid connection	6,801	7,447	9,50%
5.		CHARGES IN CONNECTION WITH METERS			
(5.1)		For a special or unnecessary duplication reading of a meter	211	231	9,50%
(5.2)		For the moving of the meter on the same line or removal at the request			
		of a consumer per household meter supplied by the Council	1,360	1,489	9,50%
(5.3)		For the testing of a meter up to and including 25 mm			
		supplied by the Council, in cases where it is found that the			
		meter does not show an error of more than 5% either way			
		Contractor's fee plus 50% Administration fee.			
(5.4)		For the testing of meters of sizes 40 - 150 mm supplied			
		by the Council, in cases where it is found that the meter			
		does not show an error of more than 5% either way			
		Contractor's fee plus 50% Administration fee.			
(5.5)		For the testing of Council meters of all sizes from 15mm to 150mm	1,020	1,117	9,50%
		In cases where it was found that the meter is faulty, the meter test fee will			
		be fully refunded to the customer.			
(5.6)		Rental per portable meter per month or part thereof	178	195	9,50%
(5.7)		Refundable deposit per portable meter	5,787	6,337	9,50%
(5.8)		Charges for installing a water restrictor			
		For the provision and installation of a water restrictor valve at household			
		connections, when required by the Municipality.	630	690	9,50%

ITEM	TARIFF CODE	DESCRIPTION WATER	2017/2018 (R) VAT EXCL	2018/2019 (R) VAT EXCL	Percentage Increase
6.		DEPOSITS	NO VAT		
		The following initial deposits shall be payable when			
		application for delivering of water to a premise is made:			
(6.1)		For flats, dwellings and town houses (excluding users with			
		prepaid meters) which amount if insufficient, shall be			
		increased to the average consumption of three months			
		after the consumption of three months has been determined.	1,157	1,267	9,50%
(6.2)		For businesses/industries (excluding users with prepaid			
		meters) which amount if insufficient, shall be			
		increased to the average consumption of three months			
		after the consumption of three months has been determined.	4,408	4,827	9,50%
(6.3)		All other consumers (excluding users with prepaid			
		meters) which amount if insufficient, shall be			
		increased to the average consumption of three months			
		after the consumption of three months has been determined.	1,157	1,267	9,50%
(6.4) a.		Beneficiaries of Provincial funded RDP housing is exempted from	Exempted		
		paying a deposit for the opening of a Water account			
b.		The deposit for Water become payable at the promulgated Tariff upon			
		approval of building plans to improve the RDP properties.			
7.		GENERAL			
(7.1)		Composite supplies: Where a supply is taken for various			
		uses through one meter, the highest relevant tariff shall apply			
		to the whole of the consumption. If the supply is arranged			
		so that each type of consumer is separately metered, the			
		relevant tariff applicable to each shall be charged.			
(7.2)		For the purposes of the charges payable in terms			
		of item 3, meter readings shall be taken in			
		gallons where necessary and converted			
		to kl on the basis of 220 gallons being equal to 1 kl.			
(7.3)		Where the Council is called out to private premises			
		to attend to a complaint regarding a leakage in the			
		Council's water system and it is found that the leakage			
		is in the water system within the premises for which			
		the Council is not responsible.	476	521	9,50%
8.		WATER RESTRICTION TARIFFS			
		The Municipality may be required to restrict (other than the debt			
		management restrictions) the demand and usage of water by its consumers in			
		drought, water shortage, and disaster and water crisis situations.			
		The restriction may take the form of voluntary restriction by consumers			
		where upon they reduce the consumption or usage on their own, pressure			
		reduction, installation of water management devices, rationing and/or water			
		cuts at given times. In all cases the water restriction tariffs shall apply.			
		Should water restriction be declared by Council or its delegated authority;			
		the percentage increase shall apply and be payable as follows in			
		respect of uses listed in the following items.			
		The increase shall be with effect from the date as pronounced by the Council			
		or the delegated authority.			
		Level 2 Water Restriction Tariffs			
		In the event that Midvaal Local Municipality imposes a level 2 Water Restriction, The Water Restriction Tariff below will apply			
		Level of consumption (all categories of residential users)	% Increase		
		Consumption 0 - 20kl	0%	0%	0,00%
		Consumption 21 - 30kl	10%	10%	0,00%
		Consumption 31 - 45kl	20%	20%	0,00%
		Consumption > 45kl	30%	30%	0,00%
					0,00%
		All other categories of users for any consumption in excess of levels as approved by Council should water restrictions be applied	25%	25%	0,00%
		Level 3 Water Restriction Tariffs			
		In the event that Midvaal Local Municipality imposes a level 3 Water Restriction, The Water Restriction Tariff below will apply			
		Level of consumption (all categories of residential users)	% Increase		
		Consumption 0 - 20kl	5%	5%	0,00%
		Consumption 21 - 30kl	15%	15%	0,00%
		Consumption 31 - 45kl	25%	25%	0,00%
		Consumption > 45kl	35%	35%	0,00%
		All other categories of users for any consumption in excess of levels as approved by Council should water restrictions be applied	30%	30%	0,00%

ITEM	TARIFF	DESCRIPTION	2017/2018	2018/2019	Percentage
	CODE	WATER	[R] VAT EXCL	[R] VAT EXCL	Increase

THE FOLLOWING MUST BE NOTED:

1. The Midvaal Local Municipality shall have the right to restrict the water supply to any customer who has unsettled debt with the Municipality.
2. The figures quoted in this Schedule of Tariffs EXCLUDE Value Added Tax.
3. These tariffs shall be read in conjunction with the By-laws for the Supply of Water Services published by the Midvaal Local Municipality.

S COETZEE
EXECUTIVE DIRECTOR: ENGINEERING SERVICES

P.P. M Duncan

14/03/2018.

Capital Contribution Unit Rates (all excl. VAT)
2018-2019 Financial Year With effect 1 July 2018

Vacant / Open Space	01	POS / Agricultural / Road Reserves	Streets Unit	Streets Rate	Stormwater Unit	Stormwater Rate	Water Unit	Water Rate	Sewer Unit	Sewer Rate
Residential	10a	Res 1 (>= 4 001m²)	trip	2,600.00	100m² area	900.00	kl	2,500.00	kl	7,100.00
	10b	Res 1 (4 000 - 2 001m²)	trip	2,600.00	100m² area	900.00	kl	2,500.00	kl	7,100.00
	10c	Res 1 (2 000 - 1 751m²)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	10d	Res 1 (1 750 - 1 501m²)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	10e	Res 1 (1 500 - 1 401m²)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	10f	Res 1 (1 400 - 751m²)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	10g	Res 1 (750 - 551m²)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	10h	Res 1 (550 - 400m²)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	10i	Res 1 Give Away/RDP (<400m²)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	10j	Res 1 (2nd dwelling / granny flat)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	11	Res 2 Duplexes & Simplexes	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	12	Res 3 Flats	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	13	Retirement Village	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	14	Holiday home	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	15	Mobile home or park	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Accommodation	21	Hostel	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	22	Guest house	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	23	Boarding house	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	24	Economy hotel	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	25	Hotel or Lodge	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	26	Motel	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Community Facilities	31	Public Library	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Educational	41	Crèche or Nursery School	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	42	Preparatory School	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	43	Primary school	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	44	Secondary school	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	45	Day-care / After-school centre	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	46	Private school	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	47	Technical College	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	48	University	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Places of Public Worship	51	Church	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	52	Synagogue	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Places of Refreshment	61	Restaurants	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	62	Drive-in Restaurant	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	63	Take-away / Fast Food	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Recreation & Entertainme	71	Cinema	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Sport	81	Fitness centre / Gym	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	82	Golf course	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	83	Sport stadiums	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	84	Tennis Courts	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Medical	91	Private hospital	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	92	Public hospital	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	93	Nursing home	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	94	Medical Centre	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	95	CBD medical office	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	96	Suburban medical office	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	97	Dentist	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Offices	101	CBD offices	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	102	Sub-urban offices	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	103	Research & Development Centres	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Businesses	111	Conference Centres	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	112	Financial (Banks etc.)	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	113	Building materials	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	114	Bakery / Dairy	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	115	Hardware/Paint Shop	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	116	Nursery	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Shopping Centres	121a	Local < 1 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	121b	Local < 2 500m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	122a	Neighbourhood < 5 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	122b	Neighbourhood < 10 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	123c	Neighbourhood < 15 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	123a	Community < 20 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	123b	Community < 30 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	124a	Regional < 50 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	124b	Regional < 75 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	124c	Regional < 100 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Motor related	131	Filling Station	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	132	Garage	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	133	New & Used car sales	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	134	Vehicle spares / tyres	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Commercial	141	Warehousing	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	142	Wholesale	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
Industrial	151	Light industries	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	152	Factory	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	153	Transport undertaking	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	154	Industrial Park	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	155	Small industries < 10 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00
	156	Medium industries < 25 000m²	trip	2,600.00	100m² area	0.00	kl	0.00	kl	0.00

14/03/2018

MIDVAAL LOCAL MUNICIPALITY					
ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018			
1		GENERAL RULES REGARDING CHARGES			
1,1		The word "month" in this schedule means a calendar month or part thereof and the charges in respect of each month shall be due and payable on the same date as the general assessment rates:			
		provided that the charges imposed in terms of item 6 of			
		this schedule shall be payable monthly in arrear.			
1,2		Where any person who is required to furnish a return in terms of this Schedule			
		or to provide such other information as may be necessary to enable the Council to			
		determine the charges to be made under this Schedule fails to do so within 30 days			
		after having been called upon to do so by notice in writing, he shall pay such charges			
		as the Council shall assess on the best information available to it.			
1,3		The charges levied under items 2 and 3 of this schedule shall remain effective			
		in the case of buildings wholly unoccupied or in course of demolition, until such			
		date as the Council is requested to seal the opening to the Council's sewer.			
1,4		The owner of premises situated outside the municipality which is directly			
		connected to the Council's sewer and not through the sewer of any other local			
		authority, shall be liable to pay all the charges set out or referred to in this			
		schedule and, in addition, a surcharge of 25% thereon.			
2.		CHARGES IN RESPECT OF AVAILABLE SEWERS			
2,1		For the purposes of this item of this Schedule : "piece of land"			
		means any erf, stand, subdivision, lot area, agricultural land			
		or any defined portion, with of without improvements			
		"ecclesiastical purposes" means a church building,			
		church hall, parsonage or church office.			
2,2		The owner of every piece of land shall, when such a piece of			
		land has a frontage to any sewer of the Council or where such piece of			
		land is or, in the opinion of the Council, can be connected to any			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
		such sewer pay to the Council the following charges per month.			
(a)		In terms of every piece of land zoned in terms of the Council's Town			
		Planning Scheme, as amended from time to time for residential			
		purposes and in respect of every piece of land used or acquired			
		or reserved for ecclesiastical of charitable purposes, per erf:			
(1)	EBS111	Undeveloped Land	99,45	108,90	9,50%
(a)	RV0440	Approved Indigents	0,00		0,00%
	RV0440	Developed residential land - all areas	0,00		0,00%
	VA0440				
(b)		In terms of every piece of land zoned in terms of the			
		Council's Town Planning Scheme, as amended from time to			
	EBS141	time for residential 2, 3 and 4 purposes, per flat per townhouse	0,00		
(c)		In respect of every piece of land zoned for agricultural			
		holding in terms of the Council's Town Planning Scheme,			
		as amended from time to time, per agricultural holding	317,32	347,47	9,50%
(d)	EBS111	In respect of every piece of land other than those specified	99,45	108,90	9,50%
	RV0440	in (a), (b) or (c) above, per 1000 m² or part thereof	89,29	97,78	9,50%
		Kliprivier Business Park	1,224,13	1,340,42	9,50%
		Provided that no such charges shall exceed this			
	EBS123	amount per month for Meyerton, Risiville	3,022,23	3,309,35	9,50%
		Provided that no such charges shall exceed this amount per			
	RV0441	month for Randvaal, Walkerville, De Deur end Vaal Marina	1,029,63	1,127,44	9,50%
(e)		Where the Council constructs an outfall sewer to drain one or			
		more townships and where such sewer traverses farmland or land laid out as			
		agricultural holdings and such farmland or holdings are not intended at the			
		time of construction of the sewer tube served by such sewer,			
		the Council may, for such period or periods as it determine, exempt			
		any owner of such farmland or agricultural holding from the payment			
		of the charges laid out in terms of items 2 (2) (c) and (d) provided			
		that if any such owner voluntary desires to be connected to such			
		sewer, he shall, from the date of connection, be liable for the			
		payment of all applicable sewerage charges as set out in this Schedule.			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
3.		**SEWER SERVICES CHARGES**			
		In addition to the charges specified in item 2 above, the following			
		applicable charges shall monthly be paid by the owner of any			
		premises which are connected to the Council's sewerage system:			
3.1	ESE211, RV0206, VA0223, SAVSE	**Residential 1 erven, for each dwelling-house**	195,89	214,50	9,50%
		Approved Indigents	0,00		
3.2		**Residential 2, 3 & 4 erven for each flat/ townhouse**	165,61	181,34	9,50%
		Provided that where rooms are let solely for residential			
		purposes without the provision of food, every two such rooms			
		or part thereof under one roof shall be regarded as a flat.			
3.3		**Business and Industrial premises** in respect of the total of the areas of			
		the building measured externally at each floor, including the basement			
(a)	ESE283, RV0205, VA0225	Up to 2000 m², per 100 m² or part thereof:	96,43	105,60	9,50%
(b)	ESE233, RV0205	Over 2000 m², per 2000 m² or part thereof:	964,34	1,055,95	9,50%
		Provided that no such charges shall exceed this amount per month for			
(i)	ESE233	Meyerton, Risiville and Duncanville	12,171,90	13,328,23	9,50%
(ii)	RV0205	Randvaal, Walkerville, De Deur and Vaal Marina	3,379,95	3,701,05	9,50%
3.4		**Flats and Business premises under one roof** in respect of the			
		total of the areas of the building measured externally at each			
		floor, including basement available for business premises:			
(a)	ESE243	Up to 2000 m², per 100 m² or part thereof	96,43	105,60	9,50%
(b)	ESE243	Over 2000 m², per 2000 m² or part thereof	964,34	1,055,95	9,50%
3.5		**Private hotels, boarding-houses and lodging houses:**			
		For every 100 m² or part thereof of the total area of the building at			
	ESE263	each floor, measured externally, including basement and outbuildings.	96,43	105,60	9,50%

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
3.6		**Hotels and clubs without outdoor sporting facilities**(licensed			
		Under the Liquor Act, 1977) and business premises under the same roof.			
		For every 100 m² or part thereof of the total area of the building			
		at each floor, measured externally, including basement and			
	ESE253	outbuildings, available for hotel or club purposes.	145,54	159,36	9,50%
3.7	ESE282	**For each church**	89,29	97,78	9,50%
3.8	ESE292	**Church hall** per hall	89,29	97,78	9,50%
3.9	ESE303	**Halls from which revenue is derived.** For every 100 m² or part thereof			
		of the total of the area of the building at each floor, including basement.	96,43	105,60	9,50%
3.10		**Charitable institutions** (as referred to in the Welfare Organisation Act,			
		Act, 1949) for every 10 inmates or part of 10, based on the			
	ESE313	average daily total during the preceding calendar year.	39,84	43,62	9,50%
3.11		**Schools, crèches, nursery schools and colleges** for every 50			
		persons or part of 50 comprising staff, scholars and workers, based			
	ESE323	on the average daily total during the preceding calendar year.	83,10	91,00	9,50%
3.12		**Boarding schools and school hostels.** For every 20 persons			
		or part of 20 comprising staff, scholars and workers, based			
	ESE333	on the average daily total during the preceding calendar year.	118,14	129,37	9,50%
3.13		**Sports clubs, excluding school sport grounds.** In respect of			
		every 300 enrolled members or part of 300, based on the			
	ESE343	average daily total during the preceding calendar year.	278,83	305,32	9,50%
3.14		**Hospitals, nursing homes, maternity or nursing homes:**			
(a)	ESE351	Per each bed available for patients during the preceding calendar year, calculated on the monthly average of beds	53,58	58,67	9,50%
(b)		Per each staff member and worker, resident or non-resident, calculated on on the monthly average of persons in service during the preceding calendar year	25,84	28,30	9,50%
3.15	ESE363	**Prison.** For every 10 inmates or part of 10 including staff lodged, based on the average daily total during the preceding calendar year	96,43	105,60	9,50%

ITEM	TARIFF CODE	DESCRIPTION	2017/2018	2018/2019	%
		SANITATION	[R] VAT EXCL	[R] VAT EXCL	Increase
3.16	ESE373	**Private owned compounds or hostels** accommodating more than five boarders. For every 10 boarders or part of 10 which the compound /hostel are capable of accommodating, based on the accommodation available at the end of the preceding calendar year.	96,43	105,60	9,50%
		(Certified returns shall be furnished to the Council by the persons in charge of the organisation, institution, etc. as mentioned from item (10) up to and including item (16)			
3.17	ESE383	**Power stations.** For every 200 m³ or part thereof of the total area of the building at each floor, including basement	96,43	105,60	9,50%
3.18	ESE393	**Public conveniences.** For every 10 m² or part thereof occupied	96,43	105,60	9,50%
3.19	ESE403	**Storage premises.** If used exclusively for the purposes of a storage business per 100 m² or part thereof of the total area, excluding storage area, of the building at each floor, measured externally, including basement.	96,43	105,60	9,50%
4.		VOLUME CHARGE			
		A user discharging effluent per kl	13,06	14,30	9,50%
5.		INDUSTRIAL EFFLUENTS			
5.1		Industrial Effluent Discharge Permit	0,00		9,50%
5.2		In respect of industrial effluent, the tariff			
		specified in items 5.3.2 shall be payable by the user.			
5.3		Industrial Effluent Treatment Charge			
5.3.1		Calculation of Industrial Effluent Treatment Charge			
		The following provisions apply with regard to and for purposes of			
		calculating the treatment charge provided for in item 5.3.2			
(a)		The owner or occupier of any premises from which industrial			
		effluent is discharged shall, in addition to any other charges			
		provided for in these tariffs of in any other law, pay to the			
		Council a charge calculated in accordance with the provisions			
		of these tariffs in respect of each month during which such			
		discharge takes place.			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
(b)		Each user discharging effluent into the Council's sewage			
		disposal system shall test such industrial effluent, on a regular			
		schedule as provided for in the permit to discharge industrial			
		effluent, and report the results to the Council.			
(c)		The Council shall in its entire discretion conduct analysis of			
		industrial effluence at random. The values obtained by the			
		Council shall be taken as correct and used to calculate the			
		treatment charge. Whenever a sample is taken by the Council,			
		one half thereof shall be made available to the user, if required			
		at the time when the sample was taken.			
(d)		The average of the values of the different analysis results of 24			
		hourly composite or grab samples of the effluent, taken during			
		the relevant month and as prescribed in terms of the permit			
		referred to in sub paragraph (b) above will be used to determine			
		the treatment charge payable.			
		Should the user not accept the values obtained from the said			
		analysis intended in this sub paragraph the user may request			
		further tests at the cost of such user to be done by a laboratory			
		acceptable to the Council and the user.			
(e)		Should the user fail to submit to the Council timeously the			
		results required in terms of sub paragraph (b) above, the results			
		obtained by the Council from the last test results submitted in			
		terms of the provisions of sub paragraph (b) shall remain applicable.			
(f)		In the absence of any direct measurement, the quantity of			
		industrial effluent discharged during a period shall be			
		determined by the Council taking into consideration the			
		quantity of the water consumed on the premises for domestic			
		purposes, the quantity lost to the atmosphere during the			
		process of manufacture and the quantity present in the final			
		product produced on the premises.			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
(g)		If a meter metering the quantity of water consumed on the			
		premises is proven to be defective, the appropriate adjustments			
		shall be made to the quantity of industrial effluent discharged when			
		calculated as prescribed in sub paragraph (f) and the defective			
		meter shall be repaired or replaced as soon as possible.			
(h)		For the purpose of calculation of the quantity of industrial			
		effluent discharged from each point of discharge of industrial			
		effluent as aforesaid, the total quantity of water consumed on			
		the premises shall be allocated amount the several points of			
		discharge as accurately as is reasonably practical after			
		consultation between the Council and the users of the relevant			
		premises.			
(i)		The owner or occupier of premises where an industrial effluent			
		meter is installed, shall ensure that the meter is calibrated annually.			
5.3.2		**Treatment charge**			
		The owner or occupier of any premises on which any trade or industry			
		is carried out and from which, as a result of such trade and industry or			
		of any process incidental thereto, any effluent (herein after referred to			
		as "industrial effluent") is discharged into the Council's sewage disposal			
		system, shall in addition to any other fee or charges for which such owner			
		or occupier may be liable for in terms of these tariffs, also pay to the			
		Council a treatment charge, being an amount calculated on the industrial			
		effluent discharged, the strengths and the permitted (allowed) concern-			
		trations of the industrial effluent discharged during the relevant month			
		and in accordance with the following formula:			
		Ti = C/12 (Qi/Qt)[a + b(CODi/CODt) + c(Pi/Pt) + d(Ni/Nt) + e(Ssi/SSt)]			
		Ti = Charges per month for the treatment of industrial effluent.			
		C = Total operational budget for the purification works			
		Qi = Sewage flow(as defined in the Council's Sanitation Services by-laws)			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
		originating from the user in kl per day determined for the relevant month.			
		Qt = Annual total sewage inflow (as defined in the Council's Sanitation			
		Services by-laws) to the Council's sewage disposal system in kl per day.			
		a = portion of the fixed cost of treatment.			
		b = portion of the costs directly related to the removal of chemical oxygen demand.			
		CODi = Average chemical oxygen demand of the settled sewage			
		originating from the user in mg per litre determined for the relevant month.			
		CODt = Annual average chemical oxygen demand of the settled sewage			
		in the total inflow to the Council's sewage disposal system in mg per liter.			
		c = portion of costs directly related to the removal of phosphates.			
		Pi =Average Ortho-phosphate concentration originating from the user			
		in mg Phosphorus per litre determined for the relevant month.			
		Pi =Annual average Ortho-phosphate concentration originating from the			
		user in mg Phosphorus per litre determined for the relevant month.			
		d = portion of the costs directly related to the removal of ammonia.			
		Ni = Average Ammonia originating from the user in mg Nitrogen			
		per litre determined for the relevant month.			
		Nt = Annual average Ammonia concentration of the sewage in the total			
		inflow to the Council's sewage disposal system in mg Nitrogen per litre.			
		e = portion of the costs directly related to the removal of suspended solids.			
		Ssi = Average suspended solids concentration originating from			
		the user in mg per litre determined for the relevant month.			
		SSt = Annual average suspended solids concentration of the sewage in the			
		total inflow to the Council's sewage disposal system in mg per litre.			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
		For calculating of the treatment charges according to the above			
		formula the following system values will apply:			
		Qt 7			
		CODt 551			
		Pt 5.8			
		Nt 25.5			
		SSt 259			
		a 0.29			
		b 0.46			
		c 0.05			
		d 0.05			
		e 0.15			
6.		**ERWAT (KLIPRIVIER BUSINESS PARK) COSTS PLUS 10%**			
		These tariffs apply to e.g.. the following uses: business, commercial and industrial properties.			
		Tariff summary **Tariff per kl**			
		0 - 200 kl/month	7,57	8,29	9,50%
		201 - 1 000 kl/month	5,95	6,51	9,50%
		1 001 - 2 500 kl/month	3,49	3,82	9,50%
		2 501 - 5 000 kl/month	1,71	1,87	9,50%
		5 001 - 25 000 kl/month	1,53	1,68	9,50%
		25 001 - 50 000 kl/month	1,43	1,57	9,50%
		50 001 or more kl/month	0,77	0,84	9,50%
		These tariffs listed in 6 shall be levied in respect of each sewer connection			
		provided to the premises on which a use intended in this item is being exercised.			
		The relevant tariffs listed in this item shall be levied cumulatively.			
7.		**SUPPLY OF TREATED SEWAGE EFFLUENT**			
7.1		The charges payable in respect of any connection, including any extension			
		extension of the main which may be necessary for the supply of treated			
		sewage effluent, shall amount to the actual cost of material and labour			
		used for such a connection, plus a surcharge of 10% on such amount.			
7.2		For the supply of treated sewage effluent			
		for gardening purposes, per kl or part thereof	3,44	3,77	9,50%
8.		**SELLING OF SEWAGE SLUDGE**			
		Decomposed sewage sludge may be purchased from the Council			
		if it's available provided that			
(a)		the purchaser removes the sludge from the silt dry-beds at own costs; and			
(b)		the purchaser undertakes in writing to use the sludge according			
		to the guidelines set by the Department of National Health			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
		1 ton	20,40	22,34	9,50%
		Above 1 ton and up to 3 tons	38,08	41,70	9,50%
		Above 3 tons and up to 6 tons	78,89	86,38	9,50%
		Above 6 tons	116,29	127,34	9,50%
9.		WORK CHARGES			
9.1		Sealing of opening, when a drainage installation is disconnected			
		from a sewer, per opening: cost of labour and material + 10%			
9.2		Additional connections to mid block sewers and sewers adjacent to side			
		or street boundaries per property: cost of labour and material + 10%			
9.3		Connections involving street crossings: cost of labour and material + 10%			
10.		UNNECESSARY CALL-OUT CHARGES	482,23	528,04	9,50%
		When the Council is called out to attend to a complaint regarding a blockage in			
		the Council's sewerage system and it is found that the blockage is in the sewerage			
		systems within the premises for which system the Council is not responsible.			
11.		INSPECTION FEES			
11.1		In respect of a specific contravention of the by-laws of the Council whether			
		continuous or interrupted during a period of 12 months			
		First inspection			
		First follow-up inspection subsequent to a notice of rectification	508,69	557,02	9,50%
		2nd follow-up inspection subsequent to the notice of rectification intended above	1,511,12	1,654,67	9,50%
		3rd or subsequent follow-up inspection subsequent			
		to the notice of rectification intended above	4,121,23	4,512,74	9,50%
11.2		In respect of locating Council manholes, private connections			
		and acceptance by the Council of new sewer infrastructure,			
		installations and connections during a period of 12 months			
		First inspection on the site	508,69	557,02	9,50%
		First follow-up inspection on the site intended above	1,511,12	1,654,67	9,50%
		3rd follow-up inspection on the site intended above	4,121,23	4,512,74	9,50%

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	% Increase
12.		READING OF EFFLUENT METERS ON REQUEST			
		Should a consumer require that a meter be read at any other time			
		other than the time appointed by the Executive Director: Engineering			
		Services or his nominee, this charge for each such reading.	452,93	495,96	9,50%

The abovementioned tariffs exclude VAT

S COETZEE
EXECUTIVE DIRECTOR ENGINEERING

P.P.

14/03/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	TARIFF CODE	DESCRIPTION	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	PERCENTAGE INCREASE %
		CLEANSING AND SOLID WASTE			
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018			9,50%
1.		REMOVAL OF DOMESTIC USE			
		From residential dwellings 1 in plastic bags with a conserving capacity			
		of not more than 0.1 m³ with a maximum of 6 bags per dwelling or			
		town house per removal. Monthly tariff			
a.	ERF521, RV0110, WA0111, SAVARFL	Meyerton / Risiville, Randvaal / Vaal Marina, Walkerville / De Deur / Savanna City	168,66	184,68	9,5%
b.	DL5001, SAVARFL	Lakeside Estates / Sicelo/ Bantu Bonke / Savanna Low Cost Housing	84,33	92,34	9,5%
c.	VA0111	Resorts in Vaal Marina and Suikerbosrand (Bulk Resorts)	125,14	137,03	9,5%
1.2	ERF541	From flats and other (res 2, 3 and 4): once per week per residential unit	125,14	137,03	9,5%
1.3		From agricultural holdings in plastic bags with a conservancy capacity			
		of not more than 0.1 m³ with a maximum of 6 plastic bags per agricultural			
	ERF571	tural holding, once per week	168,66	184,68	9,5%
1.4		From farm portions in plastic bags with a conservancy capacity of not			
		more than 0.1 m³ with a maximum of 6 bags per agricultural holding,			
	ERF571	once per week	168,66	184,68	9,5%
1.5	ERF522	Non-Sectional Title properties containing Living Rooms with shared facilities	34,66	37,95	9,5%
1.6		Replacement of lost/damaged and worn out 240lt bin	915,92	1002,93	9,5%
2.		REMOVAL OF BUSINESS AND DRY INDUSTRIAL REFUSE			
2.1		In plastic bags with a conserving capacity of not more than 0.1 m³			
		compacted or un-compacted, with a maximum of 4 bags			
a.	ERF511	One removal per week	195,89	214,50	9,50%
b.	ERF514	Two removals per week	375,40	411,06	9,50%
c.	ERF515	Three removals per week	548,13	600,20	9,50%
d.	ERF516	Daily removals	1,032,34	1130,41	9,50%
2.2		In containers with a conserving capacity of not more than 2.5 m³ p/month			

a.	ERF561	One removal per week	1,595,44	1747,01	9,50%
b.		Two removals per week	2,659,00	2911,61	9,50%
c.		Three removals per week	4,223,24	4624,45	9,50%
d.		Daily removals	7,977,23	8735,07	9,50%
2.3		Rental of the above mentioned container with a conservancy capacity of not			
		more than 2.5 m³ per month	421,64	461,70	9,50%
3.		REMOVAL OF BUSINESS AND RESIDENTIAL REFUSE IN CONTAINERS WITH A CAPACITY OF NOT MO			
		THAN 6 m³ FOR RENTAL LONGER THAN ONE WEEK			
3.1					
a.		Rental per week or part thereof	134,65	147,44	9,50%
b.	EBINS	Rental per month	500,53	548,08	9,50%
c.	ERF512	Removal by means of compactor, per removal	720,87	789,35	9,50%
d.	ERF513	Removal by means of a skip loader, per removal	986,10	1079,78	9,50%
4.		REMOVAL OF BUSINESS AND RESIDENTIAL REFUSE IN CONTAINERS WITH A CON			
		SERVANCY CAPACITY OF NOT MORE THAN 30 m³ FOR RENTAL PERIOD LONGER			
		THAN ONE WEEK			
4.1					
a.	EBINS	Removal of 15 m³ skip bin, per removal	2,033,41	2226,58	9,50%
b.		Removal of 18 m³ skip bin, per removal	2,502,66	2740,41	9,50%
c.		Removal of 30 m³ skip bin, per removal	4,066,82	4453,17	9,50%
5.		REMOVAL AND DISPOSAL OF CONDEMNED FOODSTUFFS			
5.1	EBINS	Per removal, per m³ or part thereof	179,54	196,60	9,50%
6.		REMOVAL AND DISPOSAL OF BUILDING RUBBLE			
6.1		Per removal, per m³ or part thereof	149,62	163,83	9,50%
7.		REMOVAL AND DISPOSAL OF GARDEN REFUSE			
7.1		Per removal, per m³ or part thereof	131,94	144,47	9,50%
8		UN-PROCLAIMED TOWNSHIPS			
8.1		From residential dwellings 1 in plastic bags with a conserving capacity of not			
		more than 0.1 m³ with a maximum of 6 bags per dwelling or town house			
		per weekly removal, per month	131,94	144,47	9,50%
9.	REHAB	DUMPING AT TRANSFER STATIONS/LANDFILL SITES(NON-WEIGHBRIDGE)			
9.1	BRREHA	(INCLUDES A TARIFF PER TON REHABILITATION LEVY)	16,33	17,88	9,50%
9.2	DISPOSAL	Dumping of household and garden refuse by residents of Midvaal			
9.3	BRDISP	Dumping of waste by Non-residents per 1m3	112,89	123,61	9,50%

9.4		Dumping of waste by Non-residents			
a.		Per skip bin non municipal per bin	1,060,91	1161,70	9,50%
b.		Non-household or garden refuse - 1 ton vehicle with/without trailer	112,89	123,61	9,50%
c.		3 ton vehicle	288,35	315,74	9,50%
d.		Larger than 3 ton vehicle	968,43	1060,43	9,50%
e.		Single Axle Tipper	797,05	872,77	9,50%
f.		Double Axle Tipper	968,43	1060,43	9,50%
g.		Articulated Tipper Trailer	1.387,84	1519,68	9,50%
10.		DUMPING AT TRANSFER STATIONS / LANDFILL SITES (WEIGHBRIDGE)			
		DESCRIPTION			
a.		Tariff for the dumping of household and garden refuse by residents of Midvaal			
b.		General and non-hazardous industrial dry solid waste by the			
		general public and contractors in excess of 1000 kg	220,35	241,28	9,50%
c.		Disposal of clean compostable garden refuse by the general public			
		and contractors in excess of 1000 kg	59,84	65,52	9,50%
d.		Disposal of general and non-hazardous industrial dry solid waste			
		by the general public and contractors, from outside the boundaries of			
		the municipality in excess of 1000 kg	560,38	613,62	9,50%
e.		Clean building rubble up to 1000kg	FREE		
f.		Clean soil, usable as cover material up to 5000kg	FREE		
g.		Clean building rubble in excess of 1000kg	149,62	163,83	9,50%
h		Clean soil, usable as cover material in excess of 5000kg	299,23	327,66	9,50%
11.		DISPOSAL OF WASTE BY REGISTERED LANDFILL USERS			
11.1		Non-Weighbridge			
a.		Per skip bin non municipal	864,39	946,51	9,50%
b.		Non-household or garden refuse - 1 ton vehicle with/without trailer	63,56	69,60	9,50%
c.		3 ton vehicle	160,17	175,39	9,50%
d.		Larger than 3 ton vehicle	561,86	615,24	9,50%
e.		Single Axle Tipper	467,78	512,22	9,50%
f.		Double Axle Tipper	489,40	535,89	9,50%
g.		Articulated Tipper Trailer	711,85	779,48	9,50%
12		ILLEGAL DUMPING			
12.1		Cleaning of Illegal Dumping on private vacant stands & Open Spaces (Rate per hour)	1,177,00	1288,82	9,50%

13		GENERAL NOTES:			
a.		The charge in respect of any refuse removal service rendered and not provided			
		for elsewhere in this tariff charges shall be negotiated with Midvaal LM.			
b.		The Municipality reserves the right to refuse the rendering of any service if the			
		rendering thereof is impractical.			
c.		The Municipality will not refund any monies unless the user gives notification			
		in writing. Rebates will only be backdated to a maximum of three months from			
		the date of written notification.			
d.		Additional service will be charged at the full monthly collection service fee.			

14 DRAFT TARIFFS APPROVED BY:

S M MOSIDI
EXECUTIVE DIRECTOR:
COMMUNITY SERVICES

DATE: 14/3/2016

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	PERCENTAGE	2018/2019
	BANTU BONKE/SICELO HALL/LAKESIDE MPC	[R] VAT EXCL	[R] VAT EXCL	INCREASE	[R] VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	400,00	424,00	6%	487,60
	1.1 A refundable breakage deposit is payable on all Halls/side halls	475,00	503,50	6%	503,50
	bookings confirm on deposit (NO VAT)				
2	Concerts and films	200,00	212,00	6%	243,80
3	Bazaars, fun-fairs, selling and promotions, per occasion	200,00	212,00	6%	243,80
4	Church services and meetings per occasion:				
	4.1 Church services and non-political meetings	200,00	212,00	6%	243,80
	4.2 Political meeting or gatherings	200,00	212,00	6%	243,80
5	Gatherings/functions in support of a religion, educational and bona fide	25% Disc	25% Disc		
	registered charitable organisations - provided/written application is				
	approved				
6	Hiring of the halls for cultural practices or any other cultural group	R300/Month	R320/Month	6%	
	or any other sporting code that falls under the control a Local Amateur				
	Sports Council, with the understanding that the use of the hall not to				
	be to the disadvantage of any other: per month for a maximum				
	use 3x per week for 2 hour sessions				
	6.1 A refundable breakage deposit is payable (NO VAT)	475,00	503,50	6%	503,50
7	Use of the hall for municipal and governmental gatherings	free	free		
8	Hiring of the piano/organ				
	A refundable breakage deposit is payable	Not available	Not available		
9	Levying of fees for the cleaning of the hall and accessories	R350/function	R371/function		
10	Hiring of the moveable stage	Not available	Not available		
	1. A refundable breakage deposit is payable (NO VAT)				
11	Hiring for bona fide community activities relevant to youth, elderly,	R100	106,00	6%	106,00
	disabled, gender @ R100 per occasion, maximum 2 hours once				
	a week. Permission will be denied for future use if facility is left dirty				
	damaged				
12	Hiring of tables and chairs, Round Tables	R47,00/table	R50,00/table	6%	57,50
	Square Tables	R35,00/table	R38,26/table		44,00
	Chairs	Free	free		
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R270	286,20	6%	286,20
	and crockery is issued (NO VAT).				
	300 Dinner Plates	2,15	2,15	each	no increase
	300 Side Plates	1,15	1,15	each	no increase
	300 Cups and saucers	2,15	2,15	each	no increase
	300 Dinner knives	0,80	0,80	each	no increase
	300 Dinner forks	0,80	0,80	each	no increase
	300 Desert forks	0,80	0,80	each	no increase
	300 Cake forks	0,80	0,80	each	no increase
	300 Table/desert spoons	0,80	0,80	each	no increase
	300 Tea spoons	0,80	0,80	each	no increase
	300 Soup spoons	2,15	2,15	each	no increase
	300 Soup/desert bowls	2,15	2,15	each	no increase
	25 Sugar bowls	2,15	2,15	each	no increase
	25 Milk jugs	2,15	2,15	each	no increase
	50 Water/Juice jugs	2,15	2,15	each	no increase
	30 Salt and pepper sets	2,15	2,15	each	no increase
	Bain- marie with 8 Bowls	60,00	60,00	each	no increase
	10 Salad bowls	2,80	2,80	each	no increase
	10 Salad spoons	1,50	1,50	each	no increase
	10 Serving spoons	1,50	1,50	each	no increase
	1 Urn 25 Lt	40,00	40,00	each	no increase
	1 Urn 10 Lt	40,00	40,00	each	no increase

14/3/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	PERCENTAGE	2018/2019
	MEYERTON CITY HALL	[R] VAT EXCL	[R] VAT EXCL	INCREASE	[R] VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	R2,000.00	R2,120.00	6%	R2,438.00
	1.1 A refundable breakage deposit is payable on all Halls/side halls	R475.00	R503.50	6%	R503.50
	bookings confirm on deposit				
2	Concerts and films	R700.00	R742.00	6%	R853.30
3	Bazaars, fun-fairs, selling and promotions, per occasion	R700.00	R742.00	6%	R853.30
4	Church services and meetings per occasion:				
	4.1 Church services and non-political meetings	R700.00	R742.00	6%	R853.30
	4.2 Political meeting or gatherings	R700.00	R742.00	6%	R853.30
5	Gatherings/functions in support of a religion, educational and bona fide	25% Disc	25% Disc		25% Disc
	registered charitable organisations - provided/written application is				
	approved				
6	Hiring of the halls for cultural practices or any other cultural group	R1000/month	R1060/month	6%	R1060/month
	or any other sporting code that falls under the control a Local Amateur				
	Sports Council, with the understanding that the use of the hall not to				
	be to the disadvantage of any other: per month for a maximum				
	use 3x per week for 2 hour sessions				
	6.1 A refundable breakage deposit is payable	R475.00	R503.50	6%	R503.50
7	Use of the hall for municipal and governmental gatherings	free	free	free	free
8	Hiring of the piano/organ				
	A refundable breakage deposit is payable	Not available	Not available	Not available	Not available
9	Levying of fees for the cleaning of the hall and accessories	350/function	R371.00	6%	R371.00
10	Hiring of the moveable stage	R108.00	R114.50	6%	R114.50
	1. A refundable breakage deposit is payable (NO VAT)	R475.00	R503.50	6%	R503.50
11	Hiring for bona fide community activities relevant to youth, elderly,				
	disabled, gender @ R100 per occasion, maximum 2 hours once				
	a week. Permission will be denied for future use if facility is left dirty				
12	Hiring of kitchen				
13	Hiring of tables and chairs, Round Tables	R47.52/table	R50.00/table	6%	R57.50/table
	Square Tables	R35.64/table	R38.00/table	6%	R43.70/table
	Chairs	Free	Free		Free
14	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R270.00	R286.20	6%	R286.20
	and crockery is issued (NO VAT).				
	300 Dinner Plates	R2,15	R2,15	each	No increase
	300 Side Plates	R1,15	R1,15	each	No increase
	300 Cups and saucers	R2,15	R2,15	each	No increase
	300 Dinner knives	R0,80	R0,80	each	No increase
	300 Dinner forks	R0,80	R0,80	each	No increase
	300 Desert forks	R0,80	R0,80	each	No increase
	300 Cake forks	R0,80	R0,80	each	No increase
	300 Table/desert spoons	R0,80	R0,80	each	No increase
	300 Tea spoons	R0,80	R0,80	each	No increase
	300 Soup spoons	R2,15	R2,15	each	No increase
	300 Soup/desert bowls	R2,15	R2,15	each	No increase
	25 Sugar bowls	R2,15	R2,15	each	No increase
	25 Milk jugs	R2,15	R2,15	each	No increase
	50 Water/Juice jugs	R2,15	R2,15	each	No increase
	30 Salt and pepper sets	R2,15	R2,15	each	No increase
	Bain- marie with 8 Bowls	R60,00	R60,00	each	No increase
	10 Salad bowls	R2,80	R2,80	each	No increase
	10 Salad spoons	R1,50	R1,50	each	No increase
	10 Serving spoons	R1,50	R1,50	each	No increase
	1 Urn 25 Lt	R40,00	R40,00	each	No increase
	1 Urn 10 Lt	R40,00	R40,00	each	No increase

14/3/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	PERCENTAGE	2018/2019
	ROTHDENE HALL	[R] VAT EXCL	[R] VAT EXCL	INCREASE	[R] VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	700	742	6%	853,30
	1.1 A refundable breakage deposit is payable on all Halls/side halls	475	503,5	6%	503,50
	bookings confirm on deposit		0	6%	
2	Concerts and films	475	504	6%	579,60
3	Bazaars, fun-fairs, selling and promotions, per occasion	475	504	6%	579,60
4	Church servies and meetings per occasion:				
	4.1 Church services and non-political meetings	475	504	6%	579,60
	4.2 Political meeting or gatherings	475	504	6%	579,60
5	Gatherings/functions in support of a religion, educational and bona fide	25% Disc	25% Disc		
	registered charitable organisations - provided/written application is				
	approved				
6	Hiring of the halls for cultural practices or any other cultural group	575	610	6%	701,50
	or any other sporting code that falls under the control a Local Amateur				
	Sports Council, with the understanding that the use of the hall not to				
	be to the dissadvantage of any other: per month for a maximum				
	use 3x per week for 2 hour sessions				
	6.1 A refundable breakage deposit is payable	475	503,5	6%	503,50
7	Use of the hall for municipal and governmental gatherings	free	free	free	
8	Hring of the piano/organ				
	A refundable breakage deposit is payable	Not available	Not available	Not available	
9	Levying of fees for the cleaning of the hall and accessories	R350	R371/function	6%	426,65
10	Hiring of the moveable stage				
	1. A refundable breakage deposit is payable	Not available			
11	Hiring for bonafide community activities relevant to youth, elderly,				
	disabled, gender @ R100 per occasion, maximum 2 hours once				
	a week. Permission will be denied for future use if facility is left dirty				
	damaged				
12	Hiring of tables and chairs, Round Tables	R47,52/table	R50.00/table	6%	57,50
	Square Tables	R35,64/table	R38.00/table	6%	43,70
	Chairs	Free	free		
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R270	286	6%	286
	and rockery is issued.				
	300 Dinner Plates	2,15	2,15	each	No increase
	300 Side Plates	1,15	1,15	each	No increase
	300 Cups and saucers	2,15	2,15	each	No increase
	300 Dinner knives	0,8	0,8	each	No increase
	300 Dinner forks	0,8	0,8	each	No increase
	300 Desert forks	0,8	0,8	each	No increase
	300 Cake forks	0,8	0,8	each	No increase
	300 Table/desert spoons	0,8	0,8	each	No increase
	300 Tea spoons	0,8	0,8	each	No increase
	300 Soup spoons	2,15	2,15	each	No increase
	300 Soup/desert bowls	2,15	2,15	each	No increase
	25 Sugar bowls	2,15	2,15	each	No increase
	25 Milk jugs	2,15	2,15	each	No increase
	50 Water/Juice jugs	2,15	2,15	each	No increase
	30 Salt and peper sets	2,15	2,15	each	No increase
	Bain- marie with 8 Bowls	60	60	each	No increase
	10 Salad bowls	2,8	2,8	each	No increase
	10 Salad spoons	1,5	1,5	each	No increase
	10 Serving spoons	1,5	1,5	each	No increase
	1 Urn 25 Lt	40	40	each	No increase
	1 Urn 10 Lt	40	40	each	No increase

14/3/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	Percentage	2018/2019
	VAAL MARINA COMMUNITY HALL	(R) VAT EXCL	VAT EXCL	% Increase	VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	575	610	6%	701,5
	1.1 A refundable breakage deposit is payable on all Halls/side halls	475	503,5	6%	503,5
	bookings confirm on deposit				
2	Concerts and films	350	371	6%	426,65
3	Bazaars, fun-fairs, selling and promotions, per occasion	350	371	6%	426,65
4	Church servies and meetings per occasion:				
	4.1 Church services and non-political meetings	350	371	6%	426,65
	4.2 Political meeting or gatherings	350	371	6%	426,65
5	Gatherings/functions in support of a religion, educational and bona fide	25% Disc	25% Disc		
	registered charitable organisations - provided/written application is				
	approved				
6	Hiring of the halls for cultural practices or any other cultural group	575	R610/month	6%	701,5
	or any other sporting code that falls under the control a Local Amateur				
	Sports Council, with the understanding that the use of the hall not to				
	be to the dissadvantage of any other, per month for a maximum				
	use 3x per week for 2 hour sessions				
	6.1 A refundable breakage deposit is payable	475	503,5	6%	503,5
7	Use of the hall for municipal and governmental gatherings	free	free	free	
8	Hiring of the piano/organ				
	A refundable breakage deposit is payable	Not available	Not available	Not available	
9	Levying of fees for the cleaning of the hall and accessories	R350	R371		426,65
10	Hiring of the moveable stage	Not available	Not available		
	1. A refundable breakage deposit is payable	Not available	Not available		
11	Hiring for bonafide community activities relevant to youth, elderly,	R105	115	6%	132,25
	disabled, gender @ R100 per occasion, maximum 2 hours once				
	a week. Permission will be denied for future use if facility is left dirty				
	damaged				
12	Hiring of tables and chairs, Round Tables	R47,52/table	R50,00/table	6%	57,50
	Square Tables	R35,64/table	R38,00/table	6%	43,70
	Chairs	Free	free		
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R270,00	R290,00	6%	R290,00
	and rockery is issued.				
	300 Dinner Plates	2,15	2,15	each	No increase
	300 Side Plates	1,15	1,15	each	No increase
	300 Cups and saucers	2,15	2,15	each	No increase
	300 Dinner knives	0,8	0,8	each	No increase
	300 Dinner forks	0,8	0,8	each	No increase
	300 Desert forks	0,8	0,8	each	No increase
	300 Cake forks	0,8	0,8	each	No increase
	300 Table/desert spoons	0,8	0,8	each	No increase
	300 Tea spoons	0,8	0,8	each	No increase
	300 Soup spoons	2,15	2,15	each	No increase
	300 Soup/desert bowls	2,15	2,15	each	No increase
	25 Sugar bowls	2,15	2,15	each	No increase
	25 Milk jugs	2,15	2,15	each	No increase
	50 Water/Juice jugs	2,15	2,15	each	No increase
	30 Salt and peper sets	2,15	2,15	each	No increase
	Bain- marie with 8 Bowls	60	60	each	No increase
	10 Salad bowls	2,8	2,8	each	No increase
	10 Salad spoons	1,5	1,5	each	No increase
	10 Serving spoons	1,5	1,5	each	No increase
	1 Urn 25 Lt	40	40	each	No increase
	1 Urn 10 Lt	40	40	each	No increase

14/3/2018.

MIDVAAL LOCAL MUNICIPALITY					
ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT EXCL	[R] VAT EXCL	[R] VAT INCL	INCREASE = 6%
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1.	CLASS 1 ADVERTISMENTS				
	SUPER BILLBOARDS, CUSTOM-MADE BILLBOARDS, LARGE				
1.1.	NEW APPLICATIONS	R 1,581	R 1,676	R 1,928	6,00%
	Application fee per sign				
1.2.	APPLICATIONS FOR AMENDMENTS	R 792	R 839	R 965	6,00%
	Application fee per sign				
1.3.	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 553	R 586	R 674	6,00%
	Application fee per sign				
	Inspection fee per m² of the total face of each sign applicable to class 1	R 157	R 167	R 192	6,00%
2	CLASS 2 ADVERTISMENTS				
	LARGE POSTERS AND ADVERTISEMENTS ON STREET FURNITURE				
2,1	NEW APPLICATIONS	R 448	R 475	R 546	6,00%
	Application fee per poster or sign				
2,2	APPLICATIONS FOR AMENDMENTS	R 225	R 238	R 274	6,00%
	Application fee per poster or sign				
2,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 344	R 364	R 419	6,00%
	Application fee per poster or sign				
3	BANNERS AND FLAGS FOR FUNCTIONS OR EVENTS				
	LAW ENFORCEMENT UNIT				

ITEM	DESCRIPTION OUTDOOR ADVERTISING APPLICATIONS	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	2018/2019 [R] VAT INCL	PERCENTAGE INCREASE = 6%
4	BANNERS AND FLAGS FOR THE DISPLAY OF NAME, CORP. SYMBOL AND NATURE OF ENTERPRISES AND STREETSCAPES				
4,1	NEW APPLICATIONS *Application fee* *per enterprise per sign with a minimum fee of*	R 756	R 804	R 924	6,00%
4,2	APPLICATIONS FOR AMENDMENTS *Application fee* *per enterprise per sign with a minimum fee of*	R 523	R 554	R 637	6,00%
4,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per enterprise per sign with a minimum fee of*	R 448	R 475	R 546	6,00%
5	SUBURBAN ADVERTISEMENTS				
5,1	NEW APPLICATIONS *Application fee per sign*	R 223	R 237	R 272	6,00%
5,2	APPLICATIONS FOR AMENDMENTS *Application fee per sign*	R 150	R 159	R 182	6,00%
5,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per sign*	R 113	R 120	R 138	6,00%
6	ESTATE AGENT'S BOARDS LAW ENFORCEMENT UNIT				
7	SALE OF GOODS OR LIVESTOCK (AUCTION SALES) LAW ENFORCEMENT UNIT				
8	PAVEMENT POSTERS AND NOTICES CATEGORY 1,2,3,4 & 5 POSTERS CATEGORY 1 POSTERS IN RESPECT OF PUBLIC, CHARITABLE, RELIGIOUS OR EDUCATIONAL EVENTS CATEGORY 1 POSTERS IN RESPECT OF CULTURAL, POLITICAL, SOCIAL, SPORTING OR RECREATIONAL EVENTS LAW ENFORCEMENT UNIT				

ITEM	DESCRIPTION OUTDOOR ADVERTISING APPLICATIONS	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	2018/2019 [R] VAT INCL	PERCENTAGE INCREASE = 6%
9	PROJECT AND DEVELOPMENT BOARDS (If not exempted under section 9)				
9,1	NEW APPLICATIONS *Application fee* per m2 of the total face of the display with a minimum fee of	R 756	R 804	R 924	6,00%
9,2	APPLICATIONS FOR AMENDMENTS *Application fee* per m^2 of the total face of the display with a minimum fee of	R 523	R 554	R 637	6,00%
9,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee* per m^2 of the total face of the display with a minimum fee of	R 448	R 475	R 546	6,00%
10	TEMPORARY WINDOW SIGNS Exempted				
11	STREET NAME ADVERTISEMENTS Prohibited				
12	NEIGHBOURHOOD WATCH AND SIMILAR SCHEMES Exempted				
13	PRODUCT REPLICAS AND THREE-DIMENSIONAL SIGNS				
13,1	NEW APPLICATIONS *Application fee* per m^2 of the total face of each sign with a minimum fee of	R 756	R 804	R 924	6,00%

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT EXCL	[R] VAT EXCL	[R] VAT INCL	INCREASE = 6%
13,2	APPLICATIONS FOR AMENDMENTS	R 523	R 554	R 637	6.00%
	Application fee				
	per m^2 of the total face of each sign with a minimum fee of				
13,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 448	R 475	R 546	6.00%
	Application fee				
	per m^2 of the total face of each sign with a minimum fee of				
14	CLASS 3 ADVERTISEMENTS				
	SKY SIGNS				
	Prohibited				
15	ROOF SIGNS				
15,1	NEW APPLICATIONS	R 756	R 804	R 924	6.00%
	Application fee				
15,2	*Inspection fee*	R 150	R 159	R 182	6.00%
	Applicable to all roof Signes per m^2 of the total face of each sign				
15,3	APPLICATIONS FOR AMENDMENTS	R 523	R 554	R 637	6.00%
	Application fee				
15,4	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 448	R 475	R 546	6.00%
	Application fee				
16	FLAT SIGNS				
16,1	NEW APPLICATIONS	R 756	R 804	R 924	6.00%
	Application fee				
16,2	APPLICATIONS FOR AMENDMENTS	R 523	R 554	R 637	6.00%
	Application fee				

ITEM	DESCRIPTION OUTDOOR ADVERTISING APPLICATIONS	2017/2018 (R) VAT EXCL	2018/2019 (R) VAT EXCL	2018/2019 (R) VAT INCL	PERCENTAGE INCREASE = 6%
16,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee*	R 448	R 475	R 546	6,00%
16,4	*Inspection fee* per m^2 of the total face of each sign applicable to all flat signs	R 150	R 159	R 182	6,00%
17	PROJECTING SIGNS				
17,1	NEW APPLICATIONS *Application fee*	R 758	R 804	R 924	6,00%
17,2	APPLICATIONS FOR AMENDMENTS *Application fee*	R 524	R 555	R 639	6,00%
17,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee*	R 448	R 475	R 546	6,00%
17,4	*Inspection fee* per m^2 of the total face of each sign applicable to Projecting Signs	R 150	R 159	R 182	6,00%
18	VERANDA, BALCONY, CANOPY AND UNDERAWNING SIGNS **(If not exempted under Section 9)**				
18,1	NEW APPLICATIONS *Application fee per sign*	R 225	R 238	R 274	6,00%
18,2	APPLICATIONS FOR AMENDMENTS *Application fee per sign*	R 150	R 159	R 182	6,00%
18,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD *Application fee per sign*	R 76	R 80	R 93	6,00%
19	SIGNS PAINTED ON WALLS AND ROOFS Prohibited				

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT EXCL	[R] VAT EXCL	[R] VAT INCL	INCREASE = 6%
20	WINDOW SIGNS				
	Exempted				
21	SIGNS INCORPORATED IN THE FABRIC OF A BUILDING				
	Exempted				
22	ADVERTISMENTS ON FORECOURTS OF BUSINESS PREMISES				
	NEW APPLICATIONS	R 758	R 804	R 924	6.00%
	Application fee per enterprise per annum				
23	MISCELLANEOUS SIGNS FOR RESIDENTIAL ORIENTED LAND USE AND COMMUNITY SERVICE (If not exempted under Section 9)				
23,1	NEW APPLICATIONS	R 448	R 475	R 546	6.00%
	Application fee per sign				
23,2	APPLICATIONS FOR AMENDMENTS	R 225	R 238	R 274	6.00%
	Application fee per sign				
23,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 225	R 238	R 274	6.00%
	Application fee per sign				
24	ON-PREMISES BUSINESS SIGNS				
	NEW APPLICATIONS				
24,1	*Application fee*	R 138	R 146	R 168	6.00%
	Fee per m^2 of the total face of the advertisement with a minimum fee of R274.32				

ITEM	DESCRIPTION OUTDOOR ADVERTISING APPLICATIONS	2017/2018 (R) VAT EXCL	2018/2019 (R) VAT EXCL	2018/2019 (R) VAT INCL	PERCENTAGE INCREASE = 6%
24,2	APPLICATIONS FOR AMENDMENTS				
	Application fee	R 75	R 79	R 91	6,00%
	Fee per m^2 of the total face of the advertisement wit a minimum fee of R223.56				
24,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD				
	Application fee	R 75	R 79	R 91	6,00%
	Fee per m^2 of the total face of the advertisement with a minimum fee of R149.04				
25	ADVERTISEMENTS ON TOWERS, BRIDGES, GANTRIES AND PYLONS				
25,1	NEW APPLICATIONS	R 1,494	R 1,583	R 1,821	6,00%
	Application fee per sign				
25,2	APPLICATIONS FOR AMENDMENTS	R 421	R 446	R 513	6,00%
	Application fee per sign				
25,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 523	R 554	R 637	6,00%
	Application fee per sign				
25,4	Inspection fee	R 150	R 159	R 182	6,00%
	per m^2 of the total face of each sign applicable on Towers, Bridges, Gantries & Pylons				
26	CLASS 4 ADVERTISEMENTS				
	SPONSORED ROAD TRAFFIC PROJECTS				
	Exempted				
27	SERVICE FACILITY SIGNS				
27,1	NEW APPLICATIONS	R 1,495	R 1,584	R 1,822	6,00%
	Application fee per sign				
27,2	APPLICATIONS FOR AMENDMENTS	R 746	R 791	R 910	6,00%
	Application fee per sign				
27,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 523	R 554	R 637	6,00%

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT EXCL	[R] VAT EXCL	[R] VAT INCL	INCREASE = 6%
	Application fee per sign				
27,4	*Inspection fee*	R 150	R 159	R 182	6.00%
	per m^2 of the total face of each sign applicable to Services Facility signs				
28	TOURISM SIGNS				
28,1	NEW APPLICATIONS	R 225	R 238	R 274	6.00%
	Application fee per sign				
28,2	APPLICATIONS FOR AMENDMENTS	R 150	R 159	R 182	6.00%
	Application fee per sign				
28,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 113	R 120	R 138	6.00%
	Application fee per sign				
29	FUNCTIONAL ADVERTISEMENTS BY PUBLIC BODIES				
	Exempted				
30	CLASS 5 ADVERTISEMENTS				
	AERIAL SIGNS				
30,1	NEW APPLICATIONS	R 746	R 791	R 910	6.00%
	Application fee per sign				
30,2	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 445	R 475	R 546	6.00%
	Application fee per sign				

ITEM	DESCRIPTION OUTDOOR ADVERTISING APPLICATIONS	2017/2018 (R) VAT EXCL	2018/2019 (R) VAT EXCL	2018/2019 (R) VAT INCL	PERCENTAGE INCREASE = 6%
31	VEHICULAR ADVERTISEMENT Exempted - LAW ENFORCEMENT UNIT				
32	TRAILER ADVERTISEMENT LAW ENFORCEMENT UNIT				
33	All tariffs shown, excludes VAT.				
34	All fees levied in terms hereof, are payable in advance.				

F. Adonis
Acting Executive Director
Development & Planning

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT EXCL	[R] VAT EXCL	[R] VAT INCL	INCREASE = 6%
THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018					
1,1	TARIFFS FOR THE PRE EVALUATION OF SKETCHES OR PRELIMENARY DRAWINGS				
	Charges for the examination of preliminary plans in terms of section A3 of the Regulations shall be valued at 50 % of the charges payable in terms of item 2 below, which ever is applicable			50,00%	
1,2	TARIFFS FOR ALL APPLICATIONS SUBMITTED VIA THE WEB MODULE				
	Charges for the evaluation of applications in terms of Item 2 and Item 4 - 8 received electronically via the Web Module shall be valued at 20% less than the fees charged for Counter submissions			20,00%	
2,1	TARIFFS FOR THE EVALUATION OF BUILDING PLAN APPLICATIONS FOR RESIDENTIAL,				
	These tariffs are charged for building plans (new buildings and additions). The floor area of a building is calculated from the external surface to the opposite external surface of the wall as per section C of SANS 10400				
	0 - 50m²	R 271,16	R 287,43	R 331	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 271,16	R 287,43	R 331	6,00%
	50m² to 100m²	R 542,32	R 574,86	R 661	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 542,32	R 574,86	R 661	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 596,55	R 632,35	R 727	6,00%
	101m² - 1 000m² = p/m²	R 8,68	R 9,20	R 11	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 542,32	R 574,86	R 661	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1 084,64	R 1,149,72	R 1,322	6,00%
	1 001m² - 10 000m² = p/m²	R 7,05	R 7,47	R 9	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 542,32	R 574,86	R 661	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1 084,64	R 1,149,72	R 1,322	6,00%
	10 001m² - 100 000m² (Fixed Rate)	R 92 194,58	R 97,726,25	R 112 385	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 542,32	R 574,86	R 661	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1 084,64	R 1,149,72	R 1,322	6,00%
	100 001m² - 200 000m² (Fixed Rate)	R 113,687,42	R 120,720,67	R 138,829	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 542,32	R 574,86	R 661	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1 084,64	R 1,149,72	R 1,322	6,00%
	200 000m² - No Limit (Fixed Rate)	R 135 580,26	R 143,715,08	R 165,272	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 542,32	R 574,86	R 661	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1 084,64	R 1,149,72	R 1,322	6,00%
2,2	TARIFFS FOR THE EVALUATION OF BUILDING PLAN APPLICATIONS FOR EXISTING / AS-BUILT RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL DEVELOPMENT				
	These tariffs are charged as per section 2.1 above + 30 % for building plans submitted on existing / as-built structures after commencement/completion of such structures. The floor area of a building is calculated from the external surface to the opposite external surface of the wall as per section C of SANS 10400			130,00%	
2,3	TARIFFS FOR THE (CALL OUT) INSPECTION OF EXISTING / AS-BUILT RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL DEVELOPMENT				
	These inspections are performed on request of the property owner and/or routine inspections as per section 2.1 above + 30 % for inspectiong the existing / as-built structures after commencement/completion of such structures.			130,00%	
3	TARIFFS FOR INSPECTIONS IN TERMS OF ITEM 1 AND 2 ABOVE				
	Callout for each additional inspection neccesitated by non compliance with a requirement	R 325,39	R 344,92	R 397	6,00%
	Callout for each additional inspection for building plan clearance	R 325,39	R 344,92	R 397	6,00%

ITEM	DESCRIPTION BUILDING CONTROL APPLICATIONS	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	2018/2019 [R] VAT INCL	PERCENTAGE INCREASE = 6%
4	TARIFFS FOR THE APPROVAL OF STATE (FULLY AND PARTLY) FUNDED HOUSING PROJECTS				
	Individual single units ≤ 50m² per type/unit	R 119,31	R 126,47	R 145	6,00%
	Callout inspection on a State/Municipal funded project ≤ 500 units ≤ 50m² per batch of 50 units	R 357,93	R 379,41	R 436	6,00%
	Callout inspection on a State/Municipal funded project ≥ 500 units ≤ 50m² per batch of 50 units	R 216,93	R 229,94	R 264	6,00%
	Individual single units ≥ 50m² per type/unit, Charges per type	R 230,99	R 244,85	R 282	6,00%
	Callout inspection on a State/Municipal funded project ≤ 500 units ≥ 50m² per batch of 50 units	R 596,55	R 632,35	R 727	6,00%
	Callout inspection on a State/Municipal funded project ≥ 500 units ≥ 50m² per batch of 50 units	R 596,55	R 632,35	R 727	6,00%
	Blocks of flats (Walk-up) with individual flats are ≤ 50m² per flat/occupancy	R 59,66	R 63,23	R 73	6,00%
	Blocks of flats (Walk-up) with individual flats are ≥ 50m² per flat/occupancy, charges per type	R 120,52	R 127,75	R 147	6,00%
	Callout inspection on each block of flats with units ≤ 50m² per flat	R 378,32	R 401,02	R 461	6,00%
	Callout inspection on each block of flats with units ≥ 50m² per flat	R 686,94	R 728,16	R 837	6,00%
5	TARIFFS FOR THE EVALUATION OF MINOR BUILDING WORK APPLICATIONS ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL PROPERIES				
	Minor Building work as contemplated in section 13 of the Act and defined in SANS 10400, National Building regulations. Should any of the minor buildings be submitted simultaniously with an applications as per item 2 above, the minor building work tariff shall not be applicable or charged.				
	the erection of any –				
	Internal alterations to any building or structure not affecting the existing floor area	R 234,65	R 248,73	R 286	6,00%
	Boundary walls adjacent to any street front	R 234,65	R 248,73	R 286	6,00%
	Boundary walls along any side or rear boundary of a property	R 234,65	R 248,73	R 286	6,00%
	Poultry house not exceeding 10 m2 in area,	R 100,43	R 106,46	R 122	6,00%
	Aviary not exceeding 20 m2 in area,	R 100,43	R 106,46	R 122	6,00%
	Solid fuel store not exceeding 10 m2 in area and 2 m in height;	R 100,43	R 106,46	R 122	6,00%
	Tool shed not exceeding 10 m2 in area,	R 100,43	R 106,46	R 122	6,00%
	Child's playhouse not exceeding 5 m2 in area,	R 100,43	R 106,46	R 122	6,00%
	Cycle shed not exceeding 5 m2 in area,	R 100,43	R 106,46	R 122	6,00%
	Greenhouse not exceeding 15 m2 in area	R 100,43	R 106,46	R 122	6,00%
	Open-sided car, caravan or boat shelter of shadenet where such shelter does not exceed 18m² in area and does not encroach over any building line	R 100,43	R 106,46	R 122	6,00%
	Open-sided car, caravan or boat shelter of metal sheeting or a carport where such shelter or carport exceeding 18m² in area but does not encroach over any building line	R 433,86	R 459,89	R 529	6,00%
	Any free-standing wall constructed of masonry, concrete, steel, aluminium or timber or any wire fence where such wall or fence does not 1,8m in height at any point above ground level and does not retain soil	R 433,86	R 459,89	R 529	6,00%
	Any pergola,	R 433,86	R 459,89	R 529	6,00%
	Private swimming pool,	R 433,86	R 459,89	R 529	6,00%
	Change room, not exceeding 10 m2 in area, at a private swimming pool;	R 433,86	R 459,89	R 529	6,00%
	The replacement of a roof or part thereof with the same or similar material;	R 433,86	R 459,89	R 529	6,00%
	The conversion of a door into a window or a window into a door without increasing the width of the opening	R 100,43	R 106,46	R 122	6,00%
	The making of an opening in a wall which does not affect the structural safety of the building concerned	R 100,43	R 106,46	R 122	6,00%
	The partitioning or the enlarging of any room by the erection or demolition of an internal wall if such erection or demolition does not affect ther structural safety of the buildig concerned	R 100,43	R 106,46	R 122	6,00%
	The erection of any solar water heater not exceeding 6 m2 in area on any roof or 12 m2 when erected other than on any roof	R 200,66	R 212,91	R 245	6,00%
	The erection of any other building where the nature of the erection is such that in the opinion of the Building Control Officer it is not necessary for the applicant to submit, with his application, plans prepared in full conformity with the Regulations	R 200,66	R 212,91	R 245	6,00%
	Tariffs are charged as per section 2.1 above where any minor building works encroach over any building lines. The floor area of a minor building works structure is calculated from the external surface/covering to the opposite external surface/covering of the wall/covering as per section C of SANS 10400				

ITEM	DESCRIPTION BUILDING CONTROL APPLICATIONS	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	2018/2019 [R] VAT INCL	PERCENTAGE INCREASE = 6%
6	TARIFFS FOR THE EVALUATION OF PLANS FOR BUILDINGS/STRUCTURES THAT HAVE A SPECIAL CHARACTER ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL PROPERIES				
	Buildings or structures such as ; Factory shafts, elevators, chimneys, elevated security watchrooms, masts and towers.	R 3,253.93	R 3,449.16	R 3,967	6,00%
7	LP GAS AND OTHER HAZARDOUS FUEL INSTALLATION APPLICATIONS				
	This application includes all types of gas and fuel installations on any property as required in terms of Part T of SANS 10400	R 650.79	R 689.83	R 793	6,00%
	No inspection charge because the inspection is done by the fire department.	R 0.00	R 0.00	R 0	6,00%
8	TARIFFS FOR THE EVALUATION OF PLANS FOR TEMPORARY BUILDINGS ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL PROPERIES FOR WHICH A PERMIT IS ISSUED				
	The permit for any temporary building or structure is valid for 6 months from date of issue and renewable on written request Temporary buildings may include a builders hut, security hut, tool shed, storage container or any structure intended to be used for a limited specified period within 6 months and completely demolished thereafter Permit per structure/unit - Fixed Price	R 271	R 213	R 245	6,00%
9	APPLICATIONS FOR APPROVAL OF PREVIOUSLY APPROVED PLANS THAT HAVE LAPSED				
	For consideration of approving previously approved plans that have lapsed provided that the application is submitted within 6 months of the lapsed date of the original plan Renewal of a building plan application = **Inspection fees + 35% of tariff** in terms of item 2 and 4 - 8			35,00%	
10	CANCELLATION OF ANY APPLICATION ON OWNERS REQUEST				
	Cancellation of any application on the owner's written request within 6 months from date of approval, **30%** of the initial application fee may be refunded			30,00%	
11	CANCELLATION OF AN APPLICATION DUE TO NON APPROVAL				
	When any application was submitted for consideration but cannot be considered for approval, **20%** of the initially paid application fee interms of item 2 above may be refunded on written request by the owner within 6 months from date of non-approval letter.			20,00%	
12	PROVISIONAL AUTHORISATION TO COMMENCE BUILDING WORK - 7(6) Application				
	This authorisation may only be granted with the favourable comment from Town planning, Properties & Engineering departments and the consent of the Executive Director: Development, Planning & Housing	R 3,796.25	R 4,024.02	R 4,628	6,00%
13	PROVISIONAL AUTHORISATION TO COMMENCE BUILDING WORK ON FULLY AND PARTLY SUBSIDISED HOUSING PROJECTS - 7(6) Application				
	This authorisation may be granted per **(50 units as per schedule 4 above)** only with the favourable comment from Town planning, Properties & Engineering departments and the consent of the Executive Director: Development, Planning & Housing	R 3,796.25	R 4,024.02	R 4,628	6,00%
14	PROVISIONAL AUTHORISATION TO OCCUPY A BUILDING				
	This authorisation may only be granted with the favourable comment of the Building Control Officer and the submitted completion certificate/s of the supervising engineer on site	R 3,796.25	R 4,024.02	R 4,628	6,00%
15	AUTHORISATION FOR DEMOLITION WORK				
	This authorisation may only be granted with the favourable comment of all relevant departments and the consent of the Executive director: Development, Planning & Housing and the South African Heritage Resources Agency (when applicable)	R 759.25	R 804.80	R 926	6,00%

ITEM	DESCRIPTION BUILDING CONTROL APPLICATIONS	2017/2018 [R] VAT EXCL	2018/2019 [R] VAT EXCL	2018/2019 [R] VAT INCL	PERCENTAGE INCREASE = 6%
16	APPLICATION FOR AN OCCUPATION CERTIFICATE				
	When an application is received for the issuing of a Certificate of Occupancy for any structure, ad the structure is found to be compliant, no fee is charged.	No Cost	No Cost	No Cost	No Cost
17	APPLICATION FOR A CERTIFICATE OF OCCUPANCY WITHIN THE SPECIFIED TIMEFRAME FROM DATE OF PLAN APPLICATION APPROVAL				
	When an applicant applies for a COO within 24 Months from date of application approval and the works is found to be compliant and the COO is issued within the same 24 months, the applicant is entitled to 10% refund of such application fee as an incentive.			10,00%	
	When an applicant applies for a COO within 12 Months from date of application approval and the works is found to be compliant and the COO is issued within the same 12 months, the applicant is entitled to 20% refund of such application fee as an incentive.			20,00%	
18	EXEMPTIONS				
	The following applications are exempted from submission fees:	No Cost	No Cost	No Cost	No Cost
	Applications in respect of any building to be erected by the state or on behalf of the state. In this context "State" means an "Organ of State" as defined in Section 239 of the Constitution. This is interpreted as those institutions which are an intrinsic part of Government and those institutions outside the public service which are controlled by the State.	No Cost	No Cost	No Cost	No Cost
	Building plans for all buildings and structures managed by the Local Authority, erected for and by the Local Authority. (Plans must be submitted and approved prior to construction.)	No Cost	No Cost	No Cost	No Cost
	Building Plans submitted on existing structures for which can be proven to exist for longer than 30 years for which the plans does not exist or requires newly drawn plans for record purposes because of outdated and non legible plans dated 30 years ago	No Cost	No Cost	No Cost	No Cost
19	ADMINISTRATION FEE, PRINTS AND COPIES OF DOCUMENTATION AND MONTHLY STATISTICS				
	Copies of monthly building statistics and schedules of approved plans per month per item copy	R 108,46	R 114,97	R 132	6,00%
	Copies of Archive documents from previously submitted Applications / documentation (Admin fee + paper size as per schedule 20 and /or 21	R 50,21	R 53,23	R 61	6,00%
	Softcopy record of own application documentation via e-mail / drop-box subject to formal application	No Cost	No Cost	No Cost	No Cost
20	B & W 2D/ LINE DRAWING ON BOND PAPER:				
	Size A4 =	R 4,77	R 5,06	R 6	6,00%
	Size A3 =	R 7,16	R 7,59	R 9	6,00%
	Size A2 =	R 14,32	R 15,18	R 17	6,00%
	Size A1 =	R 21,47	R 22,76	R 26	6,00%
	Size A0 =	R 44,15	R 46,80	R 54	6,00%

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT EXCL	[R] VAT EXCL	[R] VAT INCL	INCREASE = 6%
21	Colour 2D/Line/GIS/POSTER ON BOND/COATED PAPER:				
	Size A4 =	R 5,64	R 5,98	R 7	6,00%
	Size A3 =	R 12,47	R 13,22	R 15	6,00%
	Size A2 =	R 43,39	R 45,99	R 53	6,00%
	Size A1 =	R 68,60	R 72,72	R 84	6,00%
	Size A0 =	R 130,97	R 138,83	R 160	6,00%
22	All tariffs shown, includes VAT.				
23	All fees levied in terms hereof, are payable in advance.				

T. ARLOW
ACTING EXECUTIVE DIRECTOR
DEVELOPMENT & PLANNING

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION Development & Planning (Land Use Applications)	2017/2018 VAT EXCL	2018/2019 VAT EXCL	2018/2019 VAT INCL	PERCENTAGE INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
	A. DETERMINATION OF FEES PAYABLE IN TERMS OF THE TOWN PLANNING AND TOWNSHIPS ORDINANCE, 1986 (ORDINANCE NO 15 OF 1986)				
1	Application for the consent of the Council [Section 20(1): or relevant Section as contained in MLM SPLUMA bylaws Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	1464,91	1535,09	1765,35	4,79
2	Application for the consent of the Administrator [Section 20(1)-Regulation 42 applications]: or relevant Section as contained in MLM SPLUMA bylaws.	763,16	833,35	958,35	9,20
3	Application for an amendment of a Town-planning Scheme [Section 56(1)(a)]: or relevant Section as contained in MLM SPLUMA bylaws.	4035,09	5701,74	6557,00	41,30
4	Application for establishment of a township (Section 96(2)(b) Applicant responsible for advertisement): or relevant Section as contained in MLM SPLUMA bylaws. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	5175,44	5263,17	6052,65	1,70
5	Application for an amendment of a township application [Section 96(4)]: or relevant Section as contained in MLM SPLUMA bylaws. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	3377,19	3508,78	4035,10	3,90
6	Application for extension of boundaries of an approved township [Section 88(1)]: or relevant Section as contained in MLM SPLUMA bylaws. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	3947,37	4166,65	4791,65	5,56
7	Application for phasing of Township application. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	3947,37	4166,65	4791,65	5,56
8	Subdivision of erven [Section 92(1)(a)]: or relevant Section as contained in MLM SPLUMA bylaws. areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	1359,65	1447,35	1664,45	6,45
9	Consolidation of erven [Section 92(1)(b)]: or relevant Section as contained in MLM SPLUMA bylaws. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	1359,65	1447,35	1664,45	6,45
10	The withdrawal of an approved application for the subdivision/consolidation.	614,04	658,00	756,70	7,16
11	The amendment of the conditions on which the consolidation/subdivision was approved	657,89	658,00	756,70	0,02
12	An amendment of the approved consolidation or subdivision plan. S92(4)(a), S92(4)(c): or relevant Section as contained in MLM SPLUMA bylaws.	657,89	701,74	807,00	6,66
13	Preparation of Town-planning Scheme [Section 125(3)] if prepared by Council: or relevant Section as contained in MLM SPLUMA bylaws.	3508,77	3728,09	4287,30	6,25
14	Application for Council's reasons [Section 56(9)and Section 20(1)]: or relevant Section as contained in MLM SPLUMA bylaws.	684,21	745,61	857,45	8,97

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning (Land Use Applications)	VAT EXCL	VAT EXCL	VAT INCL	INCREASE %
15	Application for amendment of the conditions on which consent was given in terms of the Ordinance	614,04	658,00	756,70	7,16
16	The revoking of an approved scheme/ the revoking of a provision in an approved scheme: S62 or S63:or relevant Section as contained in MLM SPLUMA bylaws.	1640,35	1710,57	1967,15	4,28
17	Relaxation of a building line provision/the approval of an encroachment on a building restriction area. aAeas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	587,72	614,05	706,15	4,48
18	Application for approval of site development plans. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	1359,65	1447,35	1664,45	6,45
19	Application for approval of revised site development plans. areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	614,04	658,00	756,70	7,16
20	Section 82 certificate (per certificate): or relevant Section as contained in MLM SPLUMA bylaws. (Up to ten portions, then in batches of 50 portions). Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	701,75	745,61	857,45	6,25
21	Regulation 38 certificate & (per sub divided portion): or relevant Section as contained in MLM SPLUMA bylaws. (Up to ten portions, then in batches of 50 portions). Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	403,51	438,61	504,40	8,70
22	Merger of township. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	3657,89	3728,09	4287,30	1,92
23	Request for extension of time for township application	938,60	1052,65	1210,55	12,15
	B. DETERMINATION OF FEES PAYABLE IN TERMS OF THE REMOVAL OF RESTRICTIONS ACT, 1996 (ACT 3 OF 1996)				
	NB: These tariffs may not be increased - subject to Provincial legislation				
24	Application for removal of Restrictive Constrictions	561,40	526,30	605,25	-6,25
25	Simultaneous amendment, suspension/removal of conditions &amendment of a town planning scheme	1877,19	1754,40	2017,55	-6,54
26	Appeals against decision of authorised local authority:	2438,60	2631,61	3026,35	7,91
27	Application in terms of Section 6(1): or relevant Section as contained in MLM SPLUMA bylaws.	2350,88	2412,30	2774,15	2,61
28	Advertisement in terms of Section 6(8)(a): or relevant Section as contained in MLM SPLUMA bylaws.	4473,68	5745,61	6607,45	28,43
29	Fees payable to Council for inspecting a property relating to a hearing in terms of Section 17(2)(a): or relevant Section as contained in MLM SPLUMA bylaws.	1692,98	2193,00	2521,95	29,53
30	Application for amendment of the application for subdivision [Section 17(3)]: or relevant Section as contained in MLM SPLUMA bylaws. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	798,25	842,13	968,45	5,50
31	Fees payable to Council if the Council gives notice of an application in the Official, Gazette/newspaper. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	4692,98	4912,30	5649,15	4,67

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning (Land Use Applications)	VAT EXCL	VAT EXCL	VAT INCL	INCREASE %
32	PARK CLOSURES. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	5964,91	6140,35	7061,40	2,94
33	STREET CLOSINGS. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	5964,91	6140,35	7061,40	2,94
34	Administration fees(New applications for the selling and leasing of Council property for residential, church, educational registered at GDE, welfare purposes and registered non-profitible organisations) or LED Projects. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	346,49	394,74	453,95	13,92
35	Inspection of ant Title Deed, including ter issuing of a printout/hardcopy	96,49	105,26	121,05	9,09
36	Town Planning Scheme print out (complete scheme)	263,16	307,00	353,05	16,66
37	Emailing of any policy/Town Planning Scheme	131,58	131,61	151,35	0,02
38	Extraction from town planning scheme, per page (Size A4)	4,82	4,82	5,55	0,00
36	Issue of Zoning certificates, each. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	70,18	87,74	100,90	25,03
37	Inspection of any deed, document/diagram/ any relative particulars, including the issuing of a printout	96,49	105,26	121,05	9,09
38	Issue of a Surveyor General (SG) Diagram - areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	0,00	96,52	111,00	
39	Locality plan (compilation). Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	96,49	105,26	121,05	9,09
40	Locality plan (copy)	19,30	21,96	25,25	13,79
41	Request for data (Maximum 1MB). Any dataset exceeding 1MB will be charged an additional R20.00 per MB	105,26	131,61	151,35	25,03
	F. CHARGES FOR PLANS & MAPS - PLOTTING & PRINTING				
	(i) BLACK & WHITE 2D/LINE DRAWING ON BOND PAPER				
42	SIZE A4	4,82	5,26	6,05	9,09
43	SIZE A3	7,46	8,78	10,10	17,76
44	SIZE A2	14,04	14,91	17,15	6,25
45	SIZE A1	21,93	26,30	30,25	19,93
46	SIZE A0	43,86	48,26	55,50	10,03

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning (Land Use Applications)	VAT EXCL	VAT EXCL	VAT INCL	INCREASE %
	(ii) COLOUR 2D/LINE/GIS/POSTER ON BOND/COATED PAPER				
47	SIZE A3	5,70	6,13	7,05	7,51
48	SIZE A2	12,28	13,17	15,15	7,24
49	SIZE A1	43,86	48,26	55,50	10,03
50	SIZE A0	127,19	131,61	151,35	3,47
	(iii) COLOUR GIS/POSTER ON GLOSS PAPER				
51	SIZE A3	57,02	61,39	70,60	7,67
52	SIZE A2	109,65	114,04	131,15	4,00
53	SIZE A1	214,91	219,30	252,20	2,04
54	SIZE A0	381,58	394,74	453,95	3,45
					8,56

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning (Land Use Applications)	VAT EXCL	VAT EXCL	VAT INCL	INCREASE %
ITEM	DESCRIPTION				PERCENTAGE
	Development & Planning (Land Use Applications)				INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM THE FULL IMPLEMENTATION OF SPLUMA BY NOTICE OF THE MM				
	A. DETERMINATION OF FEES PAYABLE IN TERMS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (ACT 16 OF 2013)				
1	Application for establishment of a township. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	5175,44	5701,78	6557,05	10,17
2	Application for an amendment of a township application. aAeas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	3377,19	3596,48	4135,95	6,49
3	Application for extension of boundaries of an approved township. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	3947,37	4166,65	4791,65	5,56
4	Application for phasing of Township application. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	3947,37	4166,65	4791,65	5,56
5	Application for the merger of townships. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	3684,21	3947,35	4539,45	7,14
6	Amendment or cancellation in whole or in part of a general plan.	1885,96	1973,69	2269,75	4,65
7	Application for rezoning (Amendment fo a Land Use Scheme). Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	4035,09	4254,39	4892,55	5,43
8	Application for removal, amendment or suspension oa a restrictive or obsolete condition, servitude or reservation registered against the title of the land..	2807,02	3070,18	3530,70	9,38
9	Application for consolidation of any land	1359,65	1359,65	1563,60	0,00
10	Application for subdivion of any land (10 or less portions)	4210,53	4385,96	5043,85	4,17
11	Application for subdivion of any land (11 or more portions)	5175,44	5482,48	6304,85	5,93
12	Application for consent of the Council for any land use purpose or deviation in terms of the land use scheme or existing scheme which does not constitute a land development application	1491,23	1535,09	1765,35	2,94
13	The withdrawal of an approved subdivision/consolidation application	614,04	658,00	756,70	7,16
14	The amendment of the conditions on which the consolidation/subdivision was approved	657,89	701,74	807,00	6,66
15	An amendment of the approved consolidation or subdivision plan	657,89	701,74	807,00	6,66
16	Preparation of Town-planning Scheme if prepared by Council	3508,77	3728,09	4287,30	6,25

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning (Land Use Applications)	VAT EXCL	VAT EXCL	VAT INCL	INCREASE %
17	Application for Council's reasons	684,21	701,74	807,00	2,56
18	Application for amendment of the conditions on which consent was given	614,04	658,00	756,70	7,16
19	The revoking of an approved scheme/ the revoking of a provision in an approved scheme	1644,74	1710,52	1967,10	4,00
20	Relaxation of a building line provision/the approval of an encroachment on a building restriction area. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	614,04	658,00	756,70	7,16
21	Application for approval of site development plans. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	1359,65	1447,35	1664,45	6,45
22	Application for approval of revised site development plans. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	614,04	658,00	756,70	7,16
23	Regulation 47 certificate (per certificate)- (SPLUMA equivalent of a Section 82) (Up to ten portions, then in batches of 50 portions). Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	701,75	745,61	857,45	6,25
24	Regulation 46(11) certificate (per subdivided portion)- (SPLUMA equivalent of a Regulation 38) (Up to ten portions, then in batches of 50 portions). Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	403,51	438,61	504,40	8,70
25	Application that is not provided for elsewhere in this schedule. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	1885,96	1929,82	2219,30	2,33
26	Approval of Map 3's	236,84	263,17	302,65	11,12
27	Appeals against decision of authorised local authority to MPT (Municipal Planning Tribunal)	2438,60	2631,61	3026,35	7,91
28	Extension of approval timeframes	473,68	526,30	605,25	11,11
29	Application for the granting of intervener status	1403,51	1447,39	1664,50	3,13
30	Fees payable to Council if the Council gives notice of an application in the Official, Gazette/newspaper				n/a
	B. DETERMINATION OF CASH CONTRIBUTION AS PAYMENT IN LIEU OF ON-SITE PARKING				
	The following formula will be used				
	Cash contribution per parking bay = (P x M) + C				
	P = Size of parking area including manoeuvring area which is 30 square metres				

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning (Land Use Applications)	VAT EXCL	VAT EXCL	VAT INCL	INCREASE %
	M = Municipal valuation of the relevant land per square metre plus cost.				
	C = Construction cost per parking bay.				
	PROPERTY SECTION				
31	PARK CLOSURES. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	5964,91	6140,35	7061,40	2,94
32	STREET CLOSINGS. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	5964,91	6140,35	7061,40	2,94
33	Administration fees(New applications for the selling and leasing of Council property for residential, church, educational registered at GDE, welfare purposes and registered non-profitible organisations) or LED Projects. Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	350,88	394,74	453,95	12,50
	C. PROVISION OF INFORMATION				
34	Extraction from LAND USE scheme, per page (Size A4)	65,79	70,18	80,70	6,67
35	Issue of Zoning certificates, each	65,79	70,18	80,70	6,67
36	Inspection of any deed, document/any relative particulars, including the issuing of a printout	96,49	105,26	121,05	9,09
37	Issue of a Surveyor General (SG) Diagram - areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.	0,00	96,48	110,95	
38	Compilation of a Locality Plan	96,49	105,26	121,05	9,09
39	Copy of a locality plan	19,30	21,91	25,20	13,53
	D. CHARGES FOR PLANS & MAPS - PLOTTING & PRINTING				

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning (Land Use Applications)	VAT EXCL	VAT EXCL	VAT INCL	INCREASE %
	(i) BLACK & WHITE 2D/LINE DRAWING ON BOND PAPER				
40	SIZE A4	4,82	5,26	6,05	9,09
41	SIZE A3	7,46	8,78	10,10	17,76
42	SIZE A2	14,04	17,57	20,20	25,19
43	SIZE A1	21,05	21,91	25,20	4,07
44	SIZEA0	43,86	48,26	55,50	10,03
	(ii) COLOUR 2D/LINE/GIS/POSTER ON BOND/COATED PAPER				
45	SIZE A3	5,70	6,61	7,60	15,93
46	SIZE A2	12,28	13,22	15,20	7,65
47	SIZE A1	43,86	48,26	55,50	10,03
48	SIZE A0	127,19	131,57	151,30	3,44
	(iii) COLOUR GIS/POSTER ON GLOSS PAPER				
49	SIZE A3	57,02	61,39	70,60	7,67
50	SIZE A2	109,65	114,04	131,15	4,00
51	SIZE A1	214,91	219,30	252,20	2,04
52	SIZE A0	381,58	394,74	453,95	3,45
					7,23

In terms of the Sections A1, A4, A5, A6, A7,A8,A9, A17, A18, A19, A20, A20, A21 & A22 and B30,B31, B32, B33, B34, B36, B38 & B39 of the TARIFFS VALID FROM 1 JULY 2018 and Sections A1, A2, A3, A4, A5, A20, A21 ,A22, A23, A24, A25 & B31, B32, B33 & C37 of the TARIFFS VALID FROM THE FULL IMPLEMENTATION OF SPLUMA, "Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate", refers to the Economic Tranformation Zones contained in the Single Land Use Scheme (SLUS) made up of the following areas: Sicelo (Meyerton Farms), Lakeside, Mamello, Ohenimuri & Savanna City.

Date 13/03/2018

H HUMAN Acting

DIRECTOR DEVELOPMENT PLANNING AND HOUSING

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Tarrifs for Protection Services-(Fire\ for 2018/2019	Excl VAT	INCL VAT	Excl VAT	INCL VAT	INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018					
1	EXTINGUISHING OF FIRES (As listed below)					
A	Call out fee per incident					
1	Industrial Fire (High Risk)	1.837,72	2.095	1.948,00	R 2240,20	6%
2	Industrial Fire (Low Risk)	917,54	1.046	R 972,61	R 1118,50	6%
3	Residential	459,65	524	R 487,22	R 560,30	6%
4	Institutions	459,65	524	R 487,22	R 560,30	6%
5	Public Assembly	459,65	524	R 487,22	R 560,30	6%
6	Commercial	459,65	524	R 487,22	R 560,30	6%
7	Storage	459,65	524	R 487,22	R 560,30	6%
8	Shack or Informal housing	92,11	105	R 97,65	R 112,30	6%
9	Heavy Motor Vehicle Fire	459,65	524	R 487,22	R 560,30	6%
10	Motor vehicle, motor bike, trailer with content	185,09	211	R 196,22	R 225,65	6%
11	Train	865,79	987	R 917,74	R 1055,40	6%
12	Lamp or electrical poles	185,09	211	R 196,22	R 225,65	6%
13	Transformers	459,65	524	R 487,22	R 560,30	6%
14	Tyres or Stacks of tyres	1.837,72	2.095	R 1948,	R 2240,20	6%
15	Water used per Kilo litre	18,42	21	R 19,52	R 22,45	6%
16	Where damping down is nessesary	367,54	419	R 389,61	R 448,05	6%
B	Personnel					
1	Per Senior Officer(DIV OFF & ABOVE)	172,81	197	R 183,18	R 210,65	6%
2	Per Officer	132,46	151	R 140,4	R 161,45	6%
3	Per Senior Fireman	106,14	121	R 112,52	R 129,40	6%
4	Per Junior Fireman	75,44	86	R 79,95	R 91,95	6%
	(Times above to be calculated from the time that the personnel left the station until the fire has been reported as extinguished)					
C	Fire Vehicles - Per Vehicle	924,56	1.054	R 980,05	R 1127,05	6%
	Fire Vehicles to be calculated per hour or part there off from the time the vehicle has been dispatch until the fire has been reported as extinguished					
D	Material used- Foam per liter					
	Real cost of the fire extinguishing material used Silvex	81,58	93	R 86,48	R 99,45	6%
	including VAT and as certified by the Chief Fire Hi-Exp	65,79	75	R 69,74	R 80,20	6%
	Officer plus 20% Flame Block	47,37	54	R 50,22	R 57,75	6%
2	GRASS-, BUSH- AND RUBBISH FIRES					
A	Call out fee - Calculate the flat rate					
1	Grass fires - Flat rate (Sedibeng) per call	1.289,47	1470	R 1366,87	R 1571,90	6%
2	Rubbish fires- Flat rate(Sedibeng) Per call	1.289,47	1470	R 1366,87	R 1571,90	6%
3	Grass fires - Flat rate (residential) per call - account sent to owner	1.289,47	1470	R 1366,87	R 1571,90	6%
4	Rubbish fires- Flat rate(Residential) Per call- Account sent to owner	1.289,47	1470	R 1366,87	R 1571,90	6%
		-				
5	Bales of feed or Hay stacks	1.837,72	2095	R 1948,	R 2240,20	6%
6	Where dumping down is nessesary	367,54	419	R 389,61	R 448,05	6%
3	HAZARDOUS MATERIAL INCIDENTS					
	OIL SPILLAGES ECT					
A	Call out fee	1.837,72	2095	R 1948,	R 2240,20	6%
B	Personnel					
1	Per Senior Officer	172,81	197	R 183,18	R 210,65	6%
2	Per Officer	132,46	151	R 140,4	R 161,45	6%
3	Per Senior Fireman	106,14	121	R 112,52	R 129,40	6%
4	Per Junior Fireman	75,44	86	R 79,95	R 91,95	6%

24/5/2018

ITEM	DESCRIPTION	2017/2018	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Tarrifs for Protection Services-(Fire) for 2018/2019	Excl VAT	INCL VAT	Excl VAT	INCL VAT	INCREASE %
C	Vehicles - Per Vehicle	924,56	1054	R 980,05	R 1127,05	6%
	Fire Vehicles to be calculated per hour or part there off from the time the vehicle has been dispatch until the service is reported to be completed					
1	Per kilometer (Traveled to and from the incident per utility vehicle) (AA Tarifs)	4,39	5	R 4,65	R 5,35	6%
2	Per portable pump (Real working time of pump per hour)	92,11	105	R 97,65	R 112,30	6%
3	Per Fire hose (Per hour or part thereof)	19,30	22	R 20,48	R 23,55	6%
4	Per ladder used per call	92,11	105	R 97,65	R 112,30	6%
4	PROTECTION SERVICES (STANDBY SERVICES)					
	Where the presence of the Fire department is compulsary with Fire Vehicle and crew the company responsible for the situation will be liable for the account					
A	Call out fee	924,56	1054	R 980,05	R 1127,05	6%
B	Personnel					
1	Per Senior Officer	172,61	197	R 183,18	R 210,65	6%
2	Per Officer	132,46	151	R 140,4	R 161,45	6%
3	Per Senior Fireman	106,14	121	R 112,52	R 129,40	6%
4	Per Junior Fireman	75,44	86	R 79,95	R 91,95	6%
C	Vehicles - Per Vehicle	924,56	1054	R 980,05	R 1127,05	6%
	Fire Vehicles to be calculaed per hour or part there off from the time the vehicle has been dispatch until the service is reported to be completed					
1	Per kilometer (Traveled to and from the incident per utility vehicle) (AA tarifs)	4,39	5	R 4,65	R 5,35	6%
2	Per portable pump (Real working time of pump per hour)	92,11	105	R 97,65	R 112,30	6%
3	Per Fire hose (Per hour or part thereof)	19,30	22	R 20,48	R 23,55	6%
4	Per ladder used per call	92,11	105	R 97,65	R 112,30	6%
5	FILLING OF SWIMMING POOLS AND WATER TANKS					
1	Flate rate of:	1,407,89	1605	R 1492,39	R 1716,25	6%
2	Swimming Pools	1,407,89	1605	R 1492,39	R 1716,25	6%
3	Water tanks drinking water less than 6kl charge per kl	18,42	21	R 19,52	R 22,45	6%
4	Water tanks drinking water more than 6kl charge per flate rate	1,407,89	1605	R 1492,39	R 1716,25	6%
5	Water per Kilo Litre	18,42	21	R 19,52	R 22,45	6%
6	Assisting FPA in Combating Fires					
1	Reservioure,Dams, rivers Ect realating to assist in grass fire combatting no charge for the FPA	-	0			
7	OTHER SERVICES					
A	Pumping of water from property:					
1	Light pump with a capacity of up to 1125 l/min. per hour or part thereof	692,99	790	R 734,56	R 844,75	6%
2	Medium pump with a capacity of up to 2250 l/min. per hour or part thereof	924,56	1054	R 980,05	R 1127,05	6%
3	Heavy pump with a capacity of up to 4500 l/min. per hour or part thereof	924,56	1054	R 980,05	R 1127,05	6%
4	Per Officer	123,68	141	R 131,09	R 150,75	6%
5	Per Senior Fireman	99,12	113	R 105,09	R 120,85	6%
6	Per Junior Fireman	70,18	80	R 74,4	R 85,56	6%
B	Using Compressor per hour or part thereof	108,77	124	R 115,31	R 132,60	6%
1	Per Officer	132,46	151	R 140,4	R 161,45	6%
2	Per Senior Fireman	106,14	121	R 112,52	R 129,40	6%
3	Per Junior Fireman	75,44	86	R 79,95	R 91,95	6%
8	Any other duty not mentioned under item 6					

24/5/2018

ITEM	DESCRIPTION	2017/2018	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Tariffs for Protection Services-(Fire) for 2018/2019	Excl VAT	INCL VAT	Excl VAT	INCL VAT	INCREASE %
A	Call out Fee	185,09	211	R 196,22	R 225,65	6%
B	Personnel					
	Per Officer	132,46	151	R 140,4	R 161,45	6%
	Per Senior Fireman	106,14	121	R 112,52	R 129,40	6%
	Per Junior Fireman	75,44	86	R 79,95	R 91,95	6%
C	Vehicles - Per Vehicle	692,98	790	R 734,56	R 844,75	6%
	Fire Vehicles to be calculated per hour or part there off from the time the vehicle has been dispatch until the service is reported to be completed					
	Per kilometer (Traveled to and from the incident per utility vehicle) (AA tariffs)	4,39	5	R 4,65	R 5,35	6%
9	Firebreaks - where businesses and community needs Fire Breaks					
1	Flate Rate	387,72	442	411,00	R 472,65	6%
2	Where the services of a Fire pump is needed- Flat Rate	387,72	442	411,00	R 472,65	6%
10	SPECIAL EVENTS					
	When a Fire Vehicle and Crew are required for standby purposes					
1	CALL OUT FEE PER EVENT	924,56	1054	R 980,05	R 1127,05	6%
2	FIRE VEHICLE	924,56	1054	R 980,05	R 1127,05	6%
3	PER OFFICER	132,46	151	R 140,4	R 161,45	6%
4	PER SENIOR FIRE FIGHTER	106,14	121	R 112,52	R 129,40	6%
5	PER JUNIOR FIRE FIGHTER	75,44	86	R 79,95	R 91,95	6%
6	First hour normal call out fee, fire vehicle and personnel fees apply there after they are calculated at 10% per hour					
11	FIRE SAFETY					
A	Inspection on request(limited to two inspections)					
1	Certificate of Compliance - Fire Safety Requirements	185,09	211	R 196,22	R 225,65	6%
2	Residential	136,84	156	R 145,04	R 166,80	6%
3	Institutions	136,84	156	R 145,04	R 166,80	6%
4	Public Assembly	136,84	156	R 145,04	R 166,80	6%
5	Commercial	185,09	211	R 196,22	R 225,65	6%
6	Storage	185,09	211	R 196,22	R 225,65	6%
7	Industry	185,09	211	R 196,22	R 225,65	6%
8	Per kilometer (Traveled to and from the incident per utility vehicle (AA Tariffs)	4,39	5	R 4,65	R 5,35	6%
9	Inspection on request	185,09	211	R 196,22	R 225,65	6%
10	50% payable on re issue of Certificate of compliance					
11	Fire Work Display / Storage	185,09	211	R 8695,65	R 10000,00	
B 1	Re-Inspection of premises. After two inspections - per re-inspection					
1	Trade Licenses/Certificate of Compliance					
2	Residential	185,09	211	R 196,22	R 225,65	6%
3	Institutions	136,84	156	R 145,04	R 166,80	6%
4	Public Assembly	136,84	156	R 145,04	R 166,80	6%
5	Commercial	185,09	211	R 196,22	R 225,65	6%
6	Storage	185,09	211	R 196,22	R 225,65	6%
7	Industry	185,09	211	R 196,22	R 225,65	6%
B 2	Fines					
1	Light or ignite fireworks where animals are present.			R 869,57	R 1000,00	New
2	Persons under 16 years of age light or ignite fireworks			R 1304,35	R 1500,00	New
3	Use of Fireworks on agriculture holdings			R 1304,35	R 1500,00	New
4	Fireworks within 500 meters from petrol depot			R 1304,35	R 1500,00	New
5	No authorization from Civil Aviation Authority			R 1304,35	R 1500,00	New
6	Dealing in fireworks without authorization from Chief fire Officer			R 1304,35	R 1500,00	New
C	Compiling & Issuing of :					
1	Compliance Certificate	185,09	211	R 196,22	R 225,65	6%
2	Occupancy Certificate	185,09	211	R 196,22	R 225,65	6%
3	Inspection on request	185,09	211	R 196,22	R 225,65	6%
4	Special event Clearance Certificate	179,82	205	R 190,61	R 219,20	6%
5	Km travelled to and from (AA Tariffs)	4,39	5	R 4,65	R 5,35	6%
D	Transport permits- Issuing of certificates					
	In respect of quantities in E1-E5					
	In respect of quantities					
1	Up to including 2500 liters	92,11	105	R 97,65	R 112,30	6%
2	Up to including 5000 liters	129,82	148	R 137,61	R 158,25	6%
3	Up to including 25 000 liters	200,00	228	R 212	R 243,80	6%
4	Up to including 50 000 liters	275,44	314	R 291,96	R 335,75	6%
5	Exceeding 50 000 liters	302,63	345	R 320,78	R 368,90	6%
6	Per kilometer (Traveled to and from the incident per utility vehicle (AA Tariffs)	4,39	5	R 4,65	R 5,35	6%
7	Inspection on request	185,09	211	R 196,22	R 225,65	6%
8	50% payable on re issue of transport permits					
E	Certificate of Registration Flammable liquids/Gas					
	Class:0, 1 ,II,III - Issuing of certificates of registration					

24/5/2018

ITEM	DESCRIPTION	2017/2018	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Tarrifs for Protection Services-(Fire) for 2018/2019	Excl VAT	INCL VAT	Excl VAT	INCL VAT	INCREASE %
1	Up to including 2500 liters	109,65	125	R 116,22	R 133,65	6%
2	Up to including 5000 liters	218,42	249	R 231,52	R 266,25	6%
3	Up to including 25 000 liters	1,100.00	1254	R 1166,	R 1340,90	6%
4	Up to including 50 000 liters	2,202,63	2511	R 2334,78	R 2685,00	6%
5	up to including 100 000 liters	2,472,81	2819	R 2621,18	R 3014,35	6%
6	Bulk Depots exceeding 100 000	2,778.07	3167	R 2944,74	R 3386,45	6%
7	Per Spray Booth	109,65	125	R 116,22	R 133,65	6%
8	Per Flammable liquid Store	109,65	125	R 116,22	R 133,65	6%
9	Per Spray Booth	109,65	125	R 116,22	R 133,65	6%
10	Per Flammable liquid / PaintStore	109,65	125	R 116,22	R 133,65	6%
11	Per kilometer (Traveled to and from the incident per utility vehicle (AA Tariffs)	4,39	5	R 4,65	R 5,35	6%
12	Inspection on request	185,09	211	R 196,22	R 225,65	6%
13	50% payable on re issue of Certificate of registration					
F	FIRE RISK ASSESSMENTS					
1	Fire Risk Assessment (PER HOUR)	478,95	546	R 507,7	R 583,85	6%
2	Fire Risk Assessment insurance (Per Hour)	478,95	546	R 507,7	R 583,85	6%
3	Fire Risk and insurance (PER DAY)	3,971,05	4527	R 4209,3	R 4840,70	6%
G	COMPILING /PRINT REPORT					
1	Emergency Preparedeness (evacuations)	341,23	389	R 361,7	R 415,95	6%
2	Fire Risk Assessment	536,84	612	R 569,04	R 654,40	6%
3	Fire Risk Insurance report	536,84	612	R 569,04	R 654,40	6%
H	FIRE REPORT PUBLIC & INSURANCE					
1	Fire Investigation cause and origin determination full report per hour	341,23	389	R 361,7	R 415,95	6%
2	PRELIMANARY FIRE REPORT	85,96	98	R 91,13	R 104,80	6%
3	Compiling /print report full Fire investigation	536,84	612	R 569,04	R 654,40	6%
I	TRAINING					
1	Administration fee per person per cource	219,30	250	R 232,48	R 267,35	6%

Executive Director Community Services

24/5/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION Protection Services: Traffic Department	2017/2018 [R] VAT EXCL	2018/2019 R] VAT EXCL	2018/2019 [R] VAT INCL	PERCENTAGE INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Attendance of Traffic Officer/s per occasion for an hour or part				
	thereof + vehicle	82,46	87,39	100,50	6%
2	For an hour or part thereof after hours at time and half (@ 1-1/2)				
	and vehicle	131,58	139,48	160,40	6%
3	Attendance of Traffic Officer/s during public holidays/Sundays. Double	175,44	185,96	213,85	6%
	time (x2) + vehicle				
4	Patrol vehicle attendance of patrol for an hour or part thereof	459,65	487,22	560,30	6%
5	Towing fee cost plus 10% to defray handling costs:				
	Storage fees for impounded vehicles per day	117,54	124,61	143,30	6%
6	Copies of accident report	157,89	167,39	192,50	6%
7	Traffic escorts per hour or part thereof				
	Funerals	No charge	No charge	No charge	
	Abnormal vehicles: Vehicle cost + km traveling @ R4,30 per km	459,65	487,30	560,40	6%
8	Temporary road closure:				
	Filming	459,65	487,30	560,40	6%
	Flea markets	459,65	487,30	560,40	6%
				-	
9	Residential Road closure application fee: New Tariff		2,193,00	2,521,95	6%

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Executive Director
Traffic Division

13/8/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION Grass Cutting of Vacant Stands	2017/2018 EXCL VAT	2018/2019 EXCL VAT	2018/2019 VAT INCL	PERCENTAGE INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Grass cutting up to 1 000 m²	1,757.53	R 1,862.96	R 2,142.40	6%
2	Grass cutting over 1 000 m² per additional 1000 m²	602.58	R 638.74	R 734.55	6%

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2017	2018/2019	2018/2019	Percentage
	SWIMMING POOL TARIFFS	Vat excl	Vat Excl	Vat Incl	Increase
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
	(Children under 5 years: Free (must be accompanied by an Adult)				
1	Single Admission Ticket: Adult	9,04	R 9,57	11,00	6%
2	Single Admission Ticket: Scholars	6,49	R 6,87	7,90	6%
3	Season Tickets for School Groups (Monday - Friday: 10h00 to 14h00)	1,150,00	R 1,219,04	1,401,90	6%
4	Monthly Tickets: Adults	86,84	R 92,00	105,80	6%
5	Monthly Tickets: Scholars	45,96	R 48,69	56,00	6%
6	Clubs-Diving (Weekends: Sat 07h00 - 10h00 and Sun 07h00 - 12h00	426,84	R 452,44	520,30	6%
7	Clubs Hockey: Weekdays: Monday to Friday 19h00 - 22h00	436,84	R 463,04	532,50	6%
8	Clubs-Swimming Club: Weekdays: Monday to Friday 16h00 - 17h30	436,84	R 463,04	532,50	6%
9	Once off usage of Swimming Pool (Irregular Hours)	1,150,00	R 1,219,04	1,401,90	6%
	Closed on Mondays for General public				
	Tuesdays to Saturdays and Public Holidays: 10h00 - 18h00				
	Sundays 12h00 to 18h00				

14/3/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Cemeteries: Meyerton : Old Kookrus & Rivendal	INCL VAT EXCL	VAT EXCL	VAT INCL	INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Plot Reservation	419,82	R445,	R 511,75	6%
2	Transferral Rights	419,82	R445,	R 511,75	6%
3	Permit: Headstone & Monumental Section	419,82	R445,	R 511,75	6%
4	Ashes Burial or Scattered	419,82	R445,	R 511,75	6%
5	Niché	1,132,85	R1200,82	R 1,380,95	6%
6	Exhumation	5.554,77	R5888,04	R 6,771,25	6%
	Weekday Openings & Re-openings (Monday to Friday)				
	Monumental				
1	Child Size	1,678,18	R1778,87	R 2,045,70	6%
2	Standard Opening & Re-Openings - 6ft	3,164,56	R3354,44	R 3,857,60	6%
3	8ft Opening & Re-Opening	3,888,64	R4121,96	R 4,740,25	6%
4	Casket Opening & Re-Openings	3,888,64	R4121,96	R 4,740,25	6%
5	Casket, 8ft Opening & Re-Openings	4.611,75	R4888,44	R 5,621,70	6%
	Headstone				
1	Child Size	1.356,84	R1438,25	R 1.654,00	6%
2	Standard Opening & Re-Openings - 6ft	1,588,80	R1684,13	R 1,936,75	6%
3	8ft Opening & Re-Opening	2.312,89	R2451,65	R 2,819,40	6%
4	Casket Opening & Re-Openings	2.312,89	R2451,65	R 2,819,40	6%
5	Casket, 8ft Opening & Re-Openings	3.035,00	R3217,05	R 3,699,60	6%
	Weekend Openings & Re-Openings (Saterday & Sunday)				
	Monumental				
1	Child Size	3,186,67	R3377,87	R 3,884,55	6%
2	Standard Opening & Re-Openings - 6ft	3.716,93	R3939,96	R 4,530,95	6%
3	8ft Opening & Re-Opening	4.400,83	R4664,87	R 5,364,60	6%
4	Casket Opening & Re-Openings	4.400,83	R4664,87	R 5,364,60	6%
5	Casket, 8ft Opening & Re-Openings	5.081,75	R5386,65	R 6,194,65	6%
	Headstone				
1	Child Size	3.054,07	R3237,3	R 3,722,90	6%
2	Standard Opening & Re-Openings - 6ft	3.216,76	R3409,78	R 3,921,25	6%
3	8ft Opening & Re-Opening	3.940,88	R4177,35	R 4,803,95	6%
4	Casket Opening & Re-Openings	3.940,88	R4177,35	R 4,803,95	6%
5	Casket, 8ft Opening & Re-Openings	4.662,98	R4942,78	R 5,684,20	6%
	PLEASE NOTE TARIFF FOR NON-RESIDENT IS 30 % ADDED ON TO				

14/3/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	INCREASE
	Cemeteries: Meyerton South & Kookrus New - HEADSTONE ONLY	[R] VAT EXCL	VAT EXCL	Vat Incl	%
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Plot Reservation	419,82	R 445,00	R 511,75	6%
2	Transferral Rights	419,82	R 445,00	R 511,75	6%
3	Permit: Headstone & Monumental Section	419,82	R 445,00	R 511,75	6%
4	Ashes Burial or Scattered	419,82	R 445,00	R 511,75	6%
5	Indigent	581,49	R 616,39	R 708,85	6%
6	Pauper	581,49	R 616,39	R 708,85	6%
7	Exhumation	5.564,77	R 5.898,64	R 6,771,25	6%
	Weekday Openings & Re-openings (Monday to Friday) Headstone only				
1	Child Size	555,38	R 588,70	R 677,00	6%
2	Standard Opening & Re-Openings - 6ft	652,60	R 691,96	R 795,75	6%
3	8ft Opening & Re-Opening	1,409,04	R 1,493,56	R 1,717,60	6%
4	Casket Opening & Re-Openings	1,409,04	R 1,493,58	R 1,717,60	6%
5	Casket, 8ft Opening & Re-Openings	2,131,14	R 2,259,00	R 2,597,85	6%
	Weekend Openings & Re-Openings (Saterday & Sundays) Headstone Only				
1	Child Size	1,208,17	R 1,280,65	R 1,472,75	6%
2	Standard Opening & Re-Openings - 6ft	1,356,84	R 1,438,26	R 1,654,00	6%
3	8ft Opening & Re-Opening	2,079,91	R 2,204,71	R 2,535,40	6%
4	Casket Opening & Re-Openings	2,079,91	R 2,204,71	R 2,535,40	6%
5	Casket, 8ft Opening & Re-Openings	2,803,00	R 2,971,17	R 3,416,85	6%
	PLEASE NOTE TARIFF FOR NON-RESIDENT IS 30 % ADDED ON TO NORMAL FEE				

14/8/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	PERCENTAGE	2018/2019
	ISSUING OF CERTIFICATES	[R] VAT Excl	[R] VAT Excl	INCREASE %	[R] VAT Incl
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018				
1	Copies of Voters roll od any Ward, for each copy	R506,84	R543,87	7,31%	R625,45
2	Copies of valuation roll, per copy	R436,84	R464,91	6,43%	R534,65
3	Any certificate in terms of the Local Government Ordinance, 1939,	R50,00	R53,52	7,04%	R61,55
	or any other Ordinance applicable to the Council, each:				
4	The furnishing, in writing in accordance with the records of the Council	R33,77	R36,87	9,17%	R42,40
	of any information not provided for in these tariffs relating to the				
	properties situated within the municipality, including the search of the				
	name or address or both of the owner, according to the written				
	inquiry in the manner determined by the Municipal Manager from				
	time to time, each:				
5	Inspection of any deed, document or diagram or any relative	R33,77	R36,87	9,17%	R42,40
6	Endorsements on declaration by purchaser forms, each	R43,68	R47,35	8,39%	R54,45
7	For any certificate, information, extract from or perusal of a	R50,70	R54,39	7,27%	R62,55
	document or record for which no explicit provision has been made				
	in these tariffs, each:				
8	Minutes of the Council Meetings including the Budget: provided	R343,86	R368,39	7,13%	R423,65
	singular extracts only will entail a search fee and cost per page				
	each:				
9	Alphabetical numerical computer printed address lists, each	R506,84	R543,87	7,31%	R625,45
	Alphabetical numerical address lists, each Compact Disk	R160,53	R171,04	6,55%	R196,70
10	Photocopies at one of the printing offices, each:				
	Size A4	R4,04	R4,30	6,57%	R4,95
	Size A3	R6,05	R6,39	5,57%	R7,35
11	Photocopies of Council documents, Size A4:	R3,77	R4,39	16,39%	R5,05
	Photocopies of Council documents, Size A3:	R6,14	R6,52	6,18%	R7,50
12	Requests for Access/ Information in terms of promotion of Access				
	to information Act, 2000:				
	Access fee	R48,25	R51,13	5,98%	R58,80
	Search fee	R48,25	R51,13	5,98%	R58,80
	Copy charges (as Above in Item 10.)				

14/3/2018

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION Midvaal Libraries	2017/2018 VAT INCL	2018/2019 VAT EXCL	2018/2019 VAT INCL	Comments	PERCENTAGE INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM 01 JULY 2018					
1	Adult Membership - Midvaal Residents	Free	Free	Free		0,00%
2	Adult Membership - Non-Midvaal Residents	75,00	69,57	80,00		6,00%
3	Child Membership - Midvaal Residents	Free	Free	Free		0,00%
4	Child Membership - Non-Midvaal Residents	39,00	36,52	42,00		7,00%
5	Family Membership - Midvaal Residents	Free	Free	Free		0,00%
6	Family Membership - Non-Midvaal Residents	149,00	139,13	160,00		8,00%
7	Pensioners - Over 60	Free	Free	Free		0,00%
8	Block Loans (Schools/Home Based Schools)	Free	Free	Free		0,00%
9	Fines (Books, Videos, CDs etc) per item per week or part thereof	1,40	1,30	1,50		7,00%
10	Media Lost Items			Replacement Value		Variable
11	Lost User Cards	26,00	24,35	28,00		7,00%
12	Photocopies A4 Black & White	1,00	0,87	1,00	Due to problems with the coin boxes and change challenges, recommended price increase to R1.00 and not be increased next five financial years. 2016/2017-2010/2011	0,00%
13	Photocopies A4 Coloured	6,50	5,65	6,50	No increase for the next 3 years.	0,00%
14	Photocopies A3 Black & White	2,40	2,17	2,50	Due to coinbox and rounding it is recommended that either 2.50 (4.5%) or 3.00 (25%) be charged.	4,50%
15	Photocopies A3 Coloured	13,00	11,30	13,00		0,00%
16	Fax transmissions local calls (016 & 0860) per page	5,50	5,22	6,00	Rounding	9,00%
17	Fax transmissions Long distance & 0861-0864 per page	6,50	6,09	7,00	Rounding	7,50%
18	Fax transmissions - fax to email & cellphones (0865-0869/082/072/083/073/060/061/081) per page	13,00	12,17	14,00	Rounding	7,50%
19	Fax transmissions received per page	5,00	5,48	6,30		
20	Computer printouts per page: black & white	1,00	0,87	1,00	Cost to council is the same for a photocopy as a print out.	0,00%
21	Computer printouts per page: coloured	6,50	6,09	7,00		8,00%
22	Hiring of Activity Room (Meyerton, Randvaal & De Deur only) 8 AM-12 PM OR 1 PM-5PM	Tarrifs be as per Meyerton small hall.		Tarrifs be as per Meyerton small hall.		8,00%
23	Scan to email	R 5,00		5.00 for the first 10 pages (or part thereof) then 1.00 per page thereafter.	No increase	0,00%

14/3/2018

MIDVAAL LOCAL MUNICIPALITY

FINANCE SUNDRY TARIFFS EFFECTIVE FROM 1 JULY 2018

ITEM	DESCRIPTION	2017/2018	2018/2019	PERCENTAGE	
		EXCL VAT	EXCL VAT	INCREASE %	
1.	Warning Notices (disconnection notice hand delivered)	123,65	131,07	6%	If unpaid by the 7th, hand delivered
2.	Final Notices (handover to attorney - posted to customer)	43,28	45,88	6%	By post
3.	Admin Fees Arrear account Water and Elec	486,00	486,00	0%	
4.	Admin Fees Arrear account Water	486,00	486,00	0%	
5.	Admin Fees Arrear account Elec	486,00	486,00	0%	
6.	Confirmation of disconnection status	43,28	45,88	6%	
7.	Dishonoured Cheque: Bank Rate	120,00	127,00	6%	
8.	Refer to Drawer Cheque: Bank rate	120,00	127,00	6%	
9.	Post Dated Cheque: Bank Rate	120,00	127,00	6%	
10.	Printing and mailing of Accounts	6,30	0,00	-100%	
11.	Assessment Rates Admin Fee (requesting clearance figures)	43,66	46,28	6%	
12.	Clearance Certificate	64,83	68,72	6%	
13.	Valuation Certificate	30,43	32,26	6%	
14.	Unauthorised Consumption Admin Levy (Illegal connection)	3300,00	3,498,00	6%	
15.	Meter reading on request of customer	128,59	136,31	6%	
16.	Printed Bid Document Fees	307,02	325,44	6%	
17.	E-mailed Bid Document Fees	0,00	0,00	0%	
18.	Interest on arrears. Prime rate as at				
	1st of July 2018 Plus 2%				

All abovementioned Tariffs excludes VAT

A van Schalkwyk
Executive Director: Finance

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning Department: Law Enforcement Unit	(R) VAT EXCL	(R) VAT EXCL	(R) VAT INCL	INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2018			DBP Competency	
1	Trade license:				
	Business premises (once off)	R 382,01	R 404,91	465,65	6,00%
	Food caravan	R 262,81	R 278,57	320,35	6,00%
	Monthly subscription	R 88,55	R 104,48	120,15	6,00%
	Health facilities or entertainment	R 335,59	R 249,74	287,20	6,00%
	Providing massage	R 393,27	R 416,87	479,40	6,00%
	Keeping three or more snooker/billiard table/s	R 296,60	R 314,39	361,55	6,00%
	Night club	R 560,38	R 625,78	719,65	6,00%
	Cinema and theatre	R 296,60	R 314,39	361,55	6,00%
	Issuing of duplicate Trade licenses as above:				
	Premises	R 245,91	R 260,66	299,75	6,00%
	Food caravan	R 131,40	R 139,30	160,20	6,00%
	Amending or revoking licensing conditions:				
	Premises	R 245,91	R 260,66	299,75	6,00%
	Food caravan	R 131,40	R 139,30	160,20	6,00%
2	Hawkers license/application:				
	CBD	R 262,81	R 278,57	320,36	6,00%
	Outside areas	R 166,04	R 209,91	241,40	6,00%
	Monthly subscription:				
	CBD	R 73,21	R 77,61	89,25	6,00%
	Outside areas	R 58,13	R 62,70	72,10	6,00%
	Hawking at pension pay point (per day)	R 31,91	R 33,83	38,90	6,00%
	Impounding fee	R 287,21	R 304,43	350,10	6,00%
	Storage fee consumable	R 82,60	R 87,57	100,70	6,00%
	Storage fee non-consumable	R 82,60	R 87,57	100,70	6,00%
	Traveling distance per km from where impound takes place to Office	R 7,51	R 7,96	9,15	6,00%
	Posters impounded	R 32,55	R 34,62	40,05	6,00%
3	Mobile signs				
	Aerial signs	R 131,40	R 139,30	160,20	6,00%
	Aerial signs per 24 hours or part thereof, per aerial sign				
4	Trailer advertisement:				
	Single sided trailer advertisement for the first square metre or part thereof	R 131,40	R 139,30	160,20	6,00%
	Thereafter for each square metre or part thereof per month	R 22,53	R 23,87	27,45	6,00%
	Double sided trailer signs on which identical advertisements appear	R 131,40	R 139,30	160,20	6,00%
	For the first square metre or part thereof of the advertisement area, thereafter for each square metre or part thereof per month	R 131,40	R 139,30	160,20	6,00%
	Signs on trailers on which advertisements of different organizations appear	R 131,40	R 139,30	160,20	6,00%
	For the first square metre or part thereof the advertisement area, thereafter for each square metre or part thereof per organization per month	R 131,40	R 139,30	160,20	6,00%
	Posters				
	Posters or any placard advertising any product or services or announcing the sale of goods	R 131,40	R 139,30	160,20	6,00%
	Deposit (Refundable)				
	Rental	R 82,60	R 87,57	100,70	6,00%

ITEM	DESCRIPTION	2017/2018	2018/2019	2018/2019	PERCENTAGE
	Development & Planning Department: Law Enforcement Unit	(R) VAT EXCL	(R) VAT EXCL	(R) VAT INCL	INCREASE
5	Posters for National, Provincial and Local Government Election and activities	R 9.385,96	R 9.949,12	11.441,50	6,00%
	Advertising boards/signs:				
	Registration fee per annum	R 367,64	R 410,91	472,55	6,00%
	Sticker per board	R 7,51	R 7,96	9,15	6,00%
	Outdoor advertising:				
	Banners - Loch Street - Rental (no deposit)	R 323,82	R 343,26	394,75	6,00%
	Banner - Mimosa Street - Deposit and rental	R 323,82	R 343,26	394,75	6,00%
	Banner application - Henley on Klip - Deposit and rental	R 323,82	R 343,26	394,75	6,00%
	* Refundable deposit				
	All tariffs are payable in advance with submission of the application or prior to the issuing of any permit / licence and are including VAT				

T. Adam
Acting Executive Director
Development & Planning

ANNEXURE E – AQ BUDGET RELATED POLICIES

TARIFF BY-LAW

2018/2019 FINANCIAL YEAR

MIDVAAL LOCAL MUNICIPALITY
TARIFF BY-LAW

To give effect to the implementation of the Midvaal Local Municipality's individual tariff policies and to provide for matters incidental thereto.

Preamble

1. Section 229(1) of the Constitution of the Republic of South Africa authorizes a municipality to impose

   (a) Rates on property and surcharges on fees for services provided by or on behalf of the municipal, and

   (b) If authorized by national legislation, other taxes, levies and duties.

2. In terms of section 75A of the Systems Act, 32 of 2000, a municipality may:

   (a) Levy and recover fees, charges or tariffs in respect of any function or services of the municipality, and

   (b) Recover collection charges and interest on any outstanding debt.

3. In terms of section 74(1) of the Systems Act, 32 of 2000, a municipal council must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of services delivery agreements and which complies with the provisions of the Systems Act, the Local Government Municipal Finance Management Act, 53 of 2003 and any other applicable legislation.

4. In terms of section 75(1) of the Systems Act, 32 of 2000, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policies.

5. In terms of section 75(2) of the Systems Act, 32 of 2000, by-laws adopted in terms of subsection 75(1) may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.

BE IT THEREFORE ENACTED by the Council of the Midvaal Local Municipality, as follows:-

Definitions

In this By-Law any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in these By-laws, and unless the context indicates otherwise—

"**Council"** means the Council of the Midvaal Local Municipality;

"**Credit Control and Debt Collection By-law and policy"** means the Credit Control and Debt Collection Policy as required in terms of section 96(b) and 97 and 98 of the Local Government: Municipal Systems Act, Act 32 of 2000;

"Tariff" means fees, charges or any other tariffs levied by the council in respect of any function or service provided by the Council, excluding rates levied by the council in terms of the Local Government Municipal: Property Rates Act; Act 6 of 2004;

"Tariff policy" means a tariff policy adopted by Council in terms of this By-law.

1. Guiding principles in the determination of tariffs.

In the determination of tariffs the Council shall be guided by the following principles –

i. Tariffs shall be equitable and affordable in that the amount due for municipal services should generally be in proportion to their use of that service;
ii. Tariffs shall support national macro-economic policies and shall incorporate visions, strategies and economic policies of the Republic of South Africa
iii. Tariffs shall be cost effective and cost reflective and should reflect the cost reasonably associated with rendering municipal services, including capital, operating, maintenance, administration, replacement costs and financing charges;
iv. Tariffs shall promote the sustainability of the provision of municipal services.

2. Application of By-law

This by-law shall only apply to tariffs applicable to the Council and municipal entities in respect of which the municipality is the parent municipality for –

Fees, surcharges on fees, charges and tariffs in respect of municipal services, such as –

i. provision of water;
ii. refuse removal;
iii. sewerage;
iv. removal and purification of sewerage;
v. electricity consumption;
vi. municipal services provided through prepaid meters.
vii. all other related costs for services rendered in terms of the service
viii. interest which has accrued or will accrue in respect of money due and payable to the Council;
ix. collection charges in those cases where the Council is responsible for

(aa) the rendering of municipal accounts in respect of any one or more of the municipal services;

(bb) the recovery of amounts due and payable in respect thereof, irrespective whether the municipal services, or any of them, are provided by the Council itself or by a service utility with which it has concluded a service provider agreement to provide a service on the municipality's behalf.

3. Adoption and implementation of Tariff Policy

The council shall adopt and implement a tariff policy on the levying of fees for a municipal service provided by the council or by way of service delivery agreements which complies with the provisions of the Local Government: Municipal Systems Act, 32 of 2000, the Local Government Municipal Finance Management Act, 56 of 2003 and any other applicable legislation.

4. Enforcement of Tariff Policy

The Council's tariff policy shall be enforced through the Credit Control and Debt Collection By-Law and policy and any further enforcement mechanism stipulated in the Council's tariff policy.

5. Short title and commencement

This By-law is the Tariff By-law, and takes effect on 1 July 2018.

TARIFF POLICY

2018/2019 FINANCIAL YEAR

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ABBREVIATIONS

MLM	Midvaal Local Municipality
AO	Accounting Officer
CFO	Chief Financial Officer
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
PPE	Property, Plant and Equipment
SCM	Supply Chain Management
VAT	Value Added Tax
IBT	Inclining Block Tariff
kWh	Kilowatt per Hour (Kilowatt Hour)
KVA	Kilowatt Ampere
KL	Kilolitre
c/kWh	Cent per Kilowatt Hour
R/kWh	Rand per Kilowatt Hour

1. PURPOSE OF THIS DOCUMENT

Apart from meeting legislative requirements, this policy also emanates from the objectives determined in Council's anti-corruption policy.

The purpose of this tariff policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying of tariffs by the Midvaal Local Municipality.

The Municipality should perform the procedures set out in this policy to ensure the effective planning and management of tariffs. In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

2. DEFINITIONS

"Accommodation" means accommodation in an accommodation establishment, a room, dwelling / house or second dwelling unit, self-catering room, self-catering apartment or free standing building let to transient guests consisting of three or more lettable units.

"Accommodation Establishments" – consists of one or more of the following lettable types of accommodation, consisting of three or more lettable units –

(a) "Camping" (informal temporary accommodation in a unique environment) is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday-makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping, for use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title share blocks or individual subdivision; and excludes resort accommodation or mobile homes;

(b) "Bed and Breakfast" (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere; provided that the primary use of the dwelling-house concerned shall remain for the living accommodation of a single family and where not more than 3 guest rooms are provided;

(c) "Guest House" (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house (with a maximum of 10 rooms) or second dwelling which is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings, training sessions and conference facilities for resident guests;

(d) "Self catering Accommodation" (accommodation for non-permanent residents and transient guests) is defined by a house, cottage, chalet, bungalow, flat, studio, apartment, villa, or similar accommodation where facilities and equipment are provided for guests to cater for themselves. The facilities should be adequate to cater for the maximum advertised number of residents the facility can accommodate;

(e) “Self-catering Apartments” (accommodation for non-permanent residents and transient guests) is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen/-ette facility, and which may include other communal facilities for the use of transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house;

(f) “Backpackers Accommodation” (accommodation and communal facilities in a building or free standing buildings for transient guests) is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such outbuildings as are normally used therewith and includes a building in which dormitories / rooms / beds are rented for residential purposes, youth hostel, and backpackers’ lodge; but does not include a hotel, dwelling house, second dwelling or group house;

(g) “Boarding House” a dwelling–house or second dwelling which is used for the purpose of supplying lodging with or without meals or self-catering to non-permanent / permanent residents for compensation; provided that the primary use of the dwelling-house shall remain for the living accommodation of a single family;

"Account" means an account rendered specifying charges for municipal services provided by the **Municipality**, or any authorised and contracted service provider, and which account may include assessment rates levies;

“Accounting Officer” means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act;

“Annual Budget” shall mean the budget approved by the municipal council for any particular financial year, and shall include any adjustments to such budget;

“Annually” meansonce every financial year;

"Arrangement" means a written agreement entered into between the Municipality and the customer where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act;

"Arrears" means those rates and service charges that have not been paid by the due date and for which no arrangement has been made;

"Authorised Representative" means a person or instance legally appointed by the Municipality to act or to fulfill a duty on its behalf;

“Basic Municipal Services” shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment;

"Billing Date" means the date upon which the monthly statement is generated and debited to the customer's account;

“Business and Commercial Property” means -

(a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
(b) property on which the administration of the business of private or public entities take place.

“By-law” shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies;

“Calendar year” shall mean 12 consecutive months of a financial year(s);

“Category” –

(a) in relation to a property, means a category of properties determined in terms of section 8(2) of the Municipal Property Rates Act;

(b) in relation to the owners of property, means a category of owners determined in terms of section 15(2) of the Municipal Property Rates Act.

"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee;

“Consumer Price Index” shall mean the CPIX as determined and gazetted from time to time by the South African Bureau of Statistics;

"Consolidated Account" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality;

"Council" means the Council of the Midvaal Local Municipality;

“Councillor” shall mean a member of the Council of the Municipality;

"Credit Control" means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services;

"Customer" means the occupier of any premises to which the Municipality has agreed to supply or is actually supplying municipal services, or if no occupier can be identified or located, then the owner of the premises and includes any customer of the Municipality;

"Day / Days" means calendar days, inclusive of Saturdays, Sundays and public holidays;

"Debt Collectors" means an external person or entity appointed by the Municipality to collect monies due and payable to the Municipality, subject to the conditions contained herein;

"Defaulter" means any person who owes arrears to the Municipality;

"Delivery Date" shall mean the date on which the periodic account is delivered to the customer or 3 days after **the** date the account was posted, whichever is the first;

"Director Income" Means the Senior Official in a division of the Municipality's Finance Department, overall responsible for the collection of monies owed to the Municipality and / or any other official to whom he / she has delegated duties and responsibilities in terms of this policy;

"Domestic Customer or User" of municipal services shall mean the person or household which municipal services are rendered in respect of "residential property" as defined below;

"Due Date" in relation to -

(a) rates due in respect of any immovable property, means:-
- the date for payment indicated on the account, in the case where rates are levied on a monthly basis are the 7th of the month; or

(b) should such day fall on a Saturday, Sunday or public holiday the due date will remain the 7th of the month.

"Dwelling" means a building, structure or place of shelter to live in or conduct business from;

"Electricity Charges" means service charges in respect of the provision of electricity;

"Financial Year" shall mean the period starting from 1 July in any year and ending on 30 June of the following year;

"Immovable Property" also includes -

(a) an undivided share in immovable property, and

(b) any right in immovable property.

"Implementing Authority" means the Municipal Manager or his or her nominee, acting in terms of section 100 of the Local Government: Municipal Systems Act 32 of 2000;

"Indigent Customer" means the head of an indigent household:-

(a) who applied for and has been declared indigent in terms of Council's Indigent Support Policy for the provision of services from the Municipality; and

(b) who makes application for indigent support in terms of Council's Indigent Support Policy on behalf of all members of his or her household;

"Indigent Support Policy" means the Indigent Support Policy adopted by the Council of the Municipality;

"Indigent Support Programme" means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Support Policy;

“Integrated Development Plan” shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000, as amended;

“Industrial Property” – means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

"Interest" means the charge levied on arrears, calculated as the prime rate, charged by the bank which holds the Municipality’s primary bank account, plus two percent or such other percentage as may be determined by Council from time to time;

“Local Community” – in relation to the Municipality –

(a) means that body of persons comprising –
- the residents of the Municipality;
- the rate payers of the Municipality;
- any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality; and
- visitors and other people residing outside the Municipality, who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality; and

(b) includes, more specifically, the poor and other deprived sections of such body of persons;

“Market Value” – in relation to a property, means the value of the property determined in accordance with section 46 of the Municipal Property Rates Act;

“Month” means one of twelve months of a calendar year;

"Monthly Average Consumption" means the monthly average consumption in respect of a property calculated on the basis of the average consumption over the preceding twelve months on the respective property or should it be a newly developed property a projected average consumption per month for a property in the Municipality having a similar sized development thereon;

“Municipality” or **“Municipal Area”** shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act 27 of 1998 as the municipal area pertaining to the Municipality;

“the Municipality” means Midvaal Local Municipality;

“Municipal Council” or **“Council”** shall mean the municipal council of Midvaal Local Municipality as referred to in Section 157(1) of the Constitution;

"Municipal Pay Point" means any municipal office in the area of jurisdiction of the Municipality designated by Council for such purposes, or any such other places as the Chief Financial Officer may from time to time designate;

"Municipal Manager" means the Municipal Manager of the Midvaal Local Municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council;

"Municipal Services" means services provided either by the Municipality, or by an external agent on behalf of the Municipality in terms of a service delivery agreement;

“Municipal Tariff” shall mean a tariff for services which the Municipality may set for the provision of a service to the local community, and may include a surcharge on such service.

Tariffs for major services shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean al other tariffs, charges, fees, rentals or fines levied or imposed by the Municipality in respect of other services supplied including services incidental to the provision of the major services;

"Occupier" means any person who occupies, controls or resides on any premises, or any part of any premises without regard to the title under which he or she so occupies it;

“Open Space” - means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is zoned as open space;

"Owner" in relation to immovable property means -

(a) the person in whom is vested the legal title thereto provided that:-
- the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;
- (ii) the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;

(b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curator ship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;

(c) if the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property;

"Person" means a natural and juristic person, including any department of state, statutory bodies or foreign embassies;

"Premises" includes any piece of land, the external surface boundaries of which are delineated on:

(a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in

terms of the Deed Registry Act, 47 of 1937; or

(b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, and which is situated within the area of jurisdiction of the Municipality.

"Prescribed" means prescribed by this policy and where applicable by Council or the Municipal Manager;

"Prescribed debt" means debt that becomes extinguished by prescription in terms of the Prescription Act 68 of 1969;

“Private Open Space” means land that is privately owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, cemetery or nature area and which is joined as Private Open Space;

“Privately Owned Townships Serviced by the Owner” – means single properties (group housing or single residential erven), situated in an area not ordinarily being serviced by the Municipality, divided through subdivision or township establishment in (ten or more) full-title stands and / or sectional title units and where all rates-related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreation facilities, are installed at the full cost of the developer and are rendered and maintained by the residents, Home owners association or management companies / bodies of such estate;

“Property” – meansimmovable property registered under separate title in terms of the provisions of the Deeds Registries Act, 1937 (Act 47 of 1937) in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person and includes unregistered land if the right of ownership can be determined;

“Rateable Property” shall mean property on which the Municipality may in terms of Section 2 of the Municipal Property Rates Act 2004 levy a rate, but excluding property fully excluded from the levying of rates in terms of Section 17 of that Act;

“Ratepayer” shall mean a person who is liable to the Municipality for the payment of (a) rates on property in the Municipality; (b) any other tax, duty or levy imposed by the Municipality;

and / or (c) fees for services provided either by the Municipality or in terms of a service delivery agreement;

"Rates" means a municipal rate on property envisaged in section 229 (1) of the Constitution read with the Local Government: Municipal Property Rates Act 6 of 2004 and the Local Government: Municipal Finance Act 56 of 2003;

"Rebate" in relation to a rate payable on a property, shall mean a discount granted in terms of Section 15 of the Municipal Property Rates Act, 2004 on the amount of the rate payable on the property;

"Reduction" - in respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount;

"Refuse Charges" means service charges in respect of the collection and disposal of refuse;

"Registered Owner" means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, 47 of 1937;

"Responsible Person" means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges;

"Residential Property" shall mean a property included in the valuation roll in terms of Section 48(2)(b) of the Municipal Property Rates Act, 2004 as residential;

"Residential Property" furthermore means improved property that: -

(a) is used predominantly (60% or more) for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes, if still used dominantly for residential purposes;

(b) is a unit registered in terms of the Sectional Title Act and is used predominantly for residential purposes;

(c) is owned by a share-block company and is used predominantly for residential purposes;

(d) is a residence used for residential purposes situated on a property used for educational purposes;

(e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Municipal Property Rates Act;

(f) are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;

(g) vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, have been specifically excluded from this property category;

"Service Charges" means the fees levied by the Municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this policy;

"Service Delivery Agreement" means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000;

"Sewerage Charges" means service charges in respect of the provision of sewerage collection and treatment of infrastructure;

“Small Holding” means:-

(a) all agricultural zoned land units situated within an urban region with an area of one to three hectares; or

(b) any agricultural zoned land unit situated outside an urban region with an area of three hectares or less.

"Sundry Customer Accounts" means accounts raised for miscellaneous charges for services provided by the Municipality or charges that were raised against a person as a result of an action by a person, and were raised in terms of Council's policies, bylaws and decisions;

"Supervisory Authority" means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Municipal Systems Act 32 of 2000;

"Tariff" means the scale of rates, taxes, duties, levies or other fees which may be imposed by the Municipality in respect of immovable property and / or for municipal services provided;

"Tariff Policy" means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000;

"User" means the owner or occupier of a property in respect of which municipal services are being rendered;

“Vacant Property” – means any land without any improvements thereon;

"Water Charges" means service charges in respect of the provision of water.

3. CONSTITUTIONAL AND LEGAL BACKGROUND

In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003, the Accounting Officer (AO) of a Municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the Municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act 32 of 2000 as amended.

In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements.

4. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2018.

5. POLICY AMENDMENT

In terms of section 17(1)(e) of the MFMA this policy must be reviewed on an annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

6. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegation of Powers;
- Enterprise Risk Management Policy;
- Credit Control and Debt Collection Policy;
- Property Rates Policy;
- Funding, Borrowing and Reserves Policy;
- Cash Management and Investment Policy
- Long Term Financial Plan Policy;
- Indigents Policy;
- Budget Implementation and Monitoring Policy;
- Free Basic Electricity Policy and
- Free Basic Water Policy.

7. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Municipal Property Rates Act, 2004
- Municipal Property Rates Policy, as reviewed annually
- Constitution of the Republic of South Africa, 1996 as amended
- Municipal Budget and Reporting Regulations, 2008

8. BASIC PRINCIPLES TO BE CONSIDERED IN DETERMINATION OF A TARIFF STRUCTURE

8.1 Service tariffs imposed by the local Municipality shall be viewed as user charges and not as taxes, and therefore the ability of the relevant customer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigent relief measures approved by the Municipality from time to time).

8.2 The Municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.

8.3 Tariffs for the four major services rendered by the Municipality, namely Electricity, Water, Sewerage and Refuse Removal, shall as far as possible recover the expenses associated with the rendering of each service concerned, and where feasible, generate a modest surplus as determined in each annual budget. Such surplus shall be applied in relief of property rates or for the future capital expansion of the service concerned, or both.

8.4 The tariff which a particular customer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.

8.5 The Municipality shall develop, approve and at least annually review an indigent support programme for the municipal area. This programme shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and customers in the municipal region.

8.6 In line with the principles embodied in the Constitution, in other legislation pertaining to local government, and in the case of electricity approval by NERSA, the Municipality may differentiate between different categories of users and customers in regard to the tariffs which it levies. Such differentiation shall however at all times be reasonable and shall be fully disclosed in each annual budget.

8.7 The Municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of customers or users shall be evident to all customers or users of the service in question.

8.8 The Municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all customers and users affected by the tariff policy concerned.

8.9 The Municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.

8.10 In the case of conventional metering systems for electricity and water, the consumption of such services shall be properly metered by the Municipality and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on customers shall be proportionate to the quantity of the service which they consume. In addition, the Municipality shall levy a monthly fixed charge for electricity and water services.

8.11 In adopting what is fundamentally a two-part tariff structure, namely a fixed basic charge coupled with a charge based on consumption, the Municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

8.12 In case of vacant stands, where the services are available but not connected, the Municipality shall levy a monthly availability charge which is levied because of fixed costs such as the capital and maintenance costs and insurance of infrastructure available for immediate connection. This principle also applies to vacant stands in areas serviced through conservancy or septic tanks.

8.13 The Municipality's tariffs for electricity services will be determined to ensure that those customers who are mainly responsible for peak demand, and therefore for the incurring by the Municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. To this end the Municipality

shall therefore install demand meters to measure the maximum demand of such customers during certain periods. These bulk customers shall therefore pay the relevant demand charge as well as an energy charge directly related to their actual consumption of electricity during the relevant metering period.

9. FACTORS TO BE CONSIDERED IN THE DETERMINATION OF A TARIFF STRUCTURE

9.1 Financial factors

9.1.1 The primary purpose of a tariff structure is to recover the actual costs of the rendering of a particular service, during each of the Municipality's specific financial years, to avoid cross subsidising of services.

9.1.2 In order to determine the tariffs which must be charged for the supply of the four major services, the Municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:-

9.1.2.1 Cost of bulk purchases in the case of water and electricity.

9.1.2.2 Distribution costs.

9.1.2.3 Distribution losses in the case of electricity and water.

9.1.2.4 Depreciation expenses.

9.1.2.5 Maintenance of infrastructure and other fixed assets.

9.1.2.6 Cost of approved indigent relief measures and cross subsidising of low consumption.

9.1.2.7 Administration and service costs, including:-

- service charges levied by other departments such as finance, human resources and legal services;
- reasonable general overheads, such as the costs associated with the Office of the Municipal Manager;
- adequate contributions to the provisions for bad debts and obsolescence of stock; and
- all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area.

(Note: the costs of the democratic process in the Municipality – that is, all expenses associated with the political structures of the Municipality – shall form part of the expenses to be financed from property rates and general revenue, and shall not be included in the costing of the major services of the Municipality).

9.1.3 The intended surplus to be generated for the financial year. Surplus to be applied:-

- as an appropriation to capital reserves; and/or
- generally in relief of rates.

9.2 Socio-economic factors

9.2.1 Although the determination of tariffs is in many instances politically orientated, it ought to be based on sound, transparent and objective principles at all times. In order to fully understand the influence of the socio-economic factors the various user categories and forms of subsidisation needs to be considered. Tariffs should also support business initiatives aimed at creating jobs or contribute to the economy of the area.

9.2.2 Users can be divided into the following categories:-

9.2.2.1 Users who are incapable to make any contribution towards the consumption of services and who are fully subsidised;

9.2.2.2 Users who are able to afford a partial contribution and who are partially subsidised only; and

9.2.2.3 Users who can afford the cost of the services in total.

9.2.3 It is important to identify these categories and to plan the tariff structures accordingly. Subsidies currently derived from two sources namely:-

9.2.3.1 Contributions from National Government: National Government makes an annual contribution according to a formula, which is primarily based on information obtained from Statistics South Africa by means of census surveys. If this contribution is judiciously utilised it will subsidise all indigent households who qualify in terms of the Council policy.

9.2.3.2 Contributions from ownfunds: The Council can, if the contribution of National Government is insufficient, provide in its own operational budget for such support. Such action will in all probability result in increased tariffs for the larger users. Any subsidy must be made known publicly.

- To make provision for subsidisation the tariff structure can be compiled as follow:-

9.2.4.1 Totally free services (within limits and guide lines);

9.2.4.2 Lower tariffs for users who qualify in terms of particular guide lines, for example to recover the operational costs of the service only; and

9.2.4.3 Full tariff payable with a subsidy that is transferable from sources as mentioned above.

9.3 Minimum service levels

It is important that minimum service levels be determined in order to calculate and develop an affordable tariff package available to all potential users.

9.4 Credit control

9.4.1 It is not possible to successfully compile a tariff structure without consideration of the stipulations of an effective credit control system. Income is provided for in the budget as if a 100% payment level will be maintained. It is therefore important to continuously ensure that users indeed pay punctually. Non-payment has a direct effect in that provision for bad debt, in accordance with current payment levels, must be provided as expenditure in the budget.

9.4.2 However, it is also a fact that there are users who are unable to pay. Tariffs must therefore provide access to a minimum level of basic services for all users. It should furthermore be supplemented with a practical policy for indigents. This will ensure the sustainable delivery of services. In addition, adequate provision should be made on an annual basis for bad debt/ working capital in accordance with current payment levels.

9.5 Package of services

The accounts for rates and services must not be seen in isolation. It must be considered jointly to determine the most affordable amount that the different users can pay as a total account. The basic costs of a service must first of all be recovered and then only can surpluses be manipulated to determine the most economic package for the user with due allowance for future events in regard to a particular service.

9.6 Historical and future user patterns

9.6.1 It is important to keep accurate consumption statistics for the purpose of determining tariffs. Consumption determines tendencies, which ultimately have an influence on tariffs within a structure. Provision should be made in the process for growth and seasonal use, as well as for unforeseen events that may have an impact on tariffs.

9.7 User groups

9.7.1 Users are traditionally divided into user groups as set out below:-

9.7.1.1 Domestic (Residential);

9.7.1.2 Businesses/ Commercial;

9.7.1.3 Industries/Bulk customers;

9.7.1.4 Farm properties (agricultural);

9.7.1.5 Accommodation establishments (including guest houses);

9.7.1.6 Municipal consumption (departmental charges);

9.7.1.7 Institutions that may be directly subsidised for example retirement homes, schools and hostels, sport organisations, etcetera; and

9.7.1.8 Special arrangements for specific developments as may be determined by Council from time to time.

A continuous effort should be made to group together those users who have more or less the same access to a specific service.

10. FREE BASIC SERVICES

10.1 Underlying principle

10.1.1 Free basic municipal services refers to those municipal services necessary to ensure an acceptable and reasonable quality of life and which service, if not provided, could endanger public health or safety or the environment.

10.1.2 In terms of the South African Constitution all customers should have access to basic services. Typically, the following parameters will be applied: -

10.1.2.1 The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

10.1.2.2 The general threshold for indigent support is restricted to qualifying households with a combined income amount determined by Council at the beginning of every financial year and will be applied for the duration of that particular financial year.

11. TARIFF STRUCTURES FOR VARIOUS SERVICES

It is essential that a compromise be reached between the following needs with the determination of a tariff structure:-

- The need to reflect costs as accurately as possible in order to achieve cost effectiveness;
- The need to ensure equality and fairness between user groups;
- The need for a practically implementable tariff;
- The need to use appropriate metering and provisioning technology;
- The need for an understandable tariff; and
- The user's ability to pay.

Taking into consideration the abovementioned points the tariff structure of the following services are discussed:-

- Electricity
- Water
- Refuse Removal
- Sewerage
- Property Rates.

11.1 Electricity

11.1.1 To calculate the tariff for electricity, the actual cost incurred in the supply of electricity to the community has to be taken into consideration. The principle of basic levies as well as per unit tariff for electricity is determined by the cost structure. This cost structure consists of the following components:-

11.1.1.1 Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any electricity has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of electricity, costs of capital, maintenance cost and insurance that is payable in respect of the infrastructure. These costs must be recovered whether

any electricity is used or not. The costs are therefore recovered by means of a fixed levy per period (normally levied as a monthly basic charge) in order to ensure that these costs are covered.

11.1.1.2 Variable costs: It relates to the physical provision of electricity according to consumption / demand and must be financed by means of a unit tariff which is payable per kWh/KVA electricity consumed.

11.1.1.3 Surplus: The tariffs for these services are determined in such a way that a NETT trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate funded services.

11.1.2 The following tariff structures were basically used for the determination of tariffs:-

11.1.2.1 Inclining block tariff (IBT) tariff structure where customer's consumption is divided into blocks and each subsequent block has a higher energy rate (c/kWh). The tariff structure has been set by NERSA in order to protect/ cross-subsidise low income domestic customers and to promote energy efficiency.

11.1.2.2 Single rate energy tariff (all costs expressed in a single cent/kWh charge).

11.1.2.3 Two part tariff for Industrial and Bulk Customers. Demand charge and a variable charge related to metered kWh consumption):-

- Energy rate (c/kWh);
- Demand charge (R/KVA month – recovers capital costs elements).

11.1.2.4 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

11.2 Water

11.2.1 Water is a scarce commodity with little alternatives available (contrary to electricity). Tariff structures should therefore be aimed at the reduction of consumption. In order

to restrict consumption, an inclining block rate tariff structure with a basic fee is applied.

11.2.2 In principle, the amount that users pay for water services should generally be in proportion to their use of water services. Tariffs must be set at levels that facilitate the sustainability of the service, will include sliding scale tariff structure.

11.2.3 To calculate the tariff for water, the actual cost incurred in the supply of water to the community, has to be taken onto consideration. The principle of basic levies as well as a kilolitre tariff for water is determined by the cost structure.

11.2.4 Similar to electricity, this cost structure consists of the following components:-

11.2.4.1 Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any water has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of water, costs of capital and insurance that is payable in respect of the infrastructure. These costs must be recovered whether any water is used or not. The costs are therefore recovered by means of a fixed levy per period (normally on a monthly basis) in order to ensure that these costs are covered.

11.2.4.2 Variable costs: It relates to the physical provision of water according to demand and must be financed by means of a unit tariff which is payable per kilolitre water consumed.

11.2.4.3 Surplus: The tariffs for these services are determined in such a way that a NETT trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate funded services.

11.2.5 The following tariff structures were basically used for the determination of tariffs:-

11.2.5.1 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

11.2.5.2 Should the levy of the availability charge of water fall into arrears due to non-payment by the fractional owner, credit control procedures as stipulated in the credit control policy will follow.

11.3 Refuse Removal

11.3.1 Refuse removal is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

11.3.2 A customer who chooses to do his/her own refuse removal will still be liable for paying the applicable refuse tariff.

11.3.3 The tariff levied by Midvaal Local Municipality is based on the category of property as determined in the valuation roll.

11.3.4 The following tariff structures were basically used for the determination of tariffs:-

11.3.5 Residential (domestic customers) – maximum of one removal per week (black bag system).

11.3.6 Business / Commercial / Industrial (Non – Bulk) – maximum of two removals per week.

11.3.7 Business / Commercial / Industrial (Bulk) - maximum of three removals per week.

11.3.8 Business / Commercial / Industrial (Bulk) - four or more, with a maximum of seven removals per week.

11.3.9 Additional removals – More than the maximum removals as per 11.3.5 – 11.3.8.

11.3.10 A service charge is payable on all properties (as per category as detailed in the schedule of tariffs), where the rendering of the service is available, whether or not the service is utilised by the customer.

11.3.11 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

11.3.12 Where fractional ownership of a property occurs,the owner will be levied refuse based on their fractional share in that property.

11.3.13 Should the levy for refuse fall into arrears due to non-payment by the fractional owner, credit control procedures as stipulated in the credit control policy will follow.

11.4 Sewerage

11.4.1 Sewer service is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

11.4.2 The following tariff structures were basically used for the determination of tariffs:-

11.4.3 Tariff arrangements determined and approved by Council from time to time for specific developments.

11.4.4 A sewer charge is payable on all properties (as per category as detailed in the schedule of tariffs), where a connection to the sewer network is possible, whether or not the service is utilised by the customer. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties.

11.4.5 The sewer charge will be payable as from date of registration of property

11.4.6 If the owner connects and improve the property the debit will be adjusted from the date of the connection.

11.4.7 Owners of vacant stands in an area serviced through conservancy tanks, septic tanks or French drains only will not pay the availability tariff.

11.4.8 Where the fractional ownership of a property occurs, the owner will be levied a sewer charge for sewerage based on their fractional share in that property.

11.4.9 Should the levy of the availability charge for sewerage fall into arrears due to non-payment by the fractional owner, credit control procedures as stipulated in the credit control policy will follow

11.5 Property Rates

11.5.1 The rate levied by the Municipality will be a cent amount in the Rand based on the market value of the property.

11.5.2 In terms of the Municipal Property Rates Act, 2004 the Municipality may levy different rates for different categories of rateable property. Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and by way of reductions and rebates as provided for in the Municipality's property rates policy.

11.5.3 In terms of section 17 (1) (e) of the MFMA the Municipality's property rates policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

12. ELECTRICITY TARIFF POLICY

Electricity is supplied under a distribution license, granted by NERSA for a specific area of jurisdiction, which regulates inter alia the following aspects:-

- Classification of customer categories.

- Permissible tariff structure options are determined at a national level and distributors are obliged to apply these structures to obtain uniformity.

- All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor.

12.1 Domestic Customers and Accommodation Establishments

This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises.

This tariff is applied for circuit breaker sizes not in excess of 63A single phase or 63A three phase. Should customers require supplies in excess hereof, the Commercial Customer or Bulk Supply tariff will be applicable. A phased approach will be implemented to convert existing customers who have traditionally been charged at different tariffs towards these criteria.

Customers with conventional meters

12.1.1 One part tariff:

- Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh consumed which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: >600 kWh

Pre-paid customers

12.1.2 Prepaid users are charged based on a one part tariff:-

12.1.2.1 One part tariff:

- Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh consumed which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: >600 kWh

12.1.2.2 Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh purchased, which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: >600 kWh

12.1.2.3 Should the customer have any municipal arrears, the auxiliary payment system may be activated for the gradual payment of the arrears as a percentage of purchases.

12.1.2.4 Registered Indigents receive a number of kWh units fully subsidised every month, as determined by Council on an annual basis. Where possible, Council may limit the supply to indigent customers to a 20A single phase capacity.

12.2 Commercial / Business Customers

This tariff covers the supply of electricity to shops, office buildings, hotels, clubs, industrial undertakings, builder's supplies or similar premises.

The tariff is normally for circuit breaker sizes not in excess of 63A single phase or 100A three phase. Should customers require supplies in excess hereof, the Bulk Supply tariff will be applicable. A phased approach will be implemented to convert existing customers who have traditionally been charged at different tariffs towards these criteria.

Customers with conventional meters

12.2.1 Customers with conventional meters are billed as follows:-

12.2.1.2 One part tariff:

- Energy rate (c/kWh). The energy rate is charged at a single rate tariff per unit based on the number of kWh consumed.

Pre-paid customers

12.2.2 Prepaid users, if applicable, are charged on a one part tariff:

12.2.2.1 Energy rate (c/kWh). The energy rate is charged on a single rate per unit based on the number of kWh purchased.

12.2.3 Should the customer have any municipal arrears, the auxiliary payment system may be activated for the gradual payment of the arrears as a percentage of purchases.

12.3 Industrial / Bulk Customers

12.3.1 The Bulk Supply tariff is for Customers with a notified maximum demand of 71kVA or more or who require a supply greater than a 100Amp three phase circuit breaker size.

12.3.2 These customers are billed as follows:-

12.3.2.1 Two part tariff.

- Demand charge ((R/kVA month – recovers capital costs elements).
- Energy rate (c/kWh). The energy rate is charged at a single rate tariff per unit based on the number of kWh consumed.

12.4 Farm properties (Agriculture)

These customers are billed as per the tariffs applicable which have been determined by the Council by special agreement with a specific group of farmers in the past.

12.5 Streetlights

An energy rate (c/kWh) will be applied per streetlight metering point.

12.6 Special Arrangements

Other tariffs may be applicable which has been determined by the Town Electrical Engineer or Council by special agreement with specific Clients. This will only be considered when special circumstances prevail.

12.7 Departmental

The respective Commercial and Bulk Supply tariffs, for consumption only, will be determined by Council on an annual basis. Tariff to be determined by the specific department applicable, only on the energy.

12.8 Electricity sundry tariffs

All other electricity related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

13. WATER TARIFF POLICY

13.1 Domestic / Commercial / Business / Accommodation Establishments

13.1.1 Customers are billed as follows:-

- Registered Indigents receive their basic levy for water fully subsidised every month, as determined by Council on an annual basis.

13.1.1.2 Domestic customers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage in the following blocks:-

- 0 to 6 kl - Indigent households
- 0 to 4 kl - Non Indigents
- 5 to 12 kl
- 7 to 12 kl
- 13 to 20 kl
- 21 to 30 kl
- 31 to 45 kl
- >45 kl

13.2 Old Age Homes / Schools / Sports Clubs / Charitable institutions

13.2.1 Customers are billed as follows:-

13.2.1.1 Customers are billed for consumption based on the amount of water used by way of fixed tariff per kilolitre usage.

13.3 All other Customers

All other customers are billed as follows:-

13.3.1 Customers are billed for consumption at a fixed tariff per kilolitre based on the number of kilolitres consumed.

13.4 Special Arrangements

13.4.1 Where two or more dwellings / flats / offices / accommodation establishment units are feeding from one main water connection to a property, the customers are billed as follow:-

13.4.2 Customers in 13.4.1 are billed for consumption based on the amount of water used by way of a fix tariff per kilolitre usage.

13.5 Water Restrictions

13.5.1 The availability of bulk water resources will be monitored throughout the year by Council.

13.5.2 When so required, Council will take a resolution to implement water restrictions.

13.5.3 Any penalties payable on water consumption as a result of water restrictions will be implemented in the month following the Council resolution; regardless of the meter reading dates (water consumed prior to the resolution date may therefore also be subject to penalties).

13.6 Departmental

The respective Commercial and Bulk Supply tariffs, for consumption only, will be determined by Council on an annual basis. Tariff to be determined by the specific department applicable only to the water consumption.

13.7 Water Sundry Tariffs

All other water related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

14. REFUSE TARIFF POLICY

14.1 Refuse Removal Tariffs

14.1.1 The Council has determined the following categories for refuse removal:-

14.1.2 Residential (domestic customers) – maximum of one removal per week.

14.1.3 Flats / Townhouses – levy for each unit – remove once a week (domestic)

14.1.3.1 Business / Commercial/ Industrial (Non – Bulk) – maximum of two removals per week. Businesses situated in residential areas will only be serviced once a week.

14.1.3.2 Business/ Commercial/ Industrial (Bulk) - maximum of three removals per week.

14.1.3.3 Business/Commercial/Industrial (Bulk) - four or more, with a maximum of seven removals per week.

14.1.3.4 Additional removals – More than the maximum removals as per 14.1.1 – 14.1.3.4

14.1.4 Registered Indigents receive their refuse removal service fully subsidised every month, as determined by Council on an annual basis.

14.1.5 Refuse removal charges will apply to developed properties.

14.2 Special Arrangements

14.2.1 Where two or more customers on a premises make use of the compulsory solid waste disposal service the customers are billed as per the category in par 14.1.1 above.

14.2.2.1 Special tariff arrangements determined and approved by Council from time to time for specific developments. In terms of the current arrangements, all developments with ten or more units that have created a central collection point for refuse as

agreed with Council may qualify for a reduced tariff as determined by Council on an annual basis. The Body Corporate or individual owners may apply in writing for a rebate. If approved, a rebate of 20% will be applied. If no application is received the full charges will be levied.

14.3 Departmental

Tariffs will be determined by Council on an annual basis. Tariff to be determined by the specific department applicable.

14.4 Refuse Removal Sundry Tariffs

All other refuse removal related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

15. SEWERAGE TARIFF POLICY

15.1 Sewerage Systems

15.1.1 A sewer charge is payable on all properties (as per category as detailed in the schedule of tariffs), where a connection to the sewer network is possible, whether or not the service is utilised by the customer.

15.1.2 The charge will be payable as from date of registration of property and the charge will differ between developed and undeveloped properties.

15.1.3 Registered Indigents receive their levy for sewerage service fully subsidised every month, as determined by Council on an annual basis.

15.2 Special Arrangements

15.2.1 Where two or more dwellings / flats / offices / accommodation establishment units are feeding from one main sewerage connection to a property, the customers are billed as follows:-

15.2.2 A charge is payable on all dwellings that are connected to the sewerage network based on the size of the smallest water connection (20 mm).

15.2.3 In the case of accommodation establishments, a charge is payable on all units / dwellings that are connected to the sewerage network based on the size of the smallest water connection (20 mm), based on the following formula:-
Flats / Townhouses – each unit pays a sewer charge

15.3 Departmental

Tariffs will be determined by Council on an annual basis. Tariffs to be determined by the specific department applicable.

15.4 Sewerage sundry tariffs

All other sewerage related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

16. PROPERTY RATES POLICY

16.1 Property Rates tariffs

Property rates are levied as determined by Council from time to time and is covered in the Property Rates Policy and Bylaw of the Municipality.

16.2 Property Rates sundry tariffs

All other property tax related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

17. SUNDRY TARIFFS

17.1 Various sundry tariffs are applied to recoup costs of sundry services to the public. All such tariffs are based on cost of supply, but individual tariffs may be set at:-

17.1.1 Subsidised levels;
17.1.2 Levels reflecting actual cost; or
17.1.3 Levels producing surpluses.

17.2 The level at which the Council sets a sundry service tariff, takes into account factors such as:-
17.2.1 Affordability;
17.2.2 Socio-economic circumstances;
17.2.3 Utilisation of amenities and resources;
17.2.4 National and regional agreements and provisions; and
17.2.5 Any other factors influencing such decisions.

17.3 Sundry tariffs and structures will be revised at least once a year, during the annual budgeting process.

18. WATER LEAK ADJUSTMENT

Definition of a water leak

Water leak – is crack or flaw that permits water to escape or pass through the pipes. The water will be wasted with or without noticeable.

Responsibility of water leak

18.1 Customer

- The customer remains responsible for any water leak that occurred from the meter to his property.
- The homeowner is responsible to repair the pipes in his/her property.
- Should the consumer discover any water leak, must take immediate steps to stop the loss of water by turning off the water supply tap.
- The plumber is the best person to call to mend domestic leaks and repair pipes and connections.

18.2 Midvaal Local Municipality

- The water leaks on the streets or on council property remains the responsibility of the council.
- Midvaal Local municipality will not charge its customers to repair pipes on the streets.
- The consumers should not allow anyone trying to claim money from them for repairing council water pipes.
- Even though the water leak is on council or municipality's side, consumers are requested to report the water leak.

Water leak adjustment tariff

- If you determine that your water bill has gradually been getting larger and does not decrease throughout several meter reading cycle, you may have a water leak.
- Midvaal Local Municipality has a water leak tariff, as promulgated in the water tariffs of the municipality that may give you a discount on your bill, depending upon the nature of the water leak.
- If the water leak is determined to be the customer's responsibility, the customer should repair the water leak and submit the documentation of repair (receipts

for labour, supplies and equipment and an affidavit if the leak was fixed by the owner) to the municipality billing office.

- Once the documentation has been reviewed and approved, the documentation will be processed immediately and adjustment made if merited.
- The amount and time period to which the adjustment can be applied varies depending on the nature of water leak
- Any request for water leak adjustment must be made within 30 days of the water leak repair.

The adjustment support criteria

- Water leak adjustment is only applicable to residential properties, churches and non governmental organisations (NGO's)
- The need to adjust a water bill maybe evident by a customer complaint of excessive billing or evidence of water leakage on the consumer side of the meter.
- To qualify for water leak adjustment, the usage must be at least 100% above the average monthly usage.
- Only one water leak adjustment per customer is allowed, unless otherwise waived by action of municipal council.
- The water department of the municipality will first determine that the meter has been read properly.
- Adjustment will only be made if the leak was detected within three (3) months.
- Customer will still pay for the average consumption at the normal tariff.
- The Municipality will only adjust the portion more than the average usage per month over a six (6) month period.

Adjustment on water bills will not be made on the following:

- Any type of faulty customer plumbing
- More than one occurrence per any twelve (12) month period.
- Customer did not take immediate steps after detection of the water leak to prevent further loss of water.
- The customer did not provide proof of the repair of the water leak
- Meter was tampered with in any way.

19. POLICY IMPLEMENTATION

This policy shall be implemented once approved by Council. All future tariff charges must be considered in accordance with this policy.

RATES BY-LAW

2018/2019 FINANCIAL YEAR

RATES BY-LAWS

By-law

To give effect to the implementation of the Midvaal Local Municipality's Rates Policy and to provide for matters incidental thereto.

Preamble

WHEREAS section 6(1) of the Local Government: Municipal Property Rates Act, 2004 (6 of 2004) as amended, requires a municipality to adopt By-laws to give effect to the implementation of its Rates Policy;

AND WHEREAS section 6(2) of the Local Government: Municipal Property Rates Act, 2004 (6 of 2004) as amended, provides that By-laws adopted in terms of section 6(1) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.

BE IT THEREFORE ENACTED by the Council of the Midvaal Local Municipality, as follows:-

1. Definitions

In this By-law any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) shall bear the same meaning and unless the context indicates otherwise –

"**Act**" means the Local Government: Municipal Property Rates Act, 2004 (6 of 2004);

"**Council**" means the Council of the Midvaal Local Municipality; and

"**rate**" or "**rates**" means a municipal rate on property as envisaged in section 229 of the Constitution of the Republic of South Africa.

2. Adoption and implementation of Rates Policy

(1) The Council shall adopt and implement a rates policy consistent with the Act on the levying of rates on rateable property within the jurisdiction of the municipality; and

(2) The Council shall not be entitled to levy rates other than in terms of its rates policy.

3. Contents of Rates Policy

The Council's rates policy shall, *inter alia:*

(1) Apply to all rates levied by the Council pursuant to the adoption of its Annual Budget;

(2) Comply with the requirements for:

(a) the adoption and contents of a rates policy specified in section 3 of the Act;

(b) the process of community participation specified in section 4 of the Act; and

(c) the annual review of a Rates Policy specified in section 5 of the Act.

(3) Specify any further principles, criteria and implementation measures consistent with the Act for the levying of rates which the Council may adopt; and

(4) Include such further enforcement mechanisms, if any, as the Council may wish to impose.

4. Enforcement of Rates Policy

The Council's Rates Policy shall be enforced through the Credit Control and Debt Collection By-law and Policy and any further enforcement mechanisms stipulated in the Act and the Council's Rates Policy.

5. Short title and commencement

This By-law is the Rates By-law, and takes effect on 1 July 2018.

PROPERTY RATES POLICY

EFFECTIVE 1 JULY 2018

As per Section 3 of Local Government: Municipal Property Rates Act, 6 of 2004, as amended

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PREAMBLE

WHEREAS the Constitution of the Republic of South Africa, 1996 empowers the Council to imposes rates on property in their Municipal area;

AND WHEREAS section 3 of the Local Government: Municipal Property Rates Act, 2004 (6 of 2004) determines that the council of a municipality must adopt a rates policy in accordance to the determination of the Act;

AND WHEREAS the Council must, in terms of section 5(1) of the Act, annually review, and may, if necessary, amend the rates policy;

AND WHEREAS this policy does not contain all provisions of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) but lists the key provisions that the municipality deems necessary for ratepayers to be aware of so that they fully understand rating issues that will affect them and must therefore be read in conjunction with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) and any regulation promulgated in terms thereof from time to time;

NOW THEREFORE the following policy on the levying of property tax is adopted.

SECTION A

1. INTRODUCTION

The Local Government: Municipal Property Rates Act (2004) requires Municipalities to develop and adopt rates policies in consistent with the Act on the levying of rates on rateable property in the municipality. All inputs or representations received on the draft policy of Midvaal Local Municipality where considered in drafting the final policy.

The municipality needs a reliable source of revenue to provide basic services and perform its functions. Property rates are the most important source of general revenue for the municipality. Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include for example installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities; and building and operating, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

Municipal property rates are set, collected, and used locally. Revenue from property rates is spent within a municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDPs) and budget processes, which a municipality invites communities to input prior municipal council adoption of the budget.

2. OBJECTIVE

In developing and adopting this rates policy, the Council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:

2.1 The Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;

2.2 There is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;

2.3 Revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas

neglected in the past because of racially discriminatory legislation and practices; and

2.4 It is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation and which takes account of historical imbalances and the burden of rates on the poor.

2.5 In applying its rates policy, the Council shall adhere to all the requirements of the Act including any regulations promulgated interms of the Act.

The objective of this policy is also to ensure that:

2.6 All persons liable for property rates are treated fairly, equitably and reasonably;

2.7 Rates are levied in accordance with the market value of the property;

2.8 That rate will be based on the value of all rateable property and the amount required by the municipality to fulfill its developmental responsibility as well as to balance the operational budget, taking into account the surplus obtained from the trading and economical services and the amounts required to cover the costs of exemptions, reductions and rebates which the Council approves from time to time;

3. DEFINITIONS

"Act" means the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) as amended and includes the regulations made in terms of Section 83 of the Act;

"Agricultural Property" means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;

"Business and commercial property" means:

(a) Property used for the activity of buying, selling or trade in commodities, goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such activity, or

(b) Property on which administration of business of private or public entities take place: and “business and commercial properties” has a corresponding meaning;

"Category"-

(a) in relation to property, means a category of properties determined in terms of section 8; and

(b) in relation to owners of properties, means a category of owners determined in terms of section 15 (2);

"Certificate of occupancy" means the certificate issued by the Council in terms of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977);

"Chief financial officer" means a person designated in terms of section 80(2)(a) of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003);

"Constitution" means the Constitution of the Republic of South Africa, Act 108 of 1996;

"Core family" means a couple, irrespective of gender (whether married or not), with or without children and / or the parents of either;

"Council" means:

(a) The Midvaal Local Municipality established in terms of Section 12 of the Local Government: Municipal Structures Act 1998 (Act 117 of 1998), as amended, exercising its legislative and executive authority through its Municipal Council; or

(b) Its successor in title; or

(c) A structure or person exercising a delegated power or carrying out an instruction, where any power in this policy has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Municipal Systems Act;

(d) In respect of ownership of property, rateability and liability for rates, a service provider fulfilling a responsibility assigned to it;

(e) Through a service delivery agreement in terms of section 81(2) of the Municipal Systems Act or any other law, as the case may be;

"Due date" means the date specified as such on a municipal account for any rates payable and which is the last day allowed for the payment of such rates;

"Dwelling" means a house designed to accommodate a single core family, including the normal outbuildings associated therewith;

“Exclusion” in relation to a municipality’s rating power means a restriction of the power as provided for in Section 17 of the Act;

“Exemption” in relation to the payment of a rate, means an exemption granted by the Municipality in terms of Section 15 of the Act;

“Financial year” means any period commencing on 1 July of a calendar year and ending on 30 June of the succeeding calendar year;

"Industrial property" means property used for a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity and “industrial property” has a corresponding meaning;

“Land tenure right” means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act 112 of 1991);

“Market value” in relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

"Mining" means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;

"Multiple use properties" in relation to a property, means the use of a property for more than one purpose, subjectin to section 9 of the Municpal Property Rates Act, 6 of 2004, as amended;

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 32 of 2000, as amended;

“Municipality” means the Midvaal Local Municipality;

"Municipal properties" means all properties of which the municipality is the owner or which property vest in the municipality but excludes such property owned by or vested in the

municipality which is used for residential, business and commercial and / or industrial purposes and “municipal properties” has a corresponding meaning;

"Newly rateable property" means any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date.

“Owner” means:

(a) In relation to a property referred to in paragraph (a) of the definition of “property”, a person in whose name ownership of the property is registered;

(b) In relation to a right referred to in paragraph (b) of the definition of “property”, a person in whose name the right is registered;

(c) In relation to a land tenure right referred to in paragraph (c) of the definition of “property”, a person in whose name the right is registered or to whom it was granted in terms of legislation; and

(d) In relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, the organ of state that owns or controls that public service infrastructure; provided that a person mentioned below may for the purpose of the Act be regarded by a municipality as the owner of a property in the following circumstances:

  (i) a trustee, in the case of a property registered in the name of the trustee of a trust, excluding state trust land;

  (ii) an executor or administrator, in the case of a property in a deceased estate;

  (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

  (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;

  (v) a curator, in the case of a property in the estate of a person under curatorship;

  (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

  (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it;

  (viii) a buyer, in the case of a property that has been sold by the Municipality and of which possession has been given to the buyer pending registration of ownership in the name of the buyer; or an occupier of a property that is registered in the name of the Municipality.

“Pensioner” mean retired property owners who reached the age of 60 years.

“Place of Public worship” means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is-

(a) registered in the name of the religious community;

(b) registered in the name of a trust established for the sole benefit of a religious community; or

(c) subject to a land tenure right.

“Poor household” means a household that complies with the conditions of Indigent households as per Council’s approved policy and have been approved as an Indigent household.

“Properties owned by an organ of state and used for public service purposes” means properties owned by the State and are used for public services, which are not included in the definition of public service infrastructure in the Act. Examples include hospitals, schools, police stations, etc.

"Protected area" means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management : Protected Areas Act, 2003 and “protected area” has a corresponding meaning;

"Public Benefits Organisation" means an organisation conducting specified public benefit activities as defined in Section 30 of the Income Tax Act 1962 (Act 58 of 1962) and registered in terms of the Income Tax Act for tax reductions because of those activities.

“Public benefit property” means property owned by a public benefit organisation and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act and “public benefit properties” has a corresponding meaning;

"Public Service Infrastructure" means publicly controlled infrastructure of the following kinds:

(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;

(b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
(e) railway lines forming part of a national railway system;
(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
(g) runways or aprons at national or provincial airports;
(h) breakwater, sea walls, channels, basin, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising light houses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
(i) any other publicly controlled as may be prescribed; or
(j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

"Rate" means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;

"Ratepayer" means any owner of rateable property as well as any owner of a rateable property held under sectional title, situated within the area of jurisdiction of the Council;

"Rateable property" means property on which a municipality may, in terms of Section 2 of the Act, levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;

"Ratio" means the relationship between two similar magnitudes in respect of quantity, determined by the number of times one contains the other;

"Rebate" in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property;

“Reduction” in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount;

"Residential property" means improved property that:

(a) Is used for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;

(b) Is a unit registered in terms of the Sectional Title Act and is used for residential purposes;

(c) Is owned by a share-block company and is used for residential purposes;

(d) Is a residence used for residential purposes situated on a property used for educational purposes;

(e) Is property which is included as residential in a valuation roll in terms of section 48(2)(b) of the Act;

(f) Is part of a retirement scheme and / or life right scheme used for residential purposes;

(g) But excluding vacant (empty) stands or is used as a guesthouse, utilized for income generating purposes, hotel, and accommodation establishment, irrespective of their zoning or intended use, and “residential properties” has a corresponding meaning;

“Sectional Titles Act” means the Sectional Titles Act, 1986 (Act 95 of 1986);

“Sectional title scheme” means a scheme defined in section 1 of the Sectional Titles Act;

“Sectional title unit” means a unit defined in section 1 of the Sectional Titles Act;

“Service provider” means a service provider contemplated in paragraph (d) of the definition of “Council”;

“State” means the National Government and the Gauteng Provincial Government;

"State-owned properties" means properties owned by the State, which are not included in the definition of public service infrastructure in the Act and are not used for public service purposes.

"State trust land / Communal Land" means land owned by the state:

(a) In trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
(b) Over which land tenure rights were registered or granted; or
(c) Which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act 22 of 1994);

"Town planning scheme" means

(a) A town-planning scheme, which is in operation as contemplated in the Town Planning and Townships Ordinance 15 of 1986;
(b) Any scheme or document which in terms of any applicable legislation is legally in operation and records or sets out, by means of maps, schedules or any other document, the development rights specifying the purpose for which land may lawfully be used or any buildings may be erected, or both;

"Vacant" shall mean land which is devoid of habitable structures, is unoccupied and has no predominant use and shall the words Vacant: Residential properties, Vacant Industrial, Business and Comercial properties, and Vacant Agricultural properties, as it may appear on the valuation roll, shall have a corresponding meaning."

"Zoning" means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in the applicable town planning scheme and "zoned" has a corresponding meaning. Where a property carries multiple zoning rights, the categorization of such property will be determined by apportioning the market value of the property, in a manner as may be prescribed, to the different purposes for which the property is used, and applying the rates applicable to the categories determined by the Municipality for properties used for those purposes to the different market value apportionments.

4. PURPOSE OF THE POLICY

The purpose of the policy is:

4.1 To comply with the provisions as set out in section 3 of the Act.

4.2 To determine criteria to be applied for:

- 4.2.1 Levying differential rates for different categories of properties;
- 4.2.2 Exemptions relating to a specific category of owners of properties, or the owners of a specific category of properties;
- 4.2.3 Rebates and reductions and
- 4.2.4 Rate increases.

4.3 To determine or provide criteria for the determination of:

- 4.3.1 Categories of properties for the purpose of levying different rates; and
- 4.3.2 Categories of owners of properties or categories of properties for the purpose of granting of exemptions, rebates and reductions.

4.4 Determine how the municipality's powers must be exercised in relation to properties which are to be categorized for multiple purposes.

4.5 Identify and provide reasons for:

- 4.5.1 Exemptions, rebates and reductions;
- 4.5.2 Exclusions; and
- 4.5.3 Where provided for by the Minister for Local Government, rates on properties that must be phased in.

4.6 Take into account the effect of rates on the poor and to provide for appropriate measures to alleviate the rates burden on them;

4.7 Take into account the effect of rates on organisations conducting public benefit activities;

4.8 Take into account the effect of rates on public service infrastructure;

4.9 Determine measures to promote local economic and social development; and

4.10 Identify all ratable properties that are not rated.

5. PRINCIPLES

5.1 The Council shall as part of each annual operating budget impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include any rights registered against such property, excluding a mortgage bond;

5.2 The Council pledges itself to limit each annual rates increase as far as practicable so that the Council does not overburden its ratepayers.

5.3 The Council shall, in imposing the rate in respect of each financial year, take proper cognizance of the aggregate burden of rates and service charges on property owners, in the various categories of property ownership.

5.4 Other policy principles:

5.4.1 All persons liable for property rates will be treated equitably and reasonably;

5.4.2 Rates will be levied in proportion to the market value of the property and based on the use of the property in line with Section 8(1)(a) of the Local Government: Municipal Property Rates Act, Act 6 of 2004, as amended (2014);

SECTION B

CATEGORIES OF PROPERTY

6. CRITERIA FOR CATEGORIES OF PROPERTY FOR THE PURPOSE OF LEVYING DIFFERENT RATES

6.1 The Council may levy different rates to different categories of rateable property. All rateable property will be classified in a category and will be rated based on the category of the property. For purposes of levying rates, categorisation will be based on the use of the property as allowed for in section 8(1) read with sections 3(3)(b) and 3(3)(c) of the Act, the following categories (including clarification of category) of properties are determined in line with Section 8(1)(a) of the Local Government: Municipal Property Rates Act, Act. 6 of 2004 as amended (2014):

Ref no	Category	Clarification (Must be read together with definitions)
1	Residential properties	As per definition of “residential properties”.
2	Industrial properties	As per definition of “industrial properties”.
3	Business and Commercial properties	As per definition of “business and commercial property”.
4	Agricultural properties	Properties primarily used for agricultural purposes.
5	Mining Properties	Properties used for mining operations as defined in the Minerals and Petroleum Resources Development Act, 2002 (Act 28 of 2002).
6	Properties owned by an organ of state and used for public service purposes	As per definition of “Properties owned by an organ of state and used for public service purposes”.
7	Public Service Infrastructure properties	As per definition of “public service infrastructure”.
8	Properties owned by Public Benefit Organisations and used for specified public benefit activities	As per definition of “Public Benefit Properties”.
9	Properties used for multiple purposes	Properties used for multiple purposes and not assigned to any other category where the property cannot readily be categorised by referring to the permitted or dominant use of the property will be apportioned to the different purposes for which the property is **used**. **Whilst this is not a property category, it is listed here to show how these properties will be dealt with as per section 9 of the Municipal Systems Act.**
10	State Owned Properties	State owned Properties other than PSI and that are not used for public service purposes
11	Protected areas	As per definition of “protected area”.
12	Municipal properties	All properties of which the municipality is the owner or which property vests in the

Ref no	Category	Clarification (Must be read together with definitions)
		municipality but excludes such properties owned by or vested in the Municipality which is used for residential and / or commercial purposes.
13	Public monuments and memorials	Monument and memorials (i) erected on land belonging to any branch of central, provincial or local government, or on land belonging to any organization funded by or established in term of the legislation of such a branch of government; or (ii) which were paid for by public subscription, government funds, or a public-spirited or military organization, and are on land belonging to any private individual.
14	Unregistered Properties	To be used for admin purposes for properties not yet registered in the deeds office
15	Communal land	Property belonging to a land reform beneficiary or his or her heirs provided that this exclusion lapses 10 years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
16	Place of Worship and Vicarage	As per definition of "Place of Public Worship".
17	Vacant land	**"**Vacant" shall mean land which is devoid of habitable structures, is unoccupied and has no predominant use and shall the words Vacant: Residential properties, Vacant Industrial, Business and Comercial properties, and Vacant Agricultural properties, as it may appear on the valuation roll, shall have a corresponding meaning."

6.2 Owners of properties who are of the view that their property has been categorised incorrectly may apply to the Council in writing for the category to be reviewed. The Council has the right to request documentary evidence and / or to request the municipal valuer to conduct a physical inspection of the property in order for the municipal valuer to review the category and to amend the valuation roll accordingly, if the review is successful.

6.3 Properties used for multiple purposes which do not fall within the definition of a single category and accordingly do not qualify entirely for a rate in that single category maybe included into a combination of categories of multiple use properties for which an apportionment according to use of that value for each distinct category of property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in cases where the municipal valuer considers to apply this category."

6.4 If no "Certificate of occupancy" is available or cannot be produced the property will be categorized in line with Section 8(1)(a) and Section 78 of the Local Local Government Municipal Property Rates Act, Act 6 of 2004, as amended (2014).

6.5 For categorization of all properties the properties must be categorized in line with Sections 8(1)(a) and 46 of the Local Government: Municipal Property Rates Act, Act 6 of 2004, as amended (2014).

SECTION C

DIFFERENTIAL RATING

7. CRITERIA FOR DIFFERENTIAL RATING ON DIFFERENT CATEGORIES OF PROPERTIES

The following has been taken into consideration for the purpose of differential rating:

7.1 The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.

7.2 Undeveloped or vacant land will be rated higher (in terms of a rate in the Rand) as the municipality is encouraging owners of vacant land to develop it and that the vacant land should not be used for speculation purpose by owners.

7.3 Promotion of social and economic development of a municipality.

7.4 Differential rating among the various property categories will be done by way of setting different Cent amount in the Rand for each property category (through the use of ratio's) rather than by way of reductions and rebates.

SECTION D

RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

8. FACTORS TO BE CONSIDERED FOR EXEMPTIONS, REBATES AND REDUCTIONS

8.1 In granting exemptions, rebates and reductions to the categories of properties and categories of owners, the Council recognises the following factors:

8.1.1 The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they provide;

8.1.2 The need to accommodate indigents and less affluent pensioners and persons dependent on a nominal income due to medical incapacitation or other factors as may be determined by Council from time to time;

8.1.3 The services provided to the community by public service organisations;

8.1.4 The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities;

8.1.5 The need to preserve the cultural heritage of the local community;

8.1.6 The need to encourage the expansion of public service infrastructure;

8.1.7 The indispensable contribution which propertdevelopers (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development; and

8.1.8 The requirements of the Act.

9. GRANTING OF EXEMPTIONS, REBATES AND REDUCTIONS

Compulsory and mandatory exemptions will be in line with Sections 15 and 17 of the Local Government: Municipal Property Rates Act, 2004.

9.1 Exemptions

Sections 15 and 17 of the Act allows the granting of exemptions, reductions and rebates. These exemptions, reductions and rebates can be granted to either a specific category of properties, or a specific category of property owners.

9.1.1 Public Benefit Organisations will be exempt from paying property rates, subject to the property being registered in the name of the PBO by no later than 30 June 2021;

9.1.2 Municipal properties will be exempt from property rates;

9.1.3 Properties on which Public Monuments and Memorials are located will be exempted from property rates;

9.1.4 Properties located on special nature reserves, national parks or nature reserves within the meaning of the National Environmental Management: Protected Areas Act, 2003 (57 of 2003) or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act 2004, (10 of 2004), which are not developed or used for commercial, business, agricultural or residential purposes will be exempt from paying property rates;

9.1.5 Properties belonging to a land reform beneficiary or his or her heirs, dependents or spouse will be exempt from paying property rates for the first ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds provided that upon alienation of the property by the land reform beneficiary or his or her heirs, dependents or spouse, property rates shall become payable;

9.1.6 Properties registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community which is occupied by the office bearer of that community who

officiates at services at that place of worship will be exempt from paying property rates; and

9.1.7 Public Service Infrastructure will be exempted from paying property rates.

9.1.8 In order to alleviate the tax burden on residential property owners, all properties categorised as residential properties will, in addition to the impermissible rate of R15 000 prescribed in section 17(1)(h) of the Act, receive a further R135 000 exemption on the market value of a property.

9.2 Reductions

The Council may determine reductions to be applied to the market value of properties from time to time. No such determinations have been made to date.

9.3 Rebates

9.3.1 Indigent property owners: The property rates for the first R500 000 of the property value will be granted as a rebate for all registered indigent households

9.3.2 Owners dependent on pensions or social grants: Residential property owners who are over 60 years of age, who are both permanent occupiers and the sole owners of the property concerned whose aggregate household income does not exceed two state pensions per month will receive a rebate of 100% of their property rates for the first R500 000 of their property value. Residential property owners who are over 60 years of age, who are both permanent occupiers and the sole owners of the property concerned whose aggregate household income does not exceed R7 500 per month will receive a rebate of 50% of their property rates for the first R1 300 000 of their property value (i.e. maximum of R1 150 000 after the first R150 000 residential reduction has been applied).

9.3.3 Sports grounds used for amateur sports will receive a rebate of 75% of their property rates (application based, annually).

9.3.4 Old age institutions registered at the Department of Welfare will receive a rebate of 85% of their property rates (application based, annually), subject to the property being registered in the name of the Old age institution by no later than 30 June 2021.

9.3.5 Owners of small holdings (with property type as contained in the valuation roll, agricultural holdings / farms) will receive a rebate of 50% of their property rates for the first R750 000 of their property value (i.e. maximum of R600 000 after the first R150 000 residential reduction has been applied).

9.3.6 Owners of Private Schools will receive a 50% rebates of their property rates.

9.3.7 First time owners of Government Flisp Housing who qualified for government subsidy will receive a 75% rebate of their property rates for the first R500 000 of their property value (i.e. maximum of R350 000 after the final R150 000 residential reduction has been applied). Once the Flisp subsidy beneficiary sells the property, the new property owner will not qualify for the rebate unless he / she is also a Flisp subsidy beneficiary.

9.4 Development incentives

9.4.1 The objectives of the incentives are to attract investors who will bring the expertise, funds and the capacity to develop property categories such as residential, business and commercial, industrial, agricultural, educational institutions and others but also to fast tract other normal developments within the Midvaal Local Municipality area;

9.4.2 Property Developers must submit a proper motivation (in writing) to the municipality which should include but not limited to:

9.4.2.1 Timeframes;
9.4.2.2 Cost of development;
9.4.2.3 How will municipality and community benefit, etc;
9.4.2.4 The particulars of the incentive such as the percentage, cent in the rand, etc. will only be granted once formally approved by the Council or if such and incentive forms part of the Councils approved Land Development Incentive Policy;
9.4.2.5 The Municipality reserves the right to refuse or reverse any rebate if the details submitted in the application are incomplete, incorrect, or false.

10. COST TO MUNICIPALITIES DUE TO EXEMPTION, REBATES, REDUCTIONS, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO MUNICIPALITIES

10.1 The cost to the municipality of having granted the relief measures (exemptions, rebates and reductions) short of qualifying such costs in Rand and Cent are reflected in the annual budget report as income foregone. These relief measures are detailed in paragraphs 9.1 – 9.4 of this policy.

SECTION E

RATES INCREASES/DECREASE

11. CRITERIA FOR INCREASING OF RATES

The municipality will consider increasing property rates levies annually during the budget process:

11.1 The Municipality will in determining the rate levy increase take the following into consideration:

11.1.1 To treat persons liable for rates equitably;

11.1.2 Take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them.

11.1.3 Priorities of a municipality reflected in its Integrated Development Plan.

11.1.4 The revenue needs of the municipality.

11.1.5 A need for management of rates shocks.

11.1.6 Affordability of rates to ratepayers.

11.2 All increases in the property rates levied will be communicated to the local community in terms of the council's IDP and Budget community participation process.

SECTION F

12. LIABILITY FOR RATES BY PROPERTY OWNERS

12.1 Method and time of payment

Midvaal Local Municipality will recover the rate levied in twelve equal monthly installments over the relevant financial year. The installment is payable on or before the 7th day of every month, following the month in which it has been levied or the due date as per the municipal statement, whichever is the earlier. Interest will be charged on the arrear amount due for rates payable at the interest rate determined by the Council.

12.2 Annual Payment Arrangements

Owners of rateable properties may choose to pay the annual rates in one installment on or before the 7th October of the particular financial year. The property owner must notify the municipal manager or his / her nominee by no later than 30 June in any financial year, or such later date in the financial year as determined by the municipality, that he / she wishes to pay all rates in respect of such property for a particular financial year in one installment, after which such an owner shall be entitled to pay all rates in the subsequent financial year and all subsequent financial years annually until he / she withdraws this notice in similar manner.

12.3 Recovery of arrear rates from tenants, occupiers and agents

Must be read together with Section 28 and 29 of the Local Government: Municipal Property Rates Act, 6 of 2004, as amended (2014).

If an amount due for rates levied in respect of a property is unpaid after the due date, the municipality may recover the amount in whole or in part from a tenant or occupier of the property. The amount that the municipality may recover from the tenant or occupier of the property is limited to the amount of the rent or other money due and payable by the tenant or occupier to the owner of the property. Any amount which the municipality recovers from the tenant or occupier of the property must be set off, by the tenant or occupier, against any money owed by the tenant or occupier to the owner. The Municipality may only recover such rates from the tenant or occupier after it has served a written notice to this effect on the tenant / occupier.

The municipality may recover the amount due for rates from any agent of the owner after it has given written notice to that agent or person. The amount the municipality may recover from the agent or other person is limited to the amount of that rent received by the agent or person, less the commission due to that agent or person subject to the Estate Agents Affairs Act, 1976 (Act 112 of 1976). The agent or other person must, on request by the municipality, furnish the municipality with a written statement specifying all payments for rent on the property received by that agent or person during a period determined by the municipality.

12.4 Clearance Certificate

All monies collected, including any estimated amount for the duration of the validity period of the clearance certificate, are for the purposes of section 118 (1A) of the Municipal Systems Act, or section 89 of the Insolvency Act, 1936 (Act 24 of 1936), deemed to be due and must be paid in order to facilitate the transfer of immovable property. (See Steve Tshwete Local Municipality v Fedbond [2013] ZASCA 15 (20 March 2013) where the SCA ruled that clearance must be given, in case of insolvency, for 2 years preceding the date of application for clearance, not 2 years preceding date of sequestration).

12.5 Property rates payable by joint owners / fractional property ownership

Owners will be held liable for rates jointly and severally for any properties with joint and/or fractional ownership.

13. RATE RATIOS

The Council may not levy different rates on residential properties except as provided for in the Act. The concept of differential rating means that the rate (cent in the rand amount) is not constant across all category of property. The residential rate will be use as the base rate and the other rates determined in relation to the residential rate, calculated on the ratios between the categories. The Council shall determine ratio's from time to time bearing in mind the prescribed ratios and statutory prescripts. The proposed rate ratios as per category of property for the 2018/2019 financial year are:

Ref no	Category	Ratio
1	Residential properties	1:1
2	Industrial properties	1:2
3	Business and Commercial properties	1:2
4	Agricultural properties	1:0.25
5	Mining Properties	1:2

Ref no	Category	Ratio
6	Properties owned by an organ of state and used for public service purposes	1:2
7	Public Service Infrastructure properties	Exempted
8	Properties owned by Public Benefit Organisations and used for specified public benefit activities	Exempted
9	Properties used for multiple purposes (as per Section 9 of the Municipal Property Rates Act)	Apportionment according to use and the applicable ratio as per the use will then apply to the various apportioned values
10	State Owned Properties	1:2
11	Protected areas	Exempted
12	Municipal properties	Exempted
13	Public monuments and memorials	Exempted
14	Unregistered Properties (Administrative Purposes)	1:0
15	Communal land and Land Reform Beneficiaries	Exempted
16	Place of Worship and Vicarage	Exempted
17	Vacant	1:3

14. AMOUNT DUE FOR RATES

A rate levied by the municipality on property will be an amount (cent in the Rand) on the market value of the property as determined by Council during the annual budget preparations and is dealt with in a separate report in line with Section 14 of the Local Government: Municipal Property Rates Act, Act 6 of 2004, as amended.

15. PHASING IN OF RATES

15.1 The rates to be levied on newly rateable property shall be phased in as provided for in Section 21 of the Act.

15.2 The phasing-in discount on the properties referred to in Section 21 of the Act shall be as follows:

15.2.1 First year : 75% of the relevant rate;

15.2.2 Second year : 50% of the relevant rate; and

15.2.3 Third year : 25% of the relevant rate

16. FREQUENCY OF VALUATIONS

The municipality will make a general valuation of all properties and prepare a valuation roll every 5 (Five) years or for any other period as determined by the Council from time to time but in total not for more than 5 financial years.

17. DATE OF VALUATIONS

For the purposes of property valuation the Municipality must in terms of Section 31 of the Local Government: Municipal Property Rates Act, Act 6 of 2004, as amended. The valuation date for the 2018/2023 General Valuation roll is 1 July 2017 and the valuation roll will be prepared by the person designated as Municipal Valuer and be implemented 1 July 2018.

18. INSPECTION OF AND OBJECTIONS TO AN ENTRY IN THE VALUATION ROLL

18.1 Once the Council has given notice that the valuation roll is open for public inspection, any person may within the inspection period, inspect the roll during office hours and may on payment of a reasonable fee as prescribed by the Council, request the municipality during office hours to make extracts from the roll and may further lodge an objection with the Municipal Manager against any matter reflected in, or omitted from, the roll.

18.2 The Municipal Manager or an official designated by him/her must assist an objector to lodge an objection if that objector is unable to read or write.

18.3 Objections must be in relation to a specific individual property and not against the valuation roll as such;

18.4 The lodging of an objection shall not defer liability for the payment of rates beyond the date determined for payment; and

18.5 All objections received shall be dealt with in accordance with the Act.

18.6 No electronic, e-mail, facsimile or late objections will be accepted.

19. SPECIAL RATING AREAS

The municipality may by resolution of its council:

19.1 Determine an area within that municipality as a special rating area;

19.2 Levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and

19.3 Differentiate between categories of properties when levying an additional rate referred to in paragraph (b).

20. REMUNERATION OF VAB MEMBERS

Conditions of service and remuneration of chairperson and members of the Valuation Appeal Board must be in line with Gazette No. 29595 dated 8 February 2007.

21. ANNUAL REVIEW OF RATES POLICY

The municipality will annually review, and if necessary amend its rates policy taking into accounts public comments and inputs.

22. THE EFFECTIVE DATES OF THE RATES POLICY

The rates policy takes effect from the start of the municipal financial year, 1 July 2018.

ADDENDUM

LEGAL REQUIREMENTS THAT ALL MUNICIPALITIES MUST COMPLY WITH IN TERMS OF THE MUNICIPAL PROPERTY RATES ACT, 2004 (ACT 6 OF 2004) WITH REGARD TO RATES POLICY DEVELOPMENT

This addendum does not contain all provisions of the Act that must be complied with in the development of rates policy, but list just a few provisions key provisions that the municipality deems it necessary for residents/ratepayers to be aware so that they get a full picture of rating issues that will affect them.

IMPERMISSIBLE RATE

- A municipality may not levy a rate on the following in terms of section 17(1) of the Act:
  - On the first 30% of the market value of public service infrastructure.
  - Any part of the sea-shore in terms of section (17(1)(b) of the Act.

- Any part of the territorial waters of the Republic in terms of section 17(1)(c) of the Act.
  - Any island of which the state is the owner in terms of section 17(1)(d) of the Act.
  - Protected areas in terms of section 17(1)(e) of the Act.
  - Mineral rights in terms of section 17(1)(f) of the Act.

- Properties belonging to land reform beneficiaries in terms of section 17(1)(g) of the Act.
  - On the first R15 000.00 of the market value of residential in terms of section 17(1)(h) of the Act. .
  - Religious institutions in terms of section 17(1)(i) of the Act.

CREDIT CONTROL AND DEBT COLLECTION BY-LAWS

2018/2019 FINANCIAL YEAR

MIDVAAL LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION
BY-LAWS

Date of Commencement: 1 July 2018

Bylaw

To give effect to the implementation of the Midvaal Local Municipality's Credit Control and Debt Collection Policy and to provide for matters incidental thereto.

Preamble

WHEREAS the Midvaal Local Municipality has adopted a Credit Control and Debt Collection Policy on 1 July 2018;

AND WHEREAS section 98 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), requires a municipal council to adopt bylaws to give effect to the municipality's credit control and debt collection policy;

BE IT THEREFORE ENACTED by the Council of the Midvaal Local Municipality, as follows:

1. Definitions

In this By-Law any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in these bylaws, and unless the context indicates otherwise —

"**Act**" means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended from time to time;

"**Council**" means the Council of the Midvaal Local Municipality; and

"**rate**" or "**rates**" means a rate on property and or services as approved by council.

2. Objective of the Bylaw

The objective of this bylaw is to —

i. ensure that all monies due and payable to the Council are collected;

ii. provide for customer management, credit control procedures and mechanisms and debt collection procedures and mechanisms;

iii. provide for indigents in a way that is consistent with rates and tariff policies and any national policy on indigents;

iv. provide for extension of time for payment of accounts;

v. provide for charging of interest on arrears, where appropriate;

vi. provide for termination of services or the restriction of the provision of services when payments are in the arrears;

vii. provide for matters relating to unauthorised consumption of services, theft and damages.

3. Application of By-law

This bylaw shall only apply to money due and payable to the Council for –

(a) Assessment rates and taxes levied on the property
(b) Fees, surcharges on fees, charges and tariffs in respect of municipal services, such as –

i. provision of water;
ii. refuse removal;
iii. sewerage;
iv. removal and purification of sewerage;
v. electricity consumption;
vi. municipal services provided through prepaid meters.
vii. all other related costs for services rendered in terms of the property

viii. interest which has accrued or will accrue in respect of money due and payable to the Council;

ix. collection charges in those cases where the Council is responsible for

(aa) the rendering of municipal accounts in respect of any one or more of the municipal services;

(bb) the recovery of amounts due and payable in respect thereof.

4. Short title and commencement

This By-law is the Credit control and Debt collection Bylaw, and takes effect on 1 July 2018.

CREDIT CONTROL AND DEBT COLLECTION POLICY

2018/2019 FINANCIAL YEAR

PREAMBLE

WHEREAS section 95 of the Local Government: Municipal Systems Act, No. 32 of 2000, provides that in relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity, establish a sound Customer Management System that aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality and where applicable a service provider.

AND WHEREAS section 96 of the Local Government: Municipal Systems Act, No. 32 of 2000, provides that a municipality must collect all money that is due and payable to the municipality and for this purpose must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of that Act.

AND WHEREAS section 97 of the Local Government: Municipal Systems Act, No. 32 of 2000, provides that the credit control and debt collection policy must provide for credit control and debt collection procedures and mechanisms as well as provision for indigent debtors that is consistent with its rates and tariff policies and any national policies on indigents.

NOW THEREFORE the Council of the Midvaal Local Municipality has adopted the **Credit Control and Debt Collection Policy** as set out hereunder: -

1. DEFINITIONS

For the purpose of this policy, any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in this policy, and unless the context indicates otherwise –

"**Account**"	:	Account in name of customer held with the Midvaal Local Municipality;
"**Account Statement**"	:	formal notification by means of a statement of account to persons liable for payment of amounts levied for fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties, indicating the net accumulated balance of the account;
"**Accounting Officer**"	:	means the person appointed by the Municipality as the Municipal Manager of the Midvaal Local Municipality in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), responsible and accountable in terms of section 55(2) of the Local Government : Municipal Systems Act 2000 (Act 32 of 2000) and includes any person acting in such position and to whom the Municipal Manager has delegated a power, function or duty;
"**Act**"	:	means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended from time to time;
"**Administration of Estates Act**"	:	means the Administration of Estates Act, 66 of 1965;
"**Arrears**"	:	means amount due, owing and payable in respect of fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties and not paid by the due date;
"**Authorised Officer**"	:	means any official of the Municipality who has been authorised by it to administer, implement and enforce the provisions of this policy;

"**By-law**"	**:**	means a by-law adopted by the Municipality;
"**Chief Financial Officer**"	**:**	means the person appointed by the municipality as Chief Financial Officer of the Midvaal Local Municipality in terms of section 56 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000);

"**Municipal Manager**" : means the person appointed by the Municipality as the Municipal Manager of the Midvaal Local Municipality in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), and includes any person acting in such position and to whom the Municipal Manager has delegated a power, function or duty;

"**Collection charges**" : means collection charges which may be recovered by the Municipality in terms of section 75A of the Act, and includes the cost –

(a) to remind debtors of arrears;

(b) for the termination and reconnection of services; and

(c) all legal costs, including attorney and own client costs incurred in the recovery of arrear amounts;

"**Consolidated account**" a monthly account reflecting all fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties in respect of various accounts held by customer;

"**Council**" : (a) means the "Municipality" and vice versa;

(b) the Council of the Midvaal Local Municipality exercising its legislative and executive authority through the Municipality;

(c) its successor in title; or

(d) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Act; or

(e) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of section 81(2) of the act, or any other by-law, as the case may be;

"**Customer**"	**:**	means any occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, the owner of the premises and or recipient and or consumer of various services rendered by the municipality. A customer will therefore be deemed a customer by virtue of receiving, consuming and or utilising any facility, equipment, service rendered by the municipality and or a municipal entity or an agent as appointed by the municipality;
"**Defaulter**"	**:**	any customer in arrears;

"**Illegal connection**" : a connection to any system through which municipal services are provided, which is not authorised or approved by the Municipality or its authorised agent;

"**Indigent**" : means a person referred to in the Indigent Support Policy of the Municipality

"**Municipality**" : means the "council" and vice versa

"**Occupier**" : means any person who occupies any premises or part thereof, without any regard to the title under which he or she so occupies;

"**Owner**"

(a) in relation to a property referred to in paragraph (a) of the definition of "property", means a person in whose name ownership of the property is registered;

(b) in relation to a right referred to in paragraph (b) of the definition of "property", means a person in whose name the right is registered;

(c) in relation to a land tenure right referred to in paragraph (c) of the definition of "property", means a person in whose name the right is registered or to whom it was granted in terms of legislation; or

(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled" : provided that a person mentioned below may for the purpose of this policy be regarded by the Council as the owner of a property in the following cases:

(i) A trustee, in the case of a property in a trust excluding state trust land;

(ii) An executor or administrator, in the case of

a property in a deceased estate;

(iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

(iv) A judicial manager, in the case of a property in the estate of a person under judicial management;

(v) A curator, in the case of a property in the estate of a person under curatorship;

(vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

(vii) A lessee, in the case of a property that is registered in the name of the Council and is leased by it; or

(viii) A buyer, in the case of a property that was sold by the Council and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

(e) any legal person, including but not limited to:

(i) a company registered in terms of the Companies Act, 1973, a trust, a close corporation registered in terms of the Close Corporations Act, 1984; as amended by the Companies Act, 2008;

(ii) any department of State;

(iii) any Council or Board established in terms of any legislation applicable to the Republic of South Africa;

(iv) any Embassy or other foreign entity.

"**Policy**"	:	means the **Credit Control and Debt Collection Policy** adopted by the Municipality;
"**Property**"	:	(a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property; (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or (d) public service infrastructure;
"**Registered Property**"	:	Property registered in Deeds Office
"S**takeholder**"	:	means all natural and non-natural customers of the municipality and or prospective customers and or single or groups of people who consume or receive services from the municipality;
"**3rd party debt collection agencies**"	:	means any person or juristic person that collects debt on behalf of the municipality.

2. OBJECTIVE OF POLICY

The objective of this policy is to –

(a) provide for customer management, credit control procedures and mechanisms and debt collection procedures and mechanisms;

(b) provide for indigents in a way that is consistent with rates and tariff policies and any national and / or local policy on indigents ;

(c) set realistic targets consistent with –

  (i) generally recognised accounting practices and collection ratios; and

  (ii) the estimates of income set in the budget less an acceptable provision for bad debts;

(d) provide for charging of interest on arrears, where appropriate;

(e) provide for extensions of time for payment of accounts;

(f) provide for termination of services or the restriction of the provision of services when payments are in the arrears;

(g) provide for matters relating to unauthorised consumption of services, theft and damages.

(h) provide for actions that may be taken by the municipality to secure payment of accounts that are in arrear including –

  (i) The termination of municipal services or the restriction of the provision of services

  (ii) The attachment of property

  (iii) The attachment of rent payable on a property

  (iv) The extension of liability to a director, trustee or a member if the debtor is a company, a trust or a close corporation.

(i) provide for alternative debt repayment arrangements in accordance with the terms and conditions of this policy

(j) create an environment which enables a customer to repay the outstanding debt and establish a culture of payment for services rendered by the municipality.

(k) effectively and efficiently deal with defaulters in accordance with the terms and conditions of this policy.

(l) provide for procedures and mechanisms to ensure that all monies due and payable to the municipality are collected.

3. APPLICATION OF POLICY

APPLICABLE ITEMS

3.1 This policy shall apply to, but not be limited to, monies due and payable to the municipality for –

(a) Property rates;

(b) Municipal tax (where applicable)

(c) Fees, surcharges on fees, charges, availability charges and tariffs in respect of municipal services, such as –

(i) provision of water;

(ii) refuse removal;

(iii) sewerage;

(iv) the removal and purification of sewerage;

(v) electricity consumption;

(vi) rental and or leasing of equipment, land, buildings and facilities of all types

(vii) interest which has accrued or will accrue in respect of money due and payable to the municipality ;

(viii) burial fees

(ix) dumping of refuse

(x) collection charges in those cases where the municipality is responsible for –

(aa) the rendering of municipal accounts in respect of any one or more of the municipal services;

(bb) the recovery of amounts due and payable in respect thereof, irrespective whether the municipal services, or any of them, are provided by the municipality itself or by a service utility with which it has concluded an agreement to provide a service on the municipality's behalf;

(xi) any other charges levied from time to time

3.2 This policy shall also apply to municipal services provided through pre-paid meters.

3.3 This policy shall apply to customers within the official demarcated boundaries of the municipality, including newly demarcated areas as determined by the demarcation board from time to time.

3.4 This policy shall apply to, but not be limited to, the following **categories of customers** –

(a) Residential customers of the municipality
(b) Business customers of the municipality
(c) Non-governmental organisations for profit and non profit
(d) Educational institutions for profit and non profit
(e) Religious institutions
(f) National, provincial and local government
(g) State owned entities
(h) Any other category of customer as determined by the municipality from time to time

4. CREDIT CONTROL AND DEBT COLLECTION PRINCIPLES

The credit control and debt collection policy is based on the following principles -

4.1 GENERAL

(i) The policy and its application provides for the specific circumstances of the community to which it relates.
(ii) The Credit control and debt collection procedures must be understandable, uniform, fair and consistently applied.
(iii) Credit control must be effective, efficient and economical.
(iv) The measures taken must be sustainable in the long term.
(v) Anything related to credit control not covered in this policy will be dealt with in terms of applicable legislation.

4.2 COUNCIL

(i) To enable the Council to differentiate between those customers that cannot pay from those that simply do not want to pay, the "Indigent Policy" will be applied.

(ii) The Credit Control and Debt Collection Policy will be supported by procedure manual(s) as drafted by the Director Income or his/her nominee.

(iii) The Credit Control and Debt Collection Policy shall supersede all other policies aimed at achieving the same purpose to which the current credit control policy seeks to achieve.

4.3 CUSTOMERS

(i) Customers found to have misrepresented themselves in order to benefit from any of the Councils relief and / or benefit in terms of this policy, will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Council from time to time, and all relief and / or benefits that have been received, will be reversed to the account of the customer from the date of offence.

(ii) Notwithstanding anything contained in this policy, the Council will recover any debt relevant to registered property in terms of the provisions of section 118 of the Municipal Systems Act, 32 of 2000.

(iii) In the case of company, close corporation, trust in terms of the Trust Property Control Act 57 of 1988, home owners association or a body corporate in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), the liability may be extended to the directors, members or trustees thereof jointly and severally, and –

the directors, members or trustees thereof shall be considered to have provided the Council with a guarantee that any debt shall be recoverable from themselves in their personal capacity with each being jointly and severally liable for such debt, the one paying the other to be absolved;

(iv) Where any subsidiary company of a holding company is indebted to the Council, the liability for such arrears may be extended to the holding company.

(v) Where any holding company is indebted to the Council, the liability for such arrears may be extended to the subsidiary company.

(vi) The Council shall not refund any credit to any customer or customer's nominee who is in arrears with the Council.

(vii) Fractional property ownership: Owners will be held liable for all services linked to the property, jointly and severally for any properties with joint and / or fractional ownership.

4.4 COUNCILLOR SERVICES ACCOUNTS

In accordance with the provisions of Schedule 1, of the Municipal Systems Act, 32 of 2000, an elected councillor residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the Municipal Manager may deduct amounts due for more than 3 (three) months from such councillor's remuneration.

4.5 STAFF SERVICES ACCOUNTS

In accordance with the provisions of Schedule 2, of the Municipal Systems Act, 32 of 2000, an official of council, residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the Municipal Manager may deduct amounts due for more than 3 (three) months from such officials remuneration.

5. ACCOUNT ADMINISTRATION

5.1 DEPOSITS AND GUARANTEES

At the time of registration as a customer, a deposit will be required based on the criteria set by the Chief Financial Officer from time to time.

(a) The Chief Financial Officer may, accept an irrevocable bank guarantee in lieu of a deposit on application for the provision of municipal services at his / her own discretion and in exceptional cases in pursuance of local economic development. All existing guarantees in lieu of a cash deposit below R100 000 must be converted to a cash deposit before 30 June 2019.

(b) Existing customers moving to a new address are required to pay the prescribed customer deposit on application for the provision of municipal services at the new address. Deposits levied not paid within a three (3) month period after being levied will result in disconnection of the services until such time the deposit has been paid.

(c) No arrangement shall be entered into for the payment of the deposit.

(d) On termination of the supply of services the amount of the deposit less any payment due to the Municipality will be refunded to an account holder, provided that payments due are less than the deposit paid, and that the account holder has provided a forwarding address.

(e) No interest will be paid on any deposit held by Council.

(f) Review of the Deposits

- The deposits shall be reviewed and increased annually with the review of the tariffs.

- If the customer poses a credit risk, the value of the original deposit paid or a guarantee held may be reviewed from time to time by the Chief Financial Officer.

5.2 ACCOUNTS

(a) Accounts must be rendered and administered in accordance with the requirements of this Policy.

(b) Failure by the Council to render an account or non-receipt of an account by a customer does not relieve a customer of the obligation to pay any amount that is due and payable.

(c) The Council may, in accordance with the provisions of section 102 of the Act –

(i) Consolidate any separate accounts of customers liable for payments to the council;

(ii) Credit any payment by such customer against any account of that customer;

(iii) Implement any of the debt collection and credit control measures provided for in the Council's policies and By-Laws, in relation to any arrears on any of the accounts of such a customer.

(d) The amount due and payable by a customer constitutes a consolidated debt, and any payment made by a consumer of an amount less than the total amount due will be allocated in reduction of the consolidated debt in the order determined by the Council.

(e) Accounts will only be opened in the name of the registered property owner and no tenant accounts will be opened. Any exceptions must be approved by the Chief Financial Officer.

(f) Accounts will be rendered using either one of the following;

- Conventional postal services,
- Hand delivery at the premises
- By means of an email if so requested by the customer or
- By means of Multimedia system (MMS) if registered for

5.3 FINAL ACCOUNTS

(a) Upon receipt of a customer's application for the termination of municipal services, the Municipality shall:-

- Take final readings in respect of metered municipal services;
- Prepare and render a final account;
- Appropriate the customer deposit for the reduction or settlement of any outstanding amount owed by the customer; and
- Refund the customer deposit to the customer in the event that no amount is owed to the Municipality.

(b) The owner must visit the municipality to sign the consumer service agreement and pay the required deposit once the property has been transferred to his / her name

(c) Should the consumer not comply with paragraph (b) above, the municipality shall transfer the meter to the registered owner and the owner shall be responsible for the consumption if any.

5.4 ACCOUNT QUERIES

(a) Account query refers to the instance when a customer queries any specific amount or any content contained in any account as rendered by the Council;

(b) Queries can be raised verbally or in writing at Council's Head Office;

(c) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is queried;

(d) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment;

(e) Pending the outcome of the query, customer may apply for temporary payment extension in terms of provisions of this policy;

(f) The customer shall, pending the resolution and outcome of the query, continue to make regular payments as per account statement (part

payment based on average monthly consumption of previous twelve months)

(g) Should a customer not be satisfied with the outcome of the query, a customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Systems Act.

5.5 DISPUTE AS TO AMOUNT OWING

(a) A customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.

(b) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is disputed.

(c) The dispute must be recorded in a dispute register.

(d) Only disputes lodged by registered account holder will be considered.

(e) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.

(f) Should any written dispute arise as to the amount owing on the account in respect of all services by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular minimum payments based on the average charges for the preceding three months prior to the arising of the dispute, plus interest, until the resolution of that dispute.

(g) Should any written dispute arise as to the amount owing on part of the account or service by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular payments on services that are **NOT** in dispute **PLUS** the average charges for the preceding twelve months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that dispute.

(h) The dispute must be resolved within a period of three months of lodging of dispute.

(i) All disputes must be concluded by the Municipal Manager or delegated official

(j) The Municipal Manager's or the delegated official's decision is final and will result in the immediate implementation of any debt collection and credit control measures provided for in this Policy after the debtor is provided with the outcome of the appeal.

(k) The same debt will not again be defined as a dispute in terms of this paragraph and will not be reconsidered as the subject of a dispute.

(l) Should the debtor not be satisfied with the outcome of the dispute, a debtor may lodge an appeal in terms of section 62 of the Systems Act and the appeal will be dealt with by the municipality in terms of said legislation.

5.6 INTEREST CHARGES

(a) Accounts are due and payable on account due date (7th of each month).

(b) Interest will be levied on all arrears longer than 30 days at a rate prescribed by the Council from time to time.

(c) Specific categories of customers, services and debtor groups as determined by the Council from time to time, may be excluded from interest on arrear charges.

(d) If a customer enters into an arrangement to settle his/her debt, all interest will be waived as a payment incentive. All interest will be written off on entering into a debt repayment arrangement, but if the arrangement is not honoured, all interest written off will be re-instated on the customer's account.

(e) Interest will be reversed where the debt giving raise to the interest was levied in error by the municipality.

(f) Interest waiver shall not be provided to an applicant who is selling the property for clearance purpose.

5.7 ACCOUNT DUE DATE

(a) Monthly account due date represents the date on which the customer's account becomes due and payable, the due date shall be as determined by the Council from time to time. At present the due date is the 7th of each month.

(b) Where the owner has entered into an agreement with the Council to pay property rates annually, the due date shall be as determined by the Council from time to time.

(c) Account due date will be reflected on customer account statement.

(d) Only payments receipted through the Councils financial system on or before account due date will be deemed to have been duly received.

(e) Payments by customers through 3rd party vendors, will only be deemed to have been received when receipted through the Councils financial system.

5.8 PAYMENT EXTENSION

5.8.1 Temporary Payment Extension

(a) On verbal request of a customer, requests for payment extension in respect of outstanding debt will be considered in the following circumstances:

(i) Customer account under inquiry.

(ii) Customer account under dispute.

(iii) Pending outcome or conclusion of court cases.

(iv) Merit cases as approved by CFO or delegated official.

(b) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.

(c) Payment extension will be granted for maximum period of sixty days from date of application and may be extended on month-to-month basis.

(d) Payment extension will not result in the suspension of legal actions and / or court actions unless authorised by Accounting Officer.

(e) Approved payment extension will result in the temporary suspension of credit control actions.

(f) Approved payment extension will NOT result in the termination, extension or suspension of interest on arrears.

(g) Extra-ordinary payment extensions as per paragraph 5.8 of this policy will only be allowed for a maximum period of twelve months.

5.9 ARREAR ACCOUNTS

(a) If a consumer fails to pay the full amount due and payable on or before the account due date, the unpaid amount is in arrears and a warning notice shall be sent and may be hand delivered or delivered, per mail or any electronic means available, to the most recent recorded address or electronic contact address and / or number of the consumer.

(b) Failure to deliver or send a final demand notice does not relieve a consumer from paying such arrears.

(c) The warning notice must contain the following:

(i) the minimum amount payable, and the date by which such amount must be paid;

(ii) that the consumer may conclude a debt repayment agreement after setting the minimum payment required with the Council for payment of the arrears amount in instalments;

(iii) that if full minimum amount payable is not paid that the electricity and / or water services will be discontinued or restricted and that legal action will be instituted against consumer for the recovery of any amounts in arrear, without further notice;

(d) The customer together with the account(s) that is / are in default may be handed over to a duly appointed collection agent or attorney for collection;

(e) The consumer's name may be made public, and may be listed with a credit bureau or any other equivalent body as a defaulter;

(f) A full amount must be paid after receipt of the warning notice before the services can be reconnected.

5.10 TREATMENT OF DEBTS IN TERMS OF SECTION 118 OF THE MUNICIPAL SYSTEMS ACT

If the seller insists on paying outstanding debt only for the last 2 years for the purposes of obtaining a clearance certificate in terms of section 118 (1) of the Municipal Systems Act the following shall apply:

(a) After receipt of the payment the clearance certificate will be issued to the seller

(b) The historical debt will be immediately handed over for legal collection (legal action against seller, i.e. person who accumulated the debt)

5.11 COST TO REMIND CUSTOMERS OF ARREARS.

An administrative fee will be levied against the account of a customer in terms of the tariff provisions of the Council, in respect of any action taken in demanding payment from the customer or reminding the customer by means of notice delivered by mail, by hand or any electronic means available, that account is in arrears.

If a customer requests a temporary payment extension (before account due date, and on a monthly basis) where he / she can proof that he / she does not have sufficient funds to pay the arrears and / or full monthly account (non-indigent customers), the admin fees will not be charged as long as the customer pays at least the monthly water and electricity consumption charge (i.e. excluding property rates, refuse charge, sanitation and and availability charges) before the account due date.

6. ACTIONS TO SECURE PAYMENT

(a) The Council or its duly appointed agents may, in addition to the normal civil legal steps to secure payment of accounts that are in arrears, take the following actions to secure payment for property rates, municipal services, interest, penalties and other related charges namely-

(i) termination and / or restriction of the provision of any municipal services in accordance with Section 7; and

(ii) allocation of the full or portion of a payment of an account, or the full or portion of pre-paid service payment, as payment for arrears in accordance with paragraph 5.6.

(iii) The Council may credit a payment and / or transfer receipt made by the customer against any account of that customer.

(b) The Council may further take the steps contemplated in section 104(1)(f)(ii) of the Municipal Systems Act, subject to the regulations made or guidelines issued by the Minister, if any, and provided that any intended seizure of property must be referred to the Municipal Manager or his / her nominee for approval or such directives which the Council deems necessary under the circumstances.

(c) The Council may, in terms of the provisions of section 104(1)(f)(iii) of the Municipal Systems Act, attach the rental or any other payments due to customers who are in arrears with their municipal accounts.

(i) If any debt levied in respect of a property is in arrears by the owner of the property, the arrears may be recovered in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier.

(ii) Written notice has been served on the tenant or occupier and property owner or agent of property owner.

(iii) The tenant or occupier of property or agent of property owner must on request by the Council, furnish a written statement specifying rental and other payments to be made by the tenant or occupier to the owner of the property during a period as determined by Council.

(iv) The amount the Council may recover from the tenant or occupier of a property is limited to the amount of rent payable by the tenant or occupier to the owner of the property.

(v) The Council may recover the arrear amount on a property in whole or in part from the agent of the registered owner.

(vi) Any amount recovered from the tenant or occupier will be set off against the arrears of the property owner.

(d) The Council may, in the case of company, close corporation, trust in terms of the Trust Property Control Act 57 of 1988, home owners association or a body corporate in terms of the Sectional Titles Act, 1986 (Act 95 of 1986), extend the liability in respect of customer arrears to the directors, members or trustees thereof jointly and severally.

(e) The Council may, at the cost of the municipality, install water management device and / or pre-paid water and electricity meters upon the failure of the consumer to make regular payments to Council for services consumed.

7. POWER TO RESTRICT OR TERMINATE SUPPLY OF MUNICIPAL SERVICES

7.1 GENERAL

(a) The Council or duly appointed agent may terminate and / or restrict the supply of water, electricity or in the case of pre-paid electricity withhold the selling of electricity in terms of the prescribed disconnection procedures, or discontinue any other service to any premises associated with the customer, whenever a consumer of any service –

(i) after the expiry of the period for payment in terms of the final demand / final notice referred to in section 5.6, fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for municipal services, property rates or taxes or other amounts due in terms of this policy;

(ii) are not a registered indigent

(iii) no payment was received in accordance with an agreement for payment of arrears;

(iv) fails to comply with a condition of supply imposed by the council;

(v) obstructs the efficient supply of electricity, water, or any other municipal services to another customer;

(vi) supplies such municipal service to a consumer / owner who is not entitled thereto or permits such service to continue;

(vii) causes a situation, which in the opinion of the council is dangerous, or a contravention of relevant legislation;

(viii) in any way bridges the supply or illegally reconnect previously disconnected municipal services;

(ix) is placed under provisional sequestration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act, 1936 (Act 24 of 1936);

(x) is subject to an administration order granted in terms of section 74 of the Magistrates Court Act, 1944 (Act 32 of 1944) in respect of such user.

(b) The Council shall hand deliver, per mail or per electronic means available, to the physical address of property or most recent recorded address or electronic contact address and / or number of such customer, a discontinuation notice informing such consumer –

(i) that the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice; and

(ii) of the steps which can be taken to have the service reconnected.

(iii) of the minimum amount payable to restore service.

(c) Subject to the provisions of the Promotion of Administrative Justice Act, 2000 (Act 3 of 2000), having been observed, save that the Council's reasons for its decision to act must be supplied within seven days after a request therefore.

(d) The right of the Council or any duly appointed agent to restrict or discontinue water to any premises, owner of property, tenant on property, customer or occupant of property, shall be subject to the provisions of sections 3 and 4 of the Water Services Act, 1997 (Act 108 of 1997).

(e) The right of the Council to restrict or discontinue the provision of electricity to any premises, owner of property, tenant on property, customer or occupant of property shall be subject to the provisions of the Electricity Act, 1987 (Act 41 of 1987).

(f) The right of the Council or any duly appointed agent to limit or restrict the supply of municipal services to a customer shall be subject to the provisions of the Health Act, 1997 (Act 63 of 1997), and the regulations made there under.

7.2 COST TO RESTRICT OR DISCONTINUE SERVICES.

Where any municipal service is restricted or discontinued as a result of non-compliance with provisions of this policy by the customer, the Council shall at its prerogative be entitled to levy and recover:

(i) Admin fee in terms of the tariff provisions of Council;

(ii) Installation of water management devices as determined by the Council from time to time;

(iii) Installation of a pre-paid electricity meter or equivalent as determined by Council from time to time;

(iv) Consumer deposit held against customer account may be increased subject to the provisions of deposit policy and tariff provisions of Council;

(v) Any other applicable fees, tariffs, charges in terms of tariff provisions of Council.

(vi) If a customer requests a temporary payment extension (before account due date, and on a monthly basis) where he / she can proof that he/she does not have sufficient funds to pay the arrears and/or full monthly account (non-indigent customers), the admin fees will not be charged as long as the customer pays at least the monthly water and electricity consumption charge (i.e. excluding property rates, refuse charge, sanitation and availability charges) before the account due date.

8. RECONNECTION OF MUNICIPAL SERVICES

8.1 GENERAL

(a) Services, restricted or disconnected in terms of section 7, will only be reinstated and reconnected after satisfactory payment or satisfactory arrangement for payment of arrears; penalties and / or adjusted deposit have been made in accordance with this policy.

(b) Services may only be reinstated or reconnected by Council or duly appointed agent.

(c) Subject to capacity at the time to restore such services which have been restricted or disconnected, such services will be restored within a reasonable time after the relevant conditions of this policy have been met. Only where payments have been made before 12h00 on a working day will services be restored on the same day.

(d) Onus shall be on the customer to request reconnection and to prove that the full amount as required has been paid.

8.2 COST FOR THE RECONNECTION OF SERVICES

Where any instruction is issued by Council for the reinstatement of normal service flow or reconnection of municipal service, restricted or disconnected in terms of this policy, reconnection fee will be levied in terms of tariff provisions of Council.

9. DEBT REPAYMENT ARRANGEMENTS

9.1 GENERAL PRINCIPLES

(a) Only a property owner with positive proof of identity or a letter of appointment by Magistrate Court will be allowed to enter into a debt repayment agreement for the payment of arrears in instalments.

(b) If the applicant is a tenant on the property, written consent by owner to Debt Repayment Arrangement by tenant is required whereby owner acknowledges debt and approves entering into debt repayment arrangement. A copy of the owner's identify document will also be required,

The Municipality reserves the right to terminate the services agreement with the tenant once the tenant is in arrears for more than 60 days or default on arrangements. This will result in the services to the property being disconnected until the owner has signed a new services agreement with the Municipality.

(c) If applicant is a company, close corporation, trust in terms of the Trust Property Control Act 57 of 1988, home owners association or a body corporate in terms of the Sectional Titles Act, 1986 (Act 95 of 1986), debt repayment arrangement to be signed by duly authorised representatives.

(d) The amount due and payable by a customer constitutes a consolidated debt, and any payment made by a consumer will be allocated in reduction of the consolidated debt in the order determined by the Council.

(e) A consumer may be required to complete a debit order for the payment of arrears.

9.2 DURATION AND CONDITIONS FOR PAYMENT OF ARREARS IN INSTALMENTS

(a) (i) No agreement for the payment of arrears concluded by the nominated officers may be longer than 60 months (depending on amount of debt), unless the circumstances referred to in section 9.2(b) prevail.

(a) (ii) No payment arrangements for the developers contribution may be longer than 12 months.

(b) The Council may, on an individual basis, allow a longer period than 60 months for the payment of arrears, if –

(i) special circumstances prevail, which in the opinion of the Council warrants such an extension, and which the consumer could not reasonably prevent or avoid; and

(ii) documentary proof of any such special circumstances has been furnished by the consumer on request by the Council.

(c) This extension of the repayment period in 9.2(b) may not be longer than an additional 60 months.

(d) The customer may be required to prove levels of income and must agree to a monthly installment;

(e) The Council must, in exercising its discretion under paragraph (a) and (b) have regard to a consumer's –

(i) internal credit record;

(ii) previous and frequency of dishonoured payments

(iii) instances of meter tampering or illegal connection

(iv) consumption and level of service;

(v) previous breaches of agreements for the payment of arrears in instalments; and

(vi) provisions of National Credit Act

(vii) any other relevant factors.

(f) The customer shall be required to make a down payment based on consolidated **arrear debt on date of entering into an agreement to pay in instalments on the** following basis;

(i)	1st Debt Repayment arrangement:	as per individual affordability
(ii)	2nd Debt Repayment arrangement:	30%
(iii)	3rd Debt Repayment Arrangement :	40%
(iv)	Additional Debt Repayment Arrangement	50%

(g) Once an agreement referred to in 9.1 has been concluded, the amount in arrears shall be reflected as a current amount, and no further interest shall be added to arrangement debt. Interest already levied will be

written off on entering into an arrangement but will be re-instated if the customer does not honour the arrangement.

(h) The customer will be required to effect payment of current plus arrangement instalment on or before account due date, failure which will result in the immediate cancellation of debt repayment arrangement.

(i) Customers who default on three occasions in respect of debt repayment arrangements made, may be denied facility to enter into further debt repayment arrangements and full amount becomes due and payable.

(j) If the customer defaults on the third debt repayment arrangement, a further arrangement may be granted to the customer by the Director or his / her nominee on submission of full motivation.

(k) In the case of multiple default the following steps may be undertaken:

(l) Installation of water management devices as determined by the Council from time to time;

(m) Installation of a pre-paid electricity meter or equivalent as determined by Council from time to time;

(n) A copy of the agreement must be made available to the consumer.

10. AGENTS, ATTORNEYS AND OTHER COLLECTION AGENTS

(a) The names of all external agents acting on behalf of the Council, together with their address and contact information may be published in a manner that will ensure that it will come to the attention of the customers of the municipality.

(b) Under no circumstances may agents negotiate terms, extend payment periods or accept cash on behalf of the Council, unless specifically instructed in writing to do so, and such instruction must be produced on request of a customer.

(c) An agent must record the cost to the Council and a customer for each stage of the credit control measures taken by him or her and for all possible actions which could be necessary in the credit control process.

(d) All legal and debt collection costs, including attorney and own client costs incurred by the Council and / or appointed agents in the recovery of arrear amounts, may be levied against the arrears account of the customer, and may be recovered by a duly appointed agent.

11. LEGAL ACTION

(a) Should any debtor fail to pay any debt, referred to in this policy or section 118 (3) of the Local Government: Municipal Systems Act 32 of 2000 by due date, the Accounting Officer may serve a notice in terms of section 115 of the Local Government: Municipal Systems Act 32 of 2000, –

(i) on the debtor, and

(ii) on the property,

calling upon such debtor to pay such debt within twenty one days of such notice.

The notice shall state that should debt per notice not be settled within 21 (twenty one) days of such notice, legal proceedings will be instituted for the recovery of debt plus any additional costs incurred in the application of this policy and will further an order of Court for the sale of the customers moveable and immovable property for the outstanding debt.

(b) If after giving notification in terms of section 11**(a)** such debt remains outstanding, legal proceedings will be instituted through court of competent jurisdiction, against customer. Once the debt has been handed over, no arrangements will be made by the municipality and the debtor will be required to make arrangements with the debt collectors.

(c) Such court of competent jurisdiction shall be requested to summarily order any such moveable and immoveable property against which the debt is owing to be sold by way of public auction in terms of provisions of section 104(1)(f)(ii) of the Local Government : Municipal Systems Act 32 of 2000 subject to the regulations made or guidelines issued by the Minister, if any, and provided that any intended seizure of property must be referred to the Accounting Officer or his / her nominee for approval or such directives which the Council deems necessary under the circumstances.

12. DISHONOURED PAYMENTS

(a) Where any payment is made to the municipality by a negotiable instrument, and such negotiable instrument is dishonoured by the bank, the Council may

levy costs and administration fees against the account of the defaulting debtor at the rate determined by the Council from time to time.

(b) Payment to the account will be reversed and credit control measures will immediately be effected on such accounts without any further notice.

(c) The Council reserves the right to refuse to accept or cancel such further payment instruments from customer.

(d) The Council may place the customer on the relevant adverse credit rating list and / or take any steps as contained in this policy which may include criminal charges if applicable.

(e) Where a payment referred to in section 11(a) was tendered and any debt management action in terms of this policy was suspended as result of deemed payment, such debt management action shall continue without further notice to such customer.

13. WRITING OFF OF BAD DEBTS

The Mayoral Committee will consider writing off bad debts –

(a) Only after all reasonable steps have been taken to recover the debt in accordance with this policy, and the Mayoral Committee has convinced itself that:

(i) recovery of the debt would be uneconomical; or

(ii) recovery would cause undue hardship to the customer or his/her dependants; or

(iii) it would be to the advantage of the Council to effect a settlement of its claim or to waive a claim.

(b) The debt to be written off as determined in (a) above will only be effected:

(i) in terms of council policy; or

(ii) in terms of legislation; or

(iii) in terms of delegated powers; or

(iv) in terms of regulations issued

14. FULL AND FINAL SETTLEMENT OF A DEBT

(a) The Council may appropriate monies received in respect of any municipal debt at its sole discretion as stipulated in terms of Section 102 of the Municipal Systems Act

(b) Where the exact amount due and payable to the municipality has not been paid in full, any lesser amount tendered to and accepted by Council, shall not be deemed to be in full and final settlement of such an amount, unless accepted in terms of a power delegated authority.

(c) The provisions in subsection (b) shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full settlement.

(d) The acceptance of a lesser amount, by an authorised officer of Council, duly delegated to act in this capacity, must be in writing and signed by both parties.

15. CREDIT BUREAU LISTING OR SIMILAR

The names of debtors must, after Court judgement, be automatically listed with credit bureaus or similar mediums as prescribed and or deemed fit by Council.

16. FRAUD, THEFT AND OTHER CRIMINAL ACTIVITY (ILLEGAL CONNECTIONS)

(a) Council may refuse the supply of water or electricity to a consumer who has illegally by-passed his / her water or electricity connection, until such time as the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Council have been paid in full.

(b) A consumption fee for possible lost units equalling 1 500 electricity units per meter or phase, whichever applicable per month will be charged for a six month period as well as 100 kl of water per meter per month. In addition an admin fee will be charged.

(c) Illegal connection, reconnection or tampering with a service supply of Council is considered a criminal offence which may result in legal actions being taken.

(d) If a customer has illegally connected his / her supply, the municipality may restrict the service, or remove the meter / connection in totality (either during office hours or after hours or weekends).

(e) The property owner is responsible and liable for any illegal connection / tampering done by the tenant or any other party residing or doing business or any other activity on the property.

17. SHORT TITLE

This Policy shall be called the Credit Control and Debt Collection Policy of Midvaal Local Municipality.

EFFECTIVE DATE:

The Policy is effective from 1 July 2018.

CASH MANAGEMENT POLICY

2018/2019 FINANCIAL YEAR

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1. Introduction

Availability of cash is one of the key requirements for financial sustainability for any organisation. Accumulated surplus is not an indicator of available cash and should not be seen as having a direct correlation with surplus cash.

One of the first and most important issues that must be borne in mind is that financial statements of municipalities are compiled on the accrual basis (GRAP / GAAP accounting standards used as basis of compilation) and not on the cash basis as Provincial and National Government. In the past the accrual basis was used, but fund accounting was applied and not GRAP. This change in accounting basis led to the accumulation of larger than expected accounting surpluses with little or no relation to cash reserves.

Cash Management will include all amounts disclosed on the financial statements on the following line items:

1.1 Investments (Long Term and Short Term)

1.2 Cash and Cash Equivalents

2. Determination of minimum cash levels to retain: Part 1: Encumbered Cash

2.1 Unspent Conditional Grants

Any grants received from the National or Provincial Government that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than the intended purpose as per the conditions of the grant.

2.2 Developers Contributions

Any amounts received as development contributions that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than capital infrastructure improvements. There is no requirement to spend the

contributions received on the development where the contributions originated from but must be utilised for the creation of additional infrastructure capacity.

2.3 Capital Replacement Reserve

Funds set aside for the Capital Replacement Reserve must be held in cash and only utilised for the acquisition of capital assets in accordance with the approved capital budget of Council.

2.4 Unspent Loan Funding

Any borrowed funds that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than the intended purpose as per the loan agreements.

2.5 Deposits held

Consumer deposits are amount paid by customers, to be withheld by the municipality from the opening of an account till termination. The deposits will be refunded on termination provided the customer does not owe the municipality on municipal accounts.

Consumer deposits must be cash-backed.

2.6 Retentions held

Retention in contracts are amounts be held as a set off in the event the contractor does honouring the contract in regards to defects. Normally retention is held for the cost of rectification of defects during the construction period and for the cost of rectification of defects during the defects liability period, usually 12 months after the date of practical completion.

The retentions held are thus not available for purposes other than releasing the funds to the contractor at the end of the defects period and should be held in cash

and not utilised for other purposes. This is included in the creditors part of the Working Capital Cash Provision.

3. Determination of minimum cash levels to retain: Part 2: Balance Sheet Provisions and Reserves

The Accounting Policy of the Midvaal Local Municipality contains the following sections relating to provisions:

A provision is recognised when the economic entity has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The economic entity does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Provisions are reviewed annually and those estimated to be settled within the next twelve months are treated as current liabilities. All other provisions are treated as long term liabilities.

The Midvaal Local Municipality has the following provisions (accruals) that must be cash backed:

3.1 Leave Accrual

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end.

The leave accrual is cash backed.

3.2 Landfill Rehabilitation Provision

The Landfill Rehabilitation Provision is created for the rehabilitation of the current operational sites at the future estimated time of closure.

The value of the Provision is based on the expected future cost to rehabilitate the various sites discounted back to the balance sheet date at the cost of capital. The municipality has an obligation to rehabilitate these landfill sites.

The Landfill Rehabilitation Provision must be fully cash backed.

3.3 Provision for post-retirement benefits

A policy has been adopted by Council on the provision of post-retirement medical benefits to qualifying members. Actuarial valuations are conducted on an annual basis by independent actuaries and this is raised as a provision.

The provision is cash backed.

3.3 Provision for long service awards

The municipality offers various types of long service awards to its employees. The provision is to recognise the present value of the obligation as at the reporting date.

The provision is cash backed.

4. Determination of minimum cash levels to retain: Part 3: Working Capital

Working capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital. Net working capital is calculated as current assets minus current

liabilities. If current assets are less than current liabilities, an entity has a working capital deficiency, also called a working capital deficit.
In line with National Treasury recommendations, the difference between current creditors and current debtors must be retained in cash as working capital for purposes of cash management.

5. Determination of minimum cash levels to retain: Part 4: Liquidity Ratios

5.1 Liquidity ratio (also called current ratio)

This ratio expresses the current assets (debtors after provision has been made for non-payment, inventory, investments maturing in 4 – 12 months and cash and cash equivalents) as a ratio or percentage of current liabilities (creditors, unspent grant funding, amounts to be paid on long term loans within the next 12 months and short term provisions). This ratio should also be at least 1:1 but ideally greater than 1.2:1. The logic for this ratio is that an entity should be able to turn the current assets into cash within a 12 month period if required so that all of the liabilities due within the 12 months can be settled.

The ratio should always be a minimum of 1:1

5.2 Cost Coverage

A measure of a company's ability to meet its financial obligations. In broad terms, the higher the coverage ratio, the better the ability of the enterprise to fulfil its obligations to its lenders.

The ratio should always be a minimum of 1 month, in other words, the available cash should be enough to cover the municipality’s cash expenditure for one month.

5.4 Number of day’s cash

This indicator looks at, if no further income is received, for how long an entity will be able to sustain itself based on the current expenditure trends. This calculation is

done using the approved budget as basis (eliminating all non-cash expenditure items) for a 365 day year. This ratio is similar to the cost coverage ratio, but it is stated in days and not months.

This ratio should always be a minimum of 30 days.

These liquidity indicators are should not be seen in isolation as a myriad of factors can impact on the ratios (which are stated at a specific date). There may be only 10 days of cash available on one day, whilst the next day grants may be transferred changing the days cash to 60. The opposite is also true – cash holdings can be reduced from the 60 days to 10 days within a day when interest and redemption payments are made or the monthly Eskom bill is settled.

Further factors that must be taken into account are:

- Long term borrowings and/or creditors: A municipality may have large cash balances whilst having long term borrowings and creditors. When comparing this with a municipality with lower cash balances, but also relatively lower borrowings and lower creditors, it may very well be found that the one with the lower cash balance is in a better financial position.
- Debtors: An entity may have a low cash balance, but a fairly significant debtors balance (which is collectable) which will change the cash position as soon as payment is received from the debtors.

These and other factors make it necessary to not only look at a specific (or even a range of) ratio at a specific date, but to monitor the trends over a period of time. Excluding exceptions or specific interventions, the cash balance must increase on an on-going basis with at least the ruling inflation rate to ensure the financial position is sustained in real terms.

6. Implementation

The policy will be effective as from 1 July 2018.

INVESTMENT POLICY

2018/2019 FINANCIAL YEAR

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INVESTMENT POLICY

1. Application and Scope

The Investment Policy is applicable to the Midvaal Local Municipality.

2. Objective of Policy

The objective of the policy is to ensure that all investments made by the Midvaal Local Municipality ("MLM") comply with the Municipal Investment Regulations issued by the Minister of Finance in terms of the Municipal Finance Management Act. This Policy, as far as practically applicable, must be consistent with the Supply Chain Management Policy where long term investments are placed.

3. Legislative Framework

The legislative framework governing investment decisions are:

- Local Government Municipal Systems Act 32 of 2000 (as amended)
- Municipal Finance Management Act 56 of 2003
- Municipal Investment Regulations published under Government Gazette 27431 on 1 April 2005.
- Municipal Supply Chain Management Regulations published under Government Gazette 27636 on 30 May 2005.

3.1 Permitted Investments

The following are permitted investments in terms of the Regulation 6 of Municipal Investment Regulations:

"A municipality may invest funds only in any of the following:

Investment types as may be appropriate to the anticipated future need for the funds:

(a) Securities issued by the national government.
(b) Listed corporate bonds with an investment grade rating from a nationally or internationally recognised Credit Rating Agency.
(c) Deposits with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)

(d) Deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act 45 of 1984)

(e) Deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984).

(f) Banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990

(g) Guaranteed endowment policies with the intention of establishing a sinking fund Finance

(h) Repurchase agreements with banks registered in terms of the Banks Act, 1990

(i) Municipal bonds issued by a municipality; and

(j) Any other investment type as the Minister may identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board."

3.2 Investments denominated in foreign currencies

MLM may make an investment only if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

4. Definitions

Short-term investments are defined as:

"Any cash or liquid securities owned by the MLM which have a maturity date, and/or callable date reasonably expected to be exercised, that is equal to or less than one year."

Long-term investments are defined as**:**

"Any cash or liquid securities owned by MLM which have a maturity date, and / or callable date reasonably expected to be exercised, that is greater than one year."

5. Purpose and Objectives of Investments

5.1 Preservation and safety of investments

The probable safety of the investment must in the first instance be considered when making investments. Preservation of capital is accomplished through placement of funds with creditworthy institutions and through portfolio diversification.

5.2 Investment Diversification

Diversification is required to minimise potential losses on individual securities and to maximise the yield from a blend of financial products.

5.3 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements.

5.4 Return on investments

The investment portfolio shall be designed with the objective of attaining a maximum rate of return subject to the investment risk constraints and liquidity requirements of MLM.

6. Standards of Care

6.1 Prudence

The Municipal Manager, in accordance with this policy, must exercise due diligence in carrying out the investment function. The MLM has a responsibility to invest public Finance funds with great care and is accountable to the community in this regard. Investments must be made with such judgement and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person’s own affairs. Investments may not be for speculation but must be genuine investments.

6.2 Ethics and Conflicts of Interest

Officials responsible for the investment of funds must steer clear of outside interference, regardless of whether such interference comes from individual Councillors, agents or any other institution. The ethical standards as contained in the Municipal Supply Chain Management Policy are **"mutatis mutandis"** applicable to investment activities. Interest rates offered should never be divulged to another institution.

6.3 Payment of Commission

No commission or other award may be paid to an official or councillor of MLM or to a spouse or close family in respect of any investment made or referred by MLM. If an investee pays any commission or other reward to an external investment manager appointed by the MLM in respect of any investment made by MLM, both the investee and the investment manager must declare such payment to the council by way of a certificate disclosing full details of the payment.

7. Delegation of Authority

Authority to manage MLM's investment portfolio is delegated as follows:

The Municipal manager to invest any amount (after taking due cognisance of the liquidity requirements of MLM) of the short-term funds in terms of the provisions of the investment policy

The Bid Adjudication Committee or Municipal Manager to approve the investment of long-term funds in terms of the provisions of the Investment Policy and Municipal Supply Chain Management Regulations in accordance with the process as stipulated in the Supply Chain Management Policy.

8. Rating of Financial Institutions

MLM shall rely on the credit analysis of the financial institutions as obtained from external Credit Rating Agencies. The Municipal Manager shall be made aware of real or potential problems related to credit or credit rating issues and their impact on the investment portfolio by the recognised Credit Rating Agencies, as this information becomes available.

9. Authorised Investments

All investments must be in the name of the MLM or one of the municipal entities.

10. Investment Limitations

10.1 General Investment Practice

10.1.1 Short-term investments

In order to obtain the greatest security for MLM's funds, short-term investments are not to be made with financial institutions with ratings lower than A1 / F1 as defined in the National Rating Definitions.

11. Investment Managers

Investment or Asset Fund Managers may be appointed to assist with the placing of investments, or to manage a portion of the investment portfolio in order to maximize interest earned without jeopardising liquidity. The appointment of these service providers must be done in accordance with the Supply Chain Management Policy. The conditions for their use including their liability in the event of non-compliance with this policy must be included in the bidding documentation specifying mandates that minimise risk and place the institutions on equal footing.

12. The Process of Investment of Funds

The process of investment of funds must in the first instance be made with the primary regard being to the probable safety of the investment in the second instance to the liquidity needs of MLM and lastly to the probable income derived from the investment. The investment of funds must be dealt with in accordance with the procedure for the calling of quotations and competitive bids as detailed in the Supply Chain Management Policy.

13. Safekeeping and Custody

The Chief Financial Officer shall establish and maintain an internal control structure designed to ensure the assets of the Municipality are protected from loss, theft, or misuse. The controls will be to prevent losses of public funds from fraud, employee errors, misrepresentation by third parties, or imprudent actions by employees and officers of MLM. The controls will include, among others:

- Control of collusion
- Separation of functions
- Separation of transaction authority from accounting and record-keeping
- Custodial safekeeping
- Clear delegation of authority to subordinate staff members
- Specific limitations regarding security losses and remedial action
- Supervisory control of employee actions
- Minimising the number of authorised investment officials

  Effective data management and reporting system for investment activities

  Documentation of transactions and strategies.

14. Reporting

The Municipal Manager must, within 10 working days after the end of each month, submit to the Executive Mayor a report describing, in accordance with generally recognised accounting practice, the investment portfolio as at the end of the month. The above-mentioned report must set out the following:

the market value of each investment as at the beginning of the reporting period;

any changes to the investment portfolio during the reporting period;

the market value of each investment as at the end of the reporting period; and

fully accrued interest or yield for the reporting period.

A bank, insurance company or other Investment / Fund Managers which at the end of a financial year holds, or at any time during a financial year held, an investment for MLM, must:

- within 30 days after the end of that financial year notify the Auditor General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and;
- promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.

15. Policy Review

This policy will be reviewed annually by the Chief Financial Officer to ensure congruence with changing needs, technology, evolving regulatory standards with the MFMA, Investment regulations, and private sector best practices. The process to be followed for the annual revision of the policy will be via the committee system of Council as part of the annual Budget Process.

BORROWING POLICY

2018/2019 FINANCIAL YEAR

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ABBREVIATIONS

MLM	Midvaal Local Municipality
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
CRR	Capital Replacement Reserve
GRAP	Generally Recognised Accounting Practise
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
VAT	Value Added Tax
SDBIP	Service Delivery and Budget Implementation Plan

1. PURPOSE OF THIS DOCUMENT

This policy sets outs the principles for determining the following:-

- The Municipality's borrowing requirements.
- Process to be followed when debt is incurred.

2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), has the meaning so assigned, and:

"Accounting Officer" – means the Municipal Manager and vice versa;

"Act" – means the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

"Chief Financial Officer" – means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the municipality;

"Council" or "Municipality" – means the Municipal Council of Midvaal Local Municipality as referred to in Section 18 of the Municipal Structures Act;

"Creditor" – in relation to a municipality, means any person or service provider to whom money is owing by the Municipality;

"Debt" – means –

(a) a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities; or
(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another.

"Delegatee" – means an official / person delegated to perform tasks on behalf of another person;

"Financial Statement" – means statements consisting of at least –

(a) a balance sheet (statement of financial position);
(b) an income statement (statement of financial performance);
(c) a cash-flow statement;
(d) any other statements that may be prescribed; and

(e) any notes to these statements.

"Financial year" – means a year ending 30 June;

"Financing Agreement" means any long-term agreement, lease, installment purchase contract or hire purchase agreement under which the Municipality undertakes to pay the capital cost of property, plant or equipment over a period of time;

"Lender" – in relation to a municipality means a person or service provider who provides debt finance to a municipality;

"Long Term Debt" – means debt which is repayable over a period exceeding 12 months;

"Municipal debt instrument" – means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including virtual or electronic evidence of indebtedness intended to be used in raising debt;

"Security" – means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor;

"Short Term Debt" – means a debt which is repayable over a period not exceeding 12 months.

In this document unless the context otherwise indicates, words and expressions denoting the singular shall include the plural and vice versa, words and expressions denoting the male sex shall include the female sex and vice versa and reference to a natural person shall include a legal person and vice versa.

3. BACKGROUND

The Local Government: Municipal Finance Management Act 56 of 2003 (hereafter MFMA) section 18 requires that an annual budget may only be funded from:

(a) Realistically anticipated revenues to be collected;

(b) Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and

(c) Borrowed funds, but only for capital projects.

Section 19 of the MFMA also requires spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes. Furthermore, Chapter 6 of the MFMA 6 guides on the requirements of obtaining Short Term and Long Term Debt, Conditions to comply with when applying for Debt, Security, Disclosures and Municipal Guarantees.

The Local Government: Municipal Finance Management Act 56 of 2003 Municipal Budget and Reporting Regulations, 2009 Section 8 requires that each Municipality should have a Borrowing Policy.

4. OBJECTIVES

The objectives of the policy are as follows:

(a) To comply with the legislative requirements;
(b) Manage interest rate and credit risk exposure;
(c) Maintain debt within specified limits and ensure adequate provision for the repayment of debt;
(d) To ensure compliance with all Legislation and Council policy governing borrowing of funds.

5. APPROVAL AND EFFECTIVE DATE

The policy will be effective 1 July 2018.

6. POLICY AMENDMENT

The AO must–

(a) at least annually review the implementation of this Policy; and
(b) when the AO considers it necessary, submit proposals for the amendment of this Policy to the Council.

The review of this policy and any amendment should be made with due consideration and in conjunction with the annual review of the budget related policies as prescribed in the Municipal Budget and Reporting Regulations, 2008.

7. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

(a) Delegation of Powers;
(b) Accounting Policy;
(c) Cash Management and Investment Policy
(d) Long Term Financial Plan Policy;
(e) Budget Implementation and Monitoring Policy;

8. INTRODUCTION AND BACKGROUND

The Municipality may only incur debt in terms of the Municipal Finance Management Act, Act 56 of 2003. The Municipality may incur two types of debt, namely short-term and long-term debt.

8.1 A municipality may incur debt (short-term and long-term debt) only if:

8.1.1 The debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency; and

8.1.2 A council resolution is taken authorising the provision of security if security is to be provided by the municipality.

8.2 Short Term Debt

8.2.1 The Municipality may incur short-term debt only when necessary to bridge:

8.2.1.1 Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistically anticipated income to be received within that financial year; or

8.2.1.2 Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long- term debt commitments.

8.2.3 A municipality may incur short-term debt only if:

8.2.3.1 A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and

8.2.3.2 The AO has signed the agreement or other document which creates or acknowledges the debt.

8.2.4 The Municipality:

8.2.4.1 Must pay off short-term debt within a financial year; and

8.2.4.2 May not renew or refinance its short-term debt.

8.2.5 A short term debt transaction may be:

8.2.5.1 approved individually; or

8.2.5.1.1 an agreement with a lender for short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that:

(a) the credit limit must be specified in the resolution of the council;

(b) in terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and

(c) if the council approves a credit facility that is limited to emergency use, the AO must notify the council in writing as soon as practical of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as options for repaying such debt.

8.2.6 No lender may willfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of section 8.2.4.1 above.

8.2.7 If a lender willfully extends credit to a municipality in contravention of this policy, the municipality is not bound to repay the loan or interest on the loan.

8.2.8 This does not apply if the lender:

8.2.8.1 Relied in good faith on written representations of the municipality as to the purpose of the borrowing; and

8.2.8.2 Did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt.

8.3 Long Term Debt

8.3.3 The Municipality may incur long-term debt for purposes of financing its long-term strategic objectives, as outlined in the Constitution of the Republic of South Africa, Act 108 of 1996, and Chapter 7 on Local Government, to:

8.3.3.1 Provide democratic and accountable government for local communities;
8.3.3.2 Ensure the provision of services to communities in a sustainable manner;
8.3.3.3 Promote social and economic development;
8.3.3.4 Promote a safe and healthy environment; and
8.3.3.5 Encourage the involvement of communities and community organizations in the matters of local government.

8.3.4 A municipality may incur long-term debt only if:

8.3.4.1 A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and

8.3.4.2 The AO has signed the agreement or other document which creates or acknowledges the debt.

8.3.5 A municipality may incur long-term debt only if the AO of the municipality:

8.3.5.1 Has, in accordance with section 21A of the Municipal Systems Act:

- at least twenty one (21) days prior to the meeting the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided; and
- invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and

8.3.5.2 Has submitted a copy of the information statement to the municipal council at least twenty one (21) days prior to the meeting of the council, together with particulars of:

- the essential repayment terms, including the anticipated debt repayment schedule; and
- the anticipated total cost in connection with such debt over the repayment period.

8.3.6 Capital expenditure may include:

8.3.6.1 Financing costs, including:

- capitalised interest for a reasonable initial period;
- costs associated with security arrangements in accordance with section 48 of the Act;
- discounts and fees in connection with the financing;
- fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and
- costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing.

8.3.6.2 Costs of professional services directly related to the capital expenditure; and

8.3.6.3 Such other costs as may be prescribed.

8.3.7 A municipality may borrow money for the purpose of refinancing existing long-term debt, provided that:

8.3.7.1 The existing long-term debt was lawfully incurred;

8.3.7.2 The refinancing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed;

8.3.7.3 The net present value of projected future payments (including principal and interest payments) after refinancing is less than the net present value of projected future payments before refinancing; and

8.3.7.4 The discount rate used in projecting net present value, and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

8.3.8 A municipality's long-term debt must be consistent with its capital budget referred.

9. SECURITY

9.1 A municipality may by resolution of its council provide security for:

9.1.1 Any of its debt obligations; and

9.1.2 Contractual obligations of the municipality undertaken in connection with capital expenditure by the persons on property, plant or equipment to be used by the municipality or such other person for the purpose of achieving the objectives of local government in terms of section 152 of the Constitution.

9.2 A municipality may in terms of section 9.1 above provide any appropriate security, including by:

9.2.1 Giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating, an asset or right, or giving any other form of collateral;

9.2.2 Undertaking to effect payment directly from money or sources that may become available and to authorise the lender or investor direct access to such sources to ensure payment of the secured debt or the performance of the secured obligations, but this form of security may not affect compliance with section 8(2) of the MFMA;

9.2.3 Undertaking to deposit funds with the lender, investor or third party as security;

9.2.4 Agreeing to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures;

9.2.5 Ceding as security any category of revenue or rights to future revenue;

9.2.6 Undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms;

9.2.7 Undertaking to retain revenues or specific municipal tariffs or other charges, fees or funds at a particular level or at a level sufficient to meet its financial obligations;

9.2.8 Undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest;

9.2.9 Agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and

9.2.10 Agreeing to such other arrangements as the municipality may consider necessary and prudent.

9.3 A council resolution authorising the provision of security:

9.3.1 Must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and

9.3.2 If so, must indicate the manner in which the availability of the asset or right for the provision of that minimum level of basic municipal services will be protected.

9.4 If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a default by the municipality, deal with the asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

9.5 A determination in terms of section 9.3 above that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.

10. DISCLOSURE

10.1 Any person involved in the borrowing of money by the municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor:

10.1.1 disclose all information in that person's possession or within that person's knowledge that may be material to the decision of that prospective lender or investor; and

10.1.2 take reasonable care to ensure the accuracy of any information disclosed.

10.2 Information to be provided should include:

10.2.1 Audited financial statements for the preceding three (3) financial years with audited outcomes;

10.2.2 Approved annual budget;

10.2.3 The municipal integrated development plan;

10.2.4 Repayment schedules pertaining to existing short-term or long-term debt.

10.3 A lender or investor may rely on written representations of the municipality signed by the AO, if the lender or investor did not know and had no reason to believe that those representations were false or misleading.

11. MUNICIPAL GUARANTEES

11.1 A municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following condition:

11.1.1 The guarantee must be within limits specified in the municipality's approved budget.

11.2 Neither the national nor a provincial government may guarantee the debt of a municipality except to the extent that chapter 8 of the Public Finance Management Act provides for such guarantees.

12. APPROVAL

12.1 Once Council approves the loan, the AO has to enter into an agreement with the recommended financial institution on behalf of Council. The Chief Financial Officer must ensure that the terms and conditions are as originally agreed before the Council is committed;

12.2 All municipal loan commitments must be recorded in a Loans Register reflecting at a minimum the:

12.2.1 Loan number;
12.2.2 Type of loan;
12.2.3 Financial institution;
12.2.4 Date issued;
12.2.5 Purpose of loan;
12.2.6 Loan period;
12.2.7 Interest rate;
12.2.8 Installments (capital and interest);
12.2.9 Due dates (quarterly / half-yearly / yearly);
12.2.10 Security (if any);
12.2.11 Final redemption date;
12.2.12 Opening balance at the beginning of the financial year;
12.2.13 Amounts received during the financial year;
12.2.14 Capital amounts redeemed during the financial year; and
12.2.15 Closing balance at the end of the financial year.

12.3 Sufficient provision must be made in the budget to depreciate assets linked to the loan.

13. DOCUMENTS TO BE KEPT ON RECORD

13.1 The following loan documentation and certificates, at a minimum, must be safeguarded at all times:

13.1.1 Loan agreements;
13.1.2 Any applicable security agreements;
13.1.3 Copy of annual loans register;
13.1.4 Signed copies of monthly reconciliations;
13.1.5 Copies of all repayments made;
13.1.6 Copies of amortization schedules;
13.1.7 Copies of quarterly National Treasury returns.

FUNDING AND RESERVES POLICY

2018/2019 FINANCIAL YEAR

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ABBREVIATIONS

MLM	Midvaal Local Municipality
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
CRR	Capital Replacement Reserve
GRAP	Generally Recognised Accounting Practise
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
VAT	Value Added Tax
SDBIP	Service Delivery and Budget Implementation Plan

1. PURPOSE OF THIS DOCUMENT

This policy sets outs the principles for determining the following:-

- Projected billings, collections and all direct revenues;
- The provision for revenue that will not be collected;
- The funds the Municipality can expect to receive from investments;
- The proceeds the Municipality can expect to receive from the transfer or disposal of assets;
- The funds to be set aside in reserves.

2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), has the meaning so assigned, and:

"Accounting Officer" – means the Municipal Manager and vice versa;

"Act" – means the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

"Chief Financial Officer" – means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the municipality;

"Council" or "Municipality" – means the Municipal Council of Midvaal Local Municipality as referred to in Section 18 of the Municipal Structures Act;

"Creditor" – in relation to a municipality, means any person or service provider to whom money is owing by the Municipality;

"Debt" – means –

(a) a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities; or

(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another.

"Delegatee" – means an official / person delegated to perform tasks on behalf of another person;

"Financial Statement" – means statements consisting of at least –

(a) a balance sheet (statement of financial position);

(b) an income statement (statement of financial performance);

(c) a cash-flow statement;

(d) any other statements that may be prescribed; and

(e) any notes to these statements.

"Financial year" – means a year ending 30 June;

In this document unless the context otherwise indicates, words and expressions denoting the singular shall include the plural and vice versa, words and expressions denoting the male sex shall include the female sex and vice versa and reference to a natural person shall include a legal person and vice versa.

3. BACKGROUND

The Local Government: Municipal Finance Management Act 56 of 2003 (*hereafter MFMA*) section 18 requires that an annual budget may only be funded from:

(a) Realistically anticipated revenues to be collected;

(b) Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and

(c) Borrowed funds, but only for capital projects.

Section 19 of the MFMA also requires spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes. Furthermore, Chapter 6 of the MFMA 6 guides on the requirements of obtaining Short Term and Long Term Debt, Conditions to comply with when applying for Debt, Security, Disclosures and Municipal Guarantees.

The Local Government: Municipal Finance Management Act 56 of 2003 Municipal Budget and Reporting Regulations, 2009 Section 8 requires that each Municipality should have a Funding and Reserves Policy.

4. OBJECTIVES

The objectives of the policy relating to funding and reserves are as follows:

(a) To comply with the legislative requirements;

(b) To ensure that the Municipality's Operating and Capital budgets are adequately funded;

(c) To ensure that the Municipality's provisions and reserves are maintained at the required levels, in order to mitigate unfunded liabilities in future financial years; and

(d) To achieve financial sustainability with acceptable levels of service delivery to the community.

5. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2018.

6. POLICY AMENDMENT

The AO must–

(a) at least annually review the implementation of this Policy; and
(b) when the AO considers it necessary, submit proposals for the amendment of this Policy to the Council.

The review of this policy and any amendment should be made with due consideration and in conjunction with the annual review of the budget related policies as prescribed in the Municipal Budget and Reporting Regulations, 2008.

7. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Accounting Policy;
- Cash Management and Investment Policy
- Long Term Financial Plan Policy;

8. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- MFMA Budget Circular 51
- Municipal Budget and Reporting Regulations, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice

9. PRINCIPLES REGARDING THE FUNDING OF THE ANNUAL BUDGET

9.1 An annual budget may only be funded from:-

9.1.1 Realistically anticipated revenues to be collected;

9.1.2 Cash backed accumulated funds from previous years surpluses and reserves not committed for any other purpose; and

9.1.3 Borrowed funds but only for the capital budget.

9.2 Realistic anticipated revenue projections must take into account:-

9.2.1 Projected revenue for the current year based on collection levels to date; and

9.2.2 Actual revenue collected in previous financial years.

9.3 Spending on a capital project may only occur if:-

9.3.1 The money for the project, excluding the cost of feasibility studies, has been appropriated in the budget;

9.3.2 The project, including the total cost, has been approved by Council;

9.3.3 The sources of funding have been considered, are available and have not been committed for other purposes;

9.3.4 Council has considered:-

9.3.4.1 The projected cost covering all financial years until the project is operational; and

9.3.4.2 The future operations costs and revenue on the project, including municipal tax and tariff implications.

10. FUNDING THE OPERATING BUDGET

10.1 The operating budget provides funding to departments for their medium term expenditure as planned.

10.1.1 The Municipality categorises services rendered to the community according to its revenue generating capabilities as follows:-

10.1.2 Trading services (services that generate predetermined surpluses that can be used to fund other services rendered by the Municipality);

10.1.3 Economic services (services that should at least break-even, but do not necessarily generate any surpluses to fund other services rendered by the Municipality);

10.1.4 Rates and General (services that are funded by property rates, government grants or surpluses generated by the trading services).

10.2 The operating budget is funded from the following main sources of revenue:-

10.2.1 Property rates;

10.2.2 Service charges;

10.2.3 Government grants and subsidies;

10.2.4 Other sundry revenue, such as fines, interest received etc.; and

10.2.5 Cash backed accumulated surpluses from previous years not committed for any other purposes.

10.3 The following guiding principles apply when compiling the operating budget:-

10.3.1 The annual budget must be cash backed;

10.3.2 Growth parameters must be realistic taking into account the current economic conditions;

10.3.3 Tariff adjustments must be realistic, taking into consideration affordability, bulk increases and future projected growth according to the approved Integrated Development Plan (IDP);

10.3.4 Revenue from government grants and subsidies must be in line with allocations gazetted in the Division of Revenue Act and Provincial Gazettes;

10.3.5 Revenue from public contributions, donations or any other grants may only be included in the budget if there are acceptable documentation that guarantees the funds such as:-

10.3.5.1 A signed service level agreement;
10.3.5.2 A contract or written confirmation; or
10.3.5.3 Any other legally binding document.

10.3.6 Property rates are levied according to the Municipal Property Rates Act and Property Rates Policy based on the market values. The budget is compiled using the latest approved Valuation Roll and any Supplementary Roll, consistent with current and past trends. Property rates tariffs and rebates are determined annually as part of the tariff setting process;

10.3.7 Property rates rebates, exemptions and reductions are budgeted either as revenue foregone or as a grant as per MFMA Budget Circular 51 depending on the conditions thereof;

10.3.8 Projected revenue from service charges must be realistic based on current and past trends with expected growth considering the current economic conditions. The following factors must be considered for each service:-

10.3.9 Metered services comprising of electricity and water:-

10.3.9.1 The consumption trends for the previous financial years;

10.3.9.2 Envisaged water restrictions or load shedding when applicable; and

10.3.9.3 Actual revenue collected in previous financial years.

10.3.10 Refuse removal services:-

10.3.10.1 The actual number of erven receiving the service per category; and

10.3.10.2 Actual revenue collected in previous financial years.

10.3.11 Sewerage services:-

10.3.11.1 The actual number of erven receiving the service per category and the consumption trends per category; and

10.3.11.2 Actual revenue collected in previous financial years.

10.3.12 Rebates, exemptions or reductions for service charges are budgeted either as revenue foregone or as a grant as per MFMA Budget Circular 51 depending on the conditions thereof;

10.3.13 Other projected revenue is charged in terms of the approved sundry tariffs and fines considering the past trends and growth for each category.

10.3.14 Provision for revenue that will not be collected is made against the expenditure item debt impairment and is based on actual collection levels for the previous financial year and the latest projected annual non-payment rate.

10.3.15 Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects and with no recurring operating expenditure resulting thereof.

10.3.16 Interest received from actual long-term and or short-term investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends.

10.3.17 Depreciation charges are fully budgeted for according to the asset register and to limit the impact of the implementation of Asset Related GRAP Standards a transfer is made from the accumulated surplus.

10.3.18 A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total and new and/or funded vacant positions are budgeted for nine (9) months only of the total package considering the time for the recruitment process.

10.3.19 To ensure the health of the municipal asset base, sufficient provision must be made for the maintenance of existing and infrastructure assets based on affordable levels as maintenance budgets are normally lower than the recommended levels. As a guiding principle repair and maintenance should constitute at least between 7% of total operating expenditure and should annually be increased incrementally until the required targets are achieved.

10.3.20 Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over operating expenditure. Increases for these line items must be linked to the average inflation rate and macro-economic indicators unless a signed agreement or contract stipulates otherwise.

11. FUNDING THE CAPITAL BUDGET

11.1 The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent. In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets. The capital budget provides funding for the Municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and enlargement of bulk infrastructure. Provisions on the capital budget will be limited to availability of sources of funding and affordability. The main sources of funding for capital expenditure are:-

11.1.1 Cash backed accumulated surpluses;

11.1.2 Borrowings;

11.1.3 Government grants and subsidies;

11.1.4 Public donations and contributions; and

11.1.5 Operating revenue.

11.2 The following guiding principles apply when considering sources of funding for the capital budget:-

11.2.1 Government grants and subsidies:-

11.2.1.1 Only gazette allocations or transfers as reflected in the Division of Revenue Act or allocations as per Provincial Gazettes may be used to fund projects;

11.2.1.2 The conditions of the specific grant must be taken into consideration when allocated to a specific project; and

11.2.1.3 Government grants and subsidies allocated to specific capital projects are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.

11.2.2 In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding is guaranteed by means of:-

11.2.2.1 A signed service level agreement;

11.2.2.2 A contract or written confirmation; and/or

11.2.2.3 Any other legally binding document.

11.2.3 Public donations, contributions and other grants are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.

11.2.4 The borrowing requirements as contained in the borrowing policy are used as a basis to determine the affordability of external loans over the Medium Term Revenue and Expenditure Framework. The ratios to be considered to take up new borrowings include:-

11.2.4.1 long-term debt to revenue (excluding grants) not to exceed 40%;

11.2.4.2 payment rate of above 90%;

11.2.4.3 percentage of capital charges to operating expenditure less than 15% (Interest and redemption).

11.2.5 Allocations to capital projects from cash backed accumulated surpluses will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve as follows:-

11.2.5.1 Capital projects of a smaller nature such as office equipment, furniture, plant and equipment etc. must be funded from own generated revenue from the operating budget for that specific year;

11.2.5.2 Capital projects to upgrade bulk services will be allocated to the capital bulk contributions reserve for each service.

11.2.6 All capital projects have an effect on future operating budgets. The following cost factors should therefore be considered before approval:-

11.2.6.1 Additional personnel cost to staff new facilities once operational;
11.2.6.2 Additional contracted services, such as security, cleaning etc.
11.2.6.3 Additional general expenditure, such as services cost, stationery, telephones, material etc.
11.2.6.4 Additional other capital requirements to operate the facility, such as vehicles, plant and equipment, furniture and office equipment etc.
11.2.6.5 Additional costs to maintain the assets;
11.2.6.6 Additional interest and redemption in the case of borrowings;
11.2.6.7 Additional depreciation charges;
11.2.6.8 Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.

All Reserves are “ring fenced” as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognised Accounting Practices (GRAP).

The following ring fenced reserves exist:-

12. CAPITAL REPLACEMENT RESERVE

Funding for capital budgets of future financial years are generated through contributions from the operating budget. Once the Municipality has reached its maximum gearing ability no further borrowings can be taken up. This necessitates that the Municipality also invests in a capital replacement reserve. However, it must be cash backed.

This reserve once fully established will enable the Municipality to provide internal funding for its capital replacement and renewal programme. Other contributions to the capital replacement reserve through the operating budget may include interest received on investments.

This reserve must be cash backed at all times to ensure the availability of cash to fund the municipal capital programme.

13. ASSET FAIR VALUE RESERVE

The Asset Fair Value Reserve is created through the transfer of the increase in the carrying value of Property, Plant and Equipment identified through the adoption of GRAP17. This is an accounting concept and the reserve does not represent a cash reserve in the true sense. The reserve cannot be utilised for any other purpose than the accumulation of the increase in carrying value, or offsetting of a decrease in carrying value of Property, Plant and Equipment. The reserve and accounting treatment thereof is governed by GRAP 17.

14. PUBLIC CONTRIBUTIONS RESERVE

Bulk contributions changed to developers in terms of Councils Bulk Contributions Policy are ring-fenced and must be kept in cash. The reserve can only be utilised for the funding of capital infrastructure and in accordance with Council's approved Capital Budget.

PROVISIONS

A provision is recognised when the municipality has a present obligation as a result of a past event and it is probable, more likely than not, that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are revised annually and those estimates to be settled within the next twelve (12) months are treated as current liabilities.

The municipality has the following provisions:

15. LEAVE PROVISION / ACCRUAL

Liabilities for annual leave are recognised as they accrue to employees. An annual provision is made from the operating budget to the leave provision.

16. LANDFILL REHABILITATION PROVISION

The landfill site rehabilitation provision is created for the current operational site at the future estimated time of closure. The value of the provision is based on the expected future cost to rehabilitate the landfill site. This provision must be cash backed as determined in the Cash Management Policy, to ensure availability of cash for rehabilitation on closure.

17. PROVISION FOR LONG SERVICE AWARDS

Municipal employees are awarded leave days according to years in service at year end. Due to the fact that not all long service leave balances are redeemed for cash. The provision is cash backed.

Long service awards can be encashed at the discretion of the Municipal Manager and will be subject to the cash flow position of Council.

18. PROVISION FOR POST EMPLOYMENT MEDICAL BENEFITS

The municipality provides retirement medical care benefits by subsidizing the medical aid contributions to qualifying retired employees.

The provision is cash backed.

19. OTHER ITEMS TO BE CASH BACKED

The Cash Management Policy also specifies certain other items (in addition to fund and reserves) that must be cash backed.

20. POLICY IMPLEMENTATION

This policy will effective as from 1 July 2018.

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

2018/2019

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Abbreviations:

MLM – Midvaal Local Municipality

1. DEFINITIONS

In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

"Competitive bidding process" means a competitive bidding process referred to in paragraph 20.1 of this policy;

"Competitive bid" means a bid in terms of a competitive bidding process;

"CIDB" means Construction Industry Development Board Act, Act 38 of 2000;

"EME" means an exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

"Final award", in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

"Formal written price quotation" means quotations referred to in paragraph 17.1 of this policy;

"In the service of the state" means to be –

(a) a member of –

  (i) any municipal council;

  (ii) any provincial legislature; or

  (iii) the National Assembly or the National Council of Provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of Public Finance Management Act, 1999 (Act 1 of 1999);

(e) a member of the accounting authority or any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature;

"Long term contract" means a contract with a duration period exceeding one year;

"List of accredited prospective providers" means the list of accredited prospective providers registered on the National Treasury Central Supplier Database (CSD) in terms of Section 14 of this policy;

"Database of restricted bidders" means the database of bidders restricted from doing business with a Municipality as set out in paragraph 14.1 of this policy as defined in Circulars 43, 46, 52 and 56 of National Treasury.

"Other applicable legislation" means any other legislation applicable to the municipal Supply Chain Management, including but not limited to –

(a) the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), the PPPFA regulations, 2017 and all amendments; (attached to this policy as Annexure A)

(b) The Broad Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), the regulations and all amendments; and

(c) The Construction Industry Development Board Act, 2000 (Act 38 of 2000), the regulations and all amendments.

(d) The Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2003), the regulations and all amendments.

(e) The Competition Act, 1998 (Act 89 of 1998), the regulations and all amendments.

"Petty Cash", means a small amount of cash kept on hand for incidental purchases of low value goods and services (i.e. postage, office suppliers, reimbursement out-of-pocket expenditures), which cannot be accommodated through other purchasing procedures. Petty cash may not be used for payroll payments, inventory, capital goods, entertainment expense, travel expenses and other personal obligations.

"QSE" means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

"Single source": refers to when the competition exists in the market, but from a selected few suppliers due to technical capabilities and abilities comply with the requirements of the municipality.

"Sole Supplier:" refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer.

"Strip & quote:" When it is not certain what repairs and maintenance should be performed on equipment and/or vehicles and it becomes impractical to obtain quotations, the equipment or vehicle is sent to a supplier who disassembles (strip) it to determine what is wrong with it. Thereafter a quote is issued.

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“The Act” means the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

“The Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Gazette no. 27636, 30 May 2005 and all amendments;

“Written or verbal quotations” means quotations referred to in paragraph 16.1 of this policy.

“The Council” means the Midvaal Local Municipality abbreviated to MLM.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. SUPPLY CHAIN MANAGEMENT POLICY

2.1 All officials and other role players in the supply chain management system of the Midvaal Local Municipality must implement this Policy in a way that –

(a) gives effect to –

- section 217 of the Constitution; and
- Part 1 of Chapter 11 and other applicable provisions of the Act;

(b) is fair, equitable, transparent, competitive and cost effective;

(c) complies with –

- the Regulations; and
- any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

(d) is consistent with other applicable legislation;

(e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and

(f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

2.2 This Policy applies when the Midvaal Local Municipality –

(a) procures goods or services;

(b) disposes goods no longer needed;

(c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or

(d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

2.3 This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including:

(a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and

(b) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

3.1 The accounting officer must –

(a) at least annually review the implementation of this Policy; and

(b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the **council**

3.2 If the accounting officer submits proposed amendments to the **council** that differ from the model policy issued by the National Treasury, the accounting officer must –

(a) ensure that such proposed amendments comply with the Regulations; and

(b) report any deviation from the model policy to the National Treasury and the Gauteng Provincial Treasury.

3.3 When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

3.4 The draft policy should be forwarded to the Gauteng Provincial Treasury: Policy, Norms and Standards component before tabling to the Municipal Council for approval.

4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

4.1 The **council** hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –

(a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –

- Chapter 8 or 10 of the Act; and
- this Policy;

(b) to maximise administrative and operational efficiency in the implementation of this Policy;

(c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

(d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

4.2 Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of subparagraph (4.1).

4.3 The council or the accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Midvaal Local Municipality or to a committee which is not exclusively composed of officials of the Midvaal Local Municipality;

4.4 This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. SUB-DELEGATIONS

5.1 The accounting officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this policy, but any such sub-delegation must be consistent with subparagraph (5.2) of this paragraph, and paragraph 4 of this Policy as well as the Systems of Delegations.

5.2 The Accounting officer hereby sub-delegates the following and gives power to make a final award -

5.2.1 above R10 million (VAT included) may not be sub-delegated and is thus to be awarded by the Accounting Officer only;

5.2.2 above R200 000 (VAT included), but not exceeding R10 million (VAT included), is hereby sub-delegated to –

(a) The bid adjudication committee consisting of the following senior managers or persons acting in their stead:

- Deputy Municipal Manager
- Executive Director: Financial Services **(Chairperson)**
- Executive Director: Engineering Services
- Executive Director: Development & Planning
- Director: Expenditure
- Director: Electrical

5.2.3 not exceeding R200 000 (VAT inclusive) is hereby sub-delegated as follows –

(a) The Chief Financial Officer to approve acquisitions between R30 000 and R200 000 VAT inclusive;

(b) The following is sub-delegated by the CFO to a manager directly accountable to the Chief Financial Officer:

(i) The Deputy Chief Financial Officer to approve acquisitions between R2 000 and R30 000 (vat inclusive);

(ii) The Director: Expenditure and the Assistant Director: Expenditure to approve acquisitions between R0 and R2 000 (VAT inclusive);

5.3 An official or the bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (5.2.2 and 5.2.3) must within five (5) days of the end of each month submit to the official referred to in subparagraph (5.4) a written report containing particulars of each final award made by such committee during that month, including:

- the amount of the award;
- the name of the person to whom the award was made; and
- the reason why the award was made to that person.

5.4 A written report referred to in subparagraph 5.3 must be submitted –

(a) to the accounting officer, in the case of an award by –

a bid adjudication committee; or

(b) to the chief financial officer, in the case of an award by –

a manager referred to in subparagraph (5.2.3)(a)(b)

5.5 Subparagraphs (5.3) and (5.4) of this policy do not apply to procurements out of petty cash.

5.6 This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5.7 No supply chain management decision-making powers may be delegated to an advisor or consultant. Advisors and Consultants, who were either involved with drafting of specifications or technical evaluation of bids under their supervision as

per their appointment, may attend bid specifications and bid evaluation committees in their professional capacity. Both Bid Specifications and Bid Evaluation Committees **do not** have decision-making or award powers only recommendation powers.

6. OVERSIGHT ROLE OF COUNCIL

6.1 The council reserves its right to maintain oversight over the implementation of this Policy.

6.2 For the purposes of such oversight the accounting officer of MLM must:

6.2.1 Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of MLM, to the council of the Midvaal Local Municipality; and

6.2.2 whenever there are serious and material problems in the implementation of this Policy, immediately submit a report **to the council**.

6.3 The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the **mayor.**

6.4 The reports must be made public in accordance with section 21A of the Municipal Systems Act.

7. SUPPLY CHAIN MANAGEMENT UNIT

7.1 A supply chain management unit is hereby established to implement this Policy.

7.2 The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

The training of officials involved in implementing this Policy should be in accordance with national Treasury: Local Government: Municipal Finance Management Act: Municipal Regulations on Minimum Competency Levels dated 15/06/2007 and any other Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM

This Policy provides systems for –

(i) demand management;

(ii) acquisition management;

(ii) logistics management;

(iv) disposal management;

(v) risk management; and

(vi) performance management.

PART 1: DEMAND MANAGEMENT

10. SYSTEM OF DEMAND MANAGEMENT

The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the **Midvaal Local Municipality** support its operational commitments and its strategic goals outlined in the Integrated Development Plan. The procurement plan must be linked to the IDP and SDBIP.

Approved procurement plans containing all planned procurement for the financial year in respect of the procurement of goods, works and / or services which exceed R200 000 (all applicable taxes included) must be submitted to Gauteng Provincial Treasury by not later than 31 July of each year.

Implementation of the procurement plans must be reported on a monthly basis within 10 working days after the end of the month to Gauteng Provincial Treasury.

10.1 The demand management system must –

(a) include timely planning and management processes to ensure that all goods and services required by the **Midvaal Local Municipality** are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

(b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature (such as long term contracts); and

(c) provide for the compilation of the required specifications to ensure that its needs are met;

(d) take into account past spending analysis;

(e) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximised to the extent appropriate and within the available resources.

PART 2: ACQUISITION MANAGEMENT

11. SYSTEM OF ACQUISITION MANAGEMENT

11.1 The accounting officer must implement the system of acquisition management in order to ensure –

(a) that goods and services are procured by the **Midvaal Local Municipality** in accordance with authorised processes only;

(b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;

(c) that the threshold values for the different procurement processes are complied with;

(d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and

(e) that any Treasury guidelines (as per the circulars issued) on acquisition management are properly taken into account.

11.2 When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public on the website the fact that such goods or services are procured otherwise than through the **Midvaal Local Municipality**'s supply chain management system, including –

(a) the kind of goods or services; and

(b) the name of the supplier.

12. RANGE OF PROCUREMENT PROCESSES

12.1 Goods and services may only be procured by way of –

(a) Petty cash purchases, up to a transaction value of R2 000.00 (vat inclusive). A valid tax invoice or cash slip must be handed in within 2 (two) days.

(b) 3 written quotations for procurement of a transaction value over R2 000.01 up to R30 000.00 (vat inclusive);

(c) Formal written price quotations process for procurement of a transaction value over R30 000.01 up to R200 000.00 (vat inclusive); and

(d) a formal competitive bidding process for–

(i) procurement above a transaction value of R200 000.01 (VAT included); and

(ii) the procurement of long term contracts.

12.2 The accounting officer may, in writing-

(a) Lower, but not increase, the different threshold values specified in subparagraph (12.1); or

(b) Direct that –

(i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000;

(ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000; or

(iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

12.3 Splitting of works/services

NB! Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must, as far as possible, be treated and dealt with as a single transaction.

13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

13.1 has furnished the provider's –

(a) full name;

(b) identification number or company or other registration number; and

(c) tax reference number and VAT registration number, if any;

13.2 tax status on the central supplier database reflects as compliant and/or the supplier has authorised Midvaal Local Municipality via a tax pin to confirm with the South African Revenue Services that their tax status is compliant, and

13.3 has indicated –

(a) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(b) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months;

(c) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months; and

14. LISTS OF ACCREDITED PROSPECTIVE PROVIDERS

14.1 The accounting officer must –

(a) In terms of MFMA Circular 81, transact with only vendors registered on the National Treasury central supplier database. Vendors not registered on the National Treasury central supplier database will be barred from transacting with Midvaal for tractions above the petty cash threshold.

(b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers on the National Treasury Central Supplier database;

(c) specify the listing criteria for accredited prospective providers;

(d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector;

(e) The Municipal Supply Chain Management Regulation 38(1)(c) requires a supply chain management policy to provide measures for combating abuse of the supply chain management system, and must enable the accounting officer to check the National Treasury's database prior to awarding any contract.

This is to ensure that no contract is entered into with a bidder, or any of its directors, listed as a company or person prohibited from doing business with the public sector. This list is also known as the *Database of Restricted Suppliers*.

To this end, a central *Database of Restricted Suppliers* has been established containing details of companies or persons that have been restricted from doing business with the public sector if the company or person obtained preferences fraudulently or failed to perform on a contract.

14.2 When a municipality intends to establish a list of pre-qualified bidders it must furnish Gauteng Provincial Treasury with detailed reasons for establishing such a list. Gauteng Provincial Treasury will consider the submission and advise accordingly within 14 days.

15. PETTY CASH PURCHASES (R0.01 TO R2 000.00)

15.1 The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –

(a) The Accounting Officer hereby delegates the responsibility to the Executive Director: Financial Services to issue petty cash to the various departments.

(b) Petty cash requests not exceeding R2 000.00 VAT included, per transaction may be issued by the approved officials.

(c) Petty cash purchases are restricted to emergency cases where the necessity is required within 1 day to a maximum of R2 000.00 VAT inclusive that could not have been foreseen.

(d) A monthly reconciliation must be prepared.

16. WRITTEN QUOTATIONS (R2 000.01 TO R10 000 INCLUDING VAT)

16.1 The conditions for the procurement of goods or services through written quotations are as follows*:*

(a) R2 000.01 – R10 000: Written quotations must be obtained preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Midvaal Local Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set provided for in regulation 14(1)(c) and (d); and

(b) That if it is not possible to obtain at least three quotations, the reasons must be recorded and reported monthly to the accounting officer or another official designated by the accounting officer.

17. FORMAL WRITTEN PRICE QUOTATIONS (R10 000-01 TO R30 000 INCLUDING VAT)

17.1 The conditions for the procurement of goods or services through formal written price quotations are as follows*:*

(a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the **National Treasury Central Supplier Database**;

(b) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the accounting officer or an official designated by the accounting officer; and

(c) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices.

17.2 A designated official referred to in subparagraph (17.1) (c) must within three days of the end of each month report to the accounting officer on any approvals given during that month by that official in terms of that subparagraph.

18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH FORMAL WRITTEN PRICE QUOTATIONS (R30 000.00 TO R200 000.00)

18.1 The procedure for the procurement of goods or services through formal written price quotations is as follows*:*

(a) All requirements in excess of R30 000.00 (VAT included) that are to be procured by means of by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Midvaal Local Municipality;

(b) When using the list of accredited prospective providers the accounting officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;

(c) The accounting officer must take all reasonable steps to ensure that the procurement of goods and services through written or verbal quotations or formal written price quotations is not abused;

(d) The accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;

(e) Offers must be awarded based on compliance to specifications, ability and capability to deliver the goods and services;

(f) The municipality may apply the pre-qualification criteria for preferential procurement as per regulation 4 of the Preferential Procurement Regulations 2017. The municipality chooses to apply the following pre-qualifying criteria:

- An EME or QSE;
- A tenderer sub-contracting a minimum of 30% to

  i. An EME or QSE which is at least 51% owned by black people who are youth;

  ii. An EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships

(g) Evaluation of offers are subject to the preference point system in terms of section 6 of the Preferential Procurement Regulations 2017 and awarded to the bidder who scored the highest procurement points;

(h) Record of approved specifications, minutes of the evaluation and approval memos must be kept on file for audit purposes.

19. COMPETITIVE BIDS (ABOVE R200 000.01)

19.1 Goods or services above a transaction value of R200 000.00 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this policy.

19.2 No requirement for goods or services above an estimated transaction value of R200 000.00 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. PROCESS FOR COMPETITIVE BIDDING

20.1 The procedures for the following stages of a competitive bidding process are as follows:

(a) Compilation of bidding documentation;

(b) Public invitation of bids;

(c) Site meetings or briefing sessions, if applicable;

(d) Handling of bids submitted in response to public invitation;

(e) Evaluation of bids;

(f) Awarding of contracts;

(g) Administration of contracts

(h) Proper record keeping

21. BID DOCUMENTATION FOR COMPETITIVE BIDS

21.1 The criteria to which bid documentation for a competitive bidding process must comply, must:

(a) take into account –
  (i) the general conditions of contract;
  (ii) any Treasury guidelines on bid documentation; and
  (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

(b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Policy Framework Act, Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

The municipality may apply the pre-qualification criteria for preferential procurement as per regulation 4 of the Preferential Procurement Regulations 2017. The municipality chooses to apply the following pre-qualifying criteria:

- An EME or QSE;
- A tenderer sub-contracting a minimum of 30% to

  i. An EME or QSE which is at least 51% owned by black people who are youth;

ii. An EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships

(c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–

(i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –

- for the past three years; or
- since their establishment if established during the past three years;

(ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

(e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

21.2 If MLM decides to apply **pre-qualifying criteria** to advance certain designated groups, the tender must be advertised with a specific tendering condition that only one or more of the following tenderers may respond-

(a) a tenderer having a stipulated minimum B-BBEE status level of contributor;

(b) an Exempted Micro Enterprise (EME) or Qualifying Small Business Enterprise (QSE);

(c) a tenderer subcontracting a minimum of 30% to-

(i) an EME or QSE which is at least 51% owned by black people;

(ii) an EME or QSE which is at least 51% owned by black people who are youth;

(iii) an EME or QSE which is at least 51% owned by black people who are women;

(iv) an EME or QSE which is at least 51% owned by black people with disabilities;

(v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;

(vi) a cooperative which is at least 51% owned by black people; and / or

(vii) an EME or QSE which is at least 51% owned by black people who are military veterans.

21.3 A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

22. PUBLIC INVITATION FOR COMPETITIVE BIDS

22.1 The procedure for the invitation of competitive bids, is as follows:

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the government Tender bulletin): and

(b) the information contained in a public advertisement, must include –

(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long-term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub paragraph (22.2);

(ii) a statement that bids may only be submitted on the bid documentation provided by the Midvaal Local Municipality. Bid documents may not be re-typed and no bids where correction fluid is used in critical areas of the bid document, such as the pricing schedule and/or regulatory compliance documents will be accepted. Any corrections are to be crossed out and initialled. Non-initialled corrections will render the bid invalid; and

(iii) date, time and venue of any proposed site meetings or briefing sessions are applicable. Where applicable, briefing / site meetings

are compulsory in MLM to ensure clarity and that all bidders are treated fair and equal. As these are compulsory site inspections, no bids will be accepted if the contractor (who is considered to be a technical representative) has not attended this session and documents will only be accepted from contractors whose names appear on the attendance register.

22.2 The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, any shorter period may only be approved if it can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

22.3 Bids submitted must be sealed and should be marked clearly with the bid number and description.

22.4 Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

22.5 Pre-qualifying criteria must be stipulated in the advertisement.

23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS

The procedures for the handling, opening and recording of bids, are as follows:

23.1 Bids–

(a) must be opened in public by two representatives in the presence of the bidders whereof one must be a SCM official;

(b) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and

(c) received after the closing time, will not be considered and returned unopened immediately.

23.2 Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

23.3 No information, except the provisions in **subparagraph 23.2,** relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

23.4 The accounting officer must –

(a) record in a register all bids received in time;

(b) make the register available for public inspection; and

(c) publish the entries in the register and the bid results on the website.

24. NEGOTIATIONS WITH PREFERRED BIDDERS

24.1 The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as a preferred bidder, provided that such negotiation –

(a) does not allow any preferred bidder a second or unfair opportunity;

(b) is not to the detriment of any other bidder; and

(c) does not lead to a higher price than the bid as submitted.

24.2 Minutes of such negotiations must be kept for record purposes.

24.3 Such negotiation meetings are attended by the relevant HOD / designated employee, a SCM representative and the bidder.

24.4 In terms of the Preferential Procurement regulations 2017, the following will apply to price negotiations:

If the price offered by a tenderer scoring the highest points is not market-related, the organ of state may not award the contract to that tenderer. The municipality may-

(i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;

(ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;

(iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.

If a market-related price is not agreed as envisaged in paragraph (iii) above, the organ of state must cancel the tender.

25. TWO STAGE BIDDING PROCESS

25.1 Two Stage bidding process:

A two-stage bidding process is allowed for –

(a) large or complex projects;

(b) projects where it may be undesirable/impractical to prepare complete detailed technical specifications; or

(c) long term projects with a duration period exceeding three years

25.2 Process of two stages:

(a) In the first stage technical proposals on conceptual design or performance specifications are invited, subject to technical as well as commercial clarifications and adjustments.

(b) In the second stage final technical proposals and priced bids are invited from only the bidders who submitted proposals.

26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS

26.1 A committee system for competitive bids is hereby established, consisting of the following committees for all procurement or cluster of procurements as the accounting officer will determine:

(a) a bid specification committee;

(b) a bid evaluation committee; and

(c) a bid adjudication committee;

26.2 The Accounting Officer hereby delegates the authority to appoint different members for each bid spec and bid evaluation committee relevant to the expertise / knowledge required, to the Chairpersons of the Bid Specification / Evaluation Committee, taking into account section 117 of the Act which excludes Councillors from serving on any SCM committee; and

26.3 A neutral or independent observer (Legal / auditor), appointed by the accounting officer, may attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

26.4 The committee system must be consistent with –

(a) Paragraph 27, 28 and 29 of this Policy; and
(b) Any other applicable legislation.

26.5 The accounting officer may apply the committee system to formal written price quotations.

27. BID SPECIFICATION COMMITTEES

27.1 A bid specification committee must compile the specifications for each procurement of goods or services by the Midvaal Local Municipality.

27.2 Specifications –

(a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

(b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

(c) where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

(d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

(e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent” unless this is impractical; or the municipality has taken a decision to standardise on a specific type of commodity for cost efficiencies;

(f) must indicate each specific goal for which points may be awarded in terms of point system set out in the Preferential Procurement Regulations 2017;

80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million; or

90/10 preference point system for acquisition of goods or services with Rand value above R50 million

(g) must be approved by the accounting officer prior to publication of the invitation for the bids in terms of paragraph 22.

27.3 A bid specification committee must be composed of one or more officials of the Midvaal Local Municipality including the manager / delegate responsible for the function involved, a SCM representative, officials from other departments within MLM who may have valid input / experience relating to the specifications or end result, and may when appropriate, include internal/external specialist advisors.

27.4 A signed-off checklist must accompany the request for supply chain process and specifications.

27.5 No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

27.6 Quorum for Bid Specification Committee meetings consists of half plus one of its total membership with voting power (rounded to the nearest whole number)

28. BID EVALUATION COMMITTEES

28.1 A bid evaluation committee must –

(a) evaluate bids in accordance with –

(i) the specifications for the specific procurement;

(ii) the point system as prescribed in terms of paragraph 27.2 (f) and as prescribed in terms of the Preferential Procurement Policy Framework Act;

(b) Evaluate each bidder's ability to execute the contract;

(c) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears; and

(d) Verify if the recommended bidder is not in the employ of the state by submitting a request for verification with the details of shortlisted or recommended vendor's shareholders/directors/members before the adjudication of the bid to Gauteng Provincial Treasury for verification. The request must be signed by the Head of Supply Chain Management unit/delegate and sent to GPT on the following e-mail address: SCM.Verifications@gauteng.gov.za or fax number: 086 658 2613.

(e) submit to the bid adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

28.2 BEE Status Level

(a) A tenderer must submit proof of its B-BBEE status level of contributor. A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but scores 0 points for B-BBEE.

(b) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

(c) The points scored must be rounded off to the nearest two decimal places.

(d) The contract must be awarded to the tenderer scoring the highest points. If the price offered by a tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.

(e) A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2000, provided that the objective criteria was stipulated in the tender documents.

28.3 Criteria for breaking deadlock in scoring

(a) If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for B-BBEE.

(b) If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points for B-BBEE, the contract must be awarded to the tenderer that scored the highest points for functionality.

(c) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

28.4 A bid evaluation committee must as far as possible be composed of-

(a) the officials from the department requiring goods and services; and

(b) at least one supply chain management practitioner of the Midvaal Local Municipality.

28.5 Quorum for Bid Evaluation Committee meetings consists of half plus one of its total membership with voting power (rounded to the nearest whole number)

29. BID ADJUDICATION COMMITTEES

29.1 A bid adjudication committee must –

(a) Study and consider the report and recommendations of the bid evaluation committee; and

(b) either –

(i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

(ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

29.2 A bid adjudication committee must consist of at least four senior managers of the Midvaal Local Municipality which must include –

(a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and

(b) at least one senior supply chain management practitioner who is an official of the Midvaal Local Municipality; and

(c) a technical expert in the relevant field who is an official or an external service provider/expert for clarity reasons may be invited to clarify any queries raised by the Bid Adjudication Committee members, if such an expert exists and have been involved in the specifications and or evaluation process.

Should the bid committee member have been involved in the item under consideration, they must recuse themselves from the decision-making process and be recorded / minuted as such.

29.3 The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

29.4 Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

29.5 If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

(a) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and

(b) notify the accounting officer.

29.6 The accounting officer may –

(a) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph 29.5; and

(b) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

29.7 The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

29.8 The accounting officer must comply with section 114 of the Act within 10 working days.

30. PROCUREMENT OF BANKING SERVICES

30.1 A contract for banking services –

(a) must be procured through competitive bids;

(b) must be consistent with section 7 or 85 of the Act; and

(c) may not be for a period of more than five years at a time.

30.2 The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

30.3 The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act 94 of 1990).

31. PROCUREMENT OF IT RELATED GOODS OR SERVICES

31.1 The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

31.2 The parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

31.3 The accounting officer must notify SITA together with a motivation of the IT needs if –

(a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

(b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

31.4 Should SITA comment on the submission and the Midvaal Local Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the Gauteng Provincial Treasury and the Auditor General.

32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

32.1 The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –

(a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

(b) there is no reason to believe that such contract was not validly procured;

(c) there are demonstrable discounts or benefits to do so; and

(d) that other organ of state and the provider have consented to such procurement in writing.

32.2 Subparagraphs (32.1) (c) and (d) do not apply if –

(a) a municipal entity procures goods or services through a contract secured by its parent municipality; or

(b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

32.3 Solicit the views of Gauteng Provincial Treasury on the intention to participate in a contract secured by another organ of state in terms of regulation 32. Correspondence in terms of the aforementioned requirement must be addressed and submitted to the Head of Department and the municipality may proceed with the relevant procurement if no response is forthcoming from treasury after 14 days of submission to treasury.

33. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

33.1 The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

33.2 Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34. REMEDIES

34.1 Upon detecting that a tenderer submitted false information regarding its BBBEE status level of contributor, local production and content, or any other matter required in terms of these Regulations which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the organ of state must-

(a) inform the tenderer accordingly;

(b) give the tenderer an opportunity to make representations within 14 days as to why-

(i) the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;

(ii) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalised up to 10 percent of the value of the contract; and

(iii) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and

(c) if it concludes, after considering the representations referred to in subregulation (1)(b), that-

(i) such false information was submitted by the tenderer-

(aa) disqualify the tenderer or terminate the contract in whole or in part; and

(bb) if applicable, claim damages from the tenderer; or

(ii) the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalise the tenderer up to 10 percent of the value of the contract.

34.2 (a) An organ of state must-

(i) inform the National Treasury, in writing, of any actions taken in terms of subregulation (1);

(ii) provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and

(iii) submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.

(b) The National Treasury may request an organ of state to submit further information pertaining to subregulation (1) within a specified period.

34.3 The National Treasury must-

(a) after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years; and

(b) maintain and publish on its official website a list of restricted suppliers.

35. APPOINTMENT OF CONSULTANTS

35.1 The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

35.2 Consultancy services must be procured through competitive bids if:

(a) the value of the contract exceeds R200 000 (VAT included); or

(b) the duration period of the contract exceeds one year.

35.3 In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

(a) all consultancy services provided to an organ of state in the last five years; and

(b) any similar consultancy services provided to an organ of state in the last five years.

35.4 The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process

designed or devised, by a consultant in the course of the consultancy service is vested in the Midvaal Local Municipality.

36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

36.1 The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency (breakages after hours, situations that may lead to health, safety hazards or death, serious hampering of official service delivery to the community);

(ii) if such goods or services are produced or available from a single source or sole provider only (e.g. agents/manufacturer/patent holder or items under guarantee);

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case or case or urgency where it is impractical or impossible to follow the official procurement processes (such as strip and quote on rotation basis (36.4), appointment of specialised service providers);

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

36.2 The accounting officer must record the reasons for any deviations in terms of subparagraphs 36.1(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

36.3 Subparagraph 36.2 does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

36.4 Strip and quote on rotation basis

(a) A list of suppliers per category of works provided must be supplied on a quarterly basis to all user departments by the SCM unit;

(b) Each user department should maintain a comprehensive rotation register which consists of the following per category of work to be performed: and

(i) Details of the vehicle;

(ii) Description of works to be performed;

(iii) Rotated supplier; and

(iv) Reason for not using the next supplier, where applicable.

(c) This register signed off by the HOD, or delegated official must accompany all requisitions submitted for strip and quote.

37. UNSOLICITED BIDS

37.1 In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

37.2 The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

(a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

(b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;

(c) the person who made the bid is the sole provider of the product or service; and

(d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

37.3 If the accounting officer decides to consider an unsolicited bid that complies with subparagraph 37.2 of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

(a) reasons as to why the bid should not be open to other competitors;

(b) an explanation of the potential benefits if the unsolicited bid were accepted; and

(c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

37.4 The accounting officer must submit all written comments received pursuant to subparagraph 37.3, including any responses from the unsolicited bidder, to the National Treasury and the Gauteng Provincial Treasury for comment.

37.5 The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

37.6 A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

37.7 When considering the matter, the adjudication committee must take into account –

(a) any comments submitted by the public; and

(b) any written comments and recommendations of the National Treasury or the Gauteng Provincial Treasury.

37.8 If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the Gauteng Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.

37.9 Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Midvaal Local Municipality to the bid may be entered into or signed within 30 days of the submission.

38. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

38.1 The accounting officer must–

(a) take all reasonable steps to prevent abuse of the supply chain management system;

(b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –

(i) take appropriate steps against such official or other role player; or

(ii) report any alleged criminal conduct to the South African Police Service;

(c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited or restricted from doing business with the public sector;

(d) reject any bid from a bidder–

(i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the **Midvaal Local**

Municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or

(ii) who during the last five years has failed to perform satisfactorily on a previous contract with the **Midvaal Local Municipality** or any other organ of state after written notice was given to that bidder that performance was unsatisfactory

(e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

(f) cancel a contract awarded to a person if –

(i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

(ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

(g) reject the bid of any bidder if that bidder or any of its directors –

(i) has abused the supply chain management system of the **Midvaal Local Municipality** or has committed any improper conduct in relation to such system;

(ii) has been convicted for fraud or corruption during the past five years;

(iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (12 of 2004) or Data base of restricted suppliers.

38.2 The accounting officer must inform the National Treasury and Gauteng Provincial Treasury in writing of any actions taken in terms of sub paragraph 38.1(*b*)(ii), (*e)* or *(f*) of this policy.

PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. LOGISTICS MANAGEMENT

The accounting officer must, *where applicable*, establish and implement an effective system of logistics management, which must include –

(a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

(b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

(c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;

(d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

(e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

(f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

(g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40. DISPOSAL MANAGEMENT

40.1 The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, will be determined for each situation.

40.2 Assets may be disposed of by –

(a) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;

(b) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;

(c) selling the asset; or

(d) destroying the asset.

40.3 The accounting officer must ensure that –

(a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise and in collaboration with the Local Government MFMA – Municipal Asset Transfer Regulations (Gazette No 3146 dated 22/08/2008;

Sale of land on formal tender processes.
All applicable fees (estimated) / processes (e.g. rezoning, consolidation, bulk contributions, valuation fees, registration and all other related fees) must be mentioned in the specs of the bid documents. All affected departments to give comments on the proposed sale of land in writing and must so be noted on the item to Council for approval.

Only council resolved items will be accepted by the SCM unit for the tender / auction process. These resolutions and valuations should not be older than **12 months**. The copy of the valuation certificate, zoning certificate and council resolution and all other documents pertaining to the sale of land must accompany the request for the sale of the mentioned land / property.

The bid is awarded to the bidder who submitted the highest offer and who accepted all the conditions of the bid.

(b) movable assets are sold once council has declared the items redundant, either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous and sold to the bidder who submitted the highest price.

(c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;

(d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;

(e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;

(f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

(g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

41. RISK MANAGEMENT

41.1 The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, will be determined for each situation.

41.2 Risk management must include –

(a) the identification of risks on a case-by-case basis;

(b) the allocation of risks to the party best suited to manage such risks;

(c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

(d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

(e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

42. PERFORMANCE MANAGEMENT

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

PART 4: OTHER MATTERS

43. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

43.1 Before making an award to a person the accounting officer must first check with National Treasury central supplier database or validate with tax pin on SARS e-filing whether that person's tax matters are in order,

44. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

(a) who is in the service of the state;

(b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

(c) a person who is an advisor or consultant contracted with the **Midvaal Local Municipality.**

45. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000.00 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

(a) the name of that person;

(b) the capacity in which that person is in the service of the state; and

(c) the amount of the award.

46. ETHICAL STANDARDS

46.1 A code of ethical standards as set out in **sub regulation (2) of the "*National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management*"** is hereby established for officials and other role players in the supply chain management system of the **Midvaal Local Municipality i**n order to promote –

(a) mutual trust and respect; and

(b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

46.2 A breach of the code of ethics must be dealt with as follows –

(a) in the case of an employee, in terms of the disciplinary procedures of the Midvaal Local Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

(b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

(c) in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

(d) A municipal official or other role player involved in the implementation of this Policy–

(i) must treat all providers and potential providers equitably;

(ii) may not use his or her position for private gain or to improperly benefit another person;

(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Midvaal Local Municipality.

(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) must be scrupulous in his or her use of property belonging to **Midvaal Local Municipality,**

(h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

(i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

(i) any alleged fraud, corruption, favouritism or unfair conduct;
(ii) any alleged contravention of paragraph 47(1) of this Policy; or
(iii) any alleged breach of this code of ethical standards.

46.3 Midvaal Local Municipality adopts National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management".

46.4 A breach of the code of ethics must be dealt with in accordance with Schedule 2 of the Municipal Systems Act

NOTE: The "*POLICY OF THE ACCEPTANCE OF GRANTS, GIFTS, DONATIONS AND SPONSORSHIPS"* is applicable to sections 46, 47 and 48 of this policy and must be adhered to at all times.

47. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS

47.1 No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

(a) any inducement or reward to the or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to –

(i) any official; or

(ii) any other role player involved in the implementation of this Policy.

47.2 The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

47.3 Section 47(1) does not apply to gifts less than R350 per annum.

48. SPONSORSHIPS

The accounting officer must promptly disclose to the National Treasury and the Gauteng Provincial Treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

(a) a provider or prospective provider of goods or services; or

(b) a recipient or prospective recipient of goods disposed or to be disposed.

49. OBJECTIONS AND COMPLAINTS

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

50. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

50.1 The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

(a) to assist in the resolution of disputes between the **Midvaal Local Municipality** and other persons regarding –

(i) any decisions or actions taken in the implementation of the supply chain management system; or

(ii) any matter arising from a contract awarded in the course of the supply chain management system; or

(b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

50.2 The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

50.3 The person appointed must –

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and
(b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

50.4 A dispute, objection, complaint or query may be referred to the Gauteng Provincial Treasury if –

(a) the dispute, objection, complaint or query is not resolved within 60 days; or

(b) no response is forthcoming within 60 days.

50.5 If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

50.6 This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

If a service provider acts on behalf of a Midvaal Local Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Midvaal Local Municipality must stipulate –

(a) A cap on the compensation payable to the service provider; and

(b) that such compensation must be performance based.

52. COMMENCEMENT

This Policy takes effect on 1 July 2018.

ASSET MANAGEMENT POLICY

2018/2019 FINANCIAL YEAR

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ABBREVIATIONS

MLM	MIDVAAL LOCAL MUNICIPALITY
AMP	Asset Management Plan
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
CMIP	Comprehensive Municipal Infrastructure Plan
CoGTA	Department of Co-operative Governance and Traditional Affairs
CRC	Current Replacement Cost
DRC	Depreciated Replacement Cost
EPWP	Expanded Public Work Program
EUL	Estimated Useful Life
GIAMA	Government-wide Immoveable Asset Management Act
GRAP	Generally Recognised Accounting Practise
HOD	Head of Department
IAMP	Infrastructure Asset Management Plan
IDP	Integrated Development Plan
IIMM	International Infrastructure Management Manual
ISO	International Standards Organisation
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
ODRC	Optimised Depreciated Replacement Cost
OHSA	Occupational Health and Safety Act
PPE	Property, Plant and Equipment
RUL	Remaining Useful Life
RV %	RV % Residual Value Percentage
SDBIP	Service Delivery and Budget Implementation Plan
VAT	Value Added Tax

1. PURPOSE OF THIS DOCUMENT

This document indicates the policy framework for the management of Municipal movable and immovable Property Plant and Equipment (PPE), investment property, intangible, biological assets and heritage assets.

2. BACKGROUND

2.1 CONSTITUTIONAL AND LEGAL FRAMEWORK

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objectives:

- providing democratic and accountable government for local communities;
- ensuring the provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment; and
- encouraging the involvement of communities and community organisations in matters of local government.

The manner in which a municipality manages its Property, Plant and Equipment (PPE), investment property, intangible assets and heritage assets are central to meeting the above challenges. Accordingly, the Municipal Systems Act, 2000 (MSA) section 2(d) specifically highlights the duty of municipalities to provide services in a manner that is sustainable, and the Municipal Finance Management Act (MFMA) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner. The MFMA specifically places responsibility for the management of municipal assets with the Accounting Officer (AO).

The Occupational Health and Safety Act (OHSA) requires municipalities to provide and maintain a safe and healthy working environment, and in particular, to keep its PPE safe.

2.2 ACCOUNTING STANDARDS

The MFMA requires municipalities to comply with the Standards of Generally Recognised Accounting Practice (GRAP), in line with international practice.

The Accounting Standards Board (ASB) has approved a number of Standards of GRAP. When compiling the asset register in accordance with the accounting standards, the requirements of GRAP 17 cannot be seen in isolation. Various other accounting standards impact on the recognition and measurement of assets within the municipal environment and should be taken

into account during the compilation of a GRAP compliant asset register. The applicable standards of GRAP are noted in section 8.

2.3 MANAGEMENT OF INFRASTRUCTURE AND COMMUNITY ASSETS

Effective management of infrastructure and community facilities is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The municipality must demonstrate good governance and customer care, and the processes adopted must be efficient and sustainable. Councillors and officials are custodians on behalf of the public of infrastructure assets, the replacement value of which amounts to several hundred million Rand.

Key themes of the latest generation of national legislation introduced relating to municipal infrastructure management include:

- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction, transparent processes and reporting;
- priority development of minimum basic services for all; and
- the provision of financial support from central government in addressing the needs of the poor.

Legislation has also entrenched the Integrated Development Plan (IDP) as the principal strategic planning mechanism for municipalities. However, the IDP cannot be compiled in isolation – for the above objectives to be achieved, the IDP needs to be informed by robust, relevant and holistic information relating to the management of the municipality's infrastructure.

There is a need to direct limited resources to address the most critical needs, to achieve a balance between maintaining and renewing existing infrastructure whilst also addressing backlogs in basic services and facing on-going changes in demand. Making effective decisions on service delivery priorities requires a team effort, with inputs provided by officials from a number of departments of the municipality.

CoGTA has prepared guidelines in line with international practice, that propose that an Infrastructure Asset Management Plan (IAMP) is prepared for each sector (such as potable water, roads etc.). These plans are used as inputs into a Comprehensive Municipal Infrastructure Plan (CMIP) that presents an integrated plan for the municipality covering all infrastructure. The arrangements outlined in the CoGTA guidelines are further strengthened by the provision of National Treasury's Local Government Capital Asset Management Guidelines. This is in line with the practice adopted in national and provincial spheres of government in terms of the Government-wide Immoveable Asset Management Act (GIAMA).

Accordingly, the asset register adopted by a municipality must meet not only financial compliance requirements, but also set a foundation for improved infrastructure asset management practice.

3. OBJECTIVES

The objective of this policy is for the municipality to:

- implement prevailing accounting standards; and
- apply asset management practice in a consistent manner and in accordance with legal requirements and recognised good practice.

4. APPROVAL AND EFFECTIVE DATE

The CFO is responsible for the submission of the Policy to Council to consider its adoption after consultation with the AO. Council shall indicate the effective date for implementation of the policy.

5. DELEGATIONS AND KEY RESPONSIBILITIES

Accounting Officer

The Accounting Officer (AO) is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

The AO shall ensure that:

- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- The municipality's assets are valued in accordance with the standard of generally recognised accounting practice;
- That the municipality has and maintains a system of internal control for assets, including an asset register; and
- The HODs and their teams comply with this policy.

The Accounting Officer of the municipality shall be the principal custodian of the entire municipality's assets, and shall be responsible for ensuring that this policy is effectively applied on adoption by Council. To this end, the AO shall be responsible for the preparation, in consultation with the Chief Financial Officer (CFO) and Heads of Department (Senior Official) (HOD), of procedures to effectively and efficiently apply this policy.

In accordance with the MFMA, the AO of the municipality and all designated officials are accountable to him / her. The AO is therefore accountable for all transactions entered into by his / her delegates. The overall responsibility of asset management lies with the AO. However, the day to day handling of assets should be the responsibility of all officials in terms of delegated authority reduced in writing. The AO may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed. All delegations in terms of this policy must be recorded in writing.

Chief Financial Officer

The Chief Financial Officer (CFO) is responsible to the AO to ensure that the financial investment in the municipality's assets are safeguarded and maintained.

The CFO, as one of the HODs of the municipality, shall also ensure, in exercising his financial responsibilities, that:

- Appropriate systems of financial management and internal control are established and carried out diligently;
- The financial and other resources of the municipality are utilised effectively, efficiently, economical and transparently;
- Any unauthorised, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- All revenue due to the municipality is collected, for example rental income relating to immovable assets;
- The systems, procedures and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of the Accounting Standards;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilised through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The AO is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The HODs and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets; and
- This policy and support procedures are established, maintained and effectively communicated.

In terms of section 82 read with section 81(1)(e) of the MFMA the CFO may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed. The CFO shall be the fixed asset registrar of the municipality, and shall ensure that a complete, accurate and up-to-date computerised fixed asset register is maintained. No amendments, deletions or additions to the fixed asset register shall be made other than by the CFO or by an official acting under the written instruction of the CFO.

Head of Department (Senior Official)

HODs are managers who report directly to the AO shall ensure that:

- The municipal resources assigned to them are utilised effectively, efficiently, economically and transparently;
- Procedures are adopted and implemented in conformity with this policy to produce reliable data to be input to the municipal fixed asset register;
- Any unauthorised, irregular or fruitless or wasteful utilisation, and losses resulting from criminal or negligent conduct, are prevented;
- The asset management, processes and controls can provide an accurate, reliable and up to date account of assets under their control;
- They are able to manage and justify that the asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives; and
- Manage asset life-cycle transactions to ensure that they comply with the plans, legislative and municipal requirements.

HODs may delegate or otherwise assign responsibility for performing these functions but they shall remain accountable for ensuring these activities are performed.

6. POLICY AMENDMENT

This policy should be reviewed annually to ensure continued compliance with the relevant legislation and accounting standards. Changes to this document shall only be applicable if approved by Council. Any proposals in this regard shall be motivated by the CFO in consultation with the AO and respective HODs. The recommendations of the CFO shall be considered for adoption by Council.

7. RELATIONSHIP WITH OTHER POLICIES

This policy, once effective, will replace the pre-existing Asset Management with respect to the scope of assets covered by this policy.

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegation of Powers;
- Accounting Policy;
- Insurance Policy;
- Enterprise Risk Management Policy;
- Disaster Management Policy;
- Supply Chain Management Policy;
- Credit Control and Debt Collection Policy;
- Tariff Policy;
- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Cash Management and Investment Policy
- Long Term Financial Plan Policy;
- Infrastructure Investment And Capital Projects Policy;
- Indigents Policy;
- Provision of Free Basic Services Policy;
- Budget Implementation and Monitoring Policy;
- Managing Electricity and Water Distribution Losses; and
- Asset Disposal Policy.

8. REFERENCES

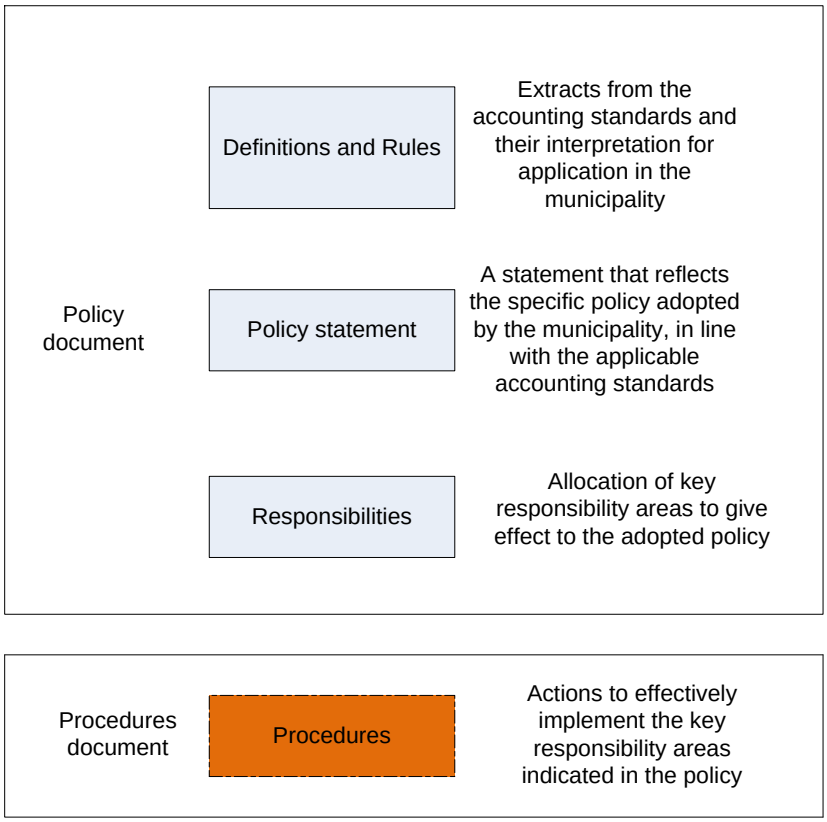
The following references were observed in compiling this document:

- Asset Management Framework, National Treasury, 2004
- Guidelines for Infrastructure Asset Management in Local Government, Department of Provincial and Local Government, 2006
- Municipal Finance Management Act, 2003
- Disaster Management Act, 2002
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- Local Government Capital Asset Management Guidelines, National Treasury, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice (1-14, 16, 17, 19, 21, 23-27, 31 and 100-104)
- Interpretations of the standards of GRAP issued by the Accounting Standards Board (ASB) (IGRAP 1- 17)
- Directives issued by the ASB
- Municipal transfer and disposal regulations, Government Gazette no.31346
- Accounting guideline issued by National Treasury relating to intangible assets
- Government Gazette, 30 May 2005, No. 27636 on disposal

9. POLICY FORMAT

Figure 1 gives an overview to the format of presentation of this policy document, and how it links to a separate document that provides the procedures. Procedures should be prepared and adopted to give effect to this policy.

Figure 1 - Interaction between the policy and the procedures



10. POLICY FOR FIXED ASSET ACCOUNTING

10.1 RECOGNITION OF IMMOVABLE AND MOVABLE ASSETS

(a) Definitions and rules

Asset

An asset is defined as a resource controlled by an entity, as a result of past events; future economic benefits or service potential associated with the item will flow to the entity.

Fixed Asset

A fixed asset (also referred to as a “non-current asset”) is an asset with an expected useful life greater than 12 months.

PPE

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rentals to others, or for administrative purposes; and are expected to be used during more than one reporting period. This includes items necessary for environmental or safety reasons to leverage the economic benefits or service potential from other assets. Insignificant items may be aggregated. Property, plant and equipment are broken down into groups of assets of a similar nature or function in the municipality’s operations for the purposes of disclosure in the financial statements.

Immovable PPE

Immoveable PPE are fixed structures such as buildings and roads. A plant that is built-in to the fixed structures and is an essential part of the functional performance of the primary asset is considered an immovable asset (though it may be temporarily removed for repair).

Movable PPE

Movable assets are the stock of equipment owned or leased by the municipality such as office equipment and furniture, motor vehicles and mobile plant.

Investment property

Investment property is defined as property (land and/or a building, or part thereof) held (by the owner or the lessee under a finance lease) to earn rentals or capital appreciation, or both (rather than for use in the production or supply of goods or services or for administration purposes or sale in the ordinary course of operations). Examples of investment property are office parks that are rented out. There is no asset hierarchy for investment property; each functional item will be individually recorded. Land held for a currently undetermined use is recognised as investment property until such time as the use of the land has been determined.

Intangible assets

Identifiable non-monetary assets, without physical substance are intangible assets, for examples licenses or rights (such as water licenses), servitudes and software.

An asset meets the criterion of being identifiable in the definition of an intangible asset when it:

(a) is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, or

(b) arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable and separable from the municipality or from other rights and obligations.

Biological Assets

Biological assets are living animals or plants as per the definition in the GRAP on Agriculture.

Capital Spares (Major Spare Parts)

Spares and materials used on a regular basis in the ordinary course of operations are usually carried as inventory (i.e. they are not usually considered fixed assets) and are expensed when consumed. Major spares that constitute an entire or significant portion of a component type, or a specific component, defined in the immovable PPE asset hierarchy are considered capital spare parts and are recognised as an item of PPE as they are expected to be used for more than one period or they can only be used in connection with an item of PPE.

Useful Life

The period over which an asset is expected to be available for use by an entity, or the number of production units expected to be obtained from the asset by an entity.

Major inspections

A condition of continuing to operate an item of PPE may be to perform regular major inspections for faults regardless of whether parts of the item are replaced (for example, Occupational Health and Safety Act 85 of 1993 requires lifting equipment to be inspected once a year). When each major inspection is performed, its cost is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is de-recognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Control

An item is not recognised as an asset unless the entity has the capacity to control the service potential or future economic benefit of the asset, is able to deny or regulate access of others to that benefit, and has the ability to secure the future economic benefit of that asset. Legal title and physical possession are good indicators of control but are not infallible.

Past transactions or events

Assets are only recognised from the point when some event or transaction transferred control to an entity.

Probability of the flow of benefits or service potential

The degree of certainty that any economic benefits or service potential associated with an item will flow to the municipality is based on the judgement. The CFO shall exercise such judgement on behalf of the municipality, in consultation with the respective HOD.

Economic benefits

Economic benefits are derived from assets that generate net cash inflows.

Service Potential

An asset has service potential if it has the capacity, singularly or in combination with other assets, to contribute directly or indirectly to the achievement of an objective of the municipality, such as the provision of services.

Leased assets

A lease is an agreement whereby the lessor conveys to the lessee (in this case, the municipality) the right to use an asset for an agreed period of time in return for a payment or series of payments. Leases are categorised into finance and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may not eventually be transferred (substance over form). Where the risks and rewards of ownership of the asset are substantially transferred to the municipality, the lease is regarded as a finance lease and the asset recognised by the municipality. Where there is no substantial transfer of risks and rewards of ownership to the municipality, the lease is considered an operating lease and payments are expensed in the income statement on a systematic basis (straight line basis over the lease term).

Asset custodian

The department that controls an asset, as well as the individual (asset custodian) or post that is responsible for the operations associated with such asset in the department, is identified by the respective HOD, recorded, and communicated on recognition of the asset.

Reliable measurement

Items are recognised that possess a cost or fair value that can be reliably measured in terms of this policy.

(b) Policy statement

The municipality shall recognise all movable and immovable assets existing at the time of adoption of this policy and the development of new, upgraded and renewed assets on an on-going basis. Such assets shall be capitalised in compliance with prevailing accounting standards.

(c) Responsibilities

- The CFO, in consultation with the AO and HODs, shall determine effective procedures for the recognition of existing and new assets.
- Every HOD shall ensure that all assets under their control are correctly recognised as assets.
- The CFO shall keep a lease register with the following minimum information: name of the lessor, description of the asset, fair value of the asset at inception of the lease, lease commencement date, lease termination date, economic useful life of the asset, lease payments, and any restrictions in the lease agreement.

10.2 CLASSIFICATION OF ASSETS

(a) Definitions and rules

Fixed asset categories

- Property, plant and equipment (which is broken down into groups of assets of a similar nature or function in the municipality's operations) (GRAP 17);
- Intangible assets (GRAP 31);
- Heritage assets (GRAP 103);
- Biological assets (GRAP 101/27);
- Capital Finance Lease assets (GRAP 13); and
- Investment property (GRAP 16).

Class of PPE

A class of PPE is defined as a group of assets of a similar nature or function. The total balance of each class of assets is disclosed in the notes to the financial statements.

PPE Asset hierarchy

An asset hierarchy is adopted for PPE which enables separate accounting of parts (components) of the asset that are considered significant to the municipality from a financial point of view, and for other reasons determined by the municipality, including risk management (in other words, taking into account the criticality of components) and alignment with the strategy adopted by the municipality in asset renewal (for example the extent of replacement or rehabilitation at the end of life). In addition, the municipality may aggregate relatively insignificant items to be considered as one asset. The structure of the hierarchy recognises the functional relationship of assets and components.

PPE: Infrastructure

Infrastructure assets are immoveable assets which are part of a network of similar assets that jointly provide service potential.

PPE: Community Property

Community property is immoveable assets contributing to the general well-being of the community, such as community halls and recreation facilities.

PPE: Land and Buildings

Buildings that are used for municipal operations such as administration buildings and rental stock or housing not held for capital gain.

PPE: Other Assets

Movable assets are by nature stand-alone assets which are not directly attached or associated with an item of immovable assets and are utilised in an enabling or assisting role on a day-to-day basis.

Heritage assets

Heritage assets are assets of cultural, environmental, historical, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations, such as monuments, nature reserves, and works of art. Some heritage assets have more than one purpose, e.g. an historical building which, in addition to meeting the definition of a heritage asset, is also used as office accommodation. The CFO, on behalf of the municipality, must use his / her judgement to make such an assessment. The asset should be accounted for as a heritage asset if, and only if, the definition of a heritage asset is met, and only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. If a significant portion is used for production, administrative purposes or supply of services or goods, the asset shall be accounted for in accordance with the Standard of GRAP on PPE.

Investment property

Investment property is defined as property (land and/or a building, or part thereof) held (by the owner or the lessee under a finance lease) to earn rentals or capital appreciation, or both (rather than for use in the production or supply of goods or services or for administration purposes or sale in the ordinary course of operations). Examples of investment property are office parks that are rented out. There is no asset hierarchy for investment property; each functional item will be individually recorded. Land held for a currently undetermined use is recognised as investment property until such time as the use of the land has been determined.

Intangible assets

Identifiable non-monetary assets, without physical substance are intangible assets, for examples licenses or rights (such as water licenses), servitudes and software.

An asset meets the criterion of being identifiable in the definition of an intangible asset when it:

(c) is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, or

(d) arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable and separable from the municipality or from other rights and obligations.

However, if the municipality is of the opinion that even though a servitude may meet the definition of an intangible asset, it is essential to the operation of a tangible asset. For example, where the municipality would not be able to construct or operate infrastructure on land that it does not own without acquiring certain rights from the landowner. Therefore the municipality may be of the opinion that it would be more appropriate to include the cost of the servitude in the cost of the tangible asset rather than recognising a separate intangible asset. In such cases servitudes will be accounted for as PPE by applying GRAP 17, and componentisation may be required as the values, nature and the useful life of the servitude and the tangible asset are different.

Servitudes

Where municipalities establish servitudes as part of the registration of a township, the associated rights are granted in statute and are specifically excluded from the standard on intangible assets. Such servitudes cannot be sold, transferred, rented or exchanged freely and are not separable from the municipality. Consequently such servitudes are not recognised in the asset register.

Servitudes that are created through acquisition (including by way of expropriation or agreement) can be recognised as *either intangible assets or PPE* at cost. The municipality *may* include the cost of the servitude in the cost of the PPE if it is essential to the construction or operation of the asset (such as in the case of pipes).

Biological Assets

Biological assets are living animals or plants as per the definition in the GRAP on Agriculture.

Non-current assets held for sale

A non-current asset (or disposal group) is considered to be “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An immovable asset classified as a “non-current asset held for sale” shall be reclassified as a current asset, and will therefore be taken off the Asset Register. This provision does not apply to immovable assets that are abandoned.

To be classified as “held for sale”, the asset must be available for immediate sale (i.e. to be completed within a year) in its present condition, and it must be highly probable that the sale

will take place (management must be committed to a plan to sell the asset and an active programme to locate a buyer must have been initiated). If the municipality acquires an immovable asset exclusively for the purpose of selling it, it shall be classified as a “non-current asset held for sale” at its acquisition date only if all the above requirements are met.

An extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the municipality’s control and there is sufficient evidence that the municipality remains committed to its plan to sell the asset. However, if the municipality has classified an asset as held for sale, but the criteria are no longer met, the municipality shall cease to classify the asset as held for sale.

If the criteria are only met after the reporting date, the municipality shall not classify the immovable asset as held for sale in those financial statements when issued. However, when those criteria are met after the reporting date but before the authorisation date for the financial statements to be issued, the municipality shall disclose a description of the immovable asset; a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of disposal; and if applicable, the segment in which the asset (or disposal group) is presented. Non-current assets held for sale are not similar to inventory. Inventory refers to assets held for trading purposes, assets manufactured or purchased to be sold for a profit. If a management decision has been made to sell a non-current asset, that asset will be classified as a non-current asset held for sale.

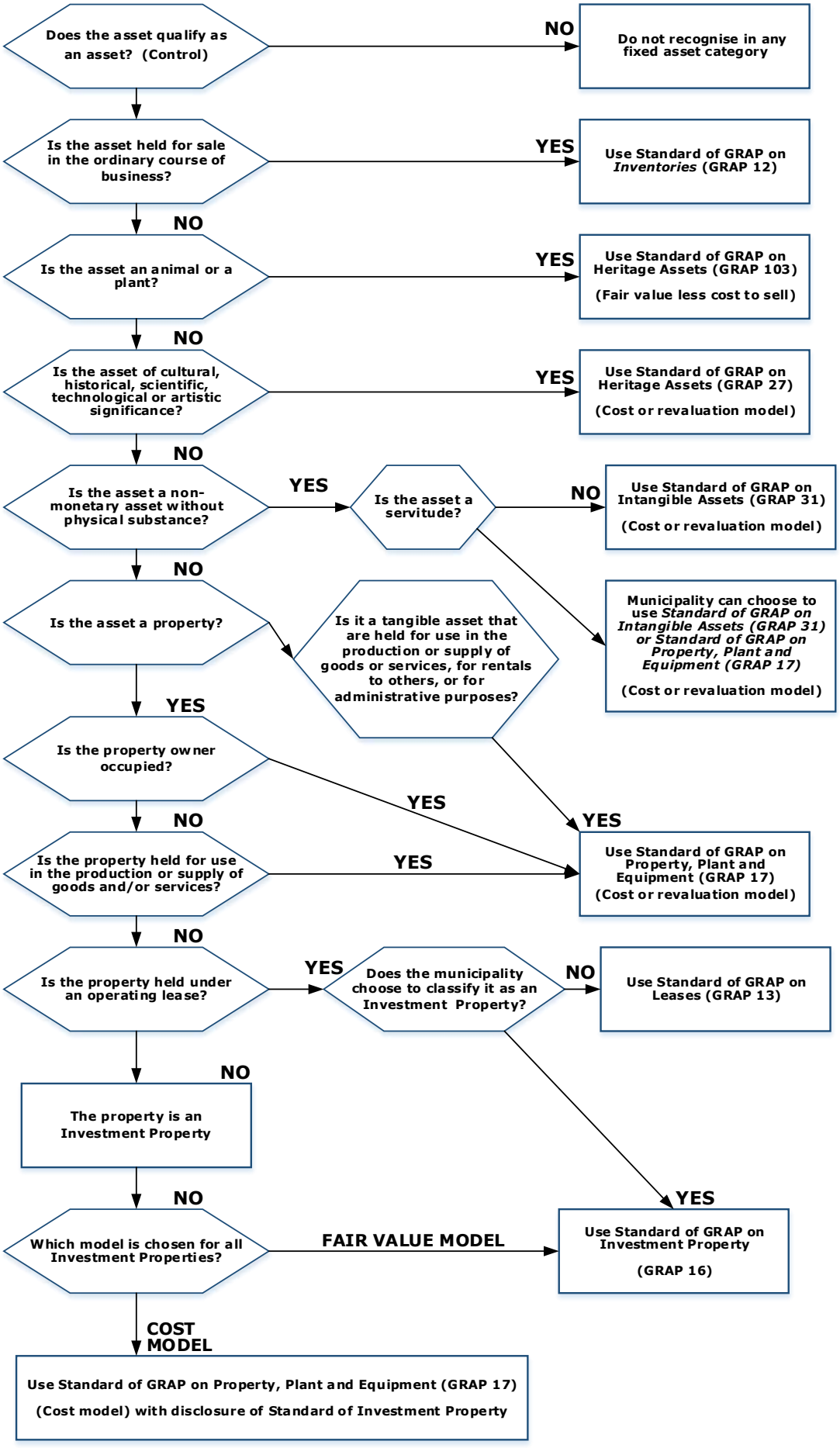
(b) Policy statement

Asset hierarchies shall be adopted for each of the asset groups, separately identifying items of PPE at component level that are significant from a financial or risk perspective, and, where applicable, grouping items that are relatively insignificant. Investment Property and Intangible assets are not required to be componentised.

PPE shall be disclosed in the financial statements at the sub-category level.

A committee to be nominated by Council will consider the recognition of assets as heritage assets and motivate their recommendation for adoption by Council.

Figure 2 – Decision tree – Classification of assets


Does the asset qualify as an asset? (Control)
NO
Do not recognise in any fixed asset category
Is the asset held for sale in the ordinary course of business?
YES
Use Standard of GRAP on *Inventories* (GRAP 12)
NO
Is the asset an animal or a plant?
YES
Use Standard of GRAP on Heritage Assets (GRAP 103)
(Fair value less cost to sell)
NO
Is the asset of cultural, historical, scientific, technological or artistic significance?
YES
Use Standard of GRAP on Heritage Assets (GRAP 27)
(Cost or revaluation model)
NO
Is the asset a non-monetary asset without physical substance?
YES
Is the asset a servitude?
NO
Use Standard of GRAP on Intangible Assets (GRAP 31)
(Cost or revaluation model)
NO
Is the asset a property?
Is it a tangible asset that are held for use in the production or supply of goods or services, for rentals to others, or for administrative purposes?
Municipality can choose to use *Standard of GRAP on Intangible Assets (GRAP 31) or Standard of GRAP on Property, Plant and Equipment (GRAP 17)*
(Cost or revaluation model)
YES
Is the property owner occupied?
YES
YES
Use Standard of GRAP on Property, Plant and Equipment (GRAP 17)
(Cost or revaluation model)
NO
Is the property held for use in the production or supply of goods and/or services?
YES
NO
Is the property held under an operating lease?
YES
Does the municipality choose to classify it as an Investment Property?
NO
Use Standard of GRAP on Leases (GRAP 13)
NO
The property is an Investment Property
YES
NO
Which model is chosen for all Investment Properties?
FAIR VALUE MODEL
Use Standard of GRAP on Investment Property
(GRAP 16)
COST MODEL
Use Standard of GRAP on Property, Plant and Equipment (GRAP 17)
(Cost model) with disclosure of Standard of Investment Property

(c) Responsibilities

- The CFO shall ensure that the classification of immovable assets adopted by the municipality complies with the statutory requirements.
- The CFO shall consult with the HOD responsible for PPE to determine an effective and appropriate asset hierarchy for each asset class of PPE to component level and record such in the asset management procedures document.
- Every HOD shall ensure that all immovable assets under their control are classified correctly within the classification adopted by the municipality.
- Every HOD shall advise the CFO when assets should be re-classified.

10.3 IDENTIFICATION OF ASSETS

(a) Definitions and rules

Immovable asset coding

An asset coding system is the means by which the municipality is able to uniquely identify each immovable asset (at the lowest level in the adopted asset hierarchy) in order to ensure that it can be accounted for on an individual basis.

Barcoding system

A barcoding system will be used for movable assets as the means by which the municipality is able to uniquely identify each movable asset in order to ensure that it can be accounted for on an individual basis, which will also assist with the subsequent verification process of movable assets.

(b) Policy statement

A coding system shall be adopted and applied that will enable each asset of immovable assets (with PPE at the lowest level in the adopted asset hierarchy) to be uniquely and readily identified. Similarly a barcoding system shall be adopted for movable assets.

(c) Responsibilities

- The AO shall develop and implement an immovable asset coding system in consultation with the CFO and other HODs to meet the policy objective.

- HODs shall ensure that all the immovable assets under their control are correctly coded.
- HODs shall ensure that all the movables assets under their control are barcoded.

10.4 ASSET REGISTER

(a) Definitions and rules

Asset register

A fixed asset register is a database with information relating to each asset. The fixed asset register is structured in line with the adopted classification structure. The scope of data in the register is sufficient to facilitate the application of the respective accounting standards for each of the asset classes, and the strategic and operational asset management needs of the municipality.

Procurement of assets

All assets acquired must be in terms of the capital budget and assets must be procured in such a way that:

- a proper need for the asset was identified;
- procurement documentation supports the format adopted for the asset register and the asset hierarchy; and
- proper and approved procurement procedures are adhered to in terms of the Supply Chain Management Policy.

Authorisation for procurement should be as per the Municipalities' delegation of authority and payment for assets should be in accordance with the financial policies and regulations of the Council.

(b) Policy statement

A fixed asset register shall be established to provide the data required to apply the applicable accounting standards, as well as other data considered by the municipality to be necessary to support strategic asset management planning and operational management needs. The asset register shall be updated and reconciled to the general ledger on a regular basis, which will be reconciled to the financial statements at year end.

(c) Responsibilities

- The CFO shall define the format of the fixed asset register in consultation with the AO and the HODs, and shall ensure that the format complies with the prevailing accounting standards and disclosure requirements.
- HODs shall provide the CFO with the data required to establish and update the asset register in a timely fashion.
- The CFO shall establish procedures to control the completeness and integrity of the asset register data.
- The CFO shall ensure proper application of the control procedures.

10.5 MEASUREMENT AT RECOGNITION

(a) Definitions and rules

Measurement at recognition of PPE

An item of PPE that qualifies for recognition is measured at cost. Where an asset is acquired at no or nominal cost (for example in the case of donated or developer-created assets), its cost is deemed to be its fair value at the date of acquisition. In cases where it is impracticable to establish the cost of an item of PPE, such as on recognising PPE for which there are no records, or records cannot be linked to specific assets, its cost is deemed to be its fair value.

Measurement at recognition of investment property

Investment property will be measured at cost including transaction cost at initial recognition. However, where an investment property was acquired through a non-exchange transaction (i.e. where the investment property was acquired for no or nominal value), its cost is its fair value at the date of acquisition.

Measurement at recognition of intangible assets

Intangible assets will be measured at cost at initial recognition. Where assets are acquired for no or nominal consideration, the cost is deemed to equal the fair value of the asset on the date acquired.

Measurement at recognition of heritage assets

Heritage assets will be measured at cost at initial recognition. Where assets are acquired for no or nominal consideration, the cost is deemed to equal the fair value of the asset on the date acquired.

If the municipality holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements as follows:

- A description of the heritage asset or class of heritage assets.
- The reason why the heritage asset or class of heritage assets could not be measured reliably.
- On disposal of the heritage asset or class of heritage assets, the compensation received and the amount recognised in the statement of financial performance.

Measurement at recognition of biological assets

Biological assets shall be measured on initial recognition and at each reporting date at its fair value less costs to sell.

Fair value

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market based evidence by appraisal can be used where there is an active and liquid market for assets (for example land and some types of plant and equipment). In the case of specialised buildings (such as community buildings) and infrastructure where there is no such active and liquid market, a depreciated replacement cost (DRC) approach may be used to identify the fair value. The appraisal of the fair value of assets is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualifications and appropriate knowledge and experience in valuation of the respective assets.

Depreciated replacement cost

If no evidence is available to determine the market value in an active and liquid market of an item of property, the fair value of the item may be established by reference to other items with similar characteristics, in similar circumstances and location. In many cases, the depreciated replacement cost of an asset can be established by reference to the buying price of a similar asset with similar remaining service potential in an active and liquid market. In some cases, an asset's reproduction cost will be the best indicator of its replacement cost. For example, in the event of loss, a parliament building may be reproduced rather than replaced with alternative accommodation because of its significance to the community.

Costs associated with heritage assets

Costs incurred to enhance or restore a heritage asset to preserve its indefinite useful life should be capitalised as part of the cost of the asset. Such costs should be recognised in the carrying amount of the heritage asset as incurred.

Changes in the existing decommissioning or restoration cost included in the cost of an item

Changes in the measurement of an existing decommissioning cost or restoration cost as a result of changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, should be treated as follows:

10.5.1 If the cost model is used –

- Changes in the liability shall be added to or deducted from the cost of the related asset.
- If the amount deducted from the cost of the asset exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality should consider whether this is an indication that the carrying amount may not be recoverable. In this case the municipality should test the asset for impairment.

10.5.2 If the revaluation model is used -

- A decrease in the liability shall be credited to the revaluation surplus, except that it shall be recognised in the surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in the surplus or deficit; and
- an increase in the liability shall be recognised in surplus or deficit, except that it shall be debited to the revaluation surplus to the extent that any credit balance may exist in the revaluation surplus in respect of asset.
- If the decrease in liability exceeds the carrying amount that would have been recognised if the asset has been carried under the cost model, the excess shall be recognised immediately in the surplus or deficit.
- If the change in liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation shall be taken into account in determining the amounts to be taken to surplus or deficit and net assets as discussed above. If a revaluation is necessary, all assets of that class shall be revalued.
- The change in the revaluation surplus arising from the change in the liability shall be separately identified and disclosed on the face of the statement of changes in net assets.

Finance leases

At the commencement of a lease term, the municipality (the lessee) shall recognise a finance lease as an asset and liability in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease contract, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct cost of the lessee is added to the amount recognised as an asset.

Self-constructed immovable PPE

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality. All assets that are constructed by the municipality

should be recorded in the asset register and each component that is part of this immovable PPE should be depreciated over its estimated useful life for that category of asset.

Proper records are kept such that all costs associated with the construction of these assets are completely and accurately accounted for as capital under construction, and upon completion of the asset, all costs (both direct and indirect) associated with the construction of the asset are summed and capitalised as an asset.

Construction of future investment property

If property is developed for future use as an investment property, such property shall in every respect be accounted for as investment property.

Borrowing costs

Borrowing costs are interest and other costs incurred by the municipality from borrowed funds. The items that are classified as borrowing costs include at interest on bank overdrafts and short-term and long-term borrowings, amortisation of premiums or discounts associated with such borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings; finance charges in respect of finance leases and foreign exchange differences arising from foreign currency borrowings when these are regarded as an adjustment to interest costs. Borrowing costs shall be capitalised if related to construction of a qualifying asset (one that necessarily takes a substantial period of time to get ready for its intended use or sale) and external funding is sourced to fund the project.

In the following cases it is inappropriate to capitalise borrowing costs:

- It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirement of the municipality directly to the nature of the expenditure to be funded i.e. capital or current. In such case, the municipality shall expense those borrowing costs related to a qualifying asset directly to the statement of financial performance.
- In exceptional cases the municipality is allowed to expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. It may be difficult for the municipality to identify a direct relationship between an asset and borrowing costs incurred because the financing activity is controlled centrally and it will not always be possible to keep track of the specific borrowing costs which should be

allocated to the qualifying asset. As a result the reasonable effort and cost may outweigh the benefit of presenting the information, making it inappropriate to capitalise the cost.

Non-current assets held for sale

Immovable assets classified as non-current assets held for sale shall be measured at the lower of its carrying value and its fair value less cost to sell immediately before meeting the criteria for such classification.

In the event that a non-current asset held for sale ceases to meet the criteria for such classification, it is recognised in the asset register and measured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, or
- its recoverable amount or recoverable service amount at date of the subsequent decision not to sell.

The municipality shall include any required adjustment to the carrying amount of an immovable asset that ceases to be classified as held for sale in revenue of the continuing operations in the period in which the criteria to be held for sale are no longer met. The municipality shall present that adjustment in the same caption in the Statement of Financial Performance used to present a gain or loss.

Deferred payment

The cost of an asset is the cash equivalent at the recognition date. If the payment of the cost price is deferred beyond normal credit terms, the difference between the cash price equivalent (the total cost price is discounted to the asset's present value as at the transaction date) and the total payment is recognised as an interest expense over the period of credit unless such interest is recognised in the carrying value of the asset in accordance with the Standard on Borrowing Costs, GRAP 5.

Exchanged PPE assets

In cases where assets are exchanged, the cost is deemed to be the fair value of the acquired asset and the disposed asset is de-recognised. If the acquired asset is not measured at its fair value, its cost price will be the carrying amount of the asset given up.

Cost of an item of PPE

The capitalisation value comprises of;

(i) the purchase price,

(ii) any directly attributable costs necessary to bring the asset to its location and condition necessary for it to be operating in the manner intended by the municipality, and

(iii) an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

VAT is excluded (unless the municipality is not allowed to claim input VAT paid on purchase of such assets - in such an instance, the municipality should capitalise the cost of the asset together with VAT).

Directly attributable costs

Directly attributable costs are defined as:

- Cost of employee benefits arising directly from the construction or acquisition of the item of immovable PPE and intangible assets.
- costs of site preparation (in the case of PPE assets);
- initial delivery and handling costs (in case of PPE infrastructure, PPE community assets and PPE heritage assets) ;
- installation and assembly costs, cost of testing whether the immovable PPE or associated intangible asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition;
- commissioning (cost of testing the asset to see if the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to its current condition and location)
- professional fees (for example associated with design fees, supervision, and environmental impact assessments) (in the case of all asset classes); and
- proper transfer taxes (in the case of all asset classes).

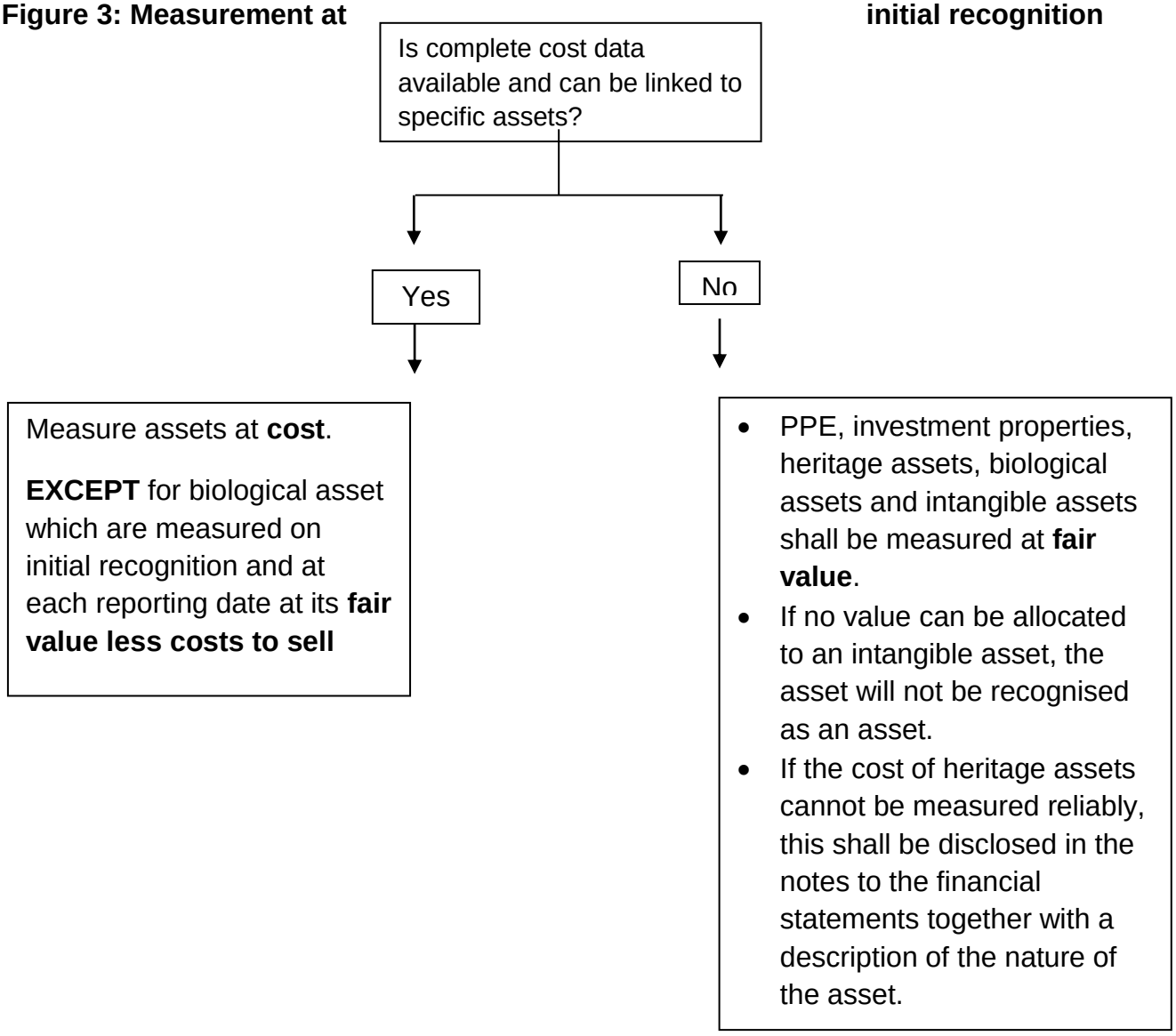
(b) Policy statement

PPE, intangible assets, heritage assets and investment property that qualify for recognition shall be capitalised **at cost.** Interest on deferred payments will be expensed. Biological assets that qualify for recognition shall be capitalised at **fair value less costs to sell**.

In cases where complete cost data is not available or cannot be reliably linked to specific assets:

- The fair value of PPE infrastructure, community property and building property shall be adopted on the basis of depreciated replacement cost;
- If the cost of heritage assets cannot be measured reliably, this shall be disclosed in the notes to the financial statements together with a description of the nature of the asset; and
- Investment property and intangible assets shall be measured at fair value on the date of acquisition. If no fair value can be allocated to the intangible asset, the asset will not be recognised as an asset.

Figure 3: Measurement at initial recognition



(c) Responsibilities

- The CFO, in consultation with the AO and HODs, shall determine effective procedures for the capitalisation of assets on recognition.
- Every HOD shall ensure that all assets under their control are correctly capitalised.
- Every HOD shall advise the CFO of any deferred payments from the municipality, providing the relevant details of such.

10.6 MEASUREMENT AFTER RECOGNITION

(a) Definitions and rules

Options

Accounting standards allow measurement after recognition on immovable assets as follows:

- PPE, heritage assets and intangible assets: on either a cost or revaluation model;
- Biological assets: fair value less costs to sell; and
- Investment Property: either cost model or the fair value model.

Different models can be applied, providing the treatment is consistent per asset class.

Cost model

When the cost model is adopted, the asset is carried after recognition at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

When the revaluation model is adopted an asset is carried after recognition at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. When revaluations are conducted, the entire class of assets should be re-valued. The appraisal of the fair value of assets is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualifications and appropriate knowledge and experience in valuation of the respective assets.

If the carrying amount of an asset is increased as a result of a revaluation, the increase shall be credited directly to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

If the carrying amount of an asset is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that

asset. The decrease recognised directly in net assets reduces the amount accumulated in net assets under the heading revaluation surplus.

When an asset is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- Restated proportionately with the change in the gross carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of applying an index to its DRC.
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such asset before the revaluation in question *may* be transferred from the Revaluation Reserve to the municipality's Accumulated Surplus/Deficit Account. *If this option is selected, an adjustment of the aggregate transfer is made at the end of each financial year.*

Investment property

When the fair value model is adopted, all investment property should be measured at its fair value except when the fair value cannot be determined reliably on a continuing basis. The fair value of the investment property shall reflect market conditions at the reporting date. It shall be valued on an annual basis. All fair value adjustments shall be included in the surplus or deficit for the financial year. If a municipality selects the cost model to measure all of its investment property, it does so in accordance with the Standard of GRAP on Property, Plant and Equipment, i.e., at cost less any accumulated depreciation and any accumulated impairment losses.

Statutory inspections

The cost of a statutory inspection that is required for the municipality to continue to operate immovable PPE is recognised at the time the cost is incurred, and any previous statutory inspection cost is de-recognised.

Expenses to be capitalised

Expenses incurred in the enhancement of PPE (in the form of improved or increased services or benefits flowing from the use of such asset), or in the material extension of the useful operating life of assets are capitalised. Such expenses are recognised once the municipality has beneficial use of the asset (be it new, upgraded, and/or renewed) – prior to this, the expenses are recorded as work-in-progress. Expenses incurred in the maintenance or repair (reinstatement) of PPE that ensures that the useful operating life of the asset is attained, are considered as operating expenses and are not capitalised, irrespective of the quantum of the expenses concerned.

Spares

The location of capital spares shall be amended once they are placed in service, and re-classified to the applicable PPE asset sub-category. Depreciation on the capital spares will commence once the items are placed in service as this is when they are in the location and condition necessary for them to be capable of operating in the manner intended by management.

(b) Policy statement

Measurement after recognition shall be on the following basis:

- PPE: *cost model*
- Heritage: *cost model*
- Investment property: *cost model*
- Intangible assets: *cost model*
- Biological assets: *cost model*

An increase in asset value as a result of revaluation shall be reflected in a Revaluation Reserve, while fair value adjustments will be recognised in surplus / deficit.

The restatement method will be applied to proportionately restate the accumulated depreciation to be in line with the gross replacement cost or CRC of the revalued asset or the elimination method will be applied and the accumulated depreciation will be eliminated against the gross carrying amount of the asset (therefore accumulated depreciation becomes zero) and the net amount restated to the revalued amount of the asset or DRC of the revalued asset.

Figure 4: Measurement after recognition

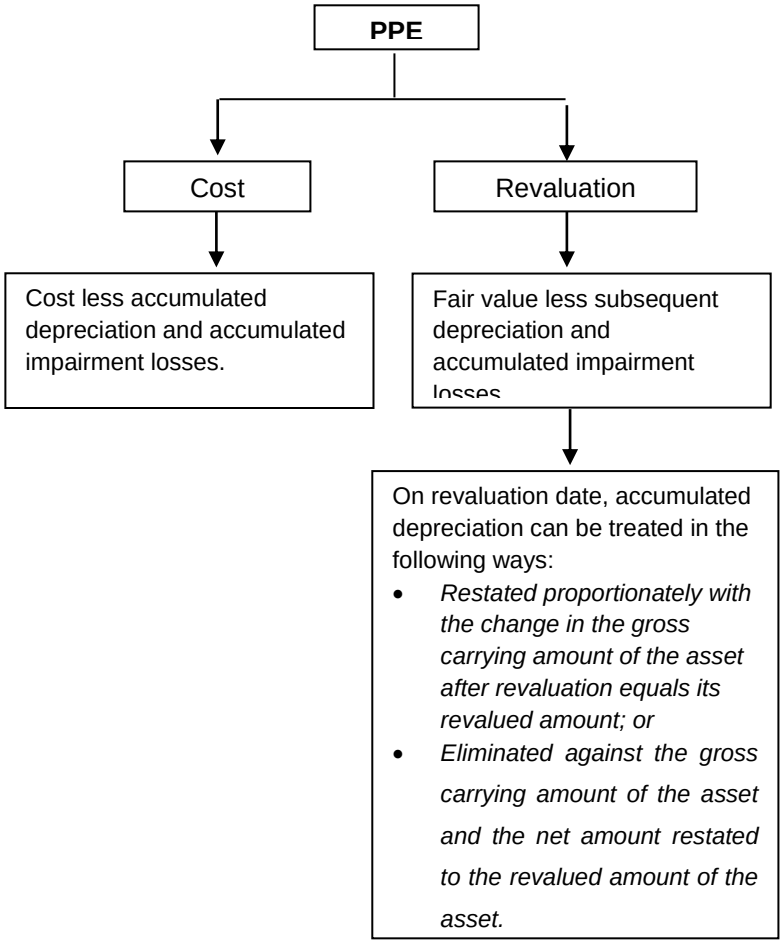


Figure 5: Measurement after recognition

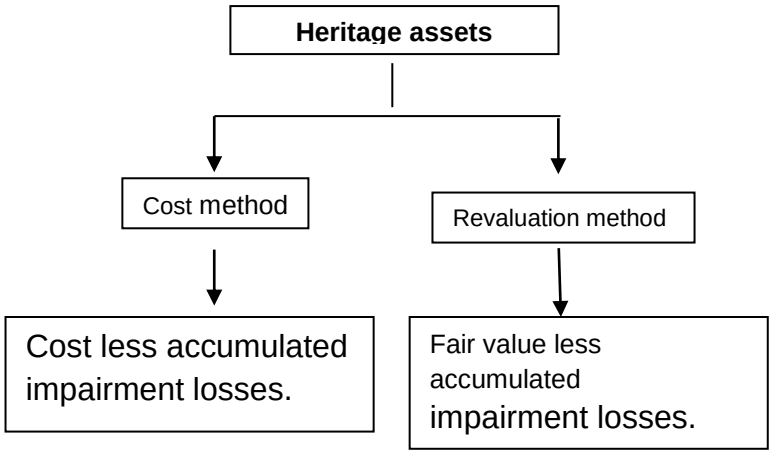


Figure 6: Measurement after recognition

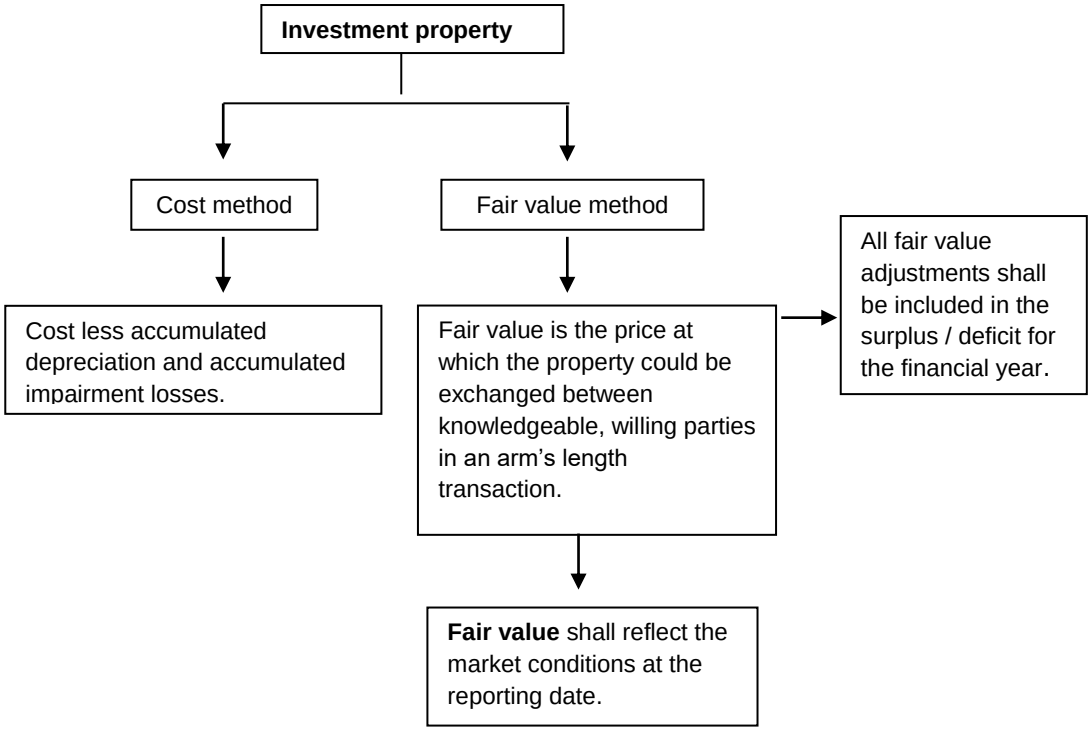


Figure 7: Measurement after recognition

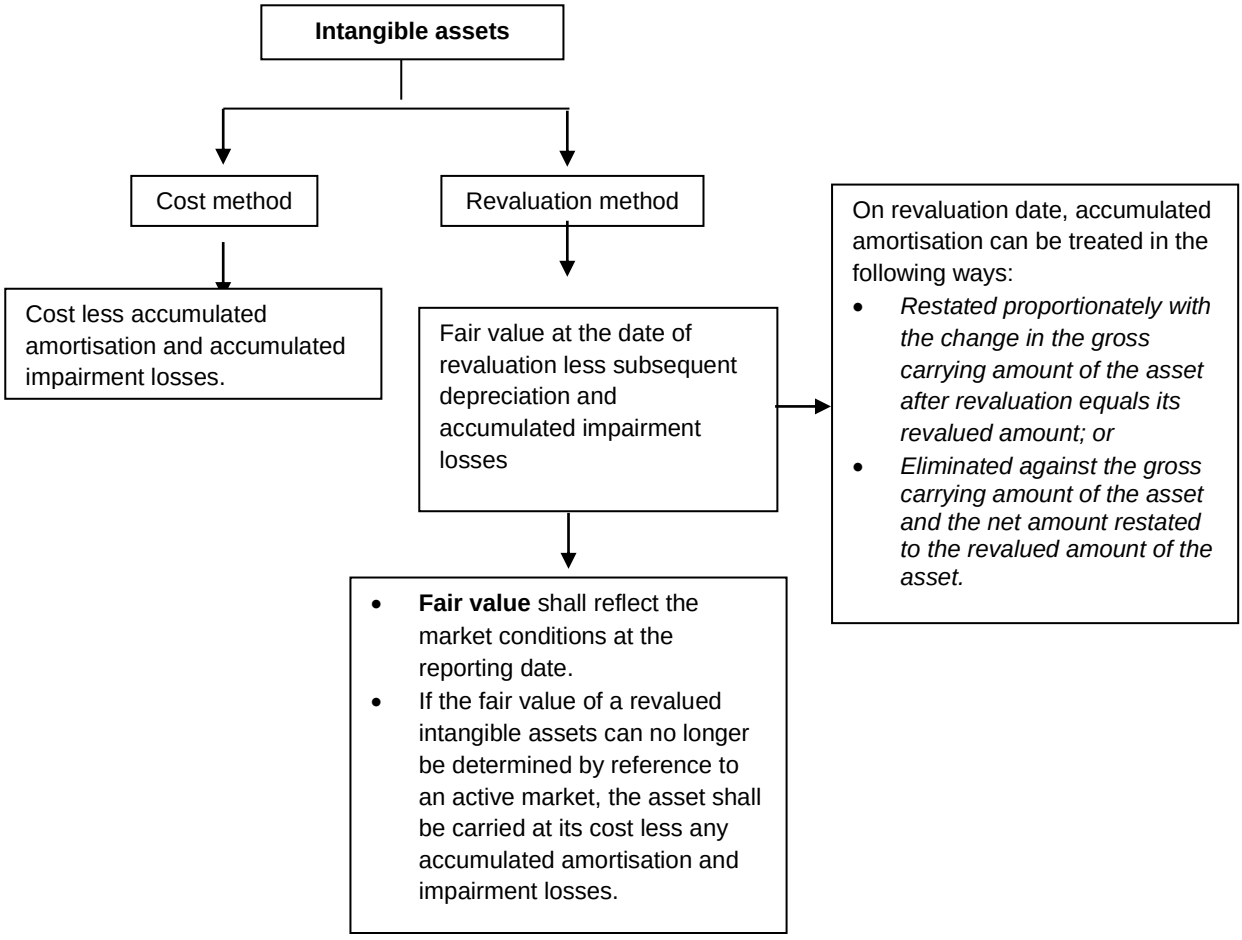
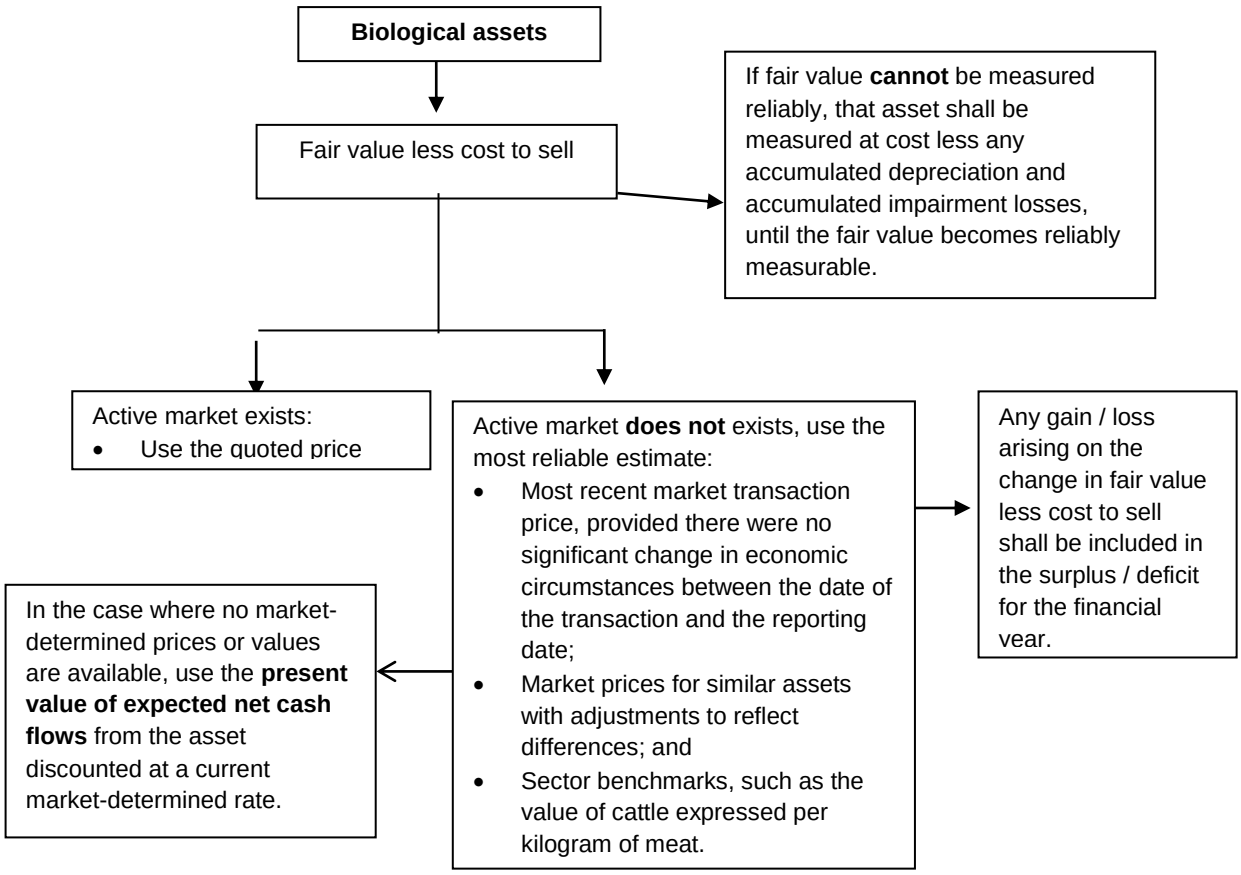


Figure 8: Measurement after recognition



(c) Responsibilities

- The CFO, in consultation with the AO and HODs, shall determine effective procedures for the on-going capitalisation of assets after recognition.
- Every HOD shall ensure that all capital expenses associated with assets under their control are correctly capitalised.
- Every HOD shall ensure that revaluations and fair value adjustments are conducted where applicable to immovable infrastructure under their control.

10.7 DEPRECIATION

(a) Definition and rules

Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset over its remaining useful life. The amortisation of intangible assets is identical.

Land and servitudes are considered to have unlimited life; therefore they are not depreciated. Heritage assets and investment property are also not depreciated.

Depreciable amount

The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Residual value

The residual value is the estimated amount that the municipality would currently obtain from disposal of the asset after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual values of assets are indicated in **Annexure A** and **B** in the form of a percentage. In the case of assets measured after recognition on the cost model, the percentage is of the initial cost of acquisition. In the case of assets measured after recognition on the revaluation model, the percentage is of the revalued cost.

Intangible assets with an indefinite useful life

An intangible asset with an indefinite useful life will not be amortised. Impairment testing shall be performed on these assets on an annual basis and whenever there is an indication that the assets might be impaired, comparing its recoverable amount with its carrying amount.

Remaining useful life

The remaining useful life (RUL) of a depreciable PPE asset is the time remaining until an asset ceases to provide the required standard of performance or economic usefulness.

The remaining useful life of all depreciable immovable PPE assets at initial recognition is the same as the expected useful life indicated in **Annexure A** above. The remaining useful life of all depreciable movable PPE assets that are new, or are considered to have been renewed, at initial recognition is the same as the expected useful life indicated in **Annexure B**.

Annual review of remaining useful life

The remaining useful lives of depreciable PPE are reviewed every year at the reporting date. Changes may be required as a result of new, updated or more reliable information being available. Changes may also be required as a result of impairments (as contemplated in **Section 10.8** of this policy). Depreciation charges in the current and future reporting periods are adjusted accordingly, and are accounted for as a change in an accounting estimate.

Depreciation method

Depreciation of PPE is applied at the component level. A range of depreciation methods exist and can be selected to model the consumption of service potential or economic benefit (for example the straight line method, diminishing amount method, fixed percentage on reducing balance method, sum of the year digits method, production unit method). The approach used should reflect the consumption of future economic benefits or service potential, and should be reviewed annually where there has been a change in the pattern of consumption.

Depreciation charge

Depreciation starts once an asset is available for use, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an assets ceases at the earlier of the date that the asset is classified as held for sale (in accordance with the standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations) and the date the asset is de-recognised.

Change in depreciation model

Depreciation on assets whose useful lives were changed will be calculated on the diminishing balance method.

Carrying amount

The carrying amount is the cost price / fair value amount after deducting any accumulated depreciation and accumulated impairment losses.

Finance lease

Depreciable assets financed through a finance lease will give rise to a depreciation expense and finance cost which will occur for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with the policy of depreciable owned assets, and the depreciation recognised shall be calculated in accordance with the Standard on Property, Plant and Equipment, GRAP 17. If there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. If there is certainty that the municipality will obtain ownership by the end of the lease term, the asset will be fully depreciated over the asset's useful life.

(b) Policy statement

All PPE, except land, servitudes and heritage assets, shall be depreciated over their remaining useful lives. All intangible assets, other than intangibles with an indefinite useful life, shall be amortised over their remaining useful lives.

The method of depreciation / amortisation shall be reviewed on an annual basis, though the *straight line method / diminishing amount method / fixed percentage on reducing balance method / sum of the year digits method / production unit method* shall be used in all cases unless Council determines otherwise. Investment Property on the fair value method will also not be depreciated. The existence, remaining useful lives and residual values shall also be reviewed at each reporting date.

(c) Responsibilities

- The HODs shall ensure that a budgetary provision is made for the depreciation of the immovable PPE in the ensuing financial year, in consultation with the CFO.
- The CFO shall indicate a fixed annual date for the review of the remaining useful life of immovable PPE under the control of the respective HODs.
- Every HOD shall annually review the remaining useful life as well as the expected useful life and residual values stated in **Annexures A and B** and the depreciation method of PPE that are under their control and motivate to the AO and CFO any adjustments if these are required, in the judgement of the HOD.
- Changes should not be made on a continuous basis because the accounting principle of consistency would be violated.

- The CFO shall report changes made to the remaining useful life of immovable PPE in the asset register to the AO and Council.
- The CFO shall ensure that depreciation charges are debited on a monthly basis and that the fixed asset register is reconciled with the general ledger.

10.8 IMPAIRMENT

(a) Definition and rules

Impairment

Impairment is defined as the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Indications of impairment

The municipality must review assets for impairment when one of the indicators below occurs or at least at the end of each reporting period. In assessing whether there is any indication that an asset may be impaired, an entity shall consider as a minimum the following indicators:

10.8.1 External sources of information:

- decline or cessation in demand;
- significant long-term changes in the technological, legal or government policy environment;
- the carrying amount of the net assets of the entity is more than its market capitalisation;
- market interest rates have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially; or
- a halt in construction could indicate an impairment. Where construction is delayed or postponed to a specific date in the future, the project may be treated as work in progress and not considered as halted.

10.8.2 Internal sources of information:

- evidence of physical damage;

- evidence of obsolescence;
- significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or a manner in which, an asset is used or is expected to be used, including an asset becoming idle, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- cash flow for acquiring an asset or maintenance cost thereafter is higher than originally budgeted;
- the actual net cash flow or operating profit or loss flowing from an asset are significantly worse than those budgeted;
- a significant decline in budgeted net cash flow or operating profit, or a significant increase in the budget loss, flowing from the asset; or
- operating losses or net cash outflows for the asset, when current period amounts are aggregated with budgeted amounts for the future.

10.8.3 Other indications, such as loss of market value.

Impairment of projects under construction

In assessing whether a halt in construction would trigger an impairment test, it should be considered whether construction has simply been delayed or postponed, whether the intention to resume construction in the near future or whether the construction work will not be completed in the foreseeable future. Where construction is delayed or postponed to a specific future date, the project may be treated as work in progress and is not considered as halted.

Intangible assets

The municipality must test all intangible assets associated with immovable PPE not yet available for use or which have an indefinite useful life for impairment. This impairment test may be performed at any time during the reporting period provided it is performed at the same time every year.

Investment property on the fair value model

Investment property that is measured at fair value is specifically excluded from the scope of GRAP 21 and GRAP 26 (impairment standards). Any impairment would be reflected in the annual review of fair value.

Recoverable amount

The events and circumstances in each instance must be recorded. Where there are indications of impairment, the municipality must estimate the recoverable service amount of the asset and also consider adjustment of the remaining useful life, residual value, and method of depreciation.

Impairment loss

An impairment loss of a non-cash-generating unit or asset is defined as the amount by which the carrying amount of an asset exceeds its recoverable service amount. The recoverable service amount is the higher of the fair value less costs to sell and its value in use.

An impairment loss of a cash-generating unit (smallest group of assets that generate cash inflows) or asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and its value in use.

Non-cash generating unit

Non-cash-generating units are those assets (or group of assets) that are not held with the primary objective of generating a commercial return. This would typically apply to assets providing goods or services for community or social benefit. The recoverable service amount is the higher of the asset's fair value less cost to sell and its value in use. It may be possible to determine the fair value even if the asset is not traded in an active market. If there is no binding sales agreement or active market for an asset, the fair value less cost to sell is based on the best information available to reflect the amount that an entity could obtain. However, sometimes it will not be possible to determine the fair value less cost to sell because there is no basis for making reliable estimates of the amount obtainable. For non-cash generating assets which are held on an on-going basis to provide specialised services or public goods to the community, the value in use of the assets is likely to be greater than the fair value less cost to sell. In such cases the municipality may use the asset's value in use as its recoverable service amount. The value in use of a non-cash generating unit/asset is defined as the present value of the asset's remaining service potential.

This can be determined using any of the following approaches:

- the Depreciated Replacement Cost (DRC) approach (and where the asset has enduring and material over-capacity, for example in cases where there has been a decline in demand, the Optimised Depreciated Replacement Cost (ODRC) approach may be used);
- the restoration cost approach (the Depreciated Replacement Cost less cost of restoration) – usually used in cases where there has been physical damage; or
- the service units approach (which could be used for example where a production units model of depreciation is used).

Where the present value of an asset's remaining service potential (determined as indicated above) exceeds the carrying value, the asset is not impaired.

Cash-generating unit

Cash-generating units are those assets held with the primary objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. Holding an asset to generate a "commercial return" indicates that an entity intends to generate positive cash inflows from the asset (or from part of the cash-generating unit of which the asset is a part) and earn a commercial return that reflects the risk involved in holding the asset. When the cost model is adopted, fair value is determined in accordance with the rules indicated for measurement after recognition. Costs to sell are the costs directly attributable to the disposal of the asset (for example agents fees, legal costs), excluding finance costs and income tax expenses. The value in use is determined by estimating the future cash inflows and outflows from the continuing use of the asset and net cash flows to be received or (paid) for the disposal of the assets at the end of its useful life, including factors to reflect risk in the respective cash-flows and the time value of money.

Judgement

The extent to which the asset is held with the objective of providing a commercial return needs to be considered to determine whether the asset is a cash generating or non-cash generating asset. An asset may be held with the primary objective of generating a commercial return even though it does not meet that objective during a particular reporting period. Conversely, an asset may be a non-cash-generating asset even though it may be breaking even or generating

a commercial return during a particular reporting period. In some cases it may not be clear whether the primary objective of holding an asset is to generate a commercial return. In such cases it is necessary to evaluate the significance of the cash flows. It may be difficult to determine whether the extent to which the asset generates cash flows is so significant that the asset is a non-cash-generating- or a cash-generating asset. Judgement is needed in these circumstances.

Recognition of impairment

The impairment loss is recognised as an expense when incurred (unless the asset is carried at a re-valued amount, in which case the impairment is carried as a decrease in the Revaluation Reserve, to the extent that such reserve exists). After the recognition of an impairment loss, the depreciation charge for the asset is adjusted for future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

When no future economic benefit is likely to flow from an asset, it is de-recognised and the carrying amount of the asset at the time of de-recognition, less any economic benefit from the de-recognition of the asset, is debited to the Statement of Financial Performance as a "Loss on Disposal of Asset".

In the event of compensation received for damages to an item of PPE, the compensation is considered as the asset's ability to generate income and is disclosed under Sundry Revenue; and the asset is impaired/ de-recognised.

Reversing an impairment loss

The municipality must assess each year from the sources of information indicated above whether there is any indication that an impairment loss recognised in previous years may no longer exist or may have decreased. In such cases, the carrying amount is increased to its recoverable amount (providing that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods). Any reversal of an impairment loss is recognised as a credit in surplus or deficit.

(b) Policy statement

Impairment of assets shall be recognised as an expense in the Statement of Financial Performance when it occurs or at least at every reporting date. Ad-hoc impairment shall be identified as part of normal operational management as well as scheduled annual inspections of the assets.

All assets relating to these assets which are held with the primary objective of generating a commercial return. Consequently the municipality adopts the impairment treatment for cash generating units in the impairments of its PPE and associated intangible assets that relate to these assets.

All these asset that are considered to be assets whose primary objective is to provide goods and services for community or social benefit, and where positive cash flows are generated, these are with the view to support the primary objective rather than for financial return to equity holders. Consequently the municipality adopts the impairment treatment for non-cash generating units in the impairments of its PPE and associated intangible assets that relate to these asset classes.

(c) Responsibilities

- The CFO shall indicate a fixed annual date for the review of any impairment that may have occurred on assets under the control of the respective HODs.
- The HODs shall review any impairment on the PPE under their control at the annual review date, and from time to time as a result of any events that come to their attention that may have a material negative effect on the performance of these assets. The HOD shall motivate to the CFO proposed changes to the performance of such assets and the necessary impairments that needs to be recognised on such assets.
- The HOD should evaluate all the immovable PPE for impairment, taking into consideration any discussions with the senior accountants and operating managers.
- The Asset register administrator should update the fixed asset register with the information received, relating to the impairment, from the financial management system where the impairment journals have been processed.
- The CFO shall report changes made to the carrying values of these assets in the asset register to the AO and Council.

10.9 DE-RECOGNITION

(a) Definition and rules

Exempt assets

Capital assets transferred to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework in terms of the Municipal Asset Transfer Regulations.

Non-exempt assets

Assets other than exempt assets.

De-recognition

Assets are de-recognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. Where assets exist that have reached the end of their useful life yet they pose potential liabilities, the assets will not be de-recognised until the obligations under the potential liabilities have been settled.

The gain or loss arising from de-recognition of an item of immovable assets shall be included in surplus of deficit when the item is de-recognised.

PPE that is associated with the provision of basic services cannot be disposed without the approval of Council.

Government Gazette no.31346, Municipal asset transfer regulations, sets out the regulations regarding municipal asset transfers and disposals, for example type of assets that need approval to be disposed or transferred, timeframes, possible public participation requirements, considerations in approving the transfer or disposal and Council approval.

Read in conjunction with the Municipal Finance Management Act (MFMA) it is clear that a municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services unless that transfer is to an organ of state, and the following conditions must be met:

- Ownership in the capital asset (including replacements, upgrading and improvements made by the organ of state) must immediately revert to the municipality should the organ of state for any reason cease to or is unable to render the service;
- The organ of state may not without the written approval of the municipality:
- Transfer, dispose of or encumber the capital asset (including replacements, upgrading and improvements made by the organ of state) in any way;
- Grant a right to another person to use, control or manage the capital asset (including replacements, upgrading and improvements made by the organ of state);
- The transfer agreement must reflect the conditions above; and
- The organ of state must demonstrate the ability to adequately maintain and safeguard the asset.

If the combined value of any non-exempt capital assets a municipality intends to transfer or dispose of in any financial year exceeds 5% of the total value of its assets, as determined from its latest available audited AFS, a public participation process must be conducted to facilitate the determinations of the municipal council, in relation to all the non-exempt capital assets proposed to be transferred or disposed of during the year.

Council may delegate the following powers and responsibilities to the AO:

- The decision as to whether the non-exempt capital asset is needed to provide a basic service;
- The power to approve in-principle that the non-exempt capital asset may be transferred or disposed of; and
- The authority to approve in-principle of the granting of a right to use a capital asset. This delegation does not extend however, to cover long-term high-value transactions.

Disposal of assets should be at fair value. If payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent (the total proceeds discounted to the present value as at the transaction date). The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue.

Disposal Management System

An effective system of disposal management for disposal or letting of assets, including unserviceable, redundant or obsolete assets, must be provided for in the Supply Chain Management Policy.

This must specify the ways in which assets may be disposed of, including by:

- transfer the asset to another organ of state in terms of a provision of the MFMA enabling the transfer of assets;
- transferring the assets to another organ of state at market related value or, when appropriate, free of charge;
- selling the asset; or
- destroying the asset.

PPE may be sold only at market related prices except when the public interest or the poor demands otherwise. When assets are traded in for other assets, the highest possible trade-in price must be negotiated.

Revaluation model

The revaluation surplus is transferred to the Accumulated Surpluses / (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such immovable asset before the revaluation in question may be transferred from the Revaluation Reserve to the municipality's Accumulated Surplus/Deficit Account. An adjustment of the aggregate transfer is made at the end of each financial year.

(b) Policy statement

Fixed assets for which no future economic benefits or service potential are expected shall be identified and methods of disposal and the associated costs or income considered by Council. The carrying amount of the asset shall be de-recognised when no future economic benefits or service potential are expected from its use or its disposal. Where assets exist that have reached the end of their useful life yet they pose potential liabilities, the assets will not be de-recognised until the obligations under the potential liabilities have been settled.

Where an asset being de-recognised was previously revalued, the revaluation surplus is transferred to the Accumulated Surpluses / (Deficits) Account on de-recognition of an asset.

(c) Responsibilities

- Fixed assets shall be de-recognised only on the recommendation of the HOD controlling the asset, and with the approval of the AO.
- Every HOD shall report to the CFO on assets which such HOD wishes to have de-recognised, stating in full the reason for such recommendation, indicating whether or not the assets are associated with the provision of basic services. The CFO shall submit a report to the Mayoral Committee on an annual basis for consideration of asset disposals.
- Assets that are replaced in the nominal course of the life-cycle renewal should be de-recognised and removed from the asset register.
- The AO, in consultation with the CFO and other HODs shall formulate norms and standards from the replacement of all PPE.

10.10 INSURANCE OF ASSETS

(a) Definition and rules

Insurance provides selected coverage for the accidental loss of asset value.

Generally, government infrastructure is not insured against disasters because relief is provided from the Disaster Fund through National Treasury. The municipality can however elect to insure certain infrastructure risks, though approval must be obtained from the Council. The CFO must conduct a risk assessment of all assets and after considering the risks involved, report to Council, which assets must be insured. The risk assessment must be based on a loss probability analysis and if there is no capacity within the municipality to conduct the analysis, the CFO should be authorised to obtain external professional assistance.

The municipality may elect to operate a self-insurance reserve, in which case the CFO shall annually determine the premiums payable by the departments or votes after having received a list of assets and insurable values of all relevant assets from the HODs concerned. This will be reflected in the accumulated surplus and will be cash backed.

Assets must be insured internally or externally and coverage must be based on the loss probability analysis. All insurance claims must be assessed by an official, charged with the responsibility for the insurance of assets, to determine whether the damage to the assets can be recovered from possible third parties involved. If the damage was caused by an identifiable third party the CFO should compile a report advising the AO of the facts thereof and any possible further action.

(b) Policy statement

The municipality should adhere to the disaster management plan for prevention and mitigation of disaster in order to be able to attract the disaster management contribution during or after disaster. The Council shall decide on insurance cover for assets each financial year based on the recommendation from the AO after consultation with the CFO.

(c) Responsibilities

- The AO will consult with the CFO on the basis of insurance to be applied to each type of asset: either the carrying value or the replacement value of the immovable asset concerned. The approach shall take due cognisance of the budgetary resources of the municipality, and where applicable asset classes shall be prioritised in terms of their risk exposure and value.
- The AO shall advise Council on the insurance approach taken.
- In the event that the CFO is directed by Council to establish a self-insurance reserve, the CFO shall annually submit a report to the Council on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.

11. POLICY FOR SAFEGUARDING

(a) Definitions and rules

The municipality applies controls and safeguards to ensure that assets are protected against improper use, loss, theft, malicious damage or accidental damage.

The existence of assets is physically verified from time-to-time, and measures adopted to control their use, as follows:

- All above ground assets should be verified for existence and any changes in condition at least once a year. These inspections should be formally recorded and signed off and, where possible, shall be worked into the routine maintenance inspections. These inspections may be prioritised on a risk basis to give emphasis to assets approaching the end of their useful life and assets with a high value in relation to total assets (the threshold for high value will be determined by the CFO), whereas a sample basis may be adopted for long life or multiple assets of a similar nature;
- Performance data shall be reviewed for buried assets to identify possible changes in condition; and
- A detailed road condition survey shall be conducted every 5 years.

Every HOD shall at least once during every financial year undertake a comprehensive verification of all movable PPE controlled by or used by the department concerned. Every HOD shall promptly and fully report in writing to the CFO, in the format determined by the CFO, all relevant results of such verification.

This report in respect of the annual physical verification of movable assets shall:-

- Confirm the location of the asset;
- Confirm the physical description of the asset;
- Confirm the level of utilisation of the asset;
- Indicate the assessment of the condition of the asset (Condition Grade);
- Indicate the expected useful life of the asset (RUL); and
- The existence or absence of any physical impairment of the asset.

The municipality may allocate day-to-day duties relating to such control, verification and safekeeping to asset custodians, and record such in the asset register.

(b) Policy statement

An asset safeguarding plan shall be prepared for all assets indicating measures that are considered effective to ensure that all immovable assets under control of the municipality are appropriately safeguarded from inappropriate use or loss, including the identification of asset custodians for all assets. The impact of budgetary constraints on such measures shall be reported to Council. The existence, condition and location of these assets shall be verified annually (in line with the assessment of impairment).

(c) Responsibilities

- Each HOD shall prepare and submit to the CFO, upon request, an annual asset safeguarding plan for the assets under the control of their respective departments, indicating the budget required.
- The CFO shall confirm the available budget, and in consultation with the respective HOD, determine the impact of any budget shortfall. The CFO shall report the impacts to the AO for review, and advise Council.
- Each HOD shall implement the safeguarding plan within the resources made available.
- Each HOD shall report, within the time frame indicated by the CFO, the existence, condition, location and appropriate use of assets under the control of their respective departments at the review date.
- Every HOD shall at least once during every financial year undertake a comprehensive verification of all movable PPE controlled by or used by the department concerned.
- Every HOD shall promptly and fully report in writing to the CFO, in the format determined by the CFO, all relevant results of such movable asset verification.
- Every HOD shall at least once during every financial year undertake a comprehensive verification of
  all movable PPE controlled by or used by the department concerned.
- Every HOD shall promptly and fully report in writing to the CFO, in the format determined by the CFO, all relevant results of such movable asset verification.
- Malicious damage, theft, and break-ins must be reported to the AO or delegated person within 48 hours of its occurrence or awareness by the respective HOD.
- The AO must report criminal activities to the South African Police Service.

12. POLICY FOR LIFE-CYCLE MANAGEMENT OF IMMOVABLE PPE ASSETS

(a) Definitions and rules

Service delivery

Immovable PPE assets (such as infrastructure and community facilities) are the means by which the municipality delivers a range of essential municipal services. Consequently the management of such assets is critical to meeting the strategic objectives of the municipality and in measuring its performance.

Asset management

The goal of asset management of immovable PPE is to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers.

The core principles are:

- taking a life-cycle approach;
- developing cost-effective management strategies for the long-term;
- providing a defined level of service and monitoring performance;
- understanding and meeting the impact of growth through demand management and infrastructure investment;
- managing risks associated with asset failures;
- sustainable use of physical resources; and
- continuous improvement in the immovable PPE asset management practices.

(b) Policy statement

The municipality shall provide municipal services for which the municipality is responsible, at an appropriate level, and in a transparent, accountable and sustainable manner, in pursuit of legislative requirements and in support of its strategic objectives, according to the following core principles:

Effective governance

The municipality shall strive to apply effective governance systems to provide for consistent asset management and maintenance planning in adherence to and compliance with all

applicable legislation to ensure that asset management is conducted properly, and municipal services are provided as expected.

To this end, the municipality shall:

- continue to adhere to all constitutional, safety, health, systems, financial and asset-related legislation;
- regularly review updates and amendments to the above legislation;
- review and update its current policies and by-laws to ensure compliance with the requirements of prevailing legislation; and
- effectively apply legislation for the benefit of the community.

Sustainable service delivery

The municipality shall strive to provide to its customers services that are technically, environmentally and financially sustainable.

To this end, the municipality shall:

- Identify a suite of levels and standards of service that conform with statutory requirements and rules for their application based on long-term affordability to the municipality;
- identify technical and functional performance criteria and measures, and establish a commensurate monitoring and evaluation system;
- identify current and future demand for services, and demand management strategies;
- set time-based targets for service delivery that reflect the need to newly construct, upgrade, renew, and dispose infrastructure assets, where applicable in line with national targets;
- apply a risk management process to identify service delivery risks at asset level and appropriate responses;
- prepare and adopt a maintenance strategy and plan to support the achievement of the required performance;
- allocate budgets based on long-term financial forecasts that take cognisance of the full life-cycle needs of existing and future infrastructure assets and the risks to achieving the adopted performance targets;

- strive for alignment of the financial statements with the actual service delivery potential of the infrastructure assets; and
- implement its tariff and credit control and debt collection policies to sustain and protect the affordability of services by the community.

Social and economic development

The municipality shall strive to promote social and economic development in its municipal area by means of delivering municipal services in a manner that meet the needs of the various customer user-groups in the community.

To this end, the municipality shall:

- regularly review its understanding of customer needs and expectations through effective consultation processes covering all service areas;
- implement changes to services in response to changing customer needs and expectations where appropriate;
- foster the appropriate use of services through the provision of clear and appropriate information;
- ensure services are managed to deliver the agreed levels and standards; and
- create job opportunities and promote skills development in support of the national Expanded Public Work Program (EPWP).

Custodianship

The municipality shall strive to be a responsible custodian and guardian of the community's assets for current and future generations.

To this end, the municipality shall:

- establish a spatial development framework that takes cognisance of the affordability to the municipality of various development scenarios;
- establish appropriate development control measures including community information;
- cultivate an attitude of responsible utilisation and maintenance of its assets, in partnership with the community;
- ensure that heritage resources are identified and protected; and
- ensure that a long-term view is taken into account in infrastructure asset management decisions.

Transparency

The municipality shall strive to manage its infrastructure assets in a manner that is transparent to all its customers, both now and in the future.

To this end, the municipality shall:

- develop and maintain a culture of regular consultation with the community with regard to its management of infrastructure in support of service delivery;
- clearly communicate its service delivery plan and actual performance through its Service Delivery and Budget Implementation Plan (SDBIP);
- avail immovable PPE asset management information on a ward basis; and
- continuously develop the skills of councillors and officials to effectively communicate with the community with regard to service levels and standards.

Cost-effectiveness and efficiency

The municipality shall strive to manage its infrastructure assets in an efficient and effective manner.

To this end, the municipality shall:

- assess life-cycle options for proposed new infrastructure in line with the Supply Chain Management Policy;
- regularly review the actual extent, nature, utilisation, criticality, performance and condition of infrastructure assets to optimise planning and implementation works;
- assess and implement the most appropriate maintenance of infrastructure assets to achieve the required network performance standards and to achieve the expected useful life of infrastructure assets;
- continue to secure and optimally utilise governmental grants in support of the provision of free basic services;
- implement new and upgrading construction projects to maximise the utilisation of budgeted funds;
- ensure the proper utilisation and maintenance of existing assets subject to availability of resources;
- establish and implement demand management plans;

- timeously renew infrastructure assets based on capacity, performance, risk exposure, and cost;
- timeously dispose of infrastructure assets that are no longer in use;
- review management and delivery capacity, and procure external support as necessary;
- establish documented processes, systems and data to support effective life-cycle infrastructure asset management;
- strive to establish a staff contingent with the required skills and capacity, and procure external support as necessary; and
- conduct regular and independent assessments to support continuous improvement of infrastructure asset management practice.

(c) Responsibilities

- Upon adoption of this policy by Council, the AO shall meet regularly with the CFO and HODs and to take measures to effectively implement this policy, and to report to Council on progress made at a frequency indicated by Council.
- HODs shall develop, and update at regular intervals to be determined by the AO in consultation with the CFO and HODs, an Asset Management Plan (AMP) for each service involving immovable PPE that shall assess levels and standards of service, future demand, risk, determine a lifecycle plan for a minimum 10 year planning horizon, and identify management practice improvement needs (3 year horizon). The AMPs will be submitted through the AO to Council for adoption. AMPs shall be used to inform the preparation of a CMIP and budgets through the IDP process. The time frame for the first time implementation of this will be determined by the AO in consultation with the CFO and HODs.
- The CFO shall, in consultation with HODs, determine grading scales for the measurement of asset condition, performance, cost-of–operation, and utilisation for that are common and applicable to all services. Where necessary, the HODs shall interpret the grading scales for the immovable PPE assets under their control. HODs shall determine the grading of all immovable PPE assets under their control at a level of accuracy considered appropriate to the municipality’s resources, at intervals to be determined by the AO in consultation with the CFO and HODs.
- HODs shall prepare, and review at regular intervals to be determined by the AO in consultation with the CFO and HODs, an Operations and Maintenance Strategy and Plan, and submit such, through the AO, to Council for adoption. The municipality shall

engage contractors when necessary to support in the implementation of maintenance actions and adopt a system that assists in managing such maintenance. The time frame for the first time implementation of this will be determined by the AO in consultation with the CFO and HODs.

- HODs shall determine detailed service performance measures (differentiated, where applicable for identified customer groups), and submit such, through the AO, to Council for adoption and inclusion in the Services Delivery and Budget Implementation Plan. HODs shall establish a monitoring regime, and report actual performance each financial year. The time frame for the first time implementation of this will be determined by the AO in consultation with the CFO and HODs.
- The AO shall establish procedures to ensure that legislative requirements regarding the management of immovable PPE assets, including but not limited to health and safety, and environmental protection, are documented and advised to HODs. HODs shall address legislative needs in their strategies and plans, and shall enforce implementation.
- Review the municipality's Risk Management framework to ensure that it is effective for the management of physical risks to infrastructure and buildings. Important actions shall be identified and implemented. The HODs shall report risk exposure relating to their respective assets each financial year.

13. SELLING OF REDUNDANT MOVABLE ASSETS

All assets earmarked to be written off must be sold by public auction or tender after the following steps have been followed:-

- a notice of the intention of the municipality to sell the asset has been published in a local newspaper;
- in the case of a public auction, the municipality has appointed an independent auctioneer to conduct the auction; and
- in the case of a tender, the prescribed tender procedures of the municipality has been followed.

14. RESIGNATION OF OFFICIALS

When an official resigns, a termination of service form is received from Human Resources. A list of assets allocated to the official is printed from the system and forwarded to the appropriate department. This should be signed by the official and supervisor as proof that the assets have been handed over in good order. This should then be returned to the asset section.

15. POLICY IMPLEMENTATION

Procedures should be prepared and adopted by the AO, in consultation with the CFO and HODs, to give effect to this policy.

ANNEXURE A: FIXED ASSETS EXPECTED USEFUL LIVES

Level 1		Level 2		Level 3		life (years)	
GROUPT		GROUPM		GROUP			
						MIN	MAX
10000	LAND	11000	LAND	11001	DEVELOPED LAND	0	
10000	LAND	11000	LAND	11002	UNDEVELOPED LAND	0	
20000	BUILDINGS	21000	DWELLINGS	21001	CARAVANS	5	10
20000	BUILDINGS	21000	DWELLINGS	21002	CHILDREN'S HOMES	25	30
20000	BUILDINGS	21000	DWELLINGS	21003	FOREIGN MISSION DWELLINGS	25	30
20000	BUILDINGS	21000	DWELLINGS	21004	HOMES FOR THE AGED	25	30
20000	BUILDINGS	21000	DWELLINGS	21005	HOSTELS	25	30
20000	BUILDINGS	21000	DWELLINGS	21006	MILITARY PERSONNEL DWELLINGS	25	30
20000	BUILDINGS	21000	DWELLINGS	21007	MOBILE HOMES	5	10
20000	BUILDINGS	21000	DWELLINGS	21008	PLACES OF SAFETY	25	30
20000	BUILDINGS	21000	DWELLINGS	21009	PRISONS AND REHABILITATION FACILITIES	25	30
20000	BUILDINGS	21000	DWELLINGS	21010	RESIDENCES (PRESIDENTIAL, EMBASSIES)	25	30
20000	BUILDINGS	21000	DWELLINGS	21011	RESIDENCES (PERSONNEL) INCL GARAGES AND PARKING	25	30
20000	BUILDINGS	21000	DWELLINGS	21012	SECURE CARE CENTRES	25	30
20000	BUILDINGS	21000	DWELLINGS	21013	RECREATIONAL / HOLIDAY ACCOMMODATION	25	30
20000	BUILDINGS	21000	DWELLINGS	21014	RESIDENTIAL PERIMETER PROTECTION	10	25
20000	BUILDINGS	21000	DWELLINGS	21015	LOW COST HOUSING	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22001	AIRPORT AND ASSOCIATED BUILDINGS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22002	BORDER AND CUSTOM CONTROL POINTS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22003	BUS TERMINALS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22004	BUS SHELTERS	10	15
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22005	CIVIC THEATERS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22006	CLINICS AND COMMUNITY HEALTH FACILITIES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22007	COMMUNITY CENTRES AND PUBLIC ENTERTAINMENT BUILDINGS	25	30

20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22008	DRIVER AND VEHICLE TESTING CENTRES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22009	FIRE STATIONS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22010	FOREIGN MISSION OFFICES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22011	HOSPITALS AND AMBULANCE STATIONS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22012	INDUSTRIAL BUILDINGS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22013	LABORATORIES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22014	LIBRARIES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22015	MORTUARIES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22016	MUSEUMS AND ART GALLERIES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22017	OFFICE BUILDINGS (INCL AIR CONDITIONING SYSTEMS)	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22018	PUBLIC PARKING (COVERED AND OPEN)	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22019	POLICE STATIONS (AND ASSOCIATED BUILDINGS)	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22020	RAILWAY AND ASSOCIATED BUILDINGS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22021	RESEARCH FACILITIES (INCLUDING WEATHER)	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22022	STADIUMS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22023	TAXI RANKS	10	15
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22024	UNIVERSITIES, COLLEGES, SCHOOLS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22025	WAREHOUSES (STORAGE FACILITIES INCLUDING DATA)	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22026	SPORT AND RECREATIONAL FACILITIES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22027	NON RESIDENTIAL PERIMETER PROTECTION	10	25
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22028	ABLUTION / PUBLIC FACILITIES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22029	CAR PORTS / GAEAGE	10	15
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22030	WORKSHOPS / STORE ROOMS	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22031	MARKETS / SHOPS	25	30

20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22032	STRUCTURES FOR AGRICULTURAL PURPOSES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22033	NURSERIES	25	30
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22034	INTERNAL ROADS	10	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31001	COOLING TOWERS	25	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31002	MAINS	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31003	METERS PREPAID	10	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31004	METERS CREDIT	20	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31005	POWER STATIONS COAL	50	60
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31006	POWER STATIONS GAS	50	60
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31007	POWER STATIONS HYDRO	50	60
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31008	POWER STATIONS NUCLEAR	60	80
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31009	ELECTRICITY SUPPLY / RETICULATION	15	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31010	TRANSFORMERS	25	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31011	LINES UNDERGROUND	25	45
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31012	LINES OVERHEAD	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31013	CABLES	25	45
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31014	SUBSTATION SWITCHGEAR	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31015	SUBSTATION EQUIPMENT OUTDOOR	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31016	SUBSTATION EQUIPMENT GIS	15	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31017	SUBSTATION EQUIPMENT INDOOR	30	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31018	ELECTRICAL PANELS	3	5
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31019	TELEMETRY	7	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31020	ELECTRICITY PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31021	STRUCTURE FOR ELECTRICAL PURPOSE	20	35

30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31022	HIGH MAST LIGHTS	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31023	RING MAIN UNIT	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31024	BUILDING FOR ELECTRICAL PURPOSE	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY	31025	MINI SUB STATION	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32101	BRIDGES VEHICLE CONCRETE	60	80
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32102	BRIDGES VEHICLE STEEL	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32103	BRIDGES VEHICLE TIMBER	25	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32104	BRIDGES PEDESTRIAN CONCRETE	60	80
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32105	BRIDGES PEDESTRIAN STEEL	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32106	BRIDGES PEDESTRIAN TIMBER	25	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32107	BRIDGES RAILWAY CONCRETE	60	80
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32108	BRIDGES RAILWAY STEEL	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32109	BRIDGES RAILWAY TIMBER	25	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32110	BRIDGES REINFORCED RETAINING WALLS EARTH	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32111	BRIDGES REINFORCED RETAINING WALLS CONCRETE	25	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32112	BRIDGES EXPANSION AND CONSTRUCTION JOINTS	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32201	STORM WATER CULVERTS	25	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32202	STORM WATER CULVERTS CONCRETE	40	60
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32203	STORM WATER CULVERTS ARCO	25	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32204	STORM WATER DRAINS EARTHWORKS	80	100
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32205	STORM WATER DRAINS CONCRETE LINING	25	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32206	STORM WATER STOP BANKS	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32207	STORM WATER PIPES	25	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32208	STORM WATER COASTAL STRUCTURE	20	40

30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32209	STORM WATER COASTAL PIERS	60	80
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32210	STORM WATER COASTAL OUTFALLS	60	80
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32401	ROADS KERB AND CHANNELS	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32301	ROADS MUNICIPAL ASPHALT SURFACE	10	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32302	ROADS MUNICIPAL ASPHALT BASIS/STRUCTURE	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32303	ROADS MUNICIPAL CONCRETE SURFACE	10	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32304	ROADS MUNICIPAL CONCRETE BASIS/STRUCTURE	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32305	ROADS MUNICIPAL GRAVEL SURFACE	3	10
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32306	ROADS NATIONAL ASPHALT SURFACE	10	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32307	ROADS NATIONAL ASPHALT BASIS/STRUCTURE	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32308	ROADS NATIONAL CONCRETE SURFACE	10	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32309	ROADS NATIONAL CONCRETE BASIS/STRUCTURE	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32310	ROADS NATIONAL GRAVEL SURFACE	3	10
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32311	ROADS PROVINCIAL ASPHALT SURFACE	10	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32312	ROADS PROVINCIAL ASPHALT BASIS/STRUCTURE	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32313	ROADS PROVINCIAL CONCRETE SURFACE	10	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32314	ROADS PROVINCIAL CONCRETE BASIS/STRUCTURE	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32315	ROADS PROVINCIAL GRAVEL SURFACE	3	10
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32402	ROADS CRASH BARRIERS	10	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32403	ROADS RETAINING WALLS	30	60
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32404	ROADS OVERLOAD CONTROL CENTRES	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32405	ROADS OVERLOAD ELECTRONIC HARDWARE	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32406	ROADS OVERLOAD EQUIPMENT OTHER	10	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32407	ROADS PEDESTRIAN FOOTPATHS	15	30

30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32408	ROADS STREET LIGHTING	25	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32409	ROADS SUBWAYS	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32410	ROADS TRAFFIC ISLANDS	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32411	ROADS TRAFFIC LIGHTS	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32412	ROADS TRAFFIC LIGHTS COASTAL	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32413	ROADS TRAFFIC SIGNS	5	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32414	ROADS TOLL ROAD PLAZAS	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32316	ROADS PAVED (BRICKS) SURFACE	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32317	ROADS PAVED (BRICKS) BASIS/STRUCTURE	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32415	ROAD CALMING MEASURES	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32416	ROAD PERIMETER PROTECTION	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32417	ROAD RESERVES	0	0
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32418	ATTENUATION PONDS	20	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32419	ROADS UNPAVED INFORMAL SURFACE	3	10
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32420	ROADS GRASSBLOCK SURFACE	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS	32421	ROADS MIXED SURFACE SURFACE	3	10
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33001	AIRPORTS AND RADIO BEACONS	25	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33002	APRONS	25	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33003	RUNWAYS	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33004	TAXIWAYS	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33005	SPECIALIZED EQUIPMENT LUGGAGE MOVEMENT	20	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33006	SPECIALIZED EQUIPMENT COMMUNICATION	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33007	AIRPORT PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34101	DAMS STRUCTURE CONCRETE	80	100

30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34102	DAMS STRUCTURE EARTH	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34103	DAMS MECHANICAL AND ELECTRICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34001	WATER METERS	10	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34002	STANDPIPES	5	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34003	WATER METALWORK	10	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34201	PUMP STATIONS STRUCTURE	30	55
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34202	PUMP STATIONS ELECTRICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34203	PUMP STATIONS MECHANICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34204	PUMP STATIONS PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34301	RESERVOIR STRUCTURE	30	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34302	RESERVOIR ELECTRICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34303	RESERVOIR MECHANICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34304	RESERVOIR PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34004	WATER SUPPLY / RETICULATION	20	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34401	UNDERGROUND CHAMBERS VALVES	15	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34402	UNDERGROUND CHAMBERS METERS	10	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34403	UNDERGROUND CHAMBERS TRANSITION	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34404	UNDERGROUND CHAMBERS OTHER	5	10
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34501	WATER PURIFICATION WORKS STRUCTURE	30	55
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34502	WATER PURIFICATION WORKS ELECTRICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34503	WATER PURIFICATION WORKS MECHANICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34504	WATER PURIFICATION WORKS PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34505	WATER PURIFICATION WORKS METERS	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34005	WATER TELEMETRY	10	15

30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34006	BOREHOLES	20	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER	34007	BULK PIPELINES	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35101	BULK PIPELINES RISING MAINS	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35102	BULK PIPELINES GRAVITY MAINS	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35201	SEWERAGE PUMP STATIONS STRUCTURE	30	55
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35202	SEWERAGE PUMP STATIONS ELECTRICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35203	SEWERAGE PUMP STATIONS MECHANICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35204	SEWERAGE PUMP STATIONS PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35301	WASTE PURIFICATION WORKS STRUCTURE	30	55
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35302	WASTE PURIFICATION WORKS ELECTRICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35303	WASTE PURIFICATION WORKS MECHANICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35304	WASTE PURIFICATION WORKS PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35305	WASTE PURIFICATION WORKS METERS	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE	35001	SEWERS / RETICULATION	30	60
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36001	COLLECTION VEHICLES	5	10
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36002	COLLECTION CONTAINERS / BINS	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36101	TRANSFER STATIONS AND PROCESSING FACILITIES STRUCTURE	30	55
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36102	TRANSFER STATIONS AND PROCESSING FACILITIES ELECTRICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36103	TRANSFER STATIONS AND PROCESSING FACILITIES MECHANICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36104	TRANSFER STATIONS AND PROCESSING FACILITIES PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36201	LANDFILL SITE EARTHMOVING AND COMPACTION EQUIPMENT	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36202	LANDFILL SITE PREPARATION	0	0
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36203	LANDFILL SITE STRUCTURE	30	55
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36204	LANDFILL SITE WEIGHBRIDGE MECHANICAL	15	40

30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36205	LANDFILL SITE WEIGHBRIDGE ELECTRICAL	15	40
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36206	LANDFILL SITE PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37001	RAILWAY POWER SUPPLY UNITS	20	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37002	RAILWAY SIDINGS	25	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37003	RAILWAY TRACKS	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37004	RAILWAY SIGNALING SYSTEM	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37005	RAILWAY SHUNTING YARDS	25	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37006	RAILWAY PERIMETER PROTECTION	10	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38001	GAS SUPPLY SYSTEMS STRUCTURE	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38002	GAS SUPPLY SYSTEMS ELECTRICAL	20	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38003	GAS SUPPLY SYSTEMS MECHANICAL	20	25
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38004	GAS SUPPLY SYSTEMS PERIMETER PROTECTION	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38005	GAS SUPPLY SYSTEMS STATION TRUNK RECEIVING	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38006	GAS SUPPLY SYSTEMS STATION DISTRICT REGULATING	40	50
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38007	GAS SUPPLY SYSTEMS MAINS / PIPELINE	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38008	GAS SUPPLY SYSTEMS METERS	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38009	GAS SUPPLY SYSTEMS SUPPLY / RETICULATION	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38010	GAS SUPPLY SYSTEMS STORAGE FACILITIES	15	20
30000	OTHER STRUCTURES (INFRASTRUCTURE)	39000	CEMETERIES	39001	CEMETERIES	25	30
30000	OTHER STRUCTURES (INFRASTRUCTURE)	39000	CEMETERIES	39002	CEMETERIES PERIMETER PROTECTION	10	15
30000	OTHER STRUCTURES (INFRASTRUCTURE)	39000	CEMETERIES	39003	INTERNAL ROADS	10	15
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41001	AUDIOVISUAL EQUIPMENT	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41002	BUILDING AIR CONDITIONING SYSTEMS	10	15
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41003	CELLULAR PHONES	0	2
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41004	CELLULAR ROUTERS	3	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41005	DOMESTIC EQUIPMENT (NON KITCHEN APPLIANCES)	3	5

40000	OTHER	41000	MACHINERY AND EQUIPMENT	41006	ELECTRIC WIRE AND POWER DISTRIBUTION EQUIPMENT (COMPRESSORS / GENERATORS)	5	7
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41007	EMERGENCY / RESCUE EQUIPMENT	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41008	ELEVATOR SYSTEMS	15	20
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41009	FARM / AGRICULTURAL EQUIPMENT	5	15
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41010	FIRE FIGHTING EQUIPMENT	3	5
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41011	GARDENING EQUIPMENT	2	4
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41012	IRRIGATION EQUIPMENT	10	15
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41013	KITCHEN APPLIANCES	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41014	LABORATORY EQUIPMENT AGRICULTURAL	5	7
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41015	LABORATORY EQUIPMENT MEDICAL TESTING	5	7
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41016	LABORATORY EQUIPMENT ROADS AND TRANSPORT	5	7
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41017	LAUNDRY EQUIPMENT AND INDUSTRIAL SEWING MACHINES	10	15
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41018	LEARNING, TRAINING SUPPORT AND LIBRARY MATERIAL	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41019	MACHINES FOR METALLURGY	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41020	MACHINES FOR MINING AND QUARRYING	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41021	MACHINES FOR TEXTILE PRODUCTION	10	15
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41022	MEDICAL AND ALLIED EQUIPMENT	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41023	MUSIC INSTRUMENTS	10	15
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41024	PHOTOGRAPHIC EQUIPMENT	5	7
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41025	PUMPS, PLUMBING, PURIFICATION AND SANITATION EQUIPMENT	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41026	RADIO EQUIPMENT	5	7
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41027	ROAD CONSTRUCTION AND MAINTENANCE EQUIPMENT	10	15
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41028	SADDLES AND OTHER TACK	5	7
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41029	SECURITY EQUIPMENT/ - SYSTEMS / - MATERIAL FIXED	3	5
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41030	SECURITY EQUIPMENT/ - SYSTEMS / - MATERIAL MOVABLE	3	5
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41031	SHIP AND MARINE EQUIPMENT	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41032	SPORT AND RECREATIONAL EQUIPMENT	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41033	SURVEY EQUIPMENT	5	7
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41034	TELECOMMUNICATION EQUIPMENT	3	5
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41035	TENTS, FLAGS AND ACCESSORIES	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41036	WOODWORKING MACHINERY AND EQUIPMENT	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41037	WORKSHOP EQUIPMENT AND LOOSE TOOLS FIXED	5	10
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41038	WORKSHOP EQUIPMENT AND LOOSE TOOLS MOVABLE	3	5

40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42001	ADVERTISING BOARDS	3	5
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42002	AIR CONDITIONERS INDIVIDUAL FIXED AND MOVABLE	3	5
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42003	CUTLERY AND CROCKERY	5	10
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42004	DOMESTIC AND HOSTEL FURNITURE	10	15
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42005	LINEN AND SOFT FURNISHING	5	10
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42006	OFFICE EQUIPMENT INCLUDING FAX MACHINES	5	7
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42007	OFFICE FURNITURE	5	7
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42008	PAINTINGS SCULPTURES ORNAMENTS	5	10
40000	OTHER	43000	COMPUTER EQUIPMENT	43001	COMPUTER HARDWARE INCLUDING OPERATING SYSTEMS	3	5
40000	OTHER	43000	COMPUTER EQUIPMENT	43002	COMPUTER NETWORKS	5	10
40000	OTHER	44000	TRANSPORT ASSETS	44001	AIRCRAFT	10	15
40000	OTHER	44000	TRANSPORT ASSETS	44002	AIRCRAFT ENGINES	5	7
40000	OTHER	44000	TRANSPORT ASSETS	44003	AIRPORT TRANSPORT EQUIPMENT	10	15
40000	OTHER	44000	TRANSPORT ASSETS	44004	BUSSES	10	15
40000	OTHER	44000	TRANSPORT ASSETS	44005	CYCLES	4	7
40000	OTHER	44000	TRANSPORT ASSETS	44006	EMERGENCY VEHICLES	5	10
40000	OTHER	44000	TRANSPORT ASSETS	44007	MOBILE CLINICS	10	15
40000	OTHER	44000	TRANSPORT ASSETS	44008	MOTOR VEHICLES	4	7
40000	OTHER	44000	TRANSPORT ASSETS	44009	RAILWAY ROLLING STOCK	10	15
40000	OTHER	44000	TRANSPORT ASSETS	44010	SHIPS	15	20
40000	OTHER	44000	TRANSPORT ASSETS	44011	SHIPS ENGINES	5	7
40000	OTHER	44000	TRANSPORT ASSETS	44012	TRAILERS AND ACCESSORIES	5	10
40000	OTHER	44000	TRANSPORT ASSETS	44013	TRUCKS	5	7
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51001	AREAS OF LAND OF HISTORIC OR SPECIFIC SIGNIFICANCE	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51002	CULTURALLY SIGNIFICANT BUILDINGS	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51003	NATIONAL MONUMENTS	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51004	NATIONAL PARKS / RESERVES	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51005	PAINTINGS	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51006	SCULPTURES / STATUES	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51007	MUNICIPAL JEWELLERY	0	

50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51008	WORKS OF ART	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51009	OTHER ANTIQUES AND COLLECTIONS	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61001	DAIRY CATTLE	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61002	FEATHERED ANIMALS	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61003	FORESTS AND PLANTATIONS	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61004	FRUIT TREES	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61005	GAME	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61006	ANIMALS FOR REPRODUCTION	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61007	ANIMALS FOR WOOL OR MILK	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61008	DOGS LAW ENFORCEMENT AND SECURITY	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61009	HORSES LAW ENFORCEMENT AND WORKING	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61010	PLANTS FOR PRODUCTION OF SEEDS	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61011	VINES	0	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71001	CAPITALIZED DEVELOPMENT COST	0	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71002	COMPUTER SOFTWARE	2	5
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71003	MASTHEADS AND PUBLISHING TITLES	0	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71004	PATENTS, LICENSES, COPYRIGHTS, BRAND NAMES AND TRADEMARKS	0	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71005	RECIPES, FORMULAE, PROTOTYPES, DESIGNS AND MODELS	0	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71006	SERVICE AND OPERATING RIGHTS	0	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71007	SERVITUDE	0	
80000	INVESTMENT PROPERTY	81000	UNDEVELOPED LAND	81001	LEASED	0	
80000	INVESTMENT PROPERTY	81000	UNDEVELOPED LAND	81002	UNDEFINED	0	
80000	INVESTMENT PROPERTY	82000	DEVELOPED LAND	82001	LEASED	0	
80000	INVESTMENT PROPERTY	82000	DEVELOPED LAND	82002	UNDEFINED	0	
80000	INVESTMENT PROPERTY	83000	DWELLINGS	83001	LEASED	30	
80000	INVESTMENT PROPERTY	83000	DWELLINGS	83002	UNDEFINED	30	
80000	INVESTMENT PROPERTY	84000	NON RESIDENTIAL STRUCTURES	84001	LEASED	30	
80000	INVESTMENT PROPERTY	84000	NON RESIDENTIAL STRUCTURES	84002	UNDEFINED	30	

ANNEXURE B: ASSETS RESIDUAL VALUES

Asset Class	Residual Value	Comment
Land	None	No depreciation on land
Buildings:		
Dwelling	None	Not trading in open market
Non- Residential	None	Not trading in open market
Infrastructure:		
Electricity	None	Not trading in open market
Roads	None	Not trading in open market
Sewer	None	Not trading in open market
Water	None	Not trading in open market
Telkom sleeves	None	Not trading in open market
Solid Waste – Bins and Containers	R100.00	Scrap metal value
– Collection trucks	10%	10% of the cost price The municipality does not replace vehicles after a fixed period, but rather once the vehicle has reached the end of its functional life.
Other Assets:		
Furniture and Office equipment	R50.00	Typical internal tender proceed
Machinery and Equipment	R50.00	Typical internal tender proceed
Computer Equipment	None	Computers have no scarp value due to frequent changes in technology. No active market
Motor vehicles	10%	10% of the cost price The municipality does not replace vehicles after a fixed period, but rather once the vehicle has reached the end of its functional life.
Heritage Assets:	None	No active market
Intangible Assets:		
Software	None	Computers have no scarp value due to

		frequent changes in technology. No active market
Any Asset with a cost less than R250.00	None	Will be fully depreciated.

POLICY ON THE PLANNING AND APPROVAL OF CAPITAL PROJECTS

2018/2019 FINANCIAL YEAR

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POLICY ON THE PLANNING AND APPROVAL OF CAPITAL PROJECTS

1. Scope and Application

The Policy on the Planning and Approval of Capital Projects is applicable to the Midvaal Local Municipality. The policy will mostly be applied during allocation of funding at the time of approval of the Capital Budget for the forthcoming financial period.

This policy must be read in conjunction with the Supply Chain Management Policy.

2. Purpose and objectives

The purpose and objectives of this policy are to:

2.1 Ensure the optimum allocation of resources to projects that can be implemented within the timeframes budgeted for; and

2.2 Ensure the capital projects are only budgeted for if feasibility for said project has been proven.

3. Background

The MTREF period applicable to municipalities are 3 years, therefore the capital budget is also spread over a period of 3 years. This provides departments the opportunity to plan their capital spending activities in advance, allowing for a more strategic approach.

The typical cycle for a capital project consists of at least the following phases:

3.1 Feasibility study;

3.2 Basic planning;

3.3 Environmental Impact Assessment;

3.4 Detail Planning and design; and

3.5 Implementation.

4. Policy Statement

That all capital projects be evaluated in terms of a project plan (time frame) as well as a cash flow linked to the project plan, to determine the practicality to implement the project within the proposed budget and time frame (multi-year projects).

That all proposed budgets for projects be approved only if the evaluation is positive.

The policy will be effective as from 1 July 2018.

INDIGENT POLICY

2018/2019 FINANCIAL YEAR

INDIGENT POLICY

1. DEFINITIONS

"Accounting Officer" means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act;

"Annually" means once every financial year;

"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee;

"Child headed family" means a household where both parents are deceased and where all occupants of property are children of the deceased and under the legal age to contract for services.

"Household" means any registered owner or tenant with or without children who reside on the same premises.

"Indigent" means any household or category of households, including a child headed household earning a combined gross income, as determined by the municipality in terms of social and economic analysis of its area, as vested in the municipal policy, which qualifies for rebates or service subsidy, provided that child support grant is not included when calculating such household income.

"Deemed Indigent Household" means individuals who live together in a single residential property and qualifies for indigent relief based on the use and value of property as determined in terms of general valuation roll. **This will exclude staff members and councillors of the municipality and government employees.**

"Indigent Customer" means the head of an indigent household who applied for and has been declared indigent (on behalf of all members of in terms of Council's Indigent Policy for the provision of services from the Municipality; and

"Indigent Policy" means the Indigent Policy adopted by the Council of the Municipality

"Indigent Support Program" means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Policy;

"Indigent register" means the municipal list of indigent customers as per the municipal policy which has to be updated on a monthly basis or as and when required, designed to contain all the data contained within completed indigent application forms.

"Informal Structure" means a temporary structure used for residential purposes

"Owner" in relation to immovable property means the person in whom is vested the legal title thereto.

"Separated Couple" means a married couple who are separated and no longer living together even though they have not been legally divorced

2. PREAMBLE

2.1 In recent municipal discourse in South Africa the term "indigent policy" has tended to refer to a policy on how chronically poor households should be dealt with in relation to the generation of municipal income.

2.2 Most commonly, these policies adopt a narrow approach to this, seeking to define indigence in terms of particular household income level, administratively identifying household falling below this level, and provide them with a grant to facilitate their payment of the municipal accounts.

2.3 Our approach as Midvaal is that the term indigent policy should refer to something broader. We prefer to define it rather as the whole set of interventions that ensure that the basic needs of the poor are met, and their rights upheld while protecting resources for use by the next generation.

3. BACKGROUND

3.1 An indigent policy is required to ensure that constitutional obligations relating to the socio-economic rights of all South Africans are realised.

3.2 Failure to address the needs of the poor may jeopardise growth while poverty relief may stimulate growth and competitiveness by creating a more stable environment.

3.3 An indigent policy provides an opportunity to create a safety net to the poorest section of the population.

3.4 Poverty Manifestation in Midvaal

Poverty is more than a lack of income. Poverty exists when an individual's or a household's, access to income, jobs, infrastructure or services is inadequate to ensure full access to opportunities in society. The condition

of poverty is caused by a combination of social, economic, spatial, environmental and political factors.

3.5 It is clear from the poverty profiles that not only is poverty a general critical problem in Midvaal, but that there is a significant number of people who are living in extreme poverty and who without Council support will be unable to afford to pay for even the most basic of services.

4. INDIGENT POLICY PRINCIPLES

4.1 Equity

This implies that all people in a similar position should be treated similarly. The municipality must differentiate fairly between those in different circumstances, and treat them appropriately according to their different circumstances.

4.2 Sustainability

The policy must be financially and environmentally sustainable. This assumes a judicious long term approach to the use resources in both Finance and Social Services sections.

4.3 Reasonable choices

The policy shall enable all households, including indigent households, to take responsibility and make choices wherever possible that best suit their circumstances.

4.4 Inclusivity

Income and indigent policies for poor Midvaal residents must be integrated seamlessly with income policy for all other citizens.

As households' circumstances change they should be able to shift relatively easily across the continuum of choices.

4.5 Implementable

The indigent Policy must be administratively practical and implementable. Both Social Services and Finance shall play a key role to implement the policy.

5. OBJECTIVE

5.1 The policy seeks to address but not limited to:

5.1.1 The urgent need to address the high levels of chronic poverty in Midvaal.

5.1.2 The requirement of developmental local government that municipalities work together with local communities to find ways to meet the needs of the poor and to improve their lives.

5.1.3 The Constitutional obligations to provide basic services to the poor.
The Indigent Support Policy will seek to provide support to the registered indigents by:

- Free basic municipal services
- Indigents burials
- Employment opportunities

6. LEGISLATIVE FRAMEWORK

6.1 This policy is designed and implemented within the framework of the following legislation:

- The Constitution of South Africa sets out the obligation of government
- Local Government: Municipal Structures Act 117 of 1998
- Municipal Structures Amendment Act 33 of 2000
- Municipal Systems Act 32 of 2000
- Local Government Property Rates Act, 6 of 2004
- Municipal Finance Management Act 56 of 2003
- Water Services Act 108 of 1997
- Annual Division of Revenue Act

Guidelines

- Framework for Municipal Indigent Policies: Towards a basket of services for the poor dated May 2007.
- Free Basic Strategy and guidelines prepared by the Department of Water Affairs and Forestry.
- Electricity Basic Support Tariff (free basic electricity) Policy prepared by the Department of Minerals and Energy.

7. SCOPE OF THE POLICY

7.1 The policy covers a wide range of indigent benefits such as but not limited to:

- Indigent rates and tax rebates
- Indigent burials

7.2 Expanded Social Package (employment opportunities)

8. DEFINITION OF INDIGENT

8.1 Indigents are defined as those people, due to a number of factors, who are unable to make monetary contribution towards basic services, no matter how small the amounts seem to be.

8.2 Any household, earning less than the R4 000.00 qualify to be registered as indigents. Examples are pensioners, unemployed, child headed families and students. Midvaal Local Municipality will align the income level of indigent households with the income category as determined by the department of Human Settlement for ownership of RDP properties. The said amount currently is R5 500.00 per household per month.

The thresholds to increase in 2019/2020 to R4 500, 2020/2021 to R5 000 and 2021/2022 to R5 500.

8.3 A household is defined as all adults and children living on a single property.

8.4 An indigent policy will thus refer to fairly limited set of administrative procedures within the income function for distributing grant support to reduce the municipal account to particular households.

8.5 As per the indigent policy, an indigent data-base refers to a data base that Midvaal Local Municipality established to register and monitor all households that are categorised as per financial definition of an indigent.

9. QUALIFICATION CRITERIA

9.1 Four categories of indigents will be considered:

9.1.1 **Category 1:** Registered property owners (not tenants) who will benefit from the rebates in section 11.1 – 11.11 (must qualify in terms of section 9.2 – 9.9 below);

9.1.2 **Category 2:** Deemed indigents who will benefit from the rebates in section 11.1 – 11.11 (must qualify in terms of section 9.10 – 9.19 below); or

9.1.3 **Category 3**: Other indigents who do not own property in Midvaal Local Municipality and will only qualify benefits in sections 11.12 and 11.14.

9.1.4 **Category 4**: RDP property owners for which the property is still in the process of being transferred to the beneficiary's name will benefit from the rebates in sections 11.1 – 11.11 (must qualify in terms of section 9.2 – 9.9 below).

In respect of 9.1.1 above:

9.2 The household must have a combined monthly household income of not more than R4 000 per month EXCLUDING support from family and churches (up to a maximum of R4 000 per month) child support grant, foster grant and disability grant;

9.3 Once approved as an indigent, the water and electricity meters will be converted to prepaid meters at the cost of the municipality.

9.4 The applicant must be a resident of the Midvaal municipal area and must be the full time occupier of the property (i.e. it must be a residential property);

9.5 Business or industrial property owners do not qualify as indigents;

9.6 Property owners with more than one property do not qualify as indigents;

9.7 Owners of vacant land do not qualify as indigents, with the exception of owners living in informal structures on the vacant land and provided the owner does not own multiple properties;

9.8 The applicant must be in possession of a valid South African identity document;

9.9 Where the property has a municipal value of more than R1 300 000, or the applicant has a financial investment exceeding R1 300 000, the applicant will be approved as an indigent only once (i.e. relief will be for a single year only), unless the registered owners are older than 60 years of age and earn less than R4 000 per month (in which case their applications will be considered for more than one year); and

9.10 The applicant must be the registered owner of the property; or

9.10.1 An occupier of a child-headed household where the property is registered in the name of the deceased parent or deceased parents – a Letter of Authority and a Death Certificate will be required as part of the application;

9.10.2 The party to whom the property is awarded in the event of a divorce; however, separated couples will not be treated as divorced and the income of both spouses will be included in the joint monthly household income for purposes of determining indigent status;

9.10.3 Where a deceased estate has not been wound up a Letter of Authority / Executorship and a death certificate is needed;

9.10.4 In the case of a deceased estate, in whose name the property is registered, any heir to whom the registered property has been bequeathed;

9.10.5 A surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the property is registered in both spouses' names and the surviving spouse is the sole heir;

9.10.6 A surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the property is registered in the name of that deceased;

In respect of 9.1.2 above:

Households within the following categories of properties will be deemed to be indigent households:

9.11 the property is used for residential purposes only as reflected in General Valuation roll;

9.12 the residential exclusion as per Property Rates Act 2004 (Act 6 of 2004) is applicable to property; and

9.13 the property is either a RDP property, or the municipal value of property does not exceed a maximum value of R150 000 subject to the owner having only a single residential property;

9.14 staff members, government employees and councillors of the Midvaal Local Municipality are EXCLUDED and will not qualify as deemed indigents.

Indigent relief will be withdrawn where upon verification the deemed indigent household, including occupants / residents and / or dependants residing on the property, as the case may be, -

9.15 owner of property owns more than one property, registered individually or jointly;

9.16 owner of property rent or lease his property to any third party;

9.17 deemed indigent household tampers or illegally connects or reconnects services;

9.18 business activities are being conducted on property and the monthly income exceeds R4 000;

9.19 properties registered in name of National, Provincial or Local Government; or

9.20 owner of property applies to be excluded from deemed indigent relief.

9.21 Debt written off will be reinstated immediately.

10. INDIGENT APPLICATION PROCESS

10.1 Category 1: Rebates on rates and municipal services

10.1.1 Residents wishing to apply as indigent households should complete an application form at the Midvaal Finance rates hall for capturing. The following information MUST be provided:

- Proof of total household income (gross income);
- Bank Statements for 3 months with declarations from all banks that the applicant and all other adult members of the household do not have any other bank accounts. No affidavits in lieu of bank statements will be accepted;
- Ownership status;
- Unemployed applicants must attach an affidavit from the Police Station;
- Valid copy of SA identity document;
- Pension certificate or card in case of a pensioner;
- Letter of Authority and Death Certificate where applicable;
- Will and Death Certificate where applicable;
- Municipal account; and
- Duly completed application form.

10.1.2 The completed application form will be checked by the Finance department and referral to the Social Services department for assessment. (See flow chart on procedures and processes).

10.1.3 The assessment by Social Services can either be done based on information provided in the application form or by site visit.

10.1.4 The assessments of the indigent applications by Social Services will include lifestyle verification and ownership of luxurious items e.g. motor car, DSTV decoders etc.

10.1.5 All application forms received by Social Services will be recorded electronically by the Finance and Social Services departments for control purposes.

10.1.6 The Executive Mayor will appoint a screening committee who will consider the applications and approve applications complying with the criteria set out in this policy.

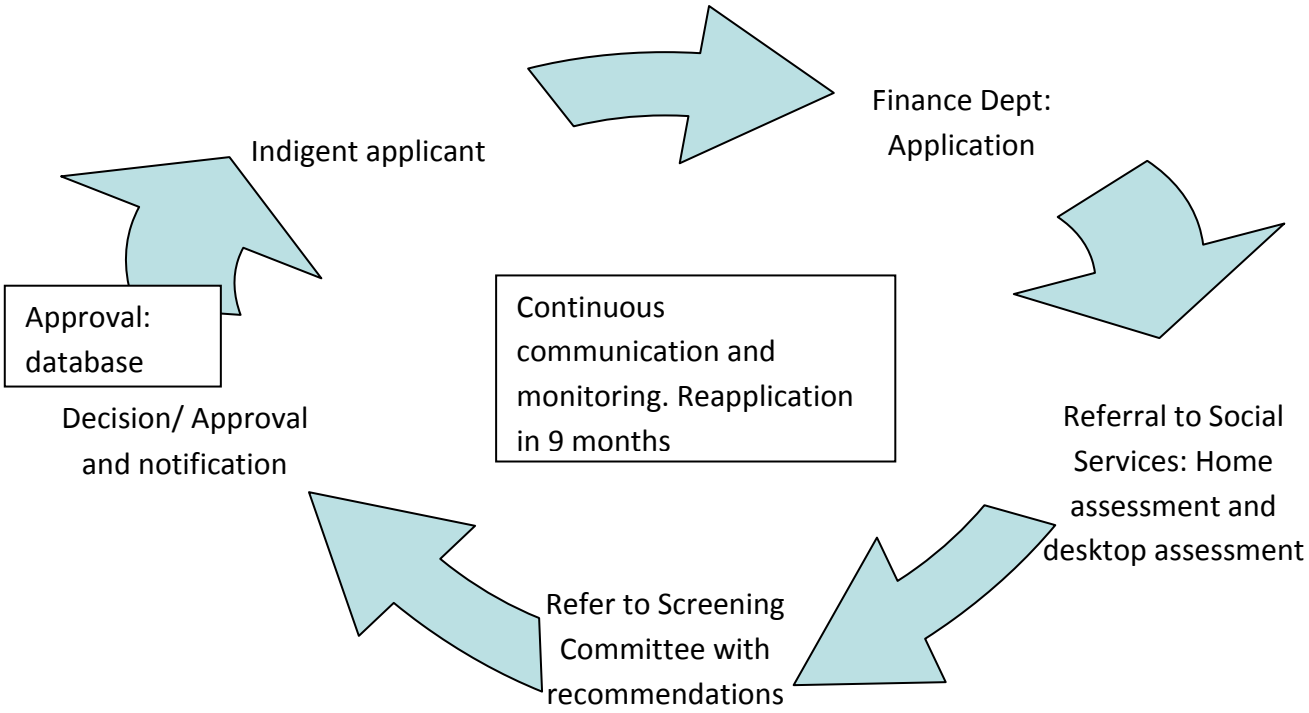
10.1.7 All approved applications will be returned to the Finance department for capturing on the financial system.

10.1.8 All outstanding account balances (including handovers) as at date of approval will be written off.

10.1.9 Registered indigents whose status have not changed (i.e. they will qualify as indigent household); must re-apply nine months after approval to ensure their application is re-considered before it lapses after a year.

10.1.10 Indigents are compelled to inform Council about any change of their indigence status.

10.1.11 No legal action, eviction will be instituted / conducted against approved and registered indigents.



Desktop assessment is based on evidence presented.

10.2 Category 2: Deemed Indigents

No application process – the Finance department will determine beneficiaries based on the approved Municipal Property Valuation Roll.

10.3 Category 3: Non-property owners (burial and employment benefits)

10.3.1 Residents wishing to apply for burial benefits should complete an application form at the Midvaal Social Services department for capturing. The family can request an indigent burial by means of an affidavit, substantiated by an official letter from a social worker, ward councillor or a relevant MMC. The said documentation must indicate the reasons for this request;

10.3.2 The following information MUST be provided as part of the application:

- Proof of total household income (gross income);
- Proof of residence (the deceased must be a bona fide resident of Midvaal);
- Valid copy of SA identity document;
- Proof from the family member / relative that they cannot bury the deceased;
- Confirmation that no other person or organisation other than the relatives, are in a position or do not have resources to pay for the burial.

10.3.4 If the body was found outside the Midvaal Municipal area of jurisdiction and the person is not a resident of Midvaal, the request for an indigent burial must be referred to the relevant local authority where the person was a bona fide resident.

10.3.5 The Executive Director Social Services will consider the application and grant approval where the application complies with the conditions of this policy.

10.3.6 The Executive Director Social Services must ensure that all the above-mentioned procedures and requirements are met before an order could be placed at the contracted funeral undertaker appointed by Midvaal Local Municipality to bury a deceased person as indigent.

10.3.7 For certain positions in Council employment opportunities will be given to persons in the indigent register (per household) on the express condition that the person employed based on this policy assumes responsibility for the municipal account of the household.

10.3.8 Residents wishing to apply for employment opportunities, must register on the labour register at the Human Resources Department.

11. BENEFITS OF REGISTERED INDIGENTS

11.1 All outstanding account balances (including handovers) as at date of approval will be written off, but only once and it will never be written off again when the indigent status is renewed.

11.2 NO rates be levied on any property where the municipal valuation does not exceed the municipal valuation of R500 000 (five hundred thousand).

11.3 If the valuation of the property is more than R500 000 (five hundred thousand), the first R500 000 (five hundred thousand) will be exempted from rates.

11.4 Indigent households will receive their first 6kl of water consumption at no cost.

11.5 The cost of the free basic water be levied and be offset as income foregone and funded from the equitable share grant received in terms of the annual Division of Revenue Act.

11.6 The Municipal Manager may grant authority that a prepayment meter or water management device be installed in those properties where the registered owners

qualify and are registered for indigent relief so that the debtor cannot consume water beyond the free basic water.

11.7 Registered indigents will receive a free supply of electricity of 50 kWh per month.

11.8 The cost of free basic electricity will be levied and be offset as income foregone and funded from the equitable share grant received in terms of the annual Division of Revenue Act.

11.9 The Municipal Manager may grant authority that a prepayment meter be installed in those properties where the registered owners qualify and are registered for indigent relief.

11.10 All registered debtors will be levied with a weekly residential refuse removal service and be offset as income foregone and funded from the equitable share grant received in terms of the annual Division of Revenue Act.

11.11 All registered debtors will be levied with a residential sewerage service (where the municipality provides a sewerage service) and be offset as income foregone and funded from the equitable share grant received in terms of the annual Division of Revenue Act.

11.12 The council will consider the burial of any person or immediate family member of such person, if she / he is registered as an indigent within Midvaal Local Municipality;

11.13 All indigent burials will be conducted during the week.

11.14 Midvaal Local Municipality will not be liable for storage costs of bodies beyond 48 hours.

11.15 No water and / or electricity connection fee will be charged to indigent households as applicable.

11.16 The municipality will attempt to assist child headed households with the registration of their properties in the deeds office by approaching the municipality's panel of attorneys to do the registration as part of their pro bono services.

11.17 The waiving of charges for other municipal services will be considered based on written applications submitted to the Municipal Manager, such as fire services.

12. TERMINATION OF INDIGENT SUPPORT

The indigent Support will be terminated under the following circumstances:

12.1 At the end of the 12 months cycle;

12.2 Upon the sale of the property in respect of which support is granted;

12.3 When Circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded;

12.4 If the applicant is found to have lied about his / her personal circumstances or has furnished false information regarding indigent status the application shall be terminated, the amount written off shall be debited back to the account and stringent credit control measures will be applied;

12.5 Where tampering is discovered, all benefits will immediately be halted. A fine according to the Credit Control Policy will be imposed. The service will be terminated and will only be re-installed on the payment of the full amount of the reconnection fee and fine;

12.6 Upon the death of the indigent, and if the indigent had dependents, the dependents will have to re-apply for the support as subsidies are not transferable.

12.7 Services will be suspended / restricted to indigents who fail to pay for services consumed up and above the subsidised amount.

12.8 If any extensions to the property is effected, building or otherwise, the debt will be re-instated and the indigent status will be cancelled.

13. CONCLUSION

13.1 The Granting of an indigent subsidy shall be the sole prerogative of Council whose decision shall be final.

13.2 The Indigent Policy shall be applied consistently.

13.3 It is a priority of Council to ensure that the poor receive affordable basic services. However, this task is made more complex by the large proportion of the population who are potential beneficiaries of the indigent programme.

13.4 The Social Services Department will investigate possible ways of creating and encouraging Exit programs for indigents.

13.5 Any information affecting indigents will be made available in the official language of Council and translation will be available upon request.

14. EFFECTIVE DATE

The Policy is effective from 1 July 2018.

POLICY: PROVISION OF FREE BASIC ELECTRICITY

2018/2019 FINANCIAL YEAR

PROVISION OF FREE BASIC ELECTRICITY POLICY

FBE ALLOCATION IS 50 kWh units per month.

The following policy provides guidelines to determine a uniform approach for the allocation of free basic electricity inside the boundaries of the Midvaal Local Municipality.

Note: Electricity used for business purposes is excluded from the free basic electricity allocation.

1. ALLOCATION OF FREE BASIC ELECTRICITY

Free basic electricity to MLM customers may be allocated in accordance with the following provisions:

1.1. when provided for in the MLM Policy on Free Basic Electricity,

1.1.1. residents using electricity for residential purposes within the Midvaal supplied area, for registered indigents only, and must be on prepaid electricity.

1.1.2. residents using electricity for residential purposes within the Eskom supplied area inside MLM and a contract exists whereby Midvaal pays Eskom to supply free basic electricity to these customers.

2. IMPLEMENTATION DATE

The policy will be effective as from 1 July 2018.

POLICY: PROVISION OF FREE BASIC WATER

2018/2019 FINANCIAL YEAR

POLICY: PROVISION OF FREE BASIC WATER

1. APPLICATION AND SCOPE

This policy is applicable to the Residential stands (Res. 1) and Approved Indigents residing within Midvaal Local Municipality

2. OBJECTIVES OF THE POLICY

The objectives of the policy are –

- To realise everyone's constitutional right of access to sufficient water
- To grant every household an equitable and affordable basic (free) portion of the water service
- To support the poor, approved as Indigents in terms of the Council's relevant policy, with an additional basic (free) portion of the water service
- To ensure compliance to the applicable terms of the Constitution of the Republic of South Africa, Act 108 of 1996, the Local Government Municipal Systems Act 32 of 2000 and the Municipal Budget and Reporting Regulations contained in General Notice 393 in Government Gazette 3241 of 17 April 2009.

3. LEGISLATIVE FRAMEWORKS

3.1 Constitution of the Republic of South Africa, Act 108 of 1996

Section 27 (1) (b) determines –

Everyone has the right to have access to sufficient food and water

3.2 Local Government Municipal Systems Act, 32 of 2000

Section 74 (2) (c) of the Local Government Municipal Systems Act; 32 of 2000 determines:

"(c) poor households must have access to at least basic services through –

(i) Tariffs that cover only operating and maintenance cost,

(ii) Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service: or

(iii) Any other direct or indirect method of subsidisation of tariffs for poor households"

4. FREE BASIC SERVICES PRINCIPLES

4.1 The right of access to basic water

Everyone has the right to have access to sufficient water. Midvaal Local Municipality is committed to promoting sustainable access to a basic water supply by subsidising the ongoing operating and maintenance costs of a basic water supply service.

4.2 Consumer Responsibilities

The right to basic water supply services come with a corresponding responsibility, namely, to use water services responsibly and with due care.

4.3 User Charges (Retail)

Charging for water services is essential in order to generate sufficient funds for operating, maintaining and investing in water systems but at the same time recognising the need for affordability. Sound business principles within a sound subsidy frame work are therefore essential. This includes good governance, sound accounting, adequate provision for depreciation, adequate spending on maintenance and replacement of assets, effective and efficient use of resources and income (including subsidies) which covers expenses.

5. APPLICATIONS AND IMPLEMENTATION

5.1 Free Kiloliters per month

The block tariff adopted by Council for the use of the water services exclusively for household purposes, provides for every household to receive free kiloliters per month as stipulated below:

1. Indigents 6 kl free per month
2. Residential 4 kl free per month.

5.2 Implementation Date

The policy will be effective as from 1 July 2018.

POLICY ON THE ACCEPTANCE OF GRANTS, GIFTS, DONATIONS AND SPONSORSHIPS

2018/2019 FINANCIAL YEAR

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1. Introduction

Midvaal Local Municipality receives various forms of grants and donations. This includes:

1. Grant funding for capital projects, as per the DORA (e.g. MIG, RBIG, etc.)
2. Grant funding to fund operational projects, as per the DORA (e.g. FMG, MSIG, etc);
3. Sponsorships to fund mayoral projects (e.g. Mayoral Golf Day);
4. Other sponsorships;
5. Other ad hoc donations and gifts.

These grants, donations, sponsorships and gifts need to be managed effectively and efficiently to ensure that the desired outcomes (or prescribed outcomes in the case of conditional grants) are met.

In addition to grants, sponsorships and donations offered to Midvaal Local Municipality, individuals (employees and councillors) are offered rewards, gifts and favours.

2. Acceptance of grants, gifts, donations and sponsorships

Midvaal Local Municipality should not simply accept all grants, gifts and donations offered to Council, but should consider all the implications of acceptance of the grants before doing so.

The Municipal Finance Management Act, Act 56 of 2003 and the Municipal Supply Chain Management Regulations, subject to SCM Regulation 47, do not prohibit sponsorships or donations (in money or kind) to the municipality as such, but prescribe that such action must be disclosed if it was promised, offered or granted by a provider or prospective provider of goods and services or a recipient or prospective recipient of goods disposed of or to be disposed of. In deciding whether to accept the abovementioned, due regard must be given to the Supply Chain Management Policy.

2.1 Capital Grants

Capital grants must be evaluated in terms of the IDP priorities. Council will firstly implement projects to satisfy community need in terms of the IDP before other projects are implemented. However, capital projects not included in the IDP must be considered in terms of a comprehensive business plan that must contain the following pertinent information:

1. Description of project;
2. Link to existing projects and projects planned by other departments;
3. Staffing requirements – re-deployment of current employees (appointed staff, not vacant positions on the staff structure) or appointment of additional external employees (including both the number of employees and the designation / salary levels);
4. Impact on future operational budgets, including both income and expenditure – all expenditure items must be included, (e.g. remuneration cost, operational overhead costs, municipal services, etc.);
5. Any additional information available, inter alia: What the impact on service delivery will be if the project is not implemented; and comments on capacity to implement.

2.2 Operating Grants

Operating grants should be considered on an ad hoc basis. All grants that aim to further the objectives of the Midvaal Local Municipality should be considered for acceptance.

The following broad principles should be applied when considering whether or not to accept a grant:

1. Grant funding should not result in recurring operating expenditure for Midvaal Local Municipality;
2. The conditions of the grant funding should not place an undue administrative burden on Council;

3. The vision and mission of Council should not be compromised in any way by accepting the grant;
4. The conditions of the grant funding should not compromise Council's authority and decision-making powers in any way; and
5. The Executive Mayor may use his / her discretion when being offered grants and acceptance thereof.

2.3 Donations and Sponsorships to the Municipality

The acceptance of donations and sponsorships must, at all time, be done in such a manner that it maintains and promotes sound financial management, public accountability, transparency and good governance.

When donations and sponsorships are offered to the municipality, the following must be considered:

1. Whether the sponsorship or donation creates an expectation of further work, contracts, support, etc. to the organisation or person making the sponsorship or donation;
2. Whether MFMA training sponsorship comply with MFMA Circular 9 in that the training providers must be validated by National Treasury (This applies only to training on MFMA and not any other training courses);
3. Whether the sponsorship or donation is within the ambit of the Supply Chain Management Regulations 47 and 48; and
4. Whether the sponsorship or donation infringes the ethical standards set in Regulation 46 of the Supply Chain Management Policy.
5. Whether the donation or sponsorship may have financial, operational or reputational consequences to the municipality in the future, and where it is foreseen whether it is desirable to incur such consequences.
6. Whether the donation or sponsorship is desirable.

If it is found that the donation or sponsorship is offered or granted with the intention of being an inducement or reward for the awarding of any form of bid, or that it infringes on the ethical standards in Regulation 46 of the Supply Chain Management Policy, the donation or sponsorship may not be accepted.

All donations or sponsorships offered or granted to Midvaal Local Municipality must be submitted to the Municipal Manager for approval. Excluding the Executive Mayor as stated in 2.b above, no person other than the Municipal Manager may authorise the acceptance of donations or sponsorships.

All relevant donations or sponsorships offered or granted to Midvaal Local Municipality must be declared to National Treasury in terms of Section 48 of the Supply Chain Management Regulations.

2.4 Rewards, Gifts, Hospitalities or other Benefits directly or indirectly offered to employees of Midvaal Local Municipality

1. No employee may accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including any close family member, partner or associate of the employee, of a value more than R350 **annually** from any provider or potential provider of goods / services;

2. Notwithstanding the above, the relevant employee must declare details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to him / her or to any close family member, partner or associate of him / her;

3. Each Head of Department must maintain a register where rewards, gifts, favours, hospitality or other benefits that are offered and / or accepted by employees in his / her department are recorded; and

4. The abovementioned register must be available for inspection by the Municipal Manager and the Internal and External Auditors of the Midvaal Local Municipality.

2.5 Rewards, Gifts, Hospitalities or other Benefits directly or indirectly offered to Councillors of Midvaal Local Municipality

1. The same rules as per 2.4 above apply to Councillors mutatis mutandis.
2. The Gift Register contemplated in 2.4.3 above, will be maintained by the Speaker's Office.

3. Reporting to Council on Grant Funding for Capital and Operating projects

It is the responsibility of the department receiving the grant to report to Council on the following matters upon receiving confirmation of the grant:

1. Description of the grant received;
2. Amount received;
3. Purpose of the grant;
4. Conditions of the grant;
5. Implementation plan; and
6. Expected outcomes.

Abovementioned will only be applicable to ad hoc grants received during the year and not capital projects budgeted for as part of the approved IDP Capital Investment Program.

After completion of the project / programme, the department will be required to report to Council on the following matters:

1. Date of receiving of physical cash payment;
2. Date of implementation;
3. Actions performed, program implemented;
4. Amount of actual expenditure incurred;
5. Report back on conditions of the grant that was met;
6. Final outcome of project / programme; and
7. How any unspent funds must be used, taking conditions of the grant into consideration.

4. Other reporting requirements

Departments are responsible to adhere to all reporting requirements in terms of the conditions of the grant. Grants received from National and Provincial Government must be reported in terms of the conditions of the Division of Revenue Act.

The duties of the receiving officer (department receiving the grant) are detailed as follows in the Division of Revenue Act:

"*A municipality shall, within 10 days after the end of each month, submit a report to the relevant transferring National or Provincial Officer. The report must set out -*

1. *The amount received by the municipality, up to the month reported on;*
2. *The amount of funds delayed or withheld from the municipality, up to the month reported on;*
3. *The actual expenditure by the municipality up to the month reported on;*
4. *The extent of compliance with the conditions of an allocation and with the Act;*
5. *An explanation for any material problems or variances experienced by the municipality, regarding an allocation which has been received, and a summary of the steps taken to deal with such problems or variances; and*
6. *Such other issues and information as the National Treasury may determine."*

If any variance is detected and it is not of a financial nature, the department in question should refer the problem to the appropriate interval Portfolio Committee Meeting for consideration. A summary of the steps taken to deal with such problems or variances should be reported to Council.

In the event of non-compliance with the rules and regulations as set out in the Division of Revenue Act, the applicable department should take the necessary action to rectify the fact that they are not complying.

The Chief Financial Officer must disclose to National and Provincial Treasury on an annual basis, all sponsorships promised, offered or granted, whether directly or through a representative or intermediary, by any person who is:

1. A provider or prospective provider of goods or services; or
2. A recipient or prospective recipient of goods disposed or to be disposed of.

To enable the Chief Financial Officer to comply with 5.5 above, all Heads of Department must, by no later than 15 July annually, report to the Chief Financial Officer on all sponsorships promised, offered or granted, whether directly or through a representative or intermediary, by any person who is:

1. A provider or prospective provider of goods or services; or
2. A recipient or prospective recipient of goods disposed or to be disposed of.

5. General

All grants, donations, sponsorships, etc. must be paid into the primary bank account of Midvaal Local Municipality.

LONG TERM FINANCIAL PLANNING POLICY

2018/2019 FINANCIAL YEAR

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ABBREVIATIONS

MLM	MIDVAAL LOCAL MUNICIPALITY
AO	Accounting Officer
CFO	Chief Financial Officer
LTFP	Long Term Financial Plan
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act

1. PURPOSE OF THIS DOCUMENT

This policy sets outs the principles for determining the following:-

The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of the Policy on Long Term Financial Planning is therefore to:-

(a) Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of the Municipality.
(b) Identify capital investment requirements and associated funding sources to ensure the future sustainability of the Municipality;
(c) Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates; and
(d) Identify new revenue sources as funding for future years.

2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), has the meaning so assigned, and:

"Accounting Officer" – means the Municipal Manager and vice versa;

"Act" – means the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

''basic municipal service'' means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget Steering Committee", a committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA;

''budget-related policy'' means a policy of a municipality affecting or affected by the annual

budget of the municipality, including –

(a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

(c) the credit control policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Chief Financial Officer" – means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the municipality;

"Council" or "Municipality" – means the Municipal Council of Midvaal Local Municipality as referred to in Section 18 of the Municipal Structures Act;

"Creditor" – in relation to a municipality, means any person or service provider to whom money is owing by the Municipality;

"Debt" – means –

(a) a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities; or

(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another.

"Financing Agreement" means any long-term agreement, lease, installment purchase contract or hire purchase agreement under which the Municipality undertakes to pay the capital cost of property, plant or equipment over a period of time;

"Financial year" – means a year ending 30 June;

"Financial Statement" – means statements consisting of at least –
(a) a balance sheet (statement of financial position);
(b) an income statement (statement of financial performance);
(c) a cash-flow statement;
(d) any other statements that may be prescribed; and
(e) any notes to these statements.

"IDP" means the Integrated Development Plan;

"LTFP" means Long Term Financial Plan;

‘‘long term debt’’ means debt repayable over a period exceeding one year;

“MBRR” means the Municipal Budget and Reporting Regulations;

“MFMA” means the Municipal Finance Management Act 56 of 2003;

“MTREF” means Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years;

“Municipal debt instrument” – means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including virtual or electronic evidence of indebtedness intended to be used in raising debt;

‘‘municipal tariff’’ means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

‘‘National Treasury’’ means the National Treasury established by Section 216(1) of the Constitution and section 5 of the Public Finance Management Act;

“Short Term” refers to a period up to 3 (three) years;

“Medium Term” refers to a period between 3 (three) and 5 (five) years;

“Long Term” refers to any period longer than 5 (five) years.

“Security” – means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor; and

“Short Term Debt” – means a debt which is repayable over a period not exceeding 12 months.

3. OBJECTIVES

The annual updated LTFP should identify the following:

(a) Assumptions and parameters to be used to compile the Operating and Capital budgets over the next MTREF;

(b) Future Operating revenue and expenditure projections based on assumptions and parameters;

(c) Future affordability of projected Capital Plans;

(d) The level of infrastructure development required to achieve the Municipal priorities, within

the funding restrictions; and

(e) External funding requirements in respect of long term debt.

4. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2018.

5. POLICY AMENDMENT

The Accounting Officer must–

(a) at least annually review the implementation of this Policy; and

(b) when the AO considers it necessary, submit proposals for the amendment of this Policy to the Council.

The review of this policy and any amendment should be made with due consideration and in conjunction with the annual review of the budget related policies as prescribed in the Municipal Budget and Reporting Regulations, 2008.

6. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegation of Powers;
- Accounting Policy;
- Credit Control and Debt Collection Policy;
- Tariff, Indigent and Free Basic Services Policy;
- Property Rates Policy;
- Budget Implementation and Monitoring Policy;

7. PRINCIPLES

The policy is based on the following principles:-

(a) Viability and sustainability of the municipality;

(b) Optimisation of the municipal revenue basket, taking into consideration the following:

- Grand funding is optimally utilised and managed; and
- Effective credit control and debt collection, ensuring optimal revenue collection in the context of the socio-economic environment.

(c) Continuous improvement and expansion in service delivery framework, and

(d) Effective financial strategies.

During the process of compilation of the LTFP the Municipality should take cognisance of the following additional factors regarding the process:-

(c) A collaborative and visionary process. The LTFP does not just forecast the status quo into the future but considers different possible scenarios.

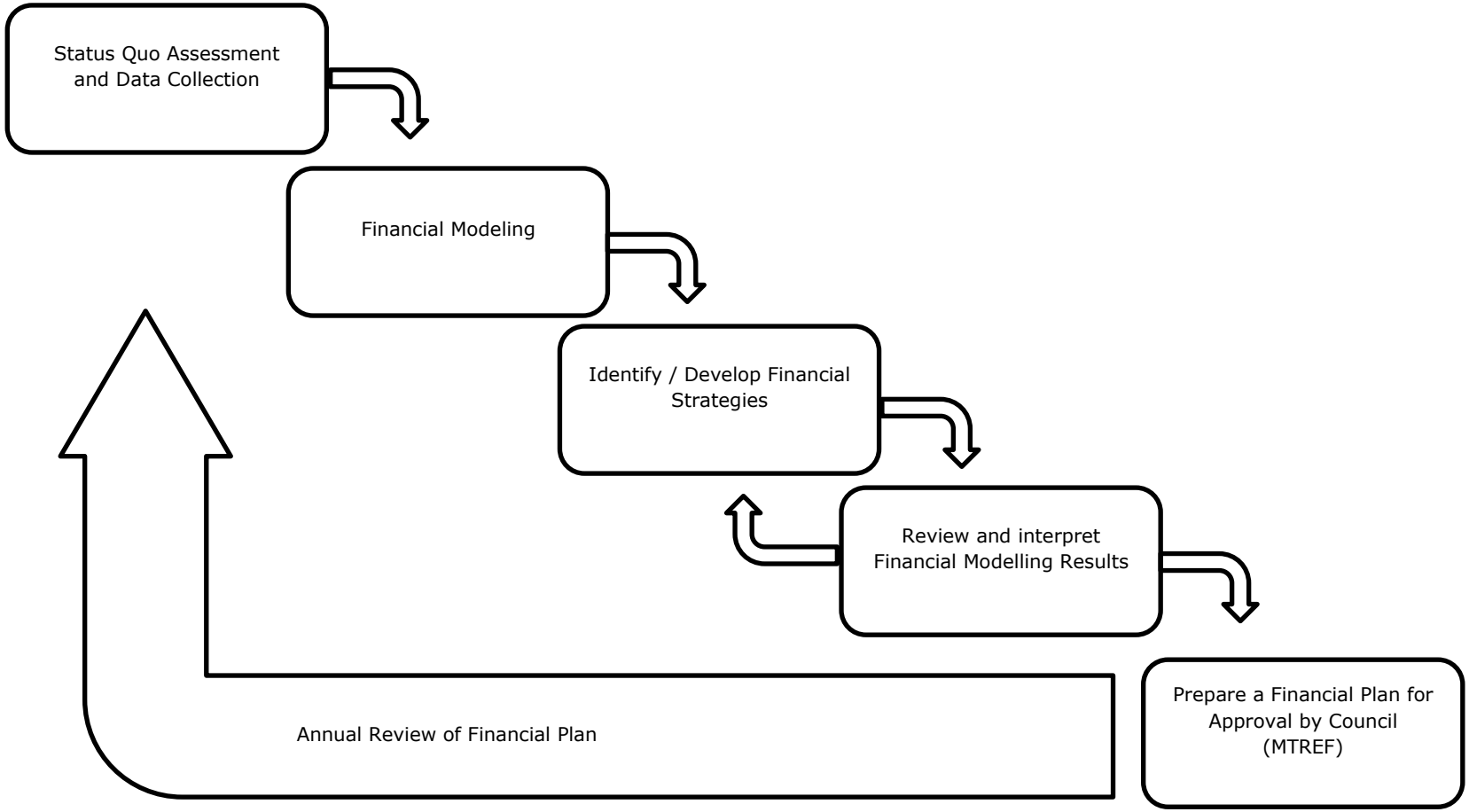
(d) A combination of technical analysis and strategising. Long-term forecasts and analysis are used to identify long-term imbalances and financial strategies are developed to counteract these imbalances or inequities.

(e) An anchor of financial sustainability and policy development. The plan develops big-picture and long-term thinking among elected and appointed Councilors and Officials and also aims to ensure alignment and credibility of the IDP.

(f) Long term in nature. The plan will cover three (3) years.

8. DEVELOPMENT OF A FINANCIAL PLAN

8.1 Process map



8.2 Status Quo assessment and data collection

Perform a Status Quo assessment under the following criteria:-

(a) The Municipality's current financial status;
(b) Audit Outcome for prior Financial Years;
(c) Current revenue sources, internal and external proportion of revenue;
(d) Main cost drivers impacting on the sustainability of the Municipality;
(e) Determine the main expenditure categories and the scale of each;
(f) Identify internal and external factors, which influence expenditure levels;
(g) Loan and liability obligations;
(h) Status of municipal infrastructure;
(i) Repairs and maintenance and refurbishments as per the Infrastructure Asset Management Plans;
(j) Distribution Losses;
(k) Reviewing the Municipality's funding requirements as per:
    - financial plan; and
    - IDP.
(l) Ability to finance capital expenditure;
(m) Trends and the implications including the financial problems; opportunities and constraints/risks facing the Municipality;
(n) Powers and Functions of the Municipality;
(o) Service backlogs and population projections in order to determine service needs; and
(p) Summarise the gaps and challenges to be addressed in the financial and funding plan.

In reviewing the current revenue sources in terms of:

(a) Existing service charges and fees.
(b) Options for increasing user charges and fees based on:
    - the impact of inflation;
    - other cost increases;
    - number of registered indigents;
    - the adequacy of the coverage of costs and current competitiveness of rates; and
    - impact on households, particularly poorer households.
(c) The nature and extent, purpose and predictability of National and Provincial Grants and Agency Payments.
(d) Future opportunities and threats in terms of revenue:
(e) Other revenue opportunities, such as leases and the sale of non-core assets.
(f) Revenue constraints, such as maximum service charges and poor payment levels.
(g) Potential threats to Municipal revenue, including changes in Grant allocations.

(h) Potential expansion of the current revenue base.
(i) Factors, which influence revenue collections.

Other non-financial issues to consider during status quo analysis
(a) Proposed organisational structure and assessing its cost implications;
(b) Proposed community projects and programmes by Departments, such as Housing and Health, and assessing their cost implications; and
(c) Current state of Information Communication and Technology

8.3 Financial Modeling

Upon completion of the status quo assessment, resulting in an understanding of the Municipality's financial position, the next phase is to determine the Municipality's financing need over the medium-term:-

(a) Develop a financial forecast model to identify immediate opportunities and risks; and
(b) To identify future opportunities and risks.

This entails determining what expenditure the Municipality plans to undertake over the medium-term and what its financing requirements are likely to be and how these can be funded either internally or externally.

As the Municipality evolves and expands its service delivery framework, so do those of the National Government. Long term community development and economic development projects will therefore also be included under this phase.

8.4 Financial Strategies

A key feature of the LTFP is to give effect to the Municipality's financial strategies. These strategies should include:
(a) Increasing funding for asset maintenance and renewal;
(b) Continuous improvement to the financial position;
(c) Ensuring affordable debt levels to fund the capital budget;
(d) Maintaining fair, equitable and affordable rates and tariff increase;
(e) Maintaining or improving basic municipal services;
(f) Achieving and maintaining a breakeven/surplus Operating budget; and
(g) Ensuring full cost recovery for the provision of internal services.

8.5 Analyse results

For the short-term needs of the Municipality based on the Financial Modelling, perform scenario planning to identify the optimum balance between revenue collection and municipal spending, taking into account the following:-

(a) Potential revenue enhancement strategies which may have an immediate impact on the revenue base of the Municipality;
(b) Evaluate cost saving mechanisms to minimise the cost of effective service delivery; and
(c) Current infrastructure investments and maintenance programs which may influence revenue streams or the cost of service delivery.

8.6 Prepare Financial plan for approval

The Long Term Financial Plan should indicate the following:-

(a) Illustrate the projected result for a three (3) year period.
(b) Forecasting of revenues and the forecasting of expenditures into a single financial forecast.
(c) Finalisation of the Financial Plan includes collating all financial data and develop a financial plan that:-
    (a) Identifies future revenue projections based on current and projected revenue streams, as well as those projects required to achieve these projections;
    (b) Identifies future expenditure frameworks and cost of service delivery based on current and projected expenditure patterns;
    (c) Identifies the level of infrastructure development required to achieve the municipal priorities, within the funding restrictions; and
    (d) Identifies external funding requirements required for capital investment.

8.7 Annual Review

The success of the LTFP lies in continuous revision:

(a) The financial plan must be reviewed on an annual basis as part of the annual review of the IDP and updated with at least the following information:-
(b) any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Municipality;
(c) any changes in the economic and socio economic environment, other than previously predicted, which may influence the financial status of the Municipality;

(d) any changes in the revenue base or composition which may have an impact on the financial viability of the Municipality;

(e) any changes in the national or municipal priorities as previously identified; and

(f) any factors which may have an impact on the ability to implement previously identified projects.

9. IMPLEMENTATION AND REVIEW OF THE POLICY

The policy will be effective as from 1 July 2018.

INCA
Portfolio Managers

MIDVAAL LOCAL MUNICIPALITY

Independent Financial Assessment

Against the background of the Municipality's Demographic, Economic & Household Infrastructure Situation

FINAL REPORT

MIDVAAL
LOCAL MUNICIPALITY

Author:	AJ van Zyl
	CEO
Signature:	
Date:	31 October 2017

Prepared by:
INCA Portfolio Managers
31 October 2017

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Abbreviations

GRAP:	Generally Recognized Accounting Practice
IPM:	INCA Portfolio Managers
Model:	IPM's Credit and Cash Flow Forecast Model
MTREF:	Medium Term Revenue and Expenditure Framework
Midvaal LM:	Midvaal Local Municipality

Information assessed

Economic data extracted from IHS Global Insight ReX

The Audited financial statements for the years ending 30 June 2007 to 30 June 2016

Final 2016-17 MTREF Budget

Management Accounts as at 30 September 2016

1. Introduction

The Infrastructure Investment Programme of South Africa (IIPSA) was developed jointly by the Government of South Africa and the European Union to address their shared strategic objectives regarding unemployment, poverty and inequality.

The funding made available under this programme is being utilised to enhance sustainable economic growth and the delivery of key services in the Southern African Development Community (SADC) region by supporting both national and regional infrastructure projects.

Funding has been secured from IIPSA to appoint a service provider to prepare Long Term Financial Plans and to identify projects that can be supported to accelerate service delivery and development in a select number of South African municipalities. INCA Portfolio Managers (IPM) has been appointed by GTAC to provide technical support and advisory services in this regard.

The methodology followed by IPM is to develop a LTFP that consists of two phases. The first phase, the outcome of which is this Independent Financial Assessment Report, and the second phase the drafting of a Long Term Financial Plan, which is underpinned by an Excel based financial model.

The Independent Financial Assessment and the key conclusions drawn that are reflected hereunder thus serves as a base for the development of the LTFP. For this reason, the Independent Financial Assessment will be annexed to the LTFP.

The detailed Financial Assessment that was done, which includes a historical financial overview as well as a four year cash flow forecast, was done against a perspective of the demography, local economy and the household infrastructure services provided to the community. The latter serves to provide the reader a contextual perspective. Whereas a specific objective is to identify infrastructure projects that will attract external funding interest if packaged and presented correctly, this independent analysis also serves as an early indication of the creditworthiness of the Municipality and its ability to absorb external funding.

2. Key Findings and Conclusions Drawn

- Midvaal LM is one of eleven municipalities in Gauteng and one of three municipalities in the Sedibeng District Municipal area. It covers an area of 1 722m² and has a population of only 107 430, although growing at a rate of 2,5% per annum.
- The local economy of Midvaal, of which the dominating sub-sectors are Finance, Community Services and Manufacturing, contribute only 0,5% to the Gauteng economy.
- The annual per capita income of Midvaal is R88 461 compared to the R76 024 for Gauteng and the National annual per capita income of R53 754.
- Although the average household income of Midvaal is R278 432 p.a. (R20 703 p.m), nearly double that of the average household income of South Africa (R190 386) and 19% more than the average for Gauteng, 17,3% of its households earn an annual income of below R30 000 (R2 500 p.m.)

- Whereas 51,7% of the population in Midvaal falls within the definition of Economic Active (are employed or actively searching for employment), its official unemployment rate is 31,8% compared to the national unemployment rate of 26,3% and Gauteng's 28,5%. As far as unemployment is concerned, Midvaal finds itself in a District (sub region) with a high unemployment rate (Emfuleni 54% and Lesedi 43%).

- Nearly all households with an income above R30 000 p.a. (82,7%) have access to the minimum level of service (RDP standard). Compared to its neighbouring municipalities in Sedibeng DM, Midvaal's level of service delivery is more conservative. In the District 9,1% of households received a level of service more than their affordable level.

- **Given the above picture of the factual situation, it would seem as if Midvaal is on average better off than most municipalities in the Province and in the Country. However, the challenges faced by Midvaal are in the detail. How to fund infrastructure delivery on a sustainable basis, to the current 17,3% households below the equitable share level. How to make a positive impact on the existing household infrastructure backlog of 3 720 households without the minimum water services, 4 859 households without the minimum sanitation and the 6 775 households (19,3% of all households) without electricity connected to their houses.**

- These challenges are amplified when the perspectives in the LTFP (of future urban development that will double the population) is added. The needed bulk infrastructure to cater for future developments will prove to be a challenge.

  The findings and conclusions drawn from the financial assessment of Midvaal, should be seen against the demography, economic and social situation of Midvaal.

  The fact that Midvaal received unqualified audit opinions for the last five years, of which the last year was an unqualified opinion with no findings, is an indication of the financial management control and capacity of the Municipality.

- The fact that Midvaal reported cash operating surpluses for the last seven years, and for the past four years reflected current assets covering current liabilities more than once, whilst managing to maintain a level of liquidity that covers all its statutory cash backed requirements as well as one month's operational expenses, is an indication that Midvaal managed to maintain a healthy and stable financial position.

- The level of external gearing of Midvaal at the end of FY2016 came to 23% and is expected to decrease further over the next three years to 14%. This is well below the maximum benchmark of 45% set by National Treasury.

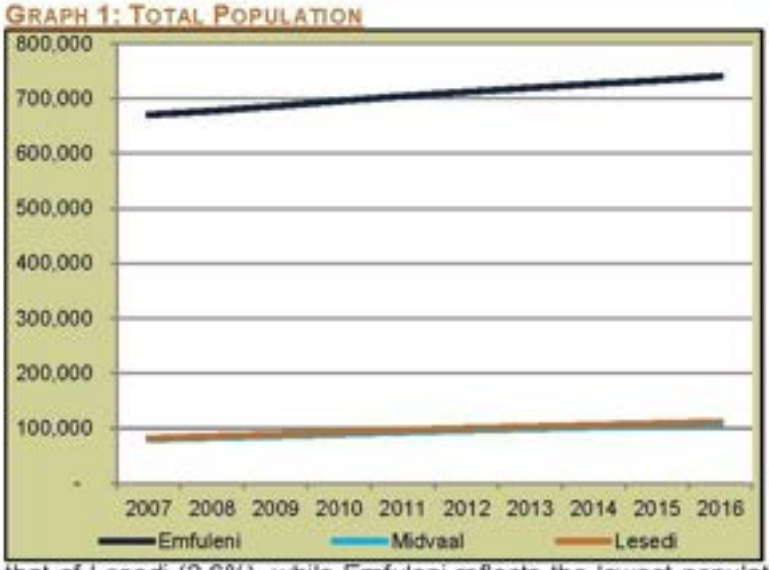
- Midvaal's gross consumer debtor book increased from R45,9 million ten years ago to the current R216,2 million. The current payment ratio of 92% is below the targeted norm of 95%, but with the exception of two years, was maintained above 90% for the past 7 years. The provisions made for bad debts enable Midvaal to stabilise the net consumer debtors for the past three years around R100 million. Clearly consumer debtors are actively managed.

- From the detailed analysis it can be concluded that Midvaal should be able to accelerate investment in infrastructure and, if the right projects are prepared and packaged in the framework of a LTFP with the focus on maintaining financial stability, it will attract keen interest from the private and public funding institutions, especially should it be infrastructure projects that have a positive impact on the revenue base of the municipality.

3. Key perspectives related to the Demography

Population

GRAPH 1: TOTAL POPULATION



Midvaal has a total population of 107 430 (2016) people which represents 11% of the people living in the Sedibeng DM. The municipality's population is almost equivalent to that of Lesedi of 111 558 people. The population of the two municipalities together is only 23% of the population of Emfuleni (740 967), the municipality with the largest population in the District.

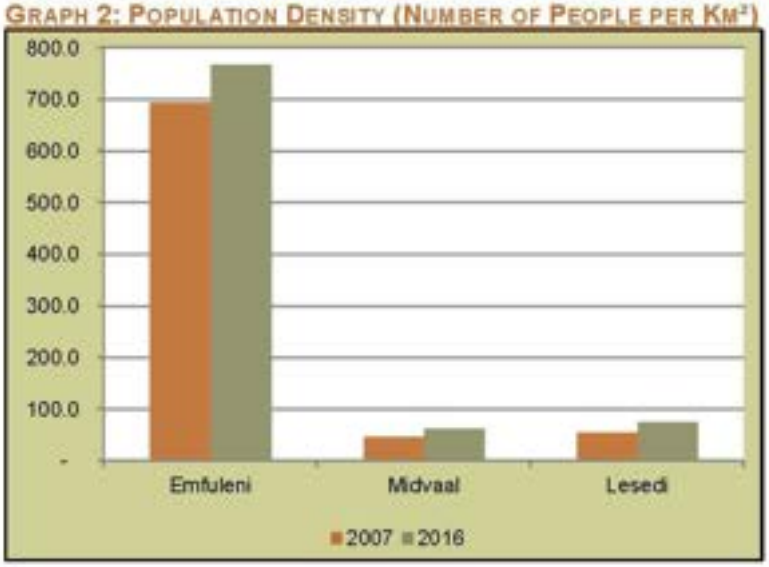
Midvaal's current population growth rate of 2.5% is almost on par with that of Lesedi (2.6%), while Emfuleni reflects the lowest population growth rate (1.1%) in the District. Midvaal's population growth rate is higher than the province's (Gauteng) 2.1% and the country's 1.5% - per annum.

The total population reflected in Midvaal's IDP is 95 300 (Census 2011), 13% less than the current estimates.

TABLE 1: TOTAL POPULATION

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Emfuleni	670 692	677 909	686 747	695 879	704 382	712 064	719 504	726 516	733 176	740 967
Midvaal	***79 900***	***82 915***	***86 092***	***89 419***	***92 839***	***96 185***	***99 311***	***102 201***	***104 858***	***107 430***
Lesedi	81 485	85 141	89 052	92 813	96 382	99 775	102 987	105 990	108 783	111 558
Sedibeng DM	**832 076**	**845 966**	**861 891**	**878 112**	**893 603**	**908 025**	**921 802**	**934 707**	**946 817**	**959 955**

GRAPH 2: POPULATION DENSITY (NUMBER OF PEOPLE PER KM²)



Midvaal Local Municipality covers an area of 1 722 km² and is the lowest densely populated area with a population density of 62.4 people/km² (Emfuleni – 767.1 people/km² and Lesedi – 75.2 people/km²).

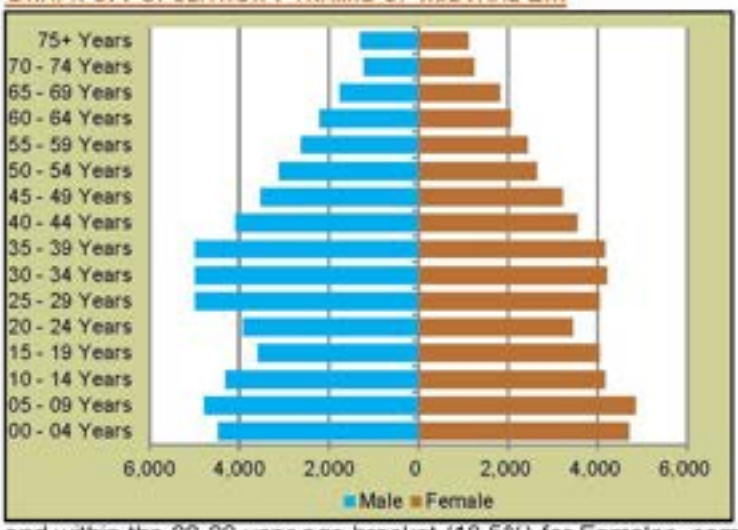
The table below shows the proportion of the consolidated age groups, viz. children, learners and young people (00 – 24), working age (25 – 64) and post retirement age (65+) for the 3 municipalities within the Sedibeng DM.

TABLE 2: AGE GROUP OF POPULATION

Age Group	Emfuleni	Midvaal	Lesedi
00 – 24	42.5%	39.3%	42.2%
25 - 64	50.9%	52.9%	51.2%
65 +	6.6%	7.8%	6.6%

The younger population, i.e. pre-school and learner age, is proportionally higher in Emfuleni (42.5%) and proportionally the lowest in Midvaal (39.3%). The working age population is proportionally largest in Midvaal (52.9%) followed by Lesedi (51.2%) and Emfuleni (50.9%). Proportionally more retired people reside in Midvaal (7.8%), while Lesedi and Emfuleni have proportionally the same population of 6.6% in the 65+ age group (TABLE 2).

GRAPH 3: POPULATION PYRAMID OF MIDVAAL LM

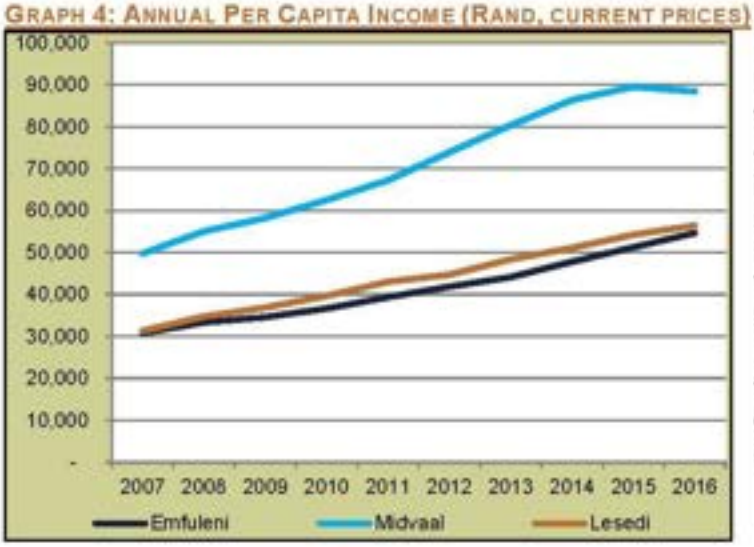


The population pyramid illustrates the **age composition** of society. It provides an indication of the size of the working age population, including job seekers and the potential demand for new household formation and associated demands on household service delivery, such as housing, sanitation, water, electricity and refuse removal.

The highest percentage of the age composition (26.8%) falls within the 25 to 39 year age bracket for Males and within the 00-09 year age bracket (18.5%) for Females, comprising 45.2% of the Total Population (GRAPH 3). The pyramid also illustrates the finding that Midvaal has the highest proportion of the population in the working age group and relatively fewer people in the retired age group.

Income

GRAPH 4: ANNUAL PER CAPITA INCOME (RAND, CURRENT PRICES)



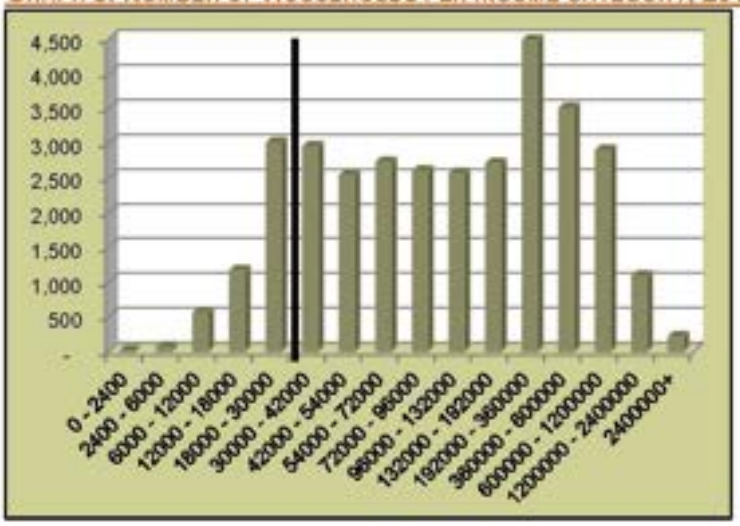
Midvaal's annual per capita income is R 88 461, which is the highest of the three municipalities within the Sedibeng DM (GRAPH 4) and higher than the national per capita income of R 53 754. (Lesedi: R 56 447 and Emfuleni: R 54 671). The average annual income per household in Midvaal Local Municipality is R 278 432 compared to the average annual income in Gauteng of R233 900 and R190 386 for the Country.

TABLE 3 compares the average annual per capita income across municipalities in the Sedibeng DM over time.

TABLE 3: ANNUAL PER CAPITA INCOME IN CURRENT PRICES R – MIDVAAL LM

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Emfuleni	30 816	33 331	34 615	36 643	39 404	41 887	44 140	47 797	51 278	54 671
Midvaal	***49 787***	***55 066***	***58 255***	***62 527***	***67 248***	***73 912***	***80 379***	***86 416***	***89 519***	***88 461***
Lesedi	31 335	34 732	36 854	39 655	43 026	44 744	48 423	51 091	54 228	56 447
Sedibeng	**32 688**	**35 602**	**37 208**	**39 597**	**42 687**	**45 594**	**48 523**	**52 393**	**55 852**	**58 659**
Gauteng	**48 068**	**51 889**	**53 811**	**57 284**	**61 875**	**64 329**	**66 804**	**69 415**	**71 359**	**76 024**
South Africa	**29 563**	**32 338**	**34 015**	**36 371**	**39 448**	**42 512**	**45 360**	**48 018**	**50 702**	**53 754**

GRAPH 5: NUMBER OF HOUSEHOLDS PER INCOME CATEGORY, 2016 MIDVAAL LM



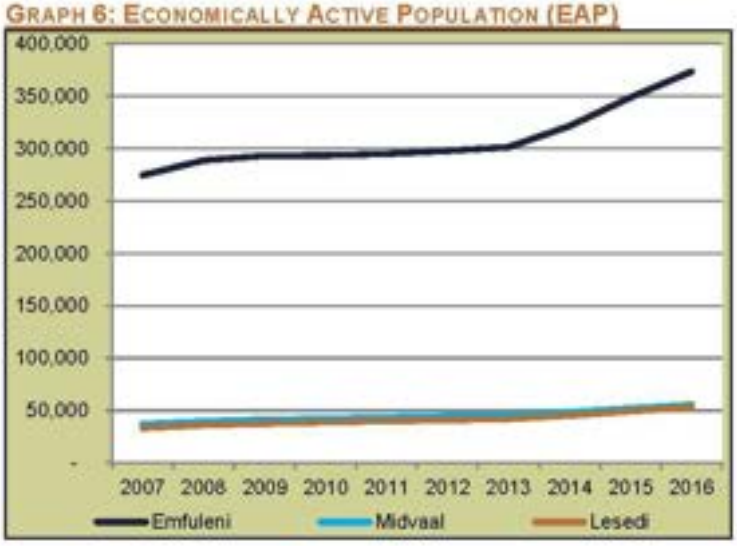
GRAPH 5 illustrates the distribution of household income.

The graph indicates that 17.3% of households in Midvaal earn an annual income of below R 30,000 p.a.

The highest concentration of households (13.1%) is between R 192,000 and R 360,000 p.a.

Economically Active Population

GRAPH 6: ECONOMICALLY ACTIVE POPULATION (EAP)



GRAPH 6 provides a perspective on the growth in the number of **Economically Active People**[1] in the three municipalities within Sedibeng DM.

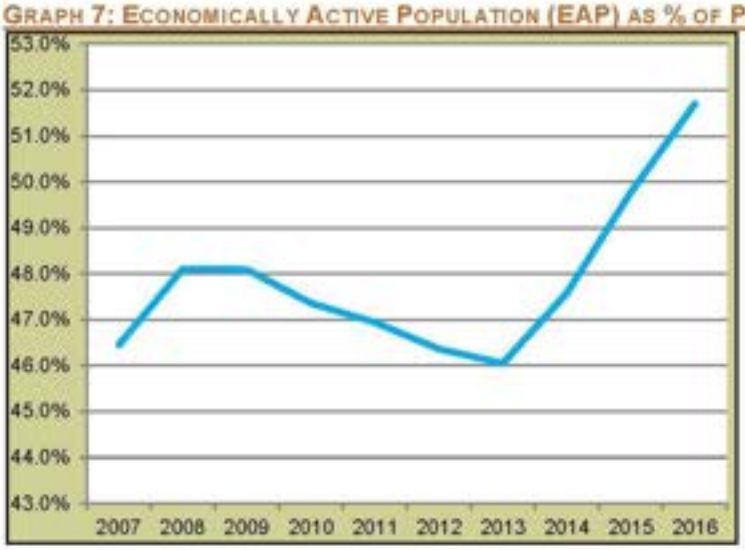
In line with population level: Midvaal (55 543) reflects the second lowest number of economically active population and almost equates that of Lesedi Municipality (53 525). Emfuleni's EAP (373 479) is more than three times the number of both Midvaal and Lesedi (TABLE 4).

[1] Definition: The economically active population (EAP) is defined as the number of people who are able, willing and who are actively looking for work and who are between the ages of 15 and 65. It thus includes both employed and unemployed people.

TABLE 4: ECONOMICALLY ACTIVE POPULATION (EAP)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Emfuleni	274 577	288 837	293 224	293 628	294 893	297 830	301 296	321 575	348 875	373 479
Midvaal	*37 115*	*39 891*	*41 405*	*42 346*	*43 580*	*44 592*	*45 730*	*48 628*	*52 187*	*55 543*
Lesedi	33 247	36 153	37 833	38 856	40 021	40 880	42 009	45 304	49 517	53 525
Sedibeng	344 940	364 881	372 461	374 831	378 494	383 302	389 035	415 507	450 578	482 547

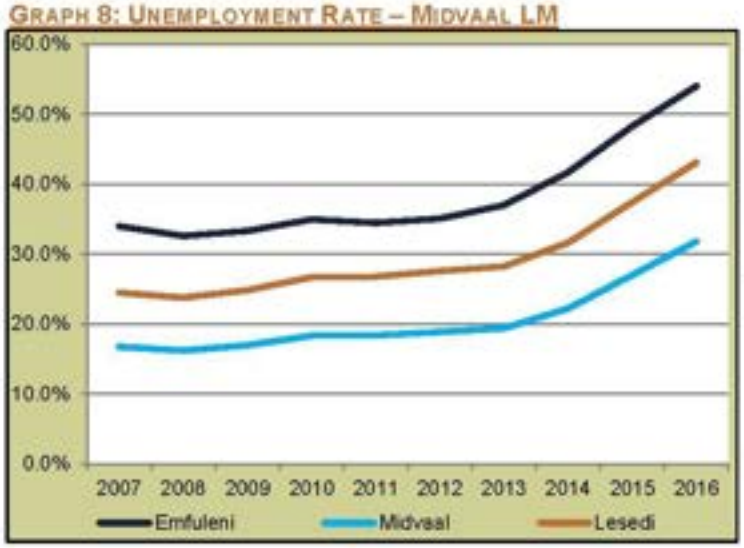
GRAPH 7: ECONOMICALLY ACTIVE POPULATION (EAP) AS % OF POPULATION, MIDVAAL LM



The EAP of Midvaal, as a percentage of population, increased from 46.5% in 2007 to 48.1% in 2009; after which the economic downturn resulted in a decline as illustrated in GRAPH 7 to a low level 46.0% in 2013.

An increasing trend was noticed from the low level in 2013 to a high of 51.7% in 2016. This level is greater than the country's 38.2%. The EAP as a percentage of population for the other municipalities is as follows: Emfuleni 40.9% and Lesedi 48.0%.

GRAPH 8: UNEMPLOYMENT RATE – MIDVAAL LM



The official unemployment rate of Midvaal is 31.8% of the 55 543 Economically Active Population. Midvaal has the lowest unemployment rate of the three municipalities in the Sedibeng District. The unemployment rate for the other municipalities is as follows: (Emfuleni: 54.0% and Lesedi: 43.1%).

Midvaal's unemployment rate is higher than Gauteng's 28.5%, and higher than the Country's 26.3%.

TABLE 5 UNEMPLOYMENT RATE – MIDVAAL LM

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Emfuleni	33.9%	32.6%	33.3%	34.9%	34.4%	35.0%	36.9%	41.7%	48.3%	54.0%
Midvaal	16.7%	16.2%	16.9%	18.3%	18.3%	18.8%	19.4%	22.2%	27.0%	31.8%
Lesedi	24.4%	23.7%	24.8%	26.7%	26.7%	27.6%	28.2%	31.6%	37.4%	43.1%
Sedibeng	31.2%	29.9%	30.6%	32.2%	31.8%	32.4%	33.9%	38.3%	44.6%	50.2%
Gauteng	23.0%	22.6%	23.8%	25.9%	26.2%	25.7%	25.3%	25.8%	27.0%	28.5%
South Africa	24.8%	23.6%	23.8%	24.8%	24.9%	25.0%	25.1%	25.1%	25.5%	26.3%

4. A snapshot of the Local Economy

Gross Value Add

Midvaal Local Municipality's 2016 Gross Value Add (GVA), which reflects the monetary value of the local economy, was R 6.92 billion per annum in current prices or R 4.97 billion in constant (2010) prices. This represents 12.8% of the R 54.10 billion Sedibeng economy and 0.5% of the R 1 342.08 billion Gauteng economy, the "largest economic region in SA". Of the total GVA generated by the District, Emfuleni contributes the highest GVA of 75.5% followed by Midvaal at 12.8% and Lesedi at 11.7% respectively.

Definitions of 9 Economic Sectors

Agriculture - is the foundation of developing economies. Includes all agriculture, hunting, forestry and fishing.

Mining - Involves the full life cycle from exploration through to production (quarrying and mineral processing) up to closure and rehabilitation.

Manufacturing - is the production of merchandise for use or sale using labour and machines, tools, chemical and biological processing, or formulation. It Includes the processing; refining and value add to all primary agricultural and mining products, inclusive of the chemical, rubber, plastic, glass and metal industries. Manufacturing household goods, plant, equipment and transport goods are also included. The last part of the beneficiation that is included in this broad sector classification of manufacturing is the printing, publishing, recording and communication industry.

Electricity - Includes the generation, manufacture and distribution of sources of energy, gas and water.

Construction - Includes all building and or demolition of accommodation, manufacturing and retail civil structures and related services, such as plumbing, electrical contracting, painting, decorating and air conditioning.

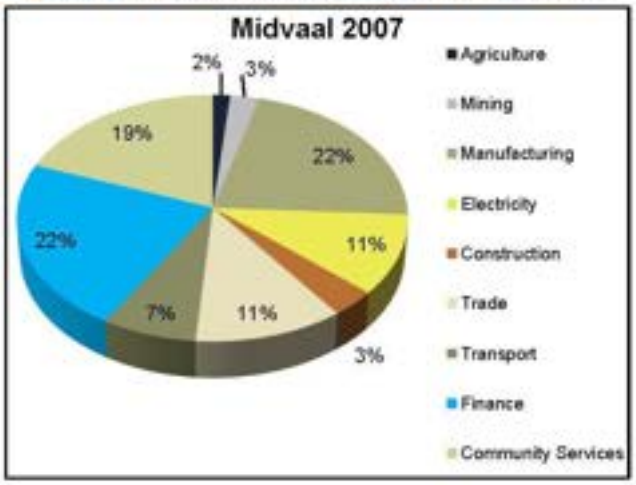
Trade - Includes wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods, hotels and restaurants.

Transport - Includes all transport, storage and post and telecommunication

Financial - Includes financial intermediation, insurance, real estate and business services as well as rental of machinery and equipment, whilst the computer related services, research and services such as advertising, legal, accounting and other professional consulting services are also included.

Community Services - Includes community, social and personal services such as public administration and defence activities, educational services, health and social work, washing/cleaning, beauty treatment and funeral services.

GRAPH 9: 2007 CONSTANT GVA: R 3 237 MILLION



GRAPH 10: 2016 CONSTANT GVA: R 4 972 MILLION

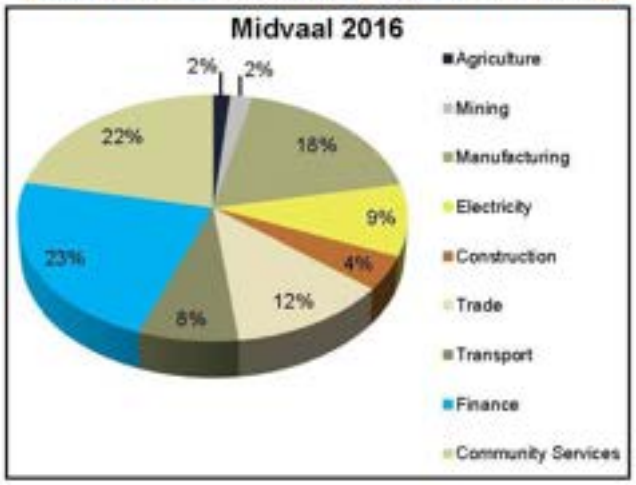


TABLE 6: CONTRIBUTION OF SECTORS TO GVA – MIDVAAL LM

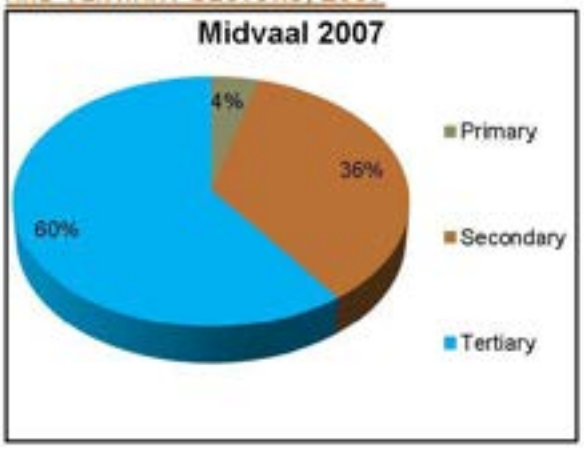
Sub Sector	2007	2016
1 Agriculture	1.5%	1.5%
2 Mining	2.6%	2.0%
3 Manufacturing	21.7%	18.4%
4 Electricity	10.5%	9.4%
5 Construction	3.5%	4.5%
6 Trade	11.4%	12.3%
7 Transport	7.3%	7.6%
8 Finance	22.3%	22.6%
9 Community services	19.2%	21.7%

Finance remained the major economic driver in Midvaal for the past 10 years with a 22.6% contribution to GVA in 2016, increased slightly from the level of 22.3% in 2007. Finance is followed by Community services with a contribution of 21.7% in 2016, surpassing Manufacturing which was the second economic driver in the region.

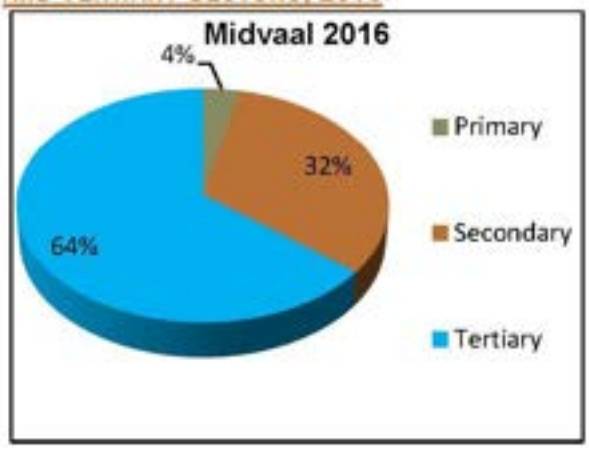
The contribution of Community service, Trade, and Construction improved from 19.2%, 11.4% and 3.5% ten years ago to the current contribution of 21.7%, 12.3% and 4.5% respectively.

The proportional contribution of Electricity, Transport, Mining and Agriculture did not change significantly over time.

GRAPH 11: GVA BY PRIMARY, SECONDARY AND TERTIARY SECTORS; 2007



GRAPH 12: GVA BY PRIMARY, SECONDARY AND TERTIARY SECTORS; 2016

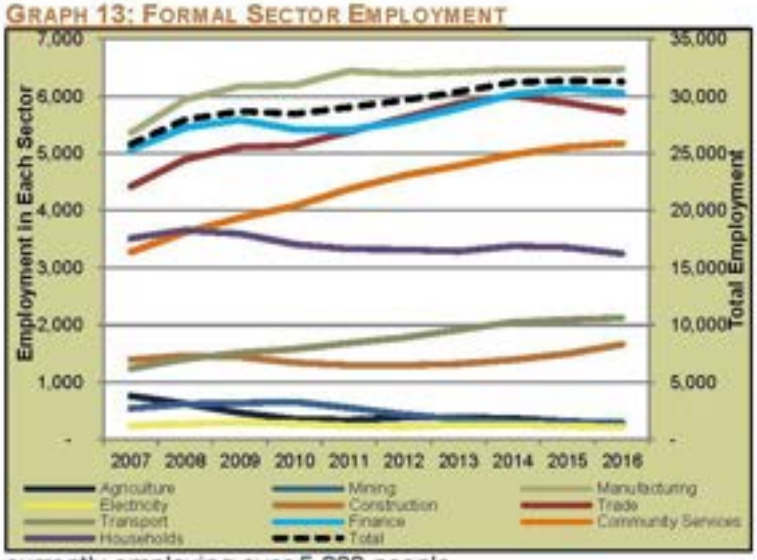


The relative contribution by the Primary, Secondary and Tertiary Sectors to the GVA have stayed fairly constant over the past 10 years as indicated in GRAPH 11 & GRAPH 12 above. Since 2007, the Secondary Sector showed a contraction in terms of contribution decreasing by 4 percentage points and Primary Sector remained insignificant contributing only 4% of GVA, while Tertiary Sector showed a marginal growth of 4 percentage points over the period. The dominant sector by far remains the Tertiary Sector, contributing 64% of GVA in 2016.

The average annual GVA growth rate in Midvaal for the last 5 years was 2.5% p.a. which is higher than the National (1.6%) and the Gauteng (2.2%) averages for the same period.

Employment

GRAPH 13: FORMAL SECTOR EMPLOYMENT



GRAPH 13 indicates that over the past ten years the total number of people formally employed in Midvaal increased by 21% from 25 805 in 2007 to 31 262 in 2016.

Manufacturing continues to be the largest provider of employment in the Midvaal, employing approx. 6 470 people as illustrated in TABLE 7 and GRAPH 13.

Finance (6 061), Trade (5 728) and Community services (5 174) are also significant, each sector currently employing over 5 000 people.

TABLE 7: FORMAL SECTOR EMPLOYMENT – MIDVAAL LM

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture	757	626	461	354	335	383	389	363	312	283
Mining	543	616	634	654	550	435	352	305	300	299
Manufacturing	5 360	5 945	6 175	6 196	6 443	6 392	6 424	6 464	6 459	6 470
Electricity	234	268	297	274	235	229	252	256	230	217
Construction	1 392	1 463	1 439	1 339	1 297	1 295	1 319	1 391	1 497	1 659
Trade	4 420	4 896	5 110	5 138	5 374	5 625	5 873	6 008	5 884	5 728
Transport	1 237	1 405	1 510	1 576	1 682	1 775	1 916	2 046	2 089	2 123
Finance	5 071	5 452	5 587	5 422	5 411	5 566	5 784	6 032	6 131	6 061
Community services	3 276	3 623	3 878	4 079	4 377	4 616	4 787	4 980	5 109	5 174
Households	3 514	3 658	3 592	3 411	3 328	3 315	3 289	3 380	3 354	3 248
Total	**25 805**	**27 952**	**28 682**	**28 444**	**29 033**	**29 631**	**30 384**	**31 226**	**31 365**	**31 262**

The spatial employment balance is illustrated by the following equation, viz.:

The number of formal (FE) and informal (IE) employment opportunities should equate to the economically active population (EAP) less the number of unemployed (UE) less the net number of people living in Midvaal but working elsewhere (ME), i.e.

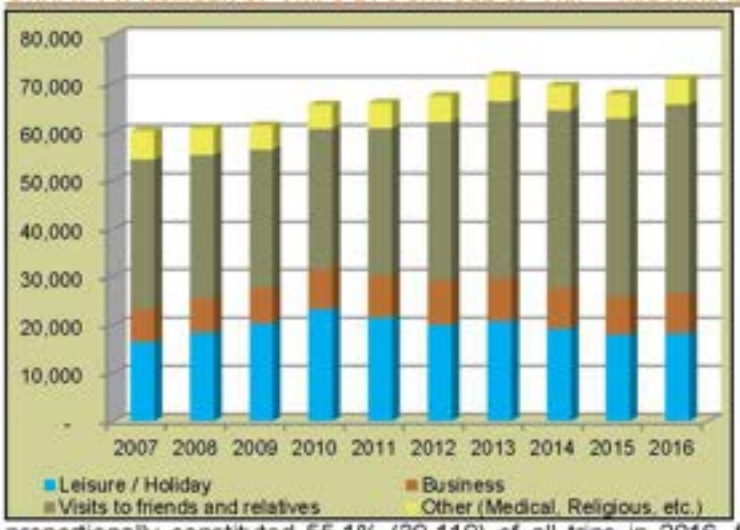
FE + IE = EAP – UE – ME
ME = EAP – UE - (FE+IE)
ME = 55 543 – 17 648 – (31 262 + 5 561)
ME = 37 895 – 36 823
ME = 1 072

This positive figure indicates that there are more people living in Midvaal and working elsewhere than people residing elsewhere and working in Midvaal.

Tourism

Although tourism per-se is not recognised as an economic sector on its own, but split between a number of the nine economic sectors, its importance in the local economy of a municipality should not be under estimated.

GRAPH 14: NUMBER OF TRIPS BY PURPOSE OF TRIP – MIDVAAL LM



GRAPH 14 is an indication of the main reasons for people visiting Midvaal - be that for leisure, business or visiting family/friends.

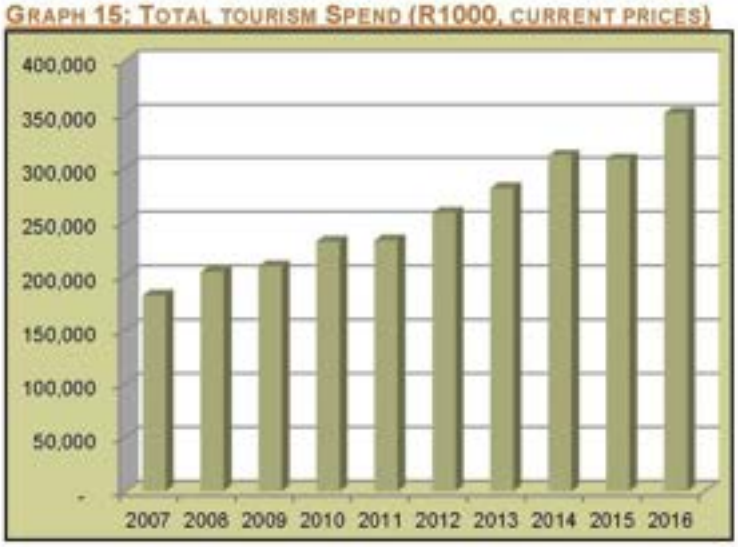
The pattern of total visits shows a steady growth in the period 2007 to 2013 from 60 233 to a high level of 71 736. Since then, there has been a declining trend to 67 926 visits in 2015, and thereafter enhanced to 71 031 visit in 2016.

The Visit to friends and relatives continued to be the highest and proportionally constituted 55.1% (39 119) of all trips in 2016, followed by Leisure and Holiday trip which constituted 25.6% (18 199) of all trips in 2016. Al other trips remained fairly constant during the same period as shown in TABLE 8 below.

TABLE 8: TRIP PURPOSE AS A PROPORTION OF TOTAL TOURISM TRIPS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Leisure / Holiday	27.2%	30.2%	33.0%	35.3%	32.6%	29.6%	28.8%	27.5%	26.4%	25.6%
Business	11.4%	11.7%	12.1%	12.8%	13.2%	13.7%	12.6%	12.1%	11.7%	11.9%
Visits to friends and relatives	51.6%	49.0%	46.8%	44.3%	46.3%	48.7%	51.1%	53.0%	54.6%	55.1%
Other (Medical, Religious, etc.)	9.8%	9.1%	8.2%	7.6%	7.9%	8.0%	7.5%	7.4%	7.4%	7.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

GRAPH 15: TOTAL TOURISM SPEND (R1000, CURRENT PRICES)



The gross amount spent by people visiting Midvaal was R 351.59 million for 2016.

This gross amount spent represents 5% of the Local Gross Value Add for Midvaal.

Tourism spend showed an increasing trend from R 181.84 million in 2007 to R 351.59 million in 2016. Albeit, there was a slight decline in tourism spend in 2015 as depicted in GRAPH 15. Of the total

tourism spend in the Sedibeng DM; about 21% was spent in Midvaal.

Concluding remarks related to the Demography and the Local Economy as it relates to Midvaal Local Municipality

From the key indicators relating to the Local Economy and Demography of Midvaal, the following strengths and weaknesses are identified:

Strengths	Weaknesses
• Highest proportion (53%) of the population in the working age group (25-64) and also in the retired age group • Highest per capita income at R 88 461 of all 3 municipalities in the District, and also higher than the national average of R 53 754 • Generates the second highest GVA of 13% in monetary value in the District • Relatively high annual GVA growth rate of 2.5% vs Gauteng 2.2% and National 1.6%, and it compares very well with the population growth rate of 2.5% p.a. • Continuous increase in the number of employment, albeit remained fairly stable in the past 2 years • Positive increasing trend of EAP as a percentage of population in the past three years • Relative increase in the number of trips as well as the total tourism spend in 2016	• Lowest population density in the District, limiting the opportunity of exploiting economies of scale and concentration • Relatively high unemployment rate of 32%, albeit the lowest in the District

5. Household Infrastructure Service Delivery

A comprehensive perspective of the ability of Midvaal Local Municipality to provide, maintain and operate infrastructure services would require an in depth investigation into the technical and operating capacity as well as performance of the municipality. This is outside the mandate of this assignment and we will make use of existing available information to obtain a proxy of such a perspective.

At the core of infrastructure asset management is the acknowledgement that linkages exist between policy, planning (e.g. service level at which infrastructure is provided), the cost of provision of such infrastructure and the replacement thereof after expiry of its useful life, operating performance, maintenance strategies and customer satisfaction, all within the affordability levels of consumers and the municipality to ensure long term sustainability. In the absence of a holistic approach to asset management a municipality assumes a high risk of failure in future, unless it has the resources to rectify the situation, which in most instances is not the case.

In this report we will analyze the infrastructure service provision of the municipality and when assessing the backlogs we are guided by the Reconstruction and Development Programme (RDP) standards of level of service.

Infrastructure Index

In this report use is made of the Infrastructure Index as developed by *iHS Global Insight in its Regional Explorer* to compare the region's access to household infrastructure. The infrastructure index is a population-adjusted, access-to-service weighted index which measures a region's overall access to household infrastructure. The index ranges from 0 to 1, where 0 implies that every household in the region is below the minimum level of access to infrastructure, and 1 implying that every household in the region is at the minimum level of access to infrastructure.

For each infrastructure category, a sub-index was created by weighting the different levels of service. For example, the sanitation sub-index counts 1 for each household that has a flush toilet, but only 0.1 for each household on the bucket system. Throughout the sub-indices, households without any infrastructure receive a zero weighting. For example, households with no toilet receive a weight of zero. By summing the households in this manner and dividing by the total number of households in the region, a total percentage of 'serviced' households for each of refuse, sanitation, water, electricity and housing are derived at.

These sub-indices are multiplied by a weighting which considers the 'importance' of that particular service. By this method, a final figure that measures the level of access to household infrastructure in the municipality is determined.

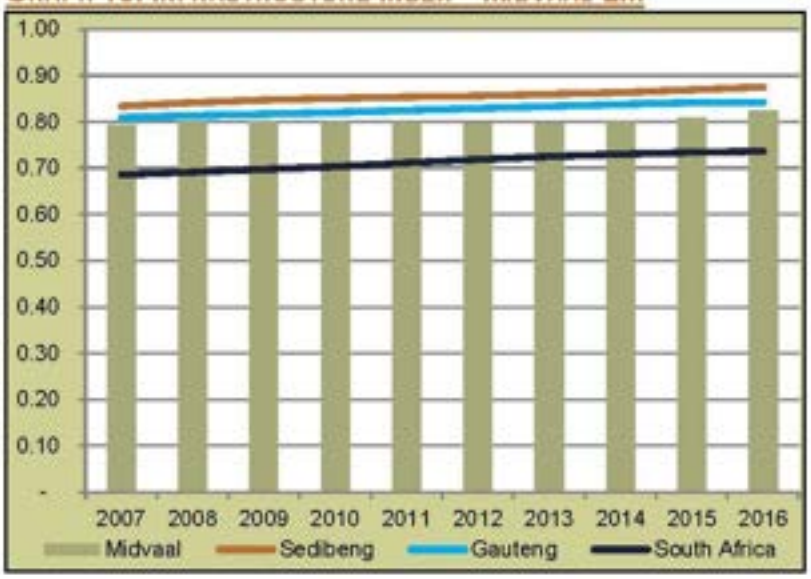
The 'importance' weightings are derived from the cost of providing the basic (or minimum) level of access – as defined by the relevant free basic services. In other words, the index assumes that a service is more important if the cost of providing it at a basic level is higher.

The final weightings are as follows:

Service	Final Weight
Electricity	8.0%
Water	20.0%
Refuse	18.0%
Sanitation	16.0%
Formal Housing	38.0%

The graphs below illustrate the Infrastructure Index over time for the Midvaal Local Municipality as well as the Sedibeng DM in comparison to the national average Infrastructure Index.

GRAPH 16: INFRASTRUCTURE INDEX – MIDVAAL LM



The Infrastructure Index for Midvaal disclosed an increasing trend from 0.79 in 2007 to 0.80 in 2016. This is in comparison to a National, Provincial and Sedibeng DM improvement from 0.69, 0.81 and 0.83 to 0.74, 0.84 and 0.88 respectively in the period from 2007 to 2016.

Extent of Infrastructure Provision

The extent of the infrastructure service provision in the Midvaal Local Municipality in comparison to the Sedibeng District Municipality is summarized in the table below.

The first half of the table shows the number of households that have access to infrastructure at a RDP service level and above. The second half records the number of households that fall below the RDP level of service or receive no service at all for the Sedibeng District Municipality and Midvaal Local Municipality. This latter half would then also be defined as the infrastructure backlog for that particular service. For example, the Sanitation backlog in the Sedibeng District Municipality as a whole amounts to 25 264 households or 8.4% of the total number of households of 299 832 in the District. The definition of infrastructure backlog for each service will be defined later on in this report. In summary:

- ***Sanitation Backlog***: Number of households without access to a hygienic toilet, i.e. no formal toilet or they make use of either a pit toilet or the bucket system
- ***Water Backlog***: Households that have access to piped water further than 200m from the dwelling or do not have access to formal piped water at all
- ***Electricity Backlog***: Households not connected to any form of electricity at all
- ***Refuse Removal***: Households that do not have access to a refuse removal service provided by a local authority (or its contractors)

TABLE 9: NUMBER OF HOUSEHOLDS WITH "ABOVE" AND "BELOW" RDP SERVICE LEVEL INFRASTRUCTURE

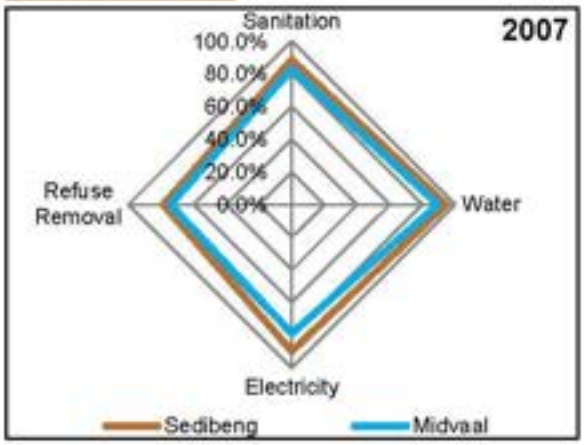
Infrastructure	Sedibeng DM	%	Midvaal	%
Above RDP Level				
Sanitation	274 569	91.6%	29 273	85.8%
Water	288 131	96.1%	30 412	89.1%
Electricity	272 238	90.8%	27 356	80.1%
Refuse Removal	271 076	90.4%	29 208	85.6%
Below RDP Level or None				
Sanitation	25 264	8.4%	4 859	14.2%
Water	11 701	3.9%	3 720	10.9%
Electricity	27 594	9.2%	6 775	19.9%
Refuse Removal	28 757	9.6%	4 924	14.4%
Total No. of Households	**299 832**	**100.0%**	**34 132**	**100.0%**

With regards to all four services, Midvaal performed worse than the average of all the municipalities in Sedibeng as a whole. Its service delivery challenge given the population growth is reflected in the 20% of households that experience electricity backlogs, 14% refuse removal backlogs, 14% sanitation backlogs and 11% water backlogs. The large rural component contributes to this phenomenon.

Infrastructure Diamond

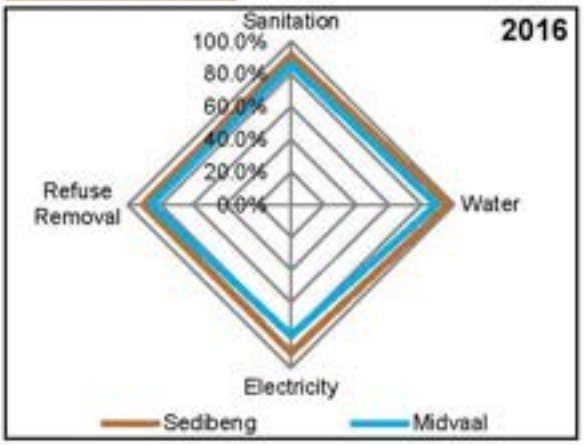
A summary of the provision of the four infrastructure services, viz. Sanitation, Water, Electricity and Refuse Removal by the Midvaal in comparison to the Sedibeng DM as a whole is best illustrated by the infrastructure diamond for the state of provisioning in 2016 as compared to the position in 2007.

GRAPH 17: INFRASTRUCTURE DIAMOND – MIDVAAL LM 2007



In 2007, Sedibeng DM's infrastructure provision for sanitation, water, electricity and refuse removal exceeded that of Midvaal.

GRAPH 18: INFRASTRUCTURE DIAMOND – MIDVAAL LM 2016



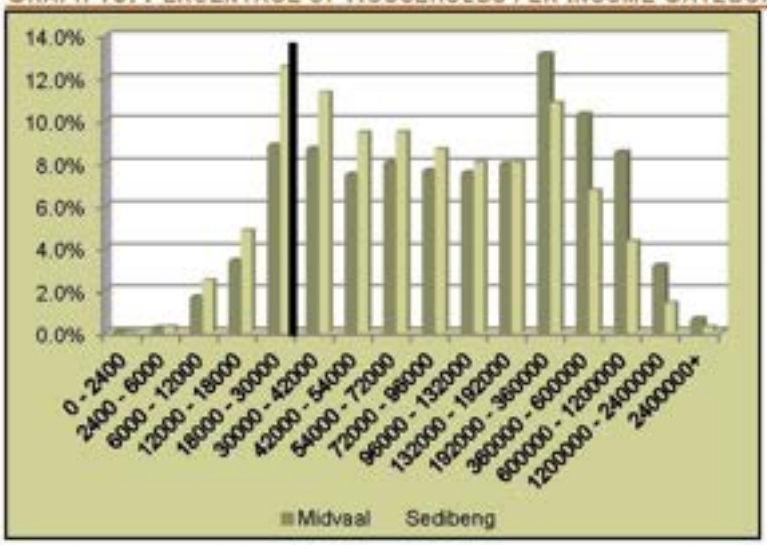
In 2016, Sedibeng DM's infrastructure provision for sanitation, water, electricity and refuse removal exceeded that of the Midvaal.

Service Level Affordability

The Local Government Equitable Share Formula uses the monthly pension amount of R 2 700 as a threshold level. The formula has two objectives: to enable municipalities to provide basic services to poor households and to enable municipalities to afford administration and governance capacity to perform core municipal functions. The subsidy amount per poor households below the threshold level, which covers water, sanitation, refuse removal, energy and includes an amount of 10% to be used for maintenance.

A municipality that provides services at a level higher than the basic level of services to households that cannot afford these services only receives a subsidy amount that attempts to cover the cost of provision of basic services. Therefore the greater the gap between the number of households that receive a higher than basic level of service and the number of households that receive an income of lower than R 2 700 per month the more stressed a municipality will be in providing these services in a sustainable manner and pay for these from other revenue sources.

GRAPH 19: PERCENTAGE OF HOUSEHOLDS PER INCOME CATEGORY – MIDVAAL LM, 2016



In Midvaal 17.3% of all households fall within the income bracket of R 30,000 p.a. or less, i.e. 82.7% receive an income above that level.
In comparison 21.6% of all households in the Sedibeng DM fall within the income bracket of R 30,000 p.a. or less, i.e. 78.4% receive an income above that level.

Those households that are above the R 30,000 p.a. bracket should conceptually be in a position to afford their services. The Infrastructure Index on the other hand is an indication of those municipalities that provide at least RDP level of services for household infrastructure.

A comparison of household income and level of service is presented in the TABLE 10 below:

TABLE 10: COMPARISON OF HOUSEHOLD INCOME AND LEVEL OF SERVICE

	Sedibeng DM	Midvaal
% Household above the Equitable Share Bracket	78.4%	82.7%
% Households with level of service at RDP or higher	87.5%	82.5%

In Midvaal, the percentage of households with access to a level of service of RDP or higher is almost equivalent to the percentage of households with income above the R 30,000 p.a. bracket, i.e. 82.5% vs. 82.7%. The gap between household level of services and household income in Midvaal is currently 0.2 percentage points. It is concluded that Midvaal has a good balance between level of services and household income on average.

Household Infrastructure

Housing

Any analysis of the different housing types (dwelling units) in the municipality for the period between 1996 and 2015 is made. Dwelling units are distributed into 5 categories:

Very Formal Dwellings: Households that fall into this category are structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling.

Formal Dwellings: Households that fall into this category are considered to be a structure built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flat-let elsewhere etc., but without running water or without a flush toilet within the dwelling.

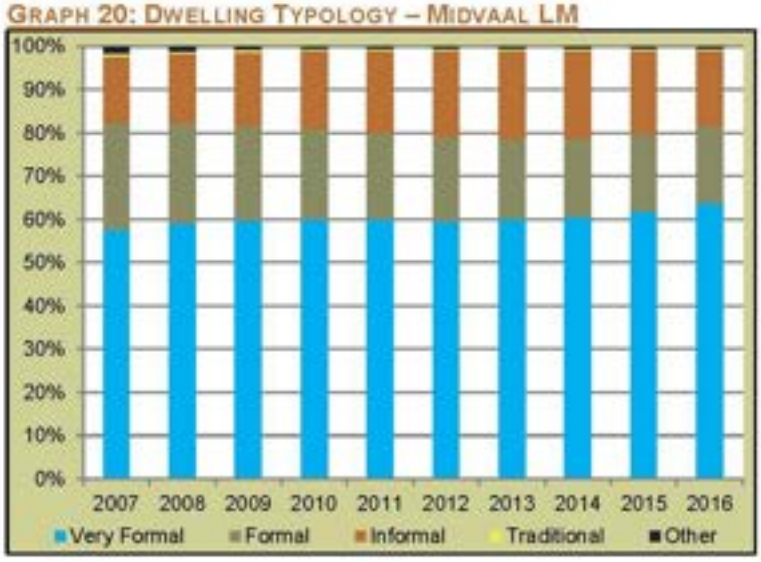
Informal Dwellings: Households that fall into this category are considered to be a makeshift structure not erected according to approved architectural plans. For example; shacks or shanties in informal settlements, serviced stands or proclaimed townships or shacks in the backyards of other dwelling types.

Traditional Dwellings: Households that fall into this category are considered to be a dwelling made of clay, mud, reeds or other locally available materials. This is a general term that includes huts, rondavels, etc. Such dwellings can be found as single units or in clusters. StatsSA notes that rondavels constructed with concrete blocks or stone walls are not considered traditional.

Other Dwelling Units: Units that do not fall into any of the above categories. Some of the dwelling units included in this category includes tents, ships and caravans.

An illustrative comparison of the different housing typologies for the Midvaal Local Municipality during the period 2007 and 2016 is illustrated below.

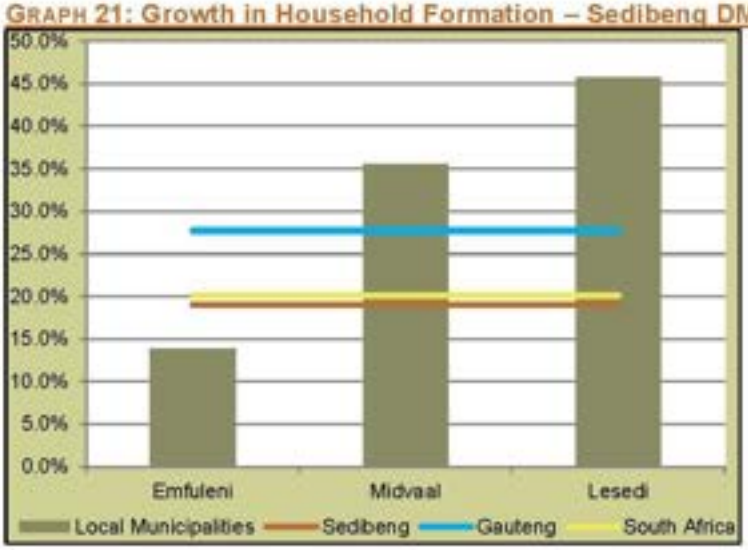
GRAPH 20: DWELLING TYPOLOGY – MIDVAAL LM



Very formal (63.6%) and Formal (18.1%) together constitute 81.7% of dwelling types in the municipality. Informal dwellings constitute 17.4% in 2016.

It is important to note that relatively speaking, informal dwellings have decreased since 2014.

GRAPH 21: Growth in Household Formation – Sedibeng DM between 2007 & 2016



Household formation in Gauteng Province has grown by 28% between 2007 and 2016, the highest provincial growth in the country. The National household formation grew at 20% in the same period.

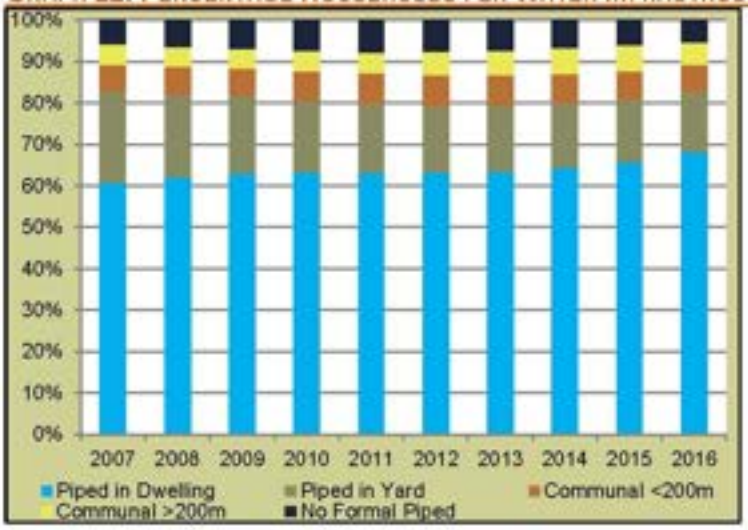
In the period from 2007 to 2016, the Sedibeng DM as a whole experienced growth in household formation of 19%, the lower of the two districts within Gauteng and lower than both the national and provincial figure. Within Sedibeng, Midvaal experienced the second highest household formation (36%) of all three municipalities, at an average annual growth rate of 1.3% p.a. There are more than 34 000 households in Midvaal at present.

Water

The minimum level of access to water regarded as the RDP level, are households with access to piped water within 200m of their dwelling. Houses that have access to piped water further than 200m from the dwelling, or households that do not have access to formal piped water are considered to form part of the water backlog. Households at or above the RDP level are not considered to be part of the water supply backlog. Above RDP level includes all households that have access to piped water within their dwelling, within their yard or within 200 meters of their dwelling.

An illustration of the different types of water infrastructure for the Midvaal Local Municipality during the period 2007 and 2016 is illustrated below:

GRAPH 22: PERCENTAGE HOUSEHOLDS PER WATER INFRASTRUCTURE – MIDVAAL LM



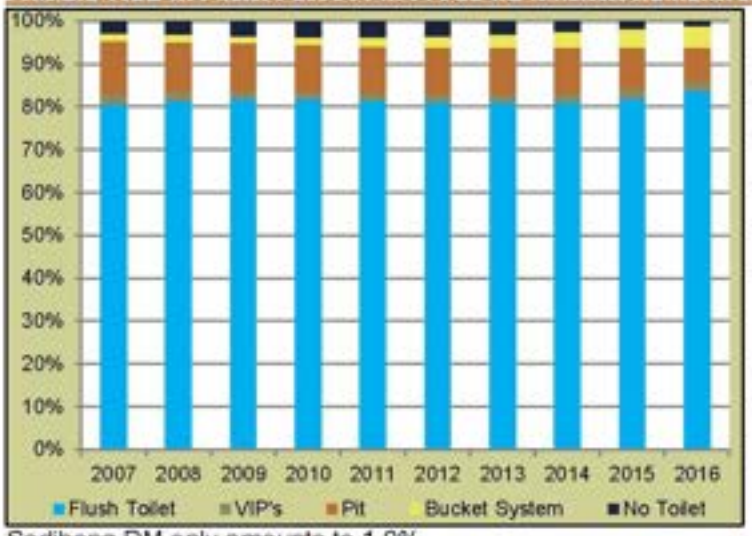
The percentage of households in Midvaal with piped water at or above RDP level of standard was 89.1% in 2016; an increase from the 86.9% in 2013. In absolute terms, the water backlog in Midvaal has decreased since 2014. The current ***water backlog in absolute terms amounts to approx. 3 720 households***.

Sanitation

The household sanitation infrastructure in the province was analyzed. The hygienic toilet categories include flush toilets, chemical toilets and pit latrines with a ventilation pipe. Hygienic toilets exclude pit toilets and bucket systems which are both classified as unhygienic.

The Sanitation Backlog represents the number of households without access to a hygienic toilet - this implies that they have no formal toilet or that they make use of either a pit toilet or bucket system.

GRAPH 23: PERCENTAGE HOUSEHOLDS PER SANITATION INFRASTRUCTURE – MIDVAAL LM



In Midvaal, the percentage of households with access to hygienic toilets was 86.0% in 2016. This is an improvement from the proportion of 82.9% in 2012.

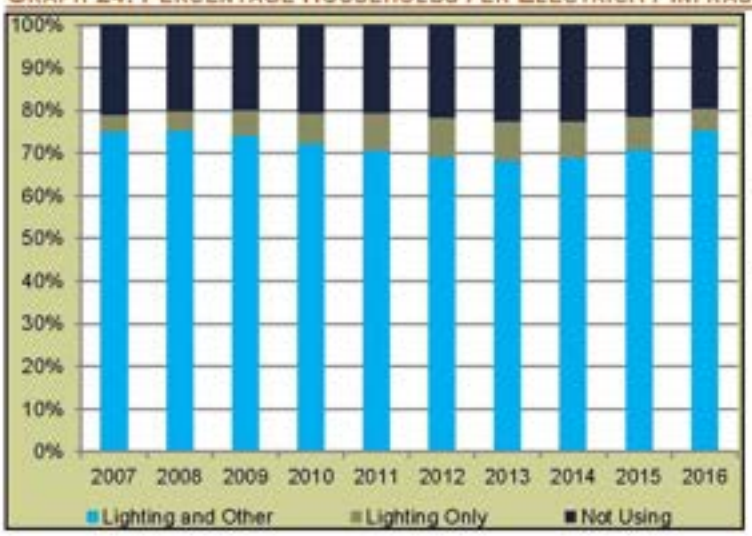
The current ***sanitation backlog in absolute terms amounts to approx. 4 859 households*** or 14.0% of all households.

In a water-scarce region the provision of flush toilets is not always the most desirable option and the provision of ventilated pit latrines ("VIPs") (a hygienic option) should be considered more often. In this regard we note that the proportion VIPs in the Sediberg DM only amounts to 1.0%.

Electricity

The provision of electricity in the country has grown significantly. The number of households in Gauteng that were connected to electricity between the period 2007 and 2016 numbered approx. 3.7 million. The proportion of households connected has increased from 84.5% in 2007 to 86.9% in 2016.
However the proportion of households connected has decreased slightly from 87.2% in 2015.

GRAPH 24: PERCENTAGE HOUSEHOLDS PER ELECTRICITY INFRASTRUCTURE – MIDVAAL LM



In the Midvaal, the percentage of households connected to electricity was 80.7% in 2016. This is an improvement from 77.5% in 2014.

The current number of ***households not connected to electricity amounts to approx. 6 775 households*** or 19.3% of all households.

Refuse Removal

A distinction is made between 'formal' and 'informal' refuse removal. Formal refuse removal occurs when refuse is removed by local authorities. Informal refuse removal occurs when refuse is removed either by the community, by the individual household or if there is no refuse removal. These broad categories are used to split access to refuse removal further according to the frequency with which it is removed. The final categories of refuse removal are as follows:

- Formal
  - Removed weekly by authority
  - Removed less often than weekly by authority
- Informal
  - Removed by community members
  - Personal removal (own dump)
  - No refuse removal

Access to formal refuse removal implies that refuse is removed by a local authority – this includes removal by private sector companies. The share of households with access to formal refuse removal refers to the percentage of all households in the region that have access to this service. If a household does not have access to these services they are classified as not having access to formal refuse removal. This is known as the refuse removal backlog.

GRAPH 25: PERCENTAGE HOUSEHOLDS PER REFUSE REMOVAL SERVICE – MIDVAAL LM

In Midvaal the percentage of households with formal refuse removal services was 85.5% in 2016. This is an improvement from 71.3% in 2007. The majority of households (84.6%) receive a weekly refuse removal service from the municipality.

The current refuse removal backlog amounts to approx. 4 924 households or 14.5% of all households. It is estimated that a large proportion of these households are located in non-urban areas of the municipality, where refuse removal is not expected to be undertaken by the municipality.

Concluding Remarks

From the perspective of the provision of household infrastructure the Midvaal Local Municipality exhibits the following Strengths and Weaknesses:

STRENGTHS	WEAKNESSES
• Given the relatively high rate of household formation between 2007 and 2016, the provision of housing exceeded the increase in housing backlogs • The provision of refuse removal in relative terms has improved between 2007 and 2016, while the provision of sanitation, water and electricity improved in the last 3 years • Relatively speaking Informal dwellings decreased since 2014 • In relative terms the sanitation, water, electricity and refuse removal backlogs have decreased during the period • The number of households with a level of service at RDP level or higher (82.5%) is almost equivalent to the number of households with income above the R 30,000 bracket (82.7%), confirming appropriateness of the level of service	• The infrastructure index of 0.80 in 2016 is only higher than the national average of 0.74 but lower than both the district and provincial averages of 0.88 and 0.84 respectively • The municipality has relatively more backlogs than the district, with regard to all four basic services • Increase in housing backlogs by 47% between 2007 and 2016, although it has decreased slightly between 2014 and 2016 by 8% • The large rural component and growing migration into the municipal area contribute towards the households that experience backlogs, 20% electricity, 14% refuse removal, 14% sanitation and 11% water backlog

6. Historical Financial Overview

To understand the present financial position of Midvaal LM, the actual historical financial performance was assessed which provides the required foundation to critically review the assumptions made in the Final Budget for 2016/17 (projected operational and capital budgets).

This section documents the actual financial performance (trend analysis) of Midvaal LM over a 11-year period from 2005/06 to 2015/16. It is noted that during this period, Midvaal LM adjusted and aligned its accounting practices in accordance with the Generally Recognised Accounting Practice (GRAP) and this impacts on the comparison of annual financial performance.

For purposes of this report, annual financial information as per the audited financial statements of Midvaal LM for the period 2005/06 to 2015/16 was assessed, as well as the Final budget for 2016/17.

Audit reports

Year	Audit outcome
2012	Unqualified- With findings
2013	Unqualified- With findings
2014	Unqualified- No findings
2015	Unqualified- No findings
2016	Unqualified- No findings

Emphasis of matters in 2015 related to the municipality being the defendant in various court cases and no provision had been made in the financial statements. In addition there was a restatement of corresponding figures (2014) due to errors being discovered, material losses with regard to electricity and material impairments to the amount of R88.07 million on Consumer debtors of R195.14 million. Internal control performance report and compliance with legislation was acceptable.

Strategic aspects

From the MTREF framework for 2016/17 to 2018/19 (the principal strategic planning instrument, which guides and informs the planning, budget, management and development actions), it is clear that the Municipality's IDP is under pressure. This framework is rolled out into Key Performance Areas, Strategic Objectives, Key Focus Areas, Key Performance Indicators and Targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

As disclosed in this framework, the main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Ageing and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Rand Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – they are fast reaching a point where services are no longer going to be affordable;
- Wage increases for municipal staff continue to exceed consumer inflation, and due to the need to fill critical vacancies the salary and wage bill is set to increase further;
- Affordability of capital projects, without assistance of National Government is a challenge.

It is clear that some of the factors are external and outside the control of the municipality (National and local economy, Eskom, Rand Water and wage increases). Administrative price increases are exceeding inflation and this is adversely affecting the municipality's ability to cope. Debt collection challenges are adding to the pressure and this spiral cannot continue indefinitely.

Statement of Financial Position

GRAPH 26: NON-CURRENT ASSETS VS. ACCUMULATED SURPLUS

When comparing 2005/06 to 2015/16, Accumulated Surplus increased by R 1.98 billion; from an accumulated deficit of R 10.74 million in 2005/06, to an accumulated surplus of R 1.97 billion in 2015/16.

The Net Accumulated Annual Accounting Surpluses since 2005/06 total R 50.76 million. Over the 11 years this constitutes 3% of the Accumulated Surplus balance for 2015/16. The remaining 97% is attributable to a Change in Accounting Policies.

Non-Current Assets increased by R 2.03 billion when comparing 2005/06 to 2015/16, with a R 2.06 billion closing balance in 2015/16. The Accumulated Annual Capital Expenditure since 2005/06 is R 891.51 million; 43% of the value of Non-Current Assets in 2015/16 was acquired while the remaining 57% was due to the adoption of GRAP Standards.

Midvaal formally introduced the GRAP Accounting Standards in 2006/07. The result was that the Accumulated Surplus increased by R 393.46 million, whilst Net Fixed Assets increased by R 507.09 million. It should be noted that Midvaal's Accounting Deficit was R 20.07 million and they spent R 36.68 million on Capital Expenditure in 2006/07. This factor indicates that the disclosure requirements of GRAP Standards had the following effect:

- Accumulated Surplus was adjusted upwards by R 393.46 million;
- Net Fixed Assets was adjusted upwards by R 507.09 million.

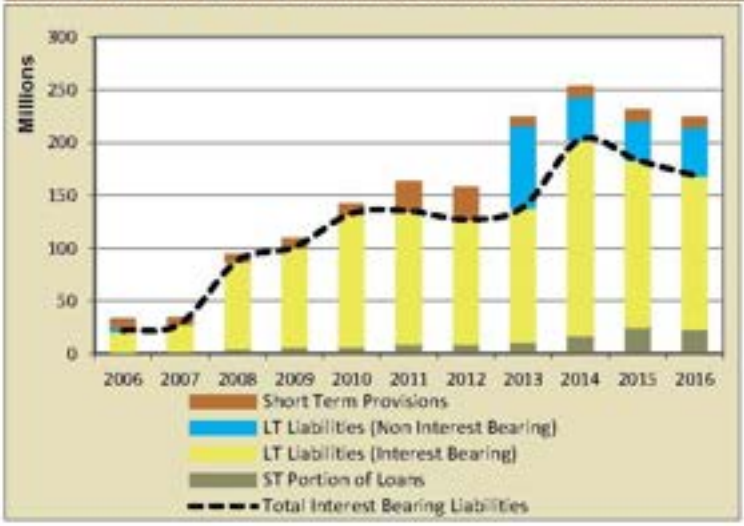
In addition, during 2010/11, Midvaal revalued its Fixed Assets thereby increasing the value of Net Fixed Assets from R 711.76 million to R 2.07 billion. Since then, Net Fixed Assets and Accumulated Surplus have flattened due to the following reasons:

- Accumulated Depreciation and Impairment is increasing faster than investment in infrastructure;
- Limited scope to significantly grow the accounting surpluses; Revenue and Expenditure are closely correlated.

The implementation of GRAP Standards required the Municipality to account for Long- and Short-Term Non-Interest Bearing Liabilities. These liabilities are comprised of Post-Retirement Health Benefit Obligations, Provisions for Landfill Site Rehabilitation and Provision for Long Service Awards. Post-Retirement Medical Aid Health Care Benefits was provided for in the 2012/13 Audited Financial Statements for the first time, with an opening balance of R20.70 million. The note in the Financial Statements stated that it was erroneously excluded the previous years. During the 2013/14 financial year it was disclosed as a change in estimate in note 52, stating that the Municipality resolved on 19 September 2013, to make post-retirement health benefits available to those who qualify as per SALGA's decision on post-retirement medical and subsidies adopted by

SALGA Exco on 8 July 2004. It is arguable whether it is a change in estimate or, more appropriately, a change in accounting policy. Due to this change this liability changed from R36.41 million in 2012/13 to R4.53 million in 2013/14. The fact that the liability still exists, may be the reason for regarding it as a change in estimate.

GRAPH 27: LONG TERM LIABILITIES INTEREST BEARING VS. NON-INTEREST BEARING



GRAPH 28 depicts that Midvaal recognized Non-Interest Bearing Long-Term Liabilities for the first time in 2012/13. This liability comprised of a provision for a Land Rehabilitation Site and Employee related provisions.

The composition of Non-Interest Bearing Long-Term Liabilities is as follows:

TABLE 11: PROVISIONS AND EMPLOYEE BENEFIT OBLIGATION

(R'mil)	2012	2013	2014	2015	2016
Post-retirement health benefits	28.71	28.71	36.41	4.53	6.85
Long service awards	4.24	5.24	7.36	7.89	9.60
Land rehabilitation	23.25	36.09	30.17	24.79	29.77
Total	**56.20**	**70.04**	**73.94**	**37.21**	**46.21**

(%)	2012	2013	2014	2015	2016
Post-retirement health benefits	51%	41%	49%	12%	15%
Long service awards	8%	7%	10%	21%	21%
Land rehabilitation	41%	52%	41%	67%	64%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Concern: The reduction of the Post-Retirement Health Benefits may be a risk, if proper consultation processes with affected staff have not been followed. The reality is that the benefit still applies to some staff, but changing this in the 2014 financial year following a SALGA decision in 2004 seems strange.

During the 2012/13 financial year, Midvaal commenced including Long-Service Awards in Provisions. In addition, Provisions were now classified as Non-current Liabilities. In the 2014 financial year, Midvaal commenced distinguishing between Current and Non-current Liabilities in Provisions.

Midvaal's Total Interest-Bearing Liabilities (short and long-term) peaked in 2013/14, totalling R 203.00 million. During this period, the line item increased by the largest annual movement totalling R 64.13 million (46%) compared to 2012/13. Since 2014/15, the Municipality managed to reduce Total Interest-Bearing Liabilities by R 19.38 million (10%) and R14.62 million (8.1%) respectively. TABLE 12 below illustrates that Midvaal's gearing level decreased from 30.62% to 21.29% in the process.

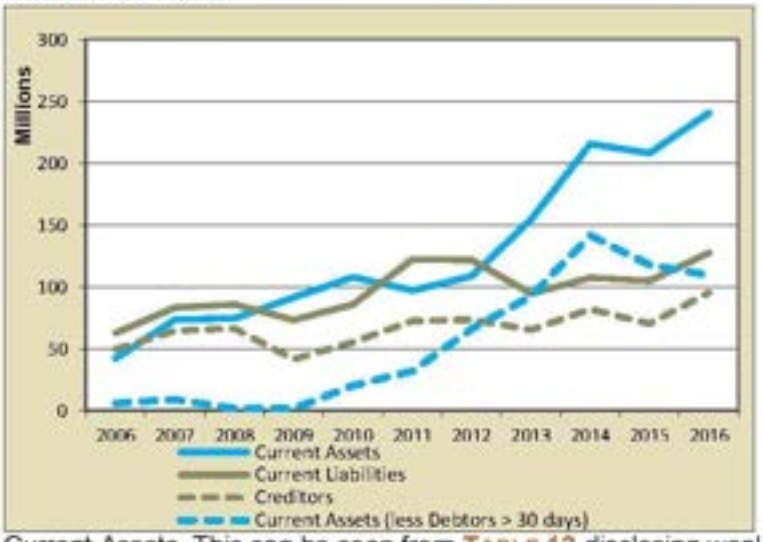
TABLE 12: DEBT REPAYMENT AND GEARING

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gearing Level (Max 45%)	11.9%	11.5%	33.6%	34.7%	38.7%	30.3%	25.6%	22.4%	30.6%	25.4%	21.3%
Debt Repayment (R'million)	2.55	2.67	4.25	7.24	8.29	7.86	8.54	8.57	17.74	19.38	17.37
Interest Payment (R'million)	2.27	2.49	3.89	9.11	12.18	13.98	13.99	13.28	16.72	18.47	18.69

Midvaal acquired a nominal value of R 237.88 million from the lending market since 2005/06. National Treasury recommends a maximum gearing benchmark of 45%. Midvaal's gearing was maintained below the benchmark throughout the studied period as disclosed in TABLE 12. The Municipality acquired less in external funding than the repayment of loans during 2014/15 and 2015/16, resulting in a debt reduction during this period. The outstanding balance was R169 million in 2016.

GRAPH 28: CURRENT ASSETS VS. CURRENT LIABILITIES

Benchmark 1.5-2:1



Midvaal's Current Assets increased faster than Current Liabilities when comparing 2015/16 to 2005/06. Current Assets increased by R 198.47 million with a closing balance of R 240.64 million in 2015/16. Whereas Current Liabilities increased by R 64.89 million and closed off at R 127.56 million in 2015/16. Over a smoothed 11-year trend, Current Assets increase by R 18.04 million annually (19.03%) while Current Liabilities increased by R 5.90 million (7.37%).

From 2005/06 to 2007/08, and 2010/11 to 2011/12; Current Liabilities exceeded Current Assets. This can be seen from TABLE 13 disclosing weak Current Ratios under 1:1 until 2011/12.

The main reason for the 2010/11 to 2011/12 position was the manner in which provisions were disclosed.

Current Assets increased by the largest annual movement in 2013/14 mainly due an improvement of Cash as shown on GRAPH 29 below. Current Liabilities on the other hand, peaked in 2010/11 mainly due to Creditors and Short-Term Provisions as depicted on GRAPH 30. The decrease in Current Liabilities during 2012/13 relates mainly to the conversion of the Land Rehabilitation Site to long-term liabilities.

TABLE 13: LIQUIDITY RATIOS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Current Assets: Current Liabilities	0.67	0.88	0.87	1.25	1.26	0.79	0.89	1.63	2.01	1.98	1.89
Current Assets less Debtors > 30 days: Current Liabilities	0.1	0.1	0.0	0.0	0.2	0.3	0.5	1.0	1.3	1.1	0.9

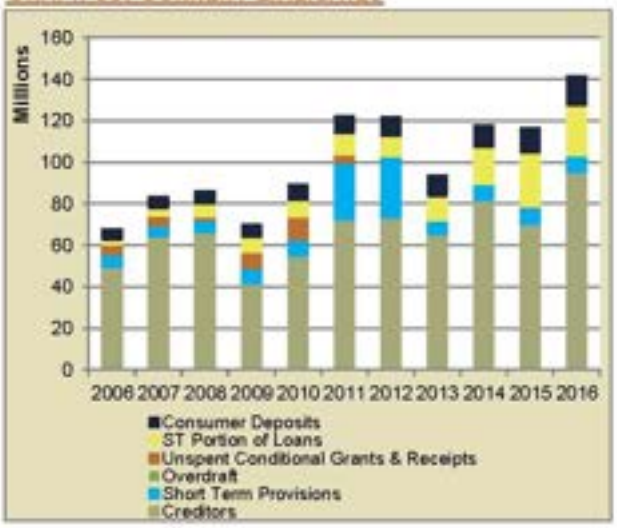
*Current liabilities exclude deposits

For the Current Ratio, National Treasury recommends a minimum norm between 1.5:1 and 2:1 for a healthy liquidity position. Strength: TABLE 13 demonstrates that Midvaal has improved and maintained a strong liquidity position for the past 4 consecutive years.

IPM has conducted a sensitivity analysis of the Municipality's Liquidity position, should it find itself in a position where it is unable to collect debtors beyond current debtors. TABLE 13 above shows that Midvaal has made a remarkable effort in improving its important Current Ratio to healthy levels in 2012/13 and 2013/14 – minimum benchmark 1:1. Correcting the disclosure in liabilities into non-current and current, as well as the increase in cash in the 2013/14 financial year, resulted in an improved current ratio. The increase in cash was mainly due to the additional external loan injection of R60 million in 2013/14 as depicted in GRAPH 29. It is preferable for Midvaal's Liquidity to be strongly reactive to Cash rather than Debtors – highly liquid assets make it possible for the Municipality to service Creditors.

GRAPH 29: CURRENT ASSETS

GRAPH 30: CURRENT LIABILITIES



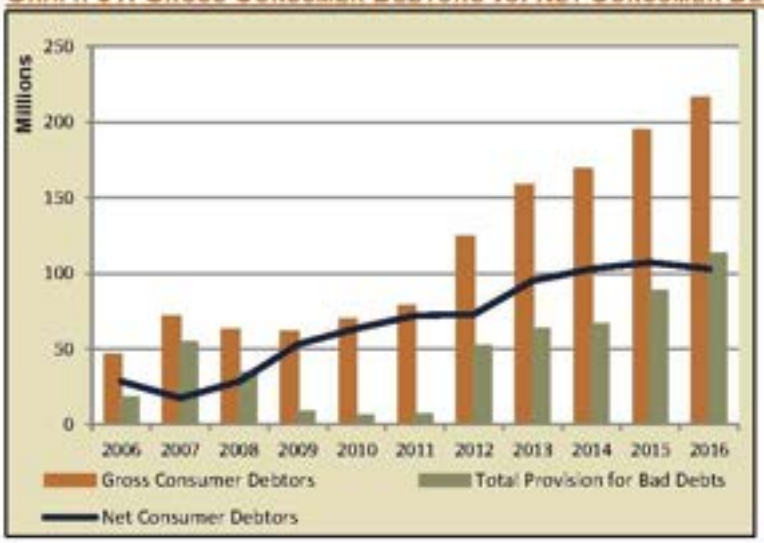
GRAPH 29 and GRAPH 30 illustrate the various components of Current Assets and Current Liabilities. **Strength:** No Unspent Conditional Grants and Bank Overdraft. A closer look at the relationship between Total Debtors (Consumer and Other) and Creditors is as follows:

TABLE 14: DEBTORS VS. CREDITORS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debtors<90 days	0.0	0.0	0.0	0.0	29.0	31.6	66.5	77.3	54.8	49.2	40.6
Total Net Debtors	36.2	64.6	72.8	89.9	106.6	86.7	95.9	107.5	114.9	118.3	117.6
Creditors less accrued leave pay	49.6	64.5	66.3	41.6	55.2	72.5	73.5	65.4	81.9	70.1	95.4

TABLE 14 serves as an indication of the Municipality's ability to service Creditors using Total Net Debtors. In this case, Midvaal has moved from a situation where Creditors exceeded Total Net Debtors (2005/06) to where Total Debtors of Midvaal have the potential of servicing Creditors.

GRAPH 31: GROSS CONSUMER DEBTORS VS. NET CONSUMER DEBTORS



GRAPH 31 shows that Midvaal's Gross Consumer Debtor Book increased from R 45.91 million in 2005/06 to R 216.02 million in 2015/16. Over a smooth 11-year period since 2005/06, Midvaal's Gross Debtors increased by an average of R 14.92 million per annum.

Net Consumer Debtors follows a linear trend, with a R 102.86 million closing balance in 2015/16; over a 11-year smooth trend, the average annual increase was R 7.46 million.

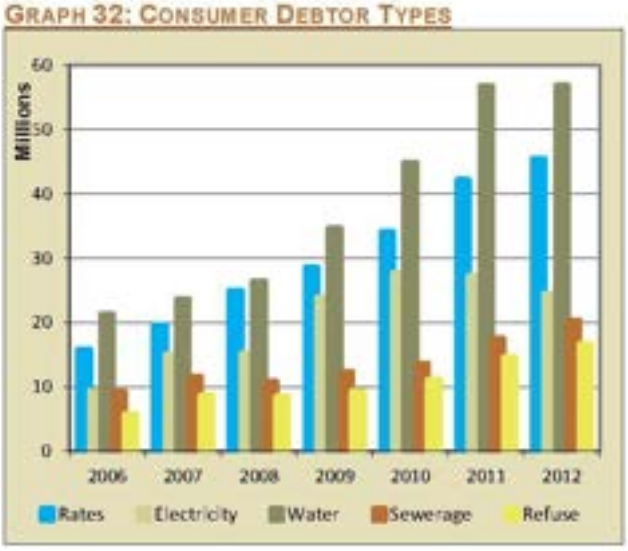
Analysing GRAPH 32 against TABLE 15, Midvaal's Debtors Payment Ratio was below the recommended norm of 95% since 2009/10. National Treasury prescribes that a Provision for debtors older than 90 days should be created, and in the case of Midvaal, the ratio of debtors older than 90 days to Total Consumer Debtors has increased from 66% in 2009/10 to 81% in 2015/16. This indicates that the likelihood of debt payment default has increased compared to 2009/10.

Midvaal has under-provided for debtors older than 90 days for all the years since 2009/10. Midvaal continued with a trend of under-providing for several years until 2010/11, and thereafter over-provided in an effort to "normalize" the Net Consumer Debtors. **Concern:** Such a trend creates a lag effect on the actual value/credibility of Net Consumer Debtors (looming possibility of debt write-offs and also makes Consumer Debtors an illiquid current asset).

TABLE 15: ANALYSIS OF DEBTORS

		2010	2011	2012	2013	2014	2015	2016
Billed Income (Services & Property Rates)	R'M	219.02	274.07	331.90	425.89	475.08	518.25	562.68
Average Debtors	R'M	61.36	69.96	101.47	141.36	169.68	188.07	205.58
Debtor Turnover Rate	p.a.	3.57	3.92	3.27	3.01	2.80	2.76	2.74
Debtor Trading Cycle	Days	102.25	93.17	111.59	121.15	130.37	132.46	133.36
Payment ratio	%	92%	92%	82%	88%	93%	91%	92%
Debtors older than 90 days vs. Total Consumers	%	66%	60%	47%	51%	70%	75%	81%
% of Debtors older than 90 days vs. Provision	%	15%	14%	89%	78%	52%	60%	64%

GRAPH 32: CONSUMER DEBTOR TYPES



GRAPH 33: CONSUMER DEBTOR AGE ANALYSIS

In 2015/16, Gross Consumer Debtors were classified as follows:

- Household Consumers 86%
- Industrial/Commercial Consumers 11%
- National and Provincial Government 3%

It is essential that dedicated efforts be sharpened in order to enhance revenue collection from Household Consumers.

GRAPH 32 shows that the three main Consumer Debtor Types are Water Services, Property Rates and Electricity Services. The individual debtor types peaked as follows:

TABLE 16: PEAKING OF DEBTOR TYPES

Rates	45.41	2015/16
Electricity	27.65	2013/14
Water	56.83	2015/16
Sewerage	20.28	2015/16
Refuse	16.62	2015/16

GRAPH 33 demonstrates that debtors older than 90 days represent a significant portion of Gross Consumer Debtors as earlier mentioned. Despite some improvement to debt collection since 2012/13 as shown on TABLE 15, it is recommended that old debt be converted to collectable debt (less than 90 days). As a starting point, IPM recommends a review of the Credit Policy, the Indigent Policy and a data cleansing exercise in order to ensure that bills are sent directly to consumers.

TABLE 17: RATIO: CASH FLOW INCLUDING INTEREST PAID DIVIDED TOTAL LOANS OUTSTANDING

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash flow from operating activities	-4.5	32.4	5.2	5.6	134.8	43.6	50.7	76.7	86.5	70.0	116.0
Interest paid added back	-2.3	-2.5	-3.9	-9.1	-12.2	-14.0	-14.0	-13.3	-16.7	-18.5	-18.9
Cash flow from operating activities incl. interest	-6.8	29.9	1.3	-3.5	122.6	29.7	36.7	63.4	69.8	51.5	97.1
Total loans outstanding	21.9	28.3	88.0	101.2	132.9	135.3	127.2	138.9	203.0	183.6	169.0
Ratio: Total loans outstanding/Cash incl int paid	-3.2	1.0	69.7	-28.6	1.1	4.6	3.5	2.2	2.9	3.6	1.7

Review of this ratio indicates that Total Loans Outstanding will be repaid in 1.74 years by Cash Flow from Operating Activities. This is not considered a challenge, as it is supported by the low gearing ratio. It may be a challenge when the average loan term is less than the term calculated above i.e. being less than or equal to 1.74.

Indigent Households

The social package of Midvaal assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

In terms of the Municipality's indigent policy, registered households are entitled to 6 kℓ free water, 50 kwh of electricity, sanitation and free waste removal equivalent to 85 ℓ once a week, as well as a rebate on their property rates.

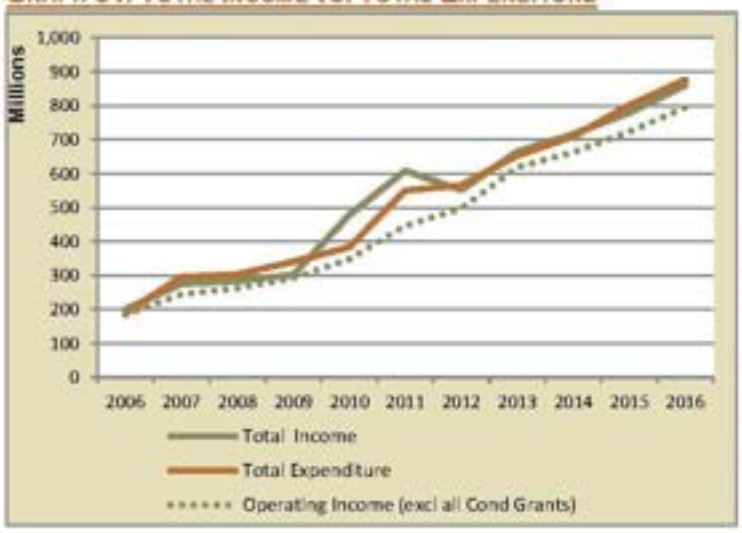
The municipality has a policy regarding Indigent Households. The cost of these services was estimated at R81.97 million in 2016 (2015: R76.61 million) (Table 27 MBRR A10 - Basic Service Delivery Measurement). As indicated below, revenue cost as a percentage of billed income was in the range of 11.56% to 12.93% for the period 2013 to 2016. The Final MTREF budget for the period 2017 to 2019 disclosed a decline to a range of 8.34% to 10.90%. In monetary terms this equates to approximately R1 660 per non-indigent household annually in 2019. The impact of the municipality's indigent policy needs to be considered and monitored in the future, to support the municipality's financial sustainability in the longer term.

TABLE 18: INDIGENT HOUSEHOLDS

	2013	2014	2015	2016	2017	2018	2019
Cost of free basic services (R'million)	23.40	18.54	23.11	23.46	14.67	27.17	29.63
Revenue cost of subsidised services (R'million)	58.72	60.83	62.30	71.84	53.84	76.61	81.97
Revenue cost as % of Billed income	12.37%	11.56%	12.13%	12.93%	8.34%	10.90%	10.72%
Total number of households	59 928	59 928	59 928	61 128	61 738	62 361	62 997
Less: Total number of indigent households (Water)	12 644	12 644	12 644	12 897	13 155	13 418	13 681
Estimated net number of households	47 284	47 284	47 284	48 231	48 583	48 943	49 316
Revenue cost per est net number of households(R'000)	1.24	1.29	1.32	1.49	1.11	1.57	1.66

Statement of Financial Performance

GRAPH 34: TOTAL INCOME VS. TOTAL EXPENDITURE



When comparing 2015/16 to 2005/06, Total Income increased by R 659.50 million, equivalent to R 65.96 million per annum over a smooth 11-year period. Total Expenditure on the other hand increased by R 686.38 million at R 68.64 million per annum over the same period. Therefore on average, Total Expenditure increased faster than Total Revenue.

Total Income increased by the largest annual movement in 2009/10, totalling R 175.64 million (58%). Total Expenditure increased by the greatest annual increase in 2010/11, totalling R 166.71 million (43%).

TABLE 19 below indicates Midvaal's ability to generate surpluses (deficits) over the 11-year period based on the following two methodologies:

- Total Accounting Surplus (Deficit) measures whether Income from all sources exceeds Total Expenditure incurred. The calculation however, includes earmarked operational and capital conditional funding received as well as accounting changes.
- Cash Operational Surplus (Deficit) indicates Midvaal's ability to generate cash operational surpluses once all non-cash items have been removed from the operational expenditure.

TABLE 19: ANALYSIS OF SURPLUS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Accounting Surplus (Deficit)	10.3	-20.1	-20.1	-37.5	94.6	57.8	-14.0	11.0	7.2	-21.7	-16.6
Cash Operating Surplus (Deficit)	5.5	0.7	-41.4	-9.0	24.4	1.1	15.9	40.4	30.5	14.0	30.9

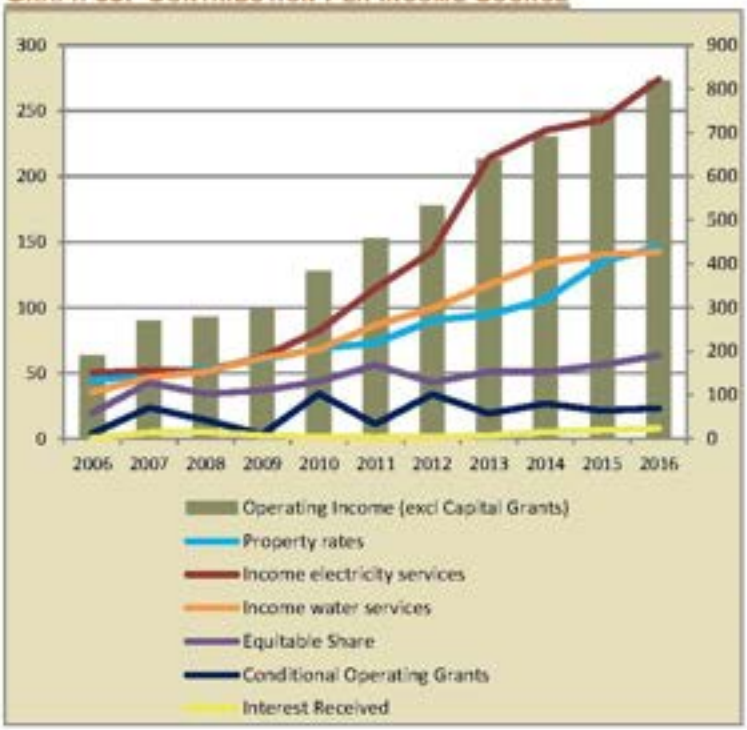
Total Income exceeded Total Expenditure for 5 years of the 11-year period ending 2015/16 as indicated in TABLE 19. When analysing Operating Income against Operating Expenditure, it can be seen from TABLE 20 that Operating Income increased at a slightly slower (Annual average 14.80%) than Operating Expenditure (Annual average 14.93%) over the period. A closer look at TABLE 19 indicates that after removing the effect of non-cash items, Midvaal incurred Cash Operating Surpluses for 8 of the 11 studied periods; with a R 40.41 million peak in 2012/13.

To ensure sustainability and good governance, it is recommended that emphasis is placed on the Cash Operating Performance. This should ensure that the Municipality has sufficient Cash and Cash Equivalents for future Capital Demands and Cash-Backed Reserves Requirements. To ease pressure off the Municipality's Operational ability (ability to contain expenditure), it is recommended that the Municipality do a cost versus benefit analysis on the assets acquired – revenue generating acquisitions will ensure speedy revenue enhancement.

TABLE 20: ANALYSIS OF OPERATING INCOME AND EXPENDITURE (R'MILLION)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating Income (excl all Cond Grants)											
Total	185.5	246.5	262.7	292.3	352.6	454.2	498.0	620.6	664.3	725.5	796.0
Changes		61.0	16.2	29.6	60.3	101.5	43.8	122.6	43.7	61.3	70.5
Percentage Changes		33%	7%	11%	21%	29%	10%	25%	7%	9%	10%
Operating Expenditure											
Total	189.6	295.3	303.3	340.0	383.5	550.2	565.5	653.6	709.3	801.4	876.0
Changes		105.6	8.0	36.7	43.5	166.7	15.3	88.1	55.7	92.1	74.7
Percentage Changes		56%	3%	12%	13%	43%	3%	16%	9%	13%	9%

GRAPH 35: CONTRIBUTION PER INCOME SOURCE



The three main revenue sources are Electricity Services, Water Services and Property Rates as depicted in TABLE 22. These services contribute between 57% - 70% to Operating Income.

Midvaal generated the following accumulated totals since 2005/06:

		R'Million
Equitable Share	12%	496.07
Conditional Operational Grants	5%	212.88
Property Rates	22%	919.83
Service Charges – Electricity	37%	1 521.49
Service Charges – Water	24%	981.82
Interest earned on investments	1%	35.57
	100%	4 167.66

When comparing 2015/16 with 2005/06, Total Operating Income (excl. All Conditional Grants) increased by R 610.52 million. The accumulated Operational Grant Funding contributed 5% to Total Operating Income (excl. Capital Grants), indicating that the Municipality is not significantly grant dependent. Fiscal Transfers have been apportioned as follows since 2005/06:

TABLE 21: CAPITAL VS. OPERATIONAL GRANTS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Conditional Operating Grants	55%	59%	61%	77%	25%	26%	44%	53%	49%	50%	49%
Capital Grants & Public Contributions	45%	41%	39%	23%	75%	74%	56%	47%	51%	50%	51%

Equitable Share contributed 12% to Accumulated Operating Income, totalling R 496.07 million. It has been maintained at a maximum of 16% of Operating Income as shown on TABLE 22 below. In addition, TABLE 22 indicates that the contribution of Equitable Share has been in the range of 7% - 8% since 2011/12.

TABLE 22: CONTRIBUTION PER INCOME SOURCE

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equitable Share	10%	16%	12%	12%	11%	12%	8%	8%	7%	8%	8%
Conditional Operational Grants	2%	9%	5%	1%	9%	2%	6%	3%	4%	3%	3%
Property Rates	24%	18%	19%	20%	18%	16%	17%	15%	15%	18%	18%
Service Charges – Electricity	27%	19%	19%	21%	22%	25%	27%	34%	34%	33%	34%
Service Charges – Water	19%	17%	19%	21%	18%	19%	19%	18%	19%	19%	17%
Interest earned on investments	0%	2%	2%	1%	0%	0%	0%	0%	1%	1%	1%

The inconsistent annual increases since 2010/11, depicted in TABLE 23, raises concerns as far as Property Rates are concerned.

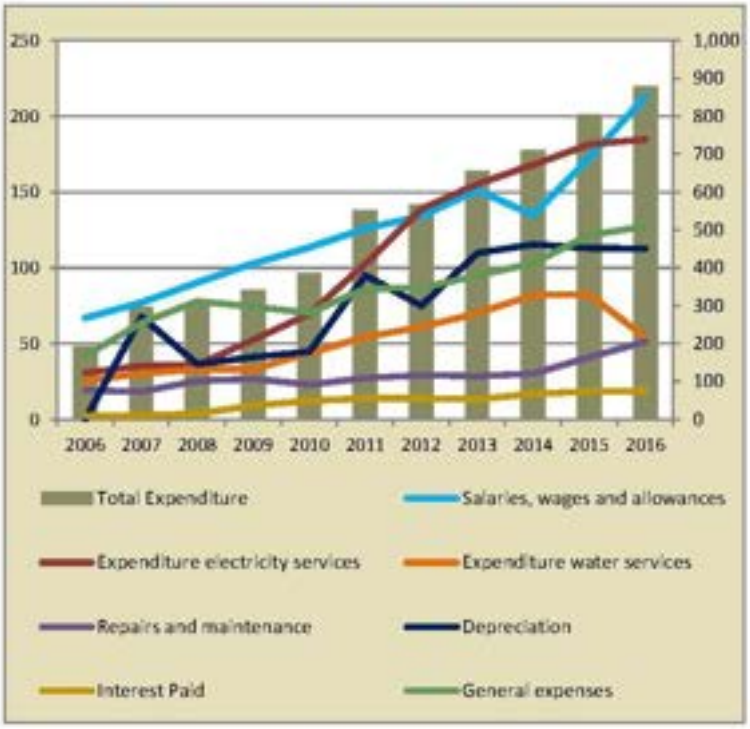
It should be noted that Public Contributions totalled R 55.71 million in 2012/13 and have been directly apportioned to Capital Expenditure Funding.

TABLE 23: ANNUAL INCREASE PER INCOME SOURCE

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equitable Share	-21%	8%	19%	29%	-24%	19%	0%	10%	13%
Conditional Operational Grants	-40%	-78%	999%	-68%	209%	-44%	40%	-20%	9%
Property Rates	8%	13%	15%	6%	24%	5%	13%	27%	9%
Service Charges – Electricity	-1%	21%	33%	39%	24%	50%	10%	3%	13%
Service Charges - Water	10%	20%	11%	27%	15%	19%	14%	5%	2%
Interest earned on investments	12%	-55%	-53%	-28%	49%	76%	138%	24%	27%
Total Income excluding Conditional Transfers	7%	12%	19%	28%	11%	25%	7%	9%	10%

An issue of concern is that the annual increases of Electricity and Water Services are inconsistent with both the national inflation rate and the historic performance of Midvaal. Management has indicated that these differences were as a result of the changes in accounting for free basic services. Free basic services were previously accounted for as expenditure. More recently it was, however, reflected as a reduction in income, which impacted on the annual increases in these revenue sources.

GRAPH 36: CONTRIBUTION PER EXPENDITURE ITEM



The main expenditure items are Electricity Services Expenditure, Salaries, Wages and Allowances and Depreciation.

When assessing GRAPH 36 against TABLE 25 and TABLE 26, Salaries, Wages and Allowances increased by double digits with the exception of 2011/12 and 2013/14; when it increased by 6% and decreased by R 16.43 million (-11%) respectively.

Midvaal contained Salaries, Wages and Allowances as percentage of Total Expenditure well below the current recommended norm of 25% - 40% since 2005/06, at 22% and 23% for the recent two financial years.

Staff productivity is classified as a measurement of the employees' ability to generate Income. Therefore in 2015/16, for every R 1 spent on Employee Related Costs; the Municipality managed to generate R 4 Income. This rate has improved since 2008/09, when it was R 3, to between R 4 and R 5 in the recent seven financial years.

The Electricity Services Expenditure curve seemed similar to the Electricity Services Income curve prior 2011/12. The Gross Profit Margins declined from 39% in 2005/06 to 3% in 2011/12, but stabilized to between 25% and 32% since then, as depicted on TABLE 27.

Midvaal allocated R 810.99 million to Depreciation, and R 320.96 million to Repairs and Maintenance respectively since 2005/06. GRAPH 36 and TABLE 25 illustrate that the Municipality contained Repairs and Maintenance within 10% but well below the norm of 8% of Property, Plant and Equipment (PPE)(incl Investment Property) (TABLE 24), while Depreciation has contributed 12% - 23% since 2005/06. Depreciation and Repairs and Maintenance in proportion to Net PPE are as follows:

TABLE 24: DEPRECIATION AND REPAIRS AND MAINTENANCE IN PROPORTION TO NET PPE

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Depreciation	0%	13%	6%	7%	6%	5%	4%	5%	5%	5%	5%
Repairs and maintenance	66%	3%	4%	5%	3%	1%	1%	1%	1%	2%	2%

As a guideline, MFMA Circular No. 71 recommends a benchmark of 8% for Repairs and Maintenance. It is therefore recommended that Midvaal assess the actual condition of Non-Current Assets, in order to establish an optimum level for Repairs and Maintenance and Depreciation or whether certain assets have to be impaired. A correct balance between Depreciation and Maintenance will ensure that sufficient reserves are available for future replacement costs of Non-Current Assets. Sufficient Maintenance will ensure that Fixed Assets remain useful throughout their useful lives, instead of being impaired and prematurely replaced. Therefore an assessment of the quality of the Asset Register to determine the actual physical condition of Fixed Assets is recommended in order to determine an optimum level for Depreciation and Repairs.

TABLE 25: CONTRIBUTION PER EXPENDITURE ITEM

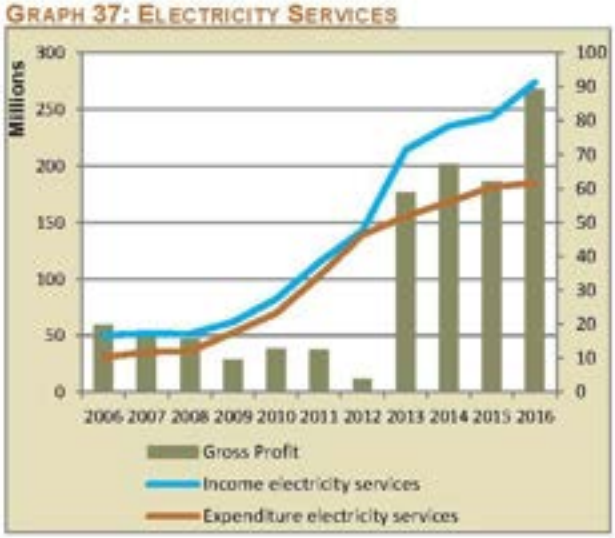
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Salaries, wages and allowances	35%	26%	30%	30%	30%	23%	24%	23%	19%	22%	24%
Expense - Electricity services	16%	12%	12%	15%	18%	19%	25%	24%	24%	23%	21%
Expense - Water services	13%	10%	11%	10%	11%	10%	11%	11%	12%	10%	6%
Repairs & maintenance	10%	6%	8%	8%	6%	5%	5%	4%	4%	5%	6%
Depreciation	0%	23%	12%	12%	12%	17%	13%	17%	16%	14%	13%
External Interest Paid	1%	1%	1%	3%	3%	3%	2%	2%	2%	2%	2%

*Staff productivity: Total income/Salaries, wages and allowances (As per financial statements)

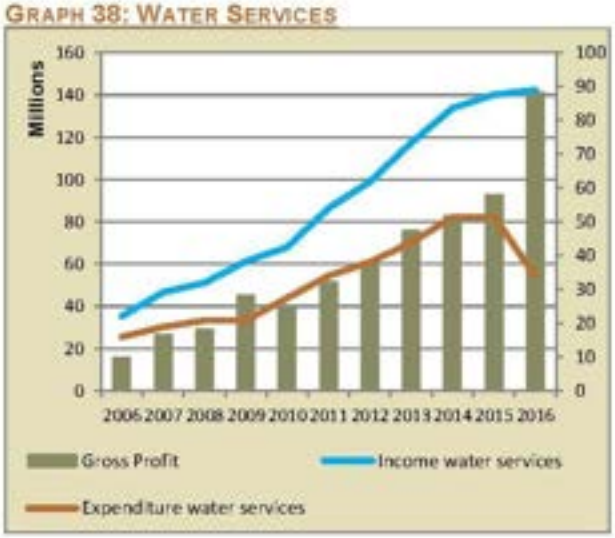
TABLE 26: ANNUAL INCREASE PER EXPENDITURE ITEM

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Salaries, wages and allowances	15%	17%	14%	10%	11%	6%	13%	-11%	28%	23%
Staff Productivity	4	3	3	4	5	4	4	5	5	4
Expense - Electricity services	15%	2%	46%	33%	47%	35%	12%	8%	8%	2%
Expense - Water services	19%	10%	0%	32%	24%	12%	15%	17%	0%	-34%
Repairs & maintenance	-5%	39%	4%	-14%	19%	7%	-2%	5%	36%	25%
Depreciation	-	-46%	13%	9%	113%	-21%	46%	5%	-2%	0%
External Interest Paid	10%	56%	134%	34%	15%	0%	-5%	26%	10%	2%

GRAPH 37: ELECTRICITY SERVICES



GRAPH 38: WATER SERVICES



Service Charges combined contributed in the region of 37% - 54% of Total Income (excl. Capital Grants); GRAPH 37 and GRAPH 38 indicate that both Electricity and Water Services were profitable since 2005/06 with the following gross profits and gross profit margins:

TABLE 27: SERVICE CHARGES GROSS PROFIT ANALYSIS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Electricity Services											
Revenue electricity services	50	52	51	62	82	115	143	214	235	243	274
Expenditure electricity services	31	35	36	53	70	103	139	155	168	181	185
Gross Profit	19	16	15	9	13	12	4	59	67	62	89
Electricity Gross Profit Margin(%)	39%	32%	30%	15%	15%	11%	3%	27%	29%	25%	32%
Electricity revenue increase %		3%	-1%	21%	33%	39%	24%	50%	10%	3%	13%
Electricity expenditure increase %		15%	2%	46%	33%	47%	35%	12%	8%	8%	2%
Water Services											
Revenue water services	35	47	51	61	68	87	99	117	134	140	142
Expenditure water services	26	30	33	33	44	54	61	70	82	82	54
Gross Profit	10	16	18	28	24	32	38	47	52	58	88
Water Gross Profit Margin (%)	28%	35%	35%	46%	35%	37%	39%	40%	39%	41%	62%
Water revenue increase %		32%	10%	20%	11%	27%	15%	19%	14%	5%	2%
Water expenditure increase %		19%	10%	0%	32%	24%	12%	15%	17%	0%	-34%

National Treasury recommends a benchmark of between 7% - 10% for Electricity Distribution Losses as a percentage of Electricity Services Expenditure; and between 15% - 30% for Water Distribution losses in relation to Water Services Expenditure. Midvaal's distribution losses in recent years are summarized as follows:

TABLE 28: DISTRIBUTION LOSSES, UNAUTHORIZED AND IRREGULAR EXPENDITURE

	2012	2013	2014	2015	2016
Electricity Distribution Loss (R' million)	18.97	18.44	21.00	21.42	25.22
Electricity Distribution Loss (%)	12.4%	14.2%	12.3%	11.5%	11.7%
Water Distribution Loss (R 'million)	16.82	14.93	24.78	25.66	24.70
Water Distribution Loss(%)	24.3%	24.5%	30.4%	28.8%	28.6%
Unauthorised Expenditure (R' million)	443.03	614.12	51.17	51.17	0
	78%	94%	7%	6%	0%
Irregular Expenditure (R' million)	73.46	95.19	69.76	70.76	0
	13%	15%	10%	9%	0%

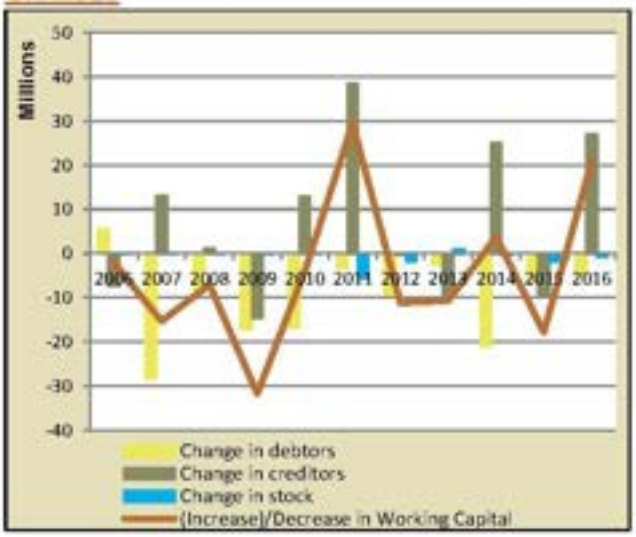
TABLE 28 depicts that Electricity Distribution Losses are beyond the recommended norm of 7% - 10%. It is however important to highlight that the losses have decreased from 14.23% in 2012/13 to 11.66% in 2015/16.

Water Distribution Losses also pose a challenge; they stem from theft (illegal connections), non- or incorrect metering or wastage as a result of aging water infrastructure. It is important that the Municipality investigates the identified variances, from the recommended industry norms, and take corrective actions to remedy the identified shortcomings.

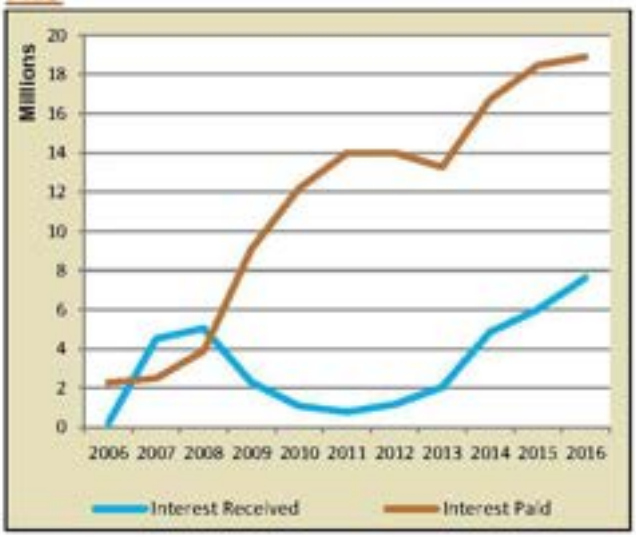
Cash Flow Statement

In this section the ability of Midvaal to generate surplus cash from its operational activities per annum is assessed, as well as the degree of surplus cash being invested back into new Capital Infrastructure and/or reserved in Investments. The financial resources that are at Midvaal's disposal for investment in Capital Infrastructure are determined and to what extent these resources are optimally leveraged to accelerate service delivery whilst maintaining a financially sound position.

GRAPH 39: CASH IMPACT OF WORKING CAPITAL CHANGES



GRAPH 40: INVESTMENT INCOME VS. INTEREST PAID



Due to the limited ability for diversification (revenue sources) in the Municipal Sector, it is recommended that the municipality finances Creditors from Debtors Collection. A closer look at GRAPH 39 indicates that Midvaal incurred positive movements of Working Capital mainly due to increases in Creditors. Debtors negatively affected the Municipality's ability to generate Working Capital. The accumulated net movements of Working Capital Drivers since 2005/06 are as follows:

	R'Million
Change in debtors	-112.93
Change in creditors	76.50
Change in stock	-9.33
Total net change	-45.76

The spike in Creditors in 2009/10, 2010/11, 2013/14 and 2015/16 is mainly related to increases in Trade and Other Payables. **Strength:** The Municipality managed to virtually eradicate Unspent Conditional Grants. The negative movement in Debtors during most of the periods is mainly due to the growing illiquid part of the debtors' book. It is important to note that both Consumer and Other Debtors require dedicated management efforts.

GRAPH 40 indicates that Midvaal's Interest Paid exceeded Interest Received for 9 of the 11 studied years, resulting in a R 89.69 million accumulated Net Interest outflow from Operational Income. A assessment of GRAPH 40 against GRAPH 41 and GRAPH 45 indicate that Cash and Investments have increased from R 5.35 million in 2011/12, to R 100.00 million in 2015/16; hence the upward movement in Interest received since 2011/12. In 2012/13 and 2013/14 Midvaal acquired R 88.80 million from the lending market for both years (External loans and leases), which resulted in upward pressure on Interest Paid. This is not clearly

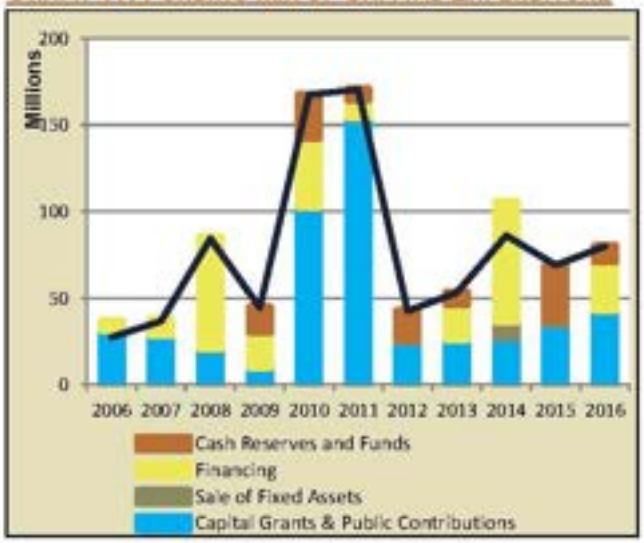
visible due to the increase in operating expenditure. The proportion of Interest Paid to Operating Expenditure over the years is as follows:

TABLE 29: PROPORTION OF INTEREST PAID TO OPERATING EXPENDITURE

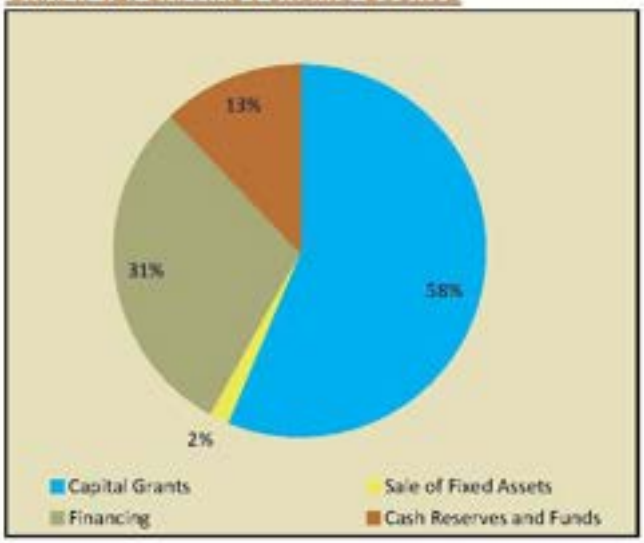
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Interest as % of Operating Expenditure	1%	1%	1%	3%	3%	3%	2%	2%	2%	2%	2%

Midvaal's Interest Paid remained within the recommended norm of 7.5% or less throughout the studied period, implying that the Municipality's cost of debt is not excessive (indicating scope for further gearing). It is recommended that the Working Capital Requirement be aligned in order to maintain a positive relationship with the Municipality's Creditors. In addition, the Working Capital Requirements should be aligned to the Funding Mix of the Municipality, because investment of Own Cash into CAPEX may place Liquidity under pressure.

GRAPH 41: FUNDING MIX OF CAPITAL EXPENDITURE



GRAPH 42: CAPITAL FUNDING SOURCE



Midvaal's CAPEX Program totals R 861.748 million since 2005/06. The funding mix is as follows and is also diagrammatically represented on GRAPH 42.

TABLE 30: FUNDING MIX SINCE 2005/06

	Rm	%
Capital Grants *	460.16	59%
Sale of Fixed Assets	14.56	2%
Financing	237.88	30%
Cash Reserves and Funds	99.05	13%
TOTAL	861.75	100%*

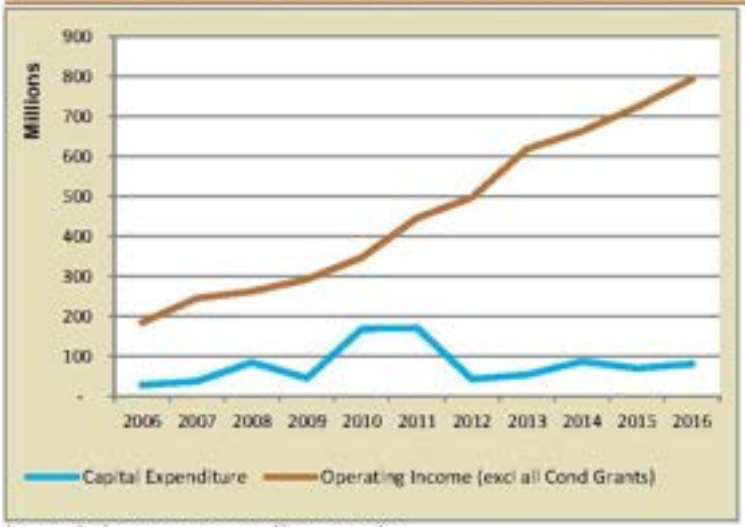
*4% Discrepancy due to 5% adjustment on capital grants

The Municipality acquired more funding than required for the Capital Program for 2013/14 as depicted on GRAPH 41. TABLE 31 below shows the monetary values of the Funding Mix for the Capital Program:

TABLE 31: ANNUAL CAPITAL FUNDING MIX (R'M)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capital Grants	31.6	28.7	20.4	10.1	102.6	153.8	24.9	26.3	27.0	34.8	42.6
Sale of Fixed Assets	0.0	0.0	0.6	0.2	0.1	0.9	0.6	0.0	9.7	2.5	0.7
Financing	5.0	9.0	63.9	20.5	40.0	10.3	0.4	20.3	68.5	0.0	27.9
Cash Reserves and Funds	0.0	0.0	0.0	13.8	24.8	5.5	16.6	6.7	0.0	31.7	8.7
Capital Expenditure	27.5	36.7	84.3	44.6	167.5	170.4	42.5	53.3	86.2	69.0	79.9

GRAPH 43: GROWTH IN TOTAL OPERATING INCOME VS. CAPITAL EXPENDITURE

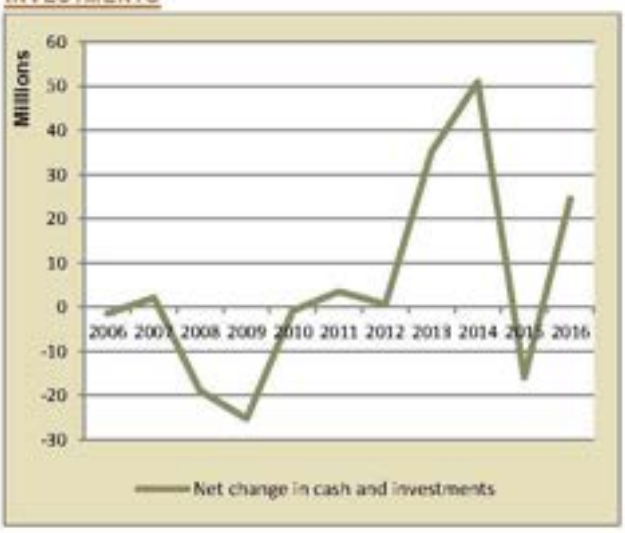


GRAPH 43 demonstrates an increasing trend of Operating Income (refer also to TABLE 20). However, Midvaal's Operational Expenditure increased faster (16.54%) than Operational Income (Excl. all Cond Grants) (15.68%) since 2005/06, due to Conditional Grants.

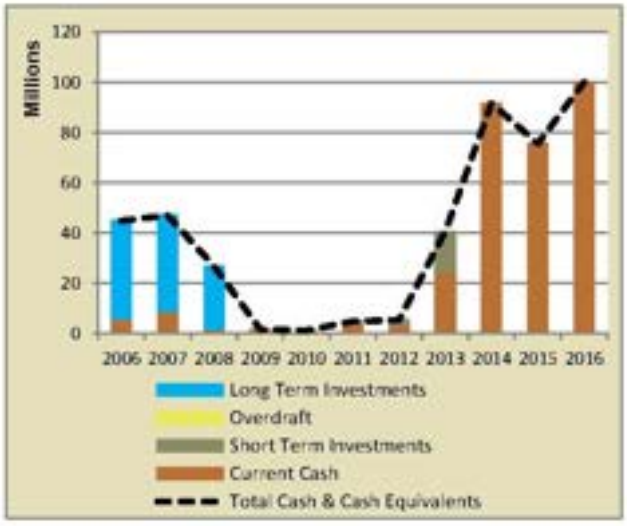
The Municipality's ability to generate own funds to reinvest into CAPEX is limited. It is recommended that CAPEX be aligned to Conditional Grant Funding in order to allow the Municipality to build Cash Reserves. In addition, it is also recommended that future CAPEX be aligned as closely as possible towards income generating assets.

Debt collection should not be distorted by the National Treasury requirement that Debtors older than 90 days should be provided for. A collective effort to make old debt collectable will yield positive results for the Municipality in terms of Working Capital and Liquidity.

GRAPH 44: NET CHANGE IN CASH AND INVESTMENTS



GRAPH 45: CASH AND INVESTMENTS



Although Midvaal has made use of an overdraft facility up to 2012, it has not been in an overdraft position at year-end since 2005/2006. The Municipality experienced an increase in the Cash and Investments balance since 2012/13. The decline in 2014/15 relates mainly to investment of external loan funding obtained previously (own finds) into CAPEX. Midvaal's Funding Mix should incorporate a healthy level of gearing to ensure that delay in investment does not compromise the quality of service delivery. Judicious access to external financing will also allow the Municipality the ability to maintain Cash Reserves.

GRAPH 46: MINIMUM LIQUIDITY REQUIREMENTS

A Municipality is legislatively required to maintain cash reserves which sufficiently cover the following statutory requirements at all times:

- Unspent Conditional Grants
- Short-Tem Provisions
- Cash backed Funds and Reserves
- Cash Cover for 1-3 months WC

With reference to TABLE 32, as a conservative measure it is recommended that one month's operational cash should be retained as a start.

GRAPH 46 illustrates that Midvaal's liquidity requirements were fully covered in 2005/06, 2006/07 and in the recent 3 financial years. The recommended minimum Liquidity Requirements are shown in the table below:

TABLE 32: MINIMUM LIQUIDITY LEVELS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Unspent conditional grants	4.91	4.86	2.10	7.74	11.12	4.25	-	-	-	0.15	0.15
Short term provision	5.84	5.16	5.69	7.35	7.70	27.34	29.47	6.62	7.47	8.36	7.89
Funds, Reserves & Trust Funds [Cash Backed]	-	-	-	-	-	-	-	-	-	-	-
Total	*10.75*	*10.02*	*7.80*	*15.09*	*18.83*	*31.58*	*29.47*	*6.62*	*7.47*	*8.51*	*8.04*
Cash Coverage Ratio (excl Working Capital)*	4.17	4.68	3.43	0.10	0.06	0.15	0.18	6.11	12.24	8.88	12.43
Working Capital Provision [1 month Opex]**	15.80	24.60	25.27	28.33	31.96	45.85	47.12	54.47	59.11	66.78	73.00
*Unencumbered Cash & Cash Equivalents****	*44.83*	*46.90*	*26.77*	*1.51*	*1.18*	*4.71*	*5.35*	*40.48*	*91.47*	*75.52*	*100.0*
Cash Coverage Ratio (incl Working Capital)****	1.69	1.35	0.81	0.03	0.02	0.06	0.07	0.66	1.37	1.00	1.23
*Minimum Liquidity Required *****	*26.55*	*34.63*	*33.07*	*43.42*	*50.79*	*77.43*	*76.59*	*61.09*	*66.58*	*75.29*	*81.04*
Cash Surplus/(Shortfall)	18.28	12.27	-6.30	-41.91	-49.60	-72.72	-71.24	-20.61	24.89	0.23	18.96

* Cash Coverage Ratio (excl Working Capital) =Unencumbered cash and cash equivalents/Total
** Total Expenditure/12
*** Unencumbered cash and cash equivalents = Total cash & cash equivalents-ceded investments
**** Total + Working Capital Provision
***** Minimum liquidity required - Unencumbered cash and cash equivalents

TABLE 33: ABRIDGED CASH FLOW STATEMENT

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash flow from operating activities	32.40	5.15	5.56	134.81	43.63	50.66	76.70	86.49	69.97	116.02
Cash flow from investing activities	-35.68	-70.78	-18.52	-167.40	-40.10	-41.85	-53.27	-76.44	-66.48	-80.08
Cash flow before financing	-3.28	-65.63	-12.96	-32.56	3.53	8.81	23.42	10.05	3.48	35.95
Net cash flow from financing activities	6.35	59.68	13.22	31.71	0.00	-8.17	11.71	40.93	-19.43	-11.47
Net increase\(Decrease) in cash and cash equivalents	3.07	-5.95	0.26	-0.85	3.53	0.64	35.13	50.99	-15.95	24.48
Cash and cash equivalents at beginning of year	5.83	7.72	1.77	2.03	1.18	4.71	5.35	40.48	91.47	75.52
Cash and cash equivalents at end of year	8.90	1.77	2.03	1.18	4.71	5.35	40.48	91.47	75.52	100.00

Note:
Discrepancy between opening cash balance in 2008 and ending balance 2007
2014: Additional loans of R60 million plus disposal of community assets of R9.71 million

Since 2011 Midvaal generated a Cash surplus before financing, but not sufficient to cater for investing activities, resulting in the need for borrowing. Gearing levels are still considered sound but it is imperative that Cash flow before financing be strengthened. TABLE 33 is also a testimony to this challenge.

7. Cash Flow Forecast

The cash flow forecast represents a synopsis of the overall annual financial performance of the Municipality on a cash basis. This entails taking into consideration the operational performance to firstly determine whether the Municipality can cash fund its operating activities, secondly it determines whether the municipality can then service its external debt and lastly, the impact of funding the capital program on the cash flow of the Municipality is calculated, providing in essence the ability of tracing cash flows in and out of the Municipality.

The historic financial performance of the municipality is transposed into this format to provide a credible base for testing the assumptions made in the Adopted Budget. Therefore the Adopted Budget for 2016/17 to 2018/19 is plotted against the historical and actual financial performance of Midvaal over the past 4 years ending on 30 June 2016. Besides verifying the assumptions made in the Adopted Budget, the Cash Flow Forecast will also indicate the impact of implementing the objectives of the Adopted Budget on the overall cash flow of Midvaal. This will provide Midvaal with sufficient guidance to ensure that budgets are aligned with realistic outcomes and will ensure that the overall financial position does not deteriorate.

This module will form the basis of developing the 10-year long term financial plan and from this assessment, key areas for stress testing will be highlighted to ensure that all scenarios are considered and weighed before the final plan is adopted.

Review of the Final Budget for 2016/17 to 2018/19

The following data has been used with an indication of annual increases/ (decreases) and is plotted graphically. The data is to be used for cross referencing (R'm).

TABLE 34: FORECAST OPERATIONAL PERFORMANCE

	3-year Historical Trend			Current Yr	MTREF Cash Flow Forecast		
Year	2013	2014	2015	2016	2017	2018	2019
Property rates	94.35	106.16	134.78	146.38	154.26	165.05	176.61
	5%	13%	27%	9%	5%	7%	7%
Equitable Share & Conditional Operational Grants	69.88	77.57	77.25	86.42	96.25	105.68	116.48
	-25%	11%	0%	12%	11%	10%	10%
Interest Income	2.04	4.85	6.01	7.61	3.80	3.99	4.19
	76%	138%	24%	27%	-50%	5%	5%
Income Electricity	214.12	235.07	243.24	273.89	318.91	350.21	383.10
	50%	10%	3%	13%	16%	10%	9%
Income Water	117.42	133.85	140.23	142.41	172.34	187.86	204.76
	19%	14%	5%	2%	21%	9%	9%
Other service charges and income	140.43	131.96	143.39	160.10	164.88	174.72	185.69
	-1.25	-6%	9%	12%	3%	6%	6%
Total Revenue (excl capital transfers)	638.24	689.46	744.90	816.80	910.45	987.52	1 070.83
		8%	8%	10%	11%	8%	8%
Salaries, wages and allowances	151.17	134.74	172.60	212.77	236.48	254.03	271.50
	13%	-11%	28%	23%	11%	7%	7%
Expenditure electricity services	155.48	168.07	181.38	184.89	248.45	283.23	322.89
	12%	8%	8%	2%	34%	14%	14%
Expenditure water services	70.18	82.16	82.41	54.13	102.39	111.60	121.65
	11%	17%	0%	-34%	89%	9%	9%

	3-year Historical Trend			Current Yr	MTREF Cash Flow Forecast		
Debt Impairment	27.32	23.50	39.51	48.12	85.82	91.61	97.71
	-7%	-14%	68%	22%	78%	7%	7%
Depreciation	109.75	115.48	112.94	112.76	144.87	144.87	144.87
	-21%	5%	-2%	0%	28%	0%	0%
Repairs and maintenance	28.68	30.20	41.07	51.36	54.91	58.37	62.05
	7%	5%	36%	25%	7%	6%	6%
Interest paid on external loans	13.28	16.72	18.47	18.89	17.82	16.38	14.78
	0%	26%	10%	2%	-6%	-8%	-10%
General expenses	97.73	138.38	152.98	193.08	125.76	134.11	136.56
		42%	11%	26%	-35%	7%	2%
Total Expenditure	**653.59**	**709.26**	**801.35**	**876.00**	**1 016.50**	**1 094.20**	**1 172.00**
	3%	9%	13%	9%	16%	8%	7%
Accounting Operating Surplus / (Deficit)	-15.35	-19.80	-56.45	-59.20	-106.05	-106.68	-101.17
		29%	185%	5%	79%	1%	-5%
Change in debtors	-2.34	-21.03	-6.57	-5.42	-45.49	-14.32	-17.85
		798%	-69%	-18%	740%	-69%	25%
Change in creditors	-9.34	25.12	-9.35	26.88	58.71	8.24	8.44
		-369%	-137%	-388%	118%	-86%	2%
Change in stock	1.00	-0.34	-1.88	-0.69	0.76	-0.48	-0.49
		-134%	450%	-63%	-211%	-163%	2%
(Increase)/Decrease in Working Capital	**-10.68**	**3.75**	**-17.80**	**20.77**	**13.99**	**-6.56**	**-9.89**
		-135%	-575%	-217%	-33%	-147%	51%
Non-cash and adjustments	91.81	77.59	121.86	100.23	79.53	162.94	192.11
		-15%	57%	-18%	-21%	105%	18%
Total adjustments	**81.13**	**81.33**	**104.06**	**121.01**	**93.52**	**156.38**	**182.22**
		0%	28%	16%	-23%	67%	17%
Cash operating surplus /(deficit)	65.78	61.53	47.61	61.81	-12.53	49.70	81.05
		-6%	-23%	30%	-120%	-497%	63%
Interest received	2.04	4.85	6.01	7.61	3.80	3.99	4.19
		138%	24%	27%	-50%	5%	5%
Interest paid	-13.28	-16.72	-18.47	-18.89	-16.01	-17.92	-16.33
		26%	10%	2%	-15%	12%	-9%
Net Interest	**-11.24**	**-11.87**	**-12.46**	**-11.28**	**-12.21**	**-13.93**	**-12.14**
		6%	5%	-9%	8%	14%	-13%
Cash retained after interest	54.54	49.66	35.16	50.53	-24.74	35.77	68.92
		-9%	-29%	44%	-149%	-245%	93%
Debt repayment	-8.57	-17.74	-19.38	-17.37	-9.14	-19.83	-22.59
		107%	9%	-10%	-47%	117%	14%
Cash retained before capital movements	45.96	31.92	15.78	33.16	-33.88	15.94	46.33
		-31%	-51%	110%	-202%	-147%	191%
Capital grants	26.33	27.00	34.76	42.57	40.37	42.38	45.59
		3%	29%	22%	-5%	5%	8%
Sale of fixed assets	0.00	9.73	2.48	0.66	0.10	0.10	0.10
		#DIV/0!	-74%	-74%	-85%	0%	0%

	3-year Historical Trend			Current Yr	MTREF Cash Flow Forecast		
Capital expenditure	-53.27	-86.17	-68.97	-79.86	-81.97	-76.77	-88.84
		62%	-20%	16%	3%	-6%	16%
Net capital movement	-26.95	-49.45	-31.73	-36.63	-41.50	-34.29	-43.16
		83%	-36%	15%	13%	-17%	26%
Balance before financing	19.02	-17.53	-15.95	-3.46	-75.38	-18.35	3.18
		-192%	-9%	-78%	2076%	-76%	-117%
Financing	20.28	68.51	0.00	27.94	20.10	11.75	4.92
		238%	-100%	#DIV/0!	-28%	-42%	-58%
Net change in cash and investments	39.30	50.99	-15.95	24.48	-55.28	-6.60	8.10
		30%	-131%	-253%	0%	0%	-223%
Cash & Investment Balances	40.48	91.47	75.52	100.00	44.72	38.12	46.22
		126%	-17%	32%	-55%	-15%	21%

Operating Income and Expenditure Trend Analysis

GRAPH 47: CONTRIBUTION PER INCOME SOURCE

The 2016/17 Final Budget indicates that Midvaal is planning to generate R 2.97 billion Total Revenue (excluding Capital Transfers) over the next 3 years. TABLE 35 indicates that Total Revenue (excl. Capital Transfers) is forecast to increase by R 93.65 million (11%) during 2016/17 and thereafter increase by R 77.07 million (8%) and R 83.31 million (8%) during 2017/18 and 2018/19 respectively.

TABLE 35 indicates that the Main Income Sources will be Electricity Services Income, Water Services Income, Property Rates and Other Service Charges. The main drivers of the budgeted 18% increase in Total Revenue (excl. Capital Transfers) during 2016/17 are as follows:

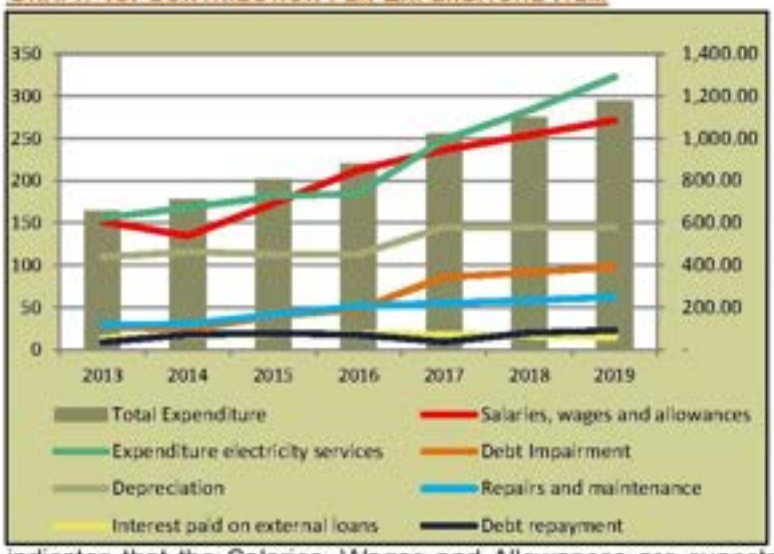
- R 45.02 million (16%) increase in Electricity Services Income
- R 29.93 million (21%) increase in Water Services Income
- R 4.76 million (3%) increase in Other Service Charges

TABLE 35: CONTRIBUTION PER INCOME SOURCE

	2013	2014	2015	2016	2017	2018	2019
Property Rates	15%	15%	18%	18%	17%	17%	16%
Equitable Share & Conditional Operational Grants	11%	11%	10%	11%	11%	11%	11%
Service Charges – Electricity	34%	34%	33%	34%	35%	35%	36%
Service Charges – Water	18%	19%	19%	17%	19%	19%	19%

The contributions per income source are consistent with the historic figures; therefore the Adopted Budget is within the attainable range of Midvaal.

GRAPH 48: CONTRIBUTION PER EXPENDITURE ITEM



The 3-year Operational Expenditure Budget totals R 3.28 billion. Containing Expenditure will continue to be a major challenge for the Municipality; Total Expenditure is forecast to increase faster than Operating Revenue throughout the budgetary period.

The main Expenditure items will continue to be Electricity Services Expense, Employee Related Costs and Depreciation. GRAPH 48 and TABLE 36 depict that Midvaal's Salaries, Wages and Allowances are forecast to remain well within the recommended norm of 25% - 40% throughout the budgeted periods. TABLE 34 indicates that the Salaries, Wages and Allowances are expected to increase by R 23.71 million (11%) and thereafter increase by R 17.55 million and R 17.47 million in 2017/18 and 2018/19 respectively. The Municipality should be mindful that such a trend could impact on the need to provide for post-retirement benefits.

Electricity Services Expenditure is forecast to increase by double digits throughout the budget cycle. Of concern is the forecast increase of R 63.56 million (34%) for 2016/17. (Note: NERSA approved 14.24% increase in tariffs for 2016/17.) The Electricity Distribution Losses are also concerning because minimizing this loss will have a positive effect on the cost factor associated with this service.

Water Services Expenditure is estimated to increase by R 48.26 million (89%) in 2016/17 and thereafter by 9% for the two remaining years. A concerning factor is the increasing Water Distribution Losses that totalled R 24.70 million (29% of Water Services Expenditure) in 2015/16 as indicated on TABLE 28.

A closer look at Debt Impairment indicates that the Municipality is planning to increase Debt Impairment by R37.70 million to R 85.82 million in 2016/17 and thereafter impair R 91.81 million and R 97.71 million in 2017/18 and 2018/19 respectively. As earlier mentioned on GRAPH 31, having odd periods of significant Debt Impairment serves as an indication that Provision for Bad Debts is under-provided for during certain periods and thereafter over-provided for during the remaining periods when it seems high. Such a trend distorts debtors because the debtors' book becomes indirectly illiquid. Note: Debt impairment also includes traffic fines (which increased significantly over recent years), for which a significant write-off is budgeted over the MTREF period.

TABLE 34 and TABLE 36 below indicate that Midvaal's Repairs and Maintenance is 46% of expenditure allocated for Depreciation in 2015/16, which serves as an indication of the Municipality's intent to reserve future asset replacement costs rather than Repairing and Maintaining Fixed Assets. An Assessment of the Asset Register and the actual condition of Fixed Assets will provide insight on expected remaining useful life of Fixed Assets and will provide a general idea of how to structure the Replacement versus Maintenance Strategy. The forecast Depreciation (2017-2019) implies that Midvaal should preferably raise R 434.61 million in cash-backed Reserves during the budgetary period ending 2018/19.

TABLE 36: CONTRIBUTION PER EXPENDITURE ITEM

	2013	2014	2015	2016	2017	2018	2019
Salaries, wages and allowances	23%	19%	22%	24%	23%	23%	23%
Expense - Electricity services	24%	24%	23%	21%	24%	28%	28%
Expense - Water services	11%	12%	10%	6%	10%	10%	10%
Debt Impairment	4%	3%	5%	5%	8%	8%	8%
Repairs & maintenance	4%	4%	5%	6%	5%	5%	5%
Depreciation	17%	16%	14%	13%	14%	13%	12%
External Interest Paid	2%	2%	2%	2%	2%	1%	1%
Staff Productivity	4	5	5	4	4	4	4

*Debt impairment for the period 2013-2016 Consumer debtors only but thereafter including traffic fines

TABLE 36 further indicates that Midvaal's Staff Productivity is forecast to decrease by a notch in 2015/16 and thereafter remain uniform at R 4 throughout the budget cycle. The reason for the decline in productivity is due to a higher increase for Salaries relative to Total Operational Revenue in 2015/16.

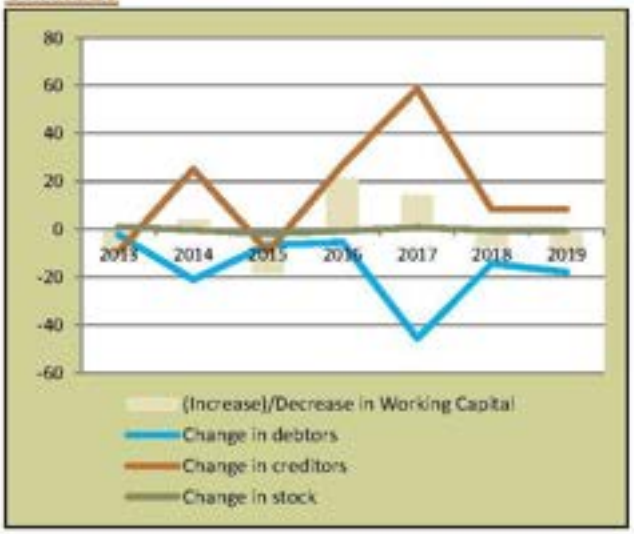
Services are forecast to remain profitable over the budget period; the margins for Electricity Services are set to increase to 32% for 2015/16 and 22% for 2016/17 and thereafter contract to 19% and 16% as demonstrated on TABLE 37. Water Services' margins are forecast to be at 62% for 2015/16 and 41% annually over the 3-year budget period. Such high gross profit margins are consistent to the 2014/15 performance and judging from the debtors of 2015/16, Debtors older than 90 days will continue to have an increasing trend.

TABLE 37: SERVICE CHARGES GROSS PROFIT ANALYSIS

	2013	2014	2015	2016	2017	2018	2019
Electricity Services	58.64	67.01	61.86	89.00	70.46	66.98	60.22
	27%	29%	25%	32%	22%	19%	16%
Water Services	47.24	51.69	57.82	88.28	69.96	76.25	83.12
	40%	39%	41%	62%	41%	41%	41%

Cash Flow Trend Analysis

GRAPH 49: CASH IMPACT OF WORKING CAPITAL CHANGES



GRAPH 50: ACCOUNTING VS. CASH OPERATING PERFORMANCE

From GRAPH 50 and TABLE 34 it may be concluded that Midvaal's budget is structured to increase the Accounting Operating Deficits to triple figures totalling R 106.05 million, R 106.68 million and R 101.17 million for the respective years 2016/17 to 2018/19.

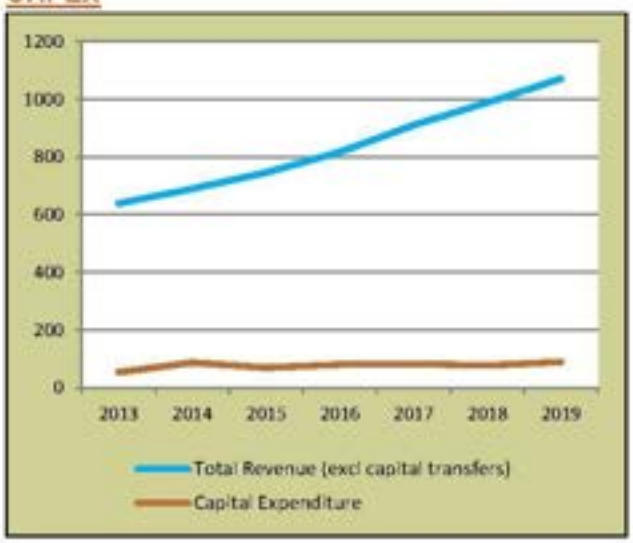
GRAPH 49 indicates the composition of Working Capital. When assessing GRAPH 49 and TABLE 34, Working Capital raises concerns because Debtor Management comes across as non-effective, the Debtors Balances are forecast to increase throughout the budget period and therefore negatively affects the Working Capital.

Creditors on the other hand are set to increase throughout the 3-year cycle, thereby resulting in a positive effect on Working Capital. It is vital that Midvaal maintains good relations with its Creditors for efficient service delivery; therefore it is for this reason that IPM recommends a review of the Working Capital Policy because non-payments / overdue retentions to Creditors will directly affect Midvaal's ability to deliver services to the community.

After taking into account the effects of Working Capital on the Accounting Operating Performance, GRAPH 50 indicates that the Municipality will incur a Cash Operating Surplus in 2015/16, totalling R 61.81 million; following a R 47.61 surplus incurred in 2014/15. Thereafter in 2016/17 a deficit of R12.53 million, followed by surpluses totalling R 49.70 and R 81.05 million in 2017/18 and 2018/19 respectively.

GRAPH 51: CASH VS. CASH OPERATING ABILITY

GRAPH 52: TOTAL OPERATING INCOME VS. CAPEX



After taking into account the effect of Net Interest and Debt Repayment; GRAPH 51 illustrates the difference in the Cash Available before CAPEX, Financing and Capital Grant Funding from the annual changes to the Cash and Investment balances of Midvaal. In this case it is calculated that the Municipality will incur a deficit before CAPEX, Financing and Capital Grant Funding; totalling R 33.88 million for 2016/17, followed by surpluses of R15.94 million and R46.33 million for the years 2017/18 to 2018/19. In 2015/16, the Municipality posted a R 33.16 million surplus.

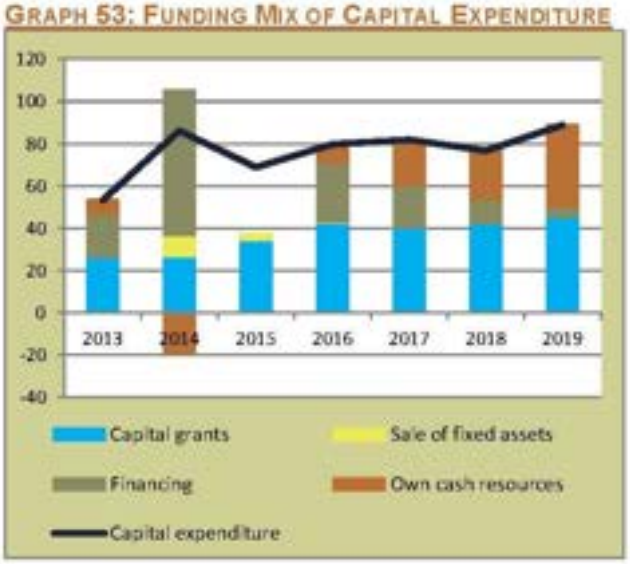
It can be seen from GRAPH 52 that Midvaal intends to contain CAPEX well within R 100 million per annum. Operational Income shows an increasing trend. Midvaal's Operating Expenditure, Working Capital Demands and Debt Commitments limit the Municipality's ability to make available significant amounts of own funds to invest into infrastructure.

TABLE 38 below indicates how the Municipality intends to invest its CAPEX. The intention is that 45% of the 3-year capital budget will be invested into New Infrastructure while the remaining 55% will be invested in the renewal of Existing Infrastructure.

TABLE 38: APPLICATION OF CAPEX

New Assets	2016		2017		2018		2019	
Road transport	14.39	22%	2.89	6%	2.53	9%	5.24	14%
Electricity	13.49	20%	23.30	51%	13.25	47%	16.50	45%
Water	10.48	16%	8.10	8%	1.30	5%	1.40	4%
Sanitation	3.19	5%	2.50	5%	0.00	0%	0.00	0%
Other	24.86	37%	9.03	20%	10.90	39%	13.19	36%
	66.41		45.82		27.97		36.33	
Renewal of existing Assets								
Road transport	2.00	8%	4.00	11%	0.00	0%	0.00	0%
Electricity	0.00	0%	0.01	0%	8.01	16%	1.00	2%
Water	4.24	16%	10.80	30%	15.50	32%	14.50	29%
Sanitation	1.10	4%	1.20	3%	1.02	2%	1.20	2%
Other	18.83	72%	20.14	56%	24.27	50%	33.79	67%
	26.17		36.15		48.80		50.49	
Total capex	92.58		81.97		76.77		86.81	

GRAPH 53: FUNDING MIX OF CAPITAL EXPENDITURE



GRAPH 54: GEARING RATIOS

When analysing GRAPH 53 against TABLE 39, the anticipated Capital Grant Funding from 2016/17 to 2018/19 is forecast to cover CAPEX in the following proportions: 49%, 55% and 51% respectively; totalling R247.58 million over the 3-year period (51% of the budget). The Municipality will have to invest R 82.18 million of Own Cash Reserves into the 3-year budget (33% of the budget).

TABLE 39: FUNDING MIX OF CAPITAL EXPENDITURE

	2016	2017	2018	2019
Capital grants	53%	49%	55%	51%
Sale of fixed assets	1%	0%	0%	0%
Financing	35%	25%	15%	6%
Own Funds	11%	26%	29%	43%
Capital Expenditure	79.86	81.97	76.77	88.84

The Municipality intends to acquire R 20.00 million from the lending market in 2016/17 only; GRAPH 54 depicts the effect of this funding on the external gearing of the Municipality. The net effect is that gearing will decrease from 23% in 2015/16 to 14% in 2018/19 as demonstrated on TABLE 40 below. The Municipality intends to continue with their historic conservative approach to external funding. The increasing trend in Net Cash to External Interest indicates an improvement in Midvaal's ability to cover the cost of capital during the budget cycle.

TABLE 40: GEARING RATIOS

		Norm	2013	2014	2015	2016	2017	2018	2019
External Gearing	Min	45%	21%	21%	28%	23%	20%	16%	14%
Net Cash Flow to External Interest	Max	1.1	5.11	3.97	2.90	3.68	-0.55	3.00	5.22
External Interest Paid	Max	7.5%	2%	2%	2%	2%	2%	2%	1%
Total Loan Repayments	R'M		21.85	34.46	37.85	36.25	25.15	37.75	38.91

A Municipality is legally required to maintain cash reserves which sufficiently cover the following statutory requirements at all times:

- Unspent Conditional Grants
- Short-Term Provisions
- Cash backed Funds and Reserves
- Cash Cover for 3 months' WC

However, IPM recognizes that 3 months Cash Cover is a tall order in the Municipal Sector; therefore one month's Cash Cover is recommended as a starting point. TABLE 41 below indicates that the Municipality will incur Cash Cover Shortfalls during the 3-year budget cycle. Furthermore, Midvaal's shortfall is increasing. The Cash and Investment Balances will cover the Statutory Requirements in the following proportions from 2016/17 to 2018/19: 10%, -5% and then by -13% respectively.

TABLE 41: WORKING CAPITAL REQUIREMENTS

	2013	2014	2015	2016	2017	2018	2019
Working Capital Reserve [1 month]	54.47	59.11	66.78	73.00	84.71	91.18	97.67
Unspent Conditional Funding	-	-	-	0.15	-	-	-
Cash Backed Reserves	-	-	-	-	-	-	-
Short term provisions	6.62	7.47	8.36	7.89	0.48	0.51	0.54
Total Minimum Cash Required	61.09	66.58	75.14	81.04	85.19	91.69	98.20
Unencumbered Cash & Cash Equivalents	40.48	91.47	75.52	100.00	94.08	87.37	85.73
Surplus/(Shortfall)	-20.61	24.89	0.38	18.96	8.89	-4.32	-12.47

The successful implementation and achievement of the objectives outlined in the 2016/17 Final Budget will not ensure Cash Reserves that cover the Working Capital Requirements by a significant margin throughout the budget duration.

TABLE 42: ABRIDGED CASH FLOW STATEMENT

	2012	2013	2014	2015	2016	2017	2018	2019
Cash flow from operating activities	50.66	76.70	86.49	69.97	116.02	85.19	89.99	109.76
Cash flow from investing activities	(41.85)	(53.27)	(76.44)	(66.48)	(80.08)	(81.97)	(76.77)	(88.84)
Cash flow before financing	8.81	23.42	10.05	3.48	35.95	3.22	13.23	20.92
Net cash flow from financing activities	(8.17)	11.71	40.93	(19.43)	(11.47)	(9.14)	(19.93)	(22.57)
Net increase/(Decrease) in cash and cash equivalents	0.64	35.13	50.99	(15.95)	24.48	(5.92)	(6.70)	(1.65)
Cash and cash equivalents at beginning of year	4.71	5.35	40.48	91.47	75.52	100.00	94.08	87.37
Cash and cash equivalents at end of year	5.35	40.48	91.47	75.52	100.00	94.08	87.37	85.73

8. Synopsis

Historical Financial Overview and Cash flow Forecast Concerns

Some salient findings of the Historical Financial overview and the Cash Flow Forecast from the 2016/17 to 2018/19 are presented below..

- Audit reports for FYE2012 until FYE2016 were unqualified and last years report also had no findings.
- External factors outside the control of the municipality (viz. national and local economy, Eskom, Rand Water and wage increases) adversely affected the municipality's financial sustainability.
- The Statement of financial position discloses a relatively healthy position. During 2010/11, MLM revalued its Fixed Assets. Since then, Net Fixed Assets and the Accumulated Surplus have flattened, due to Accumulated Depreciation and Impairment increasing faster than investment into infrastructure.
- Midvaal's Non-Interest Bearing Long-Term Liabilities were recognized for the first time in 2012/13. The reduction of the Post-Retirement Health Benefits may pose a risk if the legal challenges against its reduction were to be successful.
- Midvaal's Total Interest-Bearing Liabilities (short and long-term) peaked in 2013/14, totalling R 203.00 million. Since 2014/15, gearing levels decreased to 21% at FYE2016.
- The current ratio was healthy for the recent three financial years and stood at 1.89 at FYE2016.
- The cash coverage ratio which measures the ratio of Unencumbered Cash over the Minimum Liquidity Required (i.e. unspent conditional grants, statutory reserves, short term provisions and one month's operational expenditure), was a healthy 1.23x at FYE2016.
- Total Revenue for 2016 was adjusted upwards by 10% mainly as a result of increases in Equitable Share and Conditional Operational Grants receipts, as well as Other Service Charges and income. The combined Service Charges continued to dominate as far as contribution to Total Revenue is concerned.
- The provision for bad debts is high, a common phenomenon in a number of municipalities. It does however beg the question whether the municipality has exhausted all means to collect the debt. Household debtors comprised 86% of Gross Consumer Debtors at FYE2016. This remains a concern.
- The payment ratio was below the benchmark of 95% in recent years and since 2010, ranged between 82% and 92%. Every 1% not collected implies a shortfall of approximately R 5.55 million of billed income p.a.
- Water losses are on the high side at 28.6% in 2016. It is noted that the municipality has embarked on a "Water Conservation and Demand as well as Non-Revenue and Water Loss Reduction Plan" in an attempt to reduce these losses.
- Electricity remains the major source of income but yields on electricity and water sales are considered low.
- The contribution of Equitable Share to Operating Income has been in the range of 7% - 8% since 2011/12. In the light of the expected growth in indigent households in future, it is essential to balance the benefits advanced pursuant to an indigent policy with the expected equitable share receipts.
- The last Valuation Cycle on Properties in the Municipality was performed on 1 July 2011. This places into question the accuracy of Property Rates Charges in the period since then.

- Since 2005/06, MLM contained Salaries, Wages and Allowances as percentage of Total Expenditure well below the current recommended norm of 25% - 40%, currently at 23%.
- Staff productivity is classified as a measurement of the employees' ability to generate Income. In 2015/16, for every R 1 spent on Employee Related Costs, the municipality generated R 4 Income.
- Since 2011 MLM generated a Cash surplus before financing, but not sufficient to cater for Investing activities. This resulted in additional borrowing. Gearing levels are still considered sound but it is essential that Cash flow before financing be strengthened.
- Similar pressures to the historic review are present in Cash Flow forecasts.
- Forecast bulk services profitability disclose a need for a review of yields.
- Capital expenditure on new assets is expected to decline in future years whilst maintenance of existing assets is increasing.

Based on the findings as reflected above, it is concluded that Midvaal is financially well managed. That the analysis points to a municipality with an investment credit rating that should attract external funding.

The revenue base of Midvaal does not allow for large infrastructure investment with a long ramp up period. External funding raised should thus be structural to allow for an initial period of income generation. Investments in electricity supply to households will not only impact on the substantial backlog, but will enhance revenue. Likewise investments that positively impact water losses will make an immediate positive contribution.

9. Appendix

Appendix 1: IHS Global Insight Rex Version 2.5q

Regional eXplorer (ReX) is a consolidated platform of integrated databases that provides accurate and up-to-date statistics down to the local municipal level for South Africa. ReX Information is output for a broad range of topics, including economic, socioeconomic, demographic, and development data. ReX is the first port of call for consistent and reliable geographically distributed data.

ReX combines different sources of sub-national information to provide relevant data:

- Bureau for Market Research (BMR) at UNISA
- Statistics South Africa (StatsSA)
- South African Reserve Bank (SARB)
- South African Revenue Services (SARS)
- Council for Scientific and Industrial Research (CSIR)
- Chamber of Mines of South Africa (CM)
- Cement and Concrete Institute (CNCI)
- South African Petroleum Industry Association (SAPIA)
- National Electricity Regulator (NER) and Eskom
- Government departments, including the National Treasury and the DTI
- Various development agencies
- Selected private research houses
- And many more
- Capital Expenditure

The following areas form the geographic coverage within ReX:

- National
- Metropolitan municipalities
- Sub-metropolitan regional breakdowns
- Provinces
- District municipalities
- Magisterial districts
- Local municipalities

The ReX database starts from the year 1996 and runs to the present for all modules.

10. Background of INCA Portfolio Managers

INCA Portfolio Managers (trading as IPM) is an independent privately owned company and registered at the Financial Services Board as a financial services provider. IPM was established in 2009 by the executive management and all of the staff of Infrastructure Finance Corporation (INCA). This team, who started INCA in 1996 and who has been involved in the municipal and infrastructure sector for the past 20 years, is still managing the INCA Portfolio, but is actively involved in strategic analysis, guidance and financial advisory services in the municipal sector.

Since 1996, the INCA team has concluded credit assessments on the financial affairs of municipalities across South Africa, applying its own scoring methodology and comparing similar sized municipalities to ascertain which municipalities are of a financially acceptable risk for further capital investment. IPM applies this skill and expertise to provide municipalities an independent and holistic assessment of the financial sustainability of the entity. In conjunction with the finance team of a municipality IPM, through an interactive process, provides strategic input and support both to the financially sound municipality that wishes to maintain its financial position and extend its service delivery functions on a sustainable basis, as well as to the municipality in financial distress that requires a turnaround strategy.

The years of active involvement in the municipal sector and having been active in the capital markets since issuing the 2nd corporate bond in South Africa back in 1999, enables IPM to be an invaluable resource of expertise and know how to assist public entities and especially municipalities in implementing appropriate policies and strategies that will optimize available resources and taking entities to the next level of efficiency.

11. Disclaimer

Whilst all care has been taken by INCA Portfolio Managers (IPM) in the preparation of the opinions, assessments and information provided in this document, IPM does not give any warranties as to its correctness, accuracy or completeness, nor do they assume liability for any losses arising from actions taken based on the information provided.

This document contains information that is currently confidential and is for use by the intended parties only.

MIDVAAL
LOCAL MUNICIPALITY

MIDVAAL LOCAL MUNICIPALITY

Long Term Financial Plan
2016 - 2026

FINAL REPORT
December 2017

INCA
Portfolio Managers

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ABBREVIATIONS USED

AC	Asbestos (or Fibre) Cement
AFS	Annual Financial Statements
ARC	Asset Replacement Cost
CPI	Consumer Price Index
CRC	Current Replacement Cost
CRR	Capital Replacement Reserve
DBSA	Development Bank of Southern Africa
DM	District Municipality
EAP	Economically Active Population
ERWAT	East Rand Water Care Company
FLISP	Finance Linked Individual Subsidy Programme
FY	Financial Year
FYE	Financial Year End
GIS	Geographic Information System
GRAP	Generally Recognized Accounting Practice
GTAC	Government Technical Advisory Centre
GVA	Gross Value Added
IDP	Integrated Development Plan
IIPSA	Infrastructure Investment Programme for South Africa
INCA	Infrastructure Finance Corporation
IPM	INCA Portfolio Managers
LED	Local Economic Development
LTFM	Long Term Financial Model
LTFP	Long Term Financial Plan
LTL	Long Term Liabilities
MFMA	Municipal Finance Management Act
MLM	Midvaal Local Municipality
MRRI	Municipal Revenue Risk Indicator
mSCOA	Municipal Standard Chart of Accounts
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Energy Regulator of South Africa
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
PRMA	Post-Retirement Medical Aid
RDP	Reconstruction and Development Programme
Rm	Rand x 1 000 000
SALGA	South African Local Government Association
SDF	Spatial Development Framework
SLA	Service Level Agreement
SRSS	Southern Regional Sanitation Scheme
WWTW	Waste Water Treatment Works

EXECUTIVE SUMMARY

A sustainable world means working together to create prosperity for all.

Jacqueline Novogratz[1]

1. This report contains the proposed long term financial plan of the Midvaal Local Municipality ("MLM"). It is submitted to the municipality for its consideration and adoption.

2. The proposed plan was preceded by an Independent Financial Assessment of MLM prepared by INCA Portfolio Managers, drawing on the audited financial statements for the past 10 years up to FYE2016. This assessment is attached as Annexure 1. The report in Annexure 1 also includes a summary of the latest available information on demography, economy and household infrastructure of Midvaal.

3. We have reviewed the Integrated Development Plan ("IDP") and other documents of the municipality and conducted interviews with the executive directors of the municipality. This was done with the purpose of identifying material matters that could impact on the long term financial sustainability of the municipality as well as inform proposals regarding future strategies to pursue.

4. We modelled the municipality's cash needs against the revenues it can expect to generate based on the economy and population of the sub-region, to determine the affordability of future capital expenses.

5. After completion of the independent financial assessment we conclude as follows:

   5.1. Midvaal LM is one of eleven municipalities in Gauteng and one of three municipalities in the Sedibeng District Municipal area. It covers an area of 1 722 m² and has a population of only 107 430, although growing at a rate of 2.5% per annum.

   5.2. The local economy of Midvaal, of which the dominating sub-sectors are Finance, Community Services[2] and Manufacturing, contribute only 0.5% to the Gauteng economy.

[1] http://www.brainyquote.com, Jacqueline Novogratz is an American entrepreneur and author. She is the founder and CEO of Acumen, a non-profit global venture capital fund.

5.3. The annual per capita income of Midvaal is R88 461 compared to the R 76 024 for Gauteng and the National annual per capita income of R 53 754.

5.4. Although the average household income of Midvaal is R 278 432 p.a. (R 20 703 p.m.), nearly double that of the average household income of South Africa (R 190 386) and 19% more than the average for Gauteng, 17.3% of its households earn an annual income of below R 30 000 (R 2 500 p.m.). The number of poorer households is expected to grow at a faster rate than non-indigent households in future.

5.5. Whereas 51.7% of the population in Midvaal falls within the definition of Economic Active (are employed or actively searching for employment), its official unemployment rate is 31.8% compared to the national unemployment rate of 26.3% and Gauteng's 28.5%. As far as unemployment is concerned, Midvaal finds itself in a District (sub region) with a high unemployment rate (Emfuleni 54% and Lesedi 43%).

5.6. Nearly all households with an income above R 30 000 p.a. (82.7%) have access to the minimum level of service (RDP standard). Compared to its neighbouring municipalities in Sedibeng DM, Midvaal's level of service delivery is more conservative. In the District 9.1% of households received a level of service more than their affordable level.

5.7. Given the above picture of the factual situation, it would seem as if Midvaal is on average better off than most municipalities in the Province and in the Country. However, the challenges faced by Midvaal are in the detail. How to fund infrastructure delivery on a sustainable basis to the current 17.3% households earning less than R 30 000 p.a. How to make a positive impact on the existing household infrastructure backlog of 3 720 households without the minimum water services, 4 859 households without the minimum sanitation and the 6 775 households (19.3% of all households) without electricity connected to their houses.

5.8. These challenges are amplified when the perspectives in the LTFP (of future urban development that will double the population) is added. The much needed bulk infrastructure to cater for future developments will prove to be a challenge.

5.9. The findings and conclusions drawn from the financial assessment of Midvaal, should be seen against the demography, economic and social situation of Midvaal.

[2] Community, Social and Personal Services: Public Administration, Education, Health and Social Work, Other

5.10. The fact that Midvaal received unqualified audit opinions for the last five years, of which the last year was an unqualified opinion with no findings, is an indication of the financial management control and capacity of the Municipality.

5.11. The fact that Midvaal reported cash operating surpluses for the last seven years, and for the past four years reflected current assets covering current liabilities more than once, whilst managing to maintain a level of liquidity that covers all its statutory cash backed requirements as well as one month's operational expenses, is an indication that Midvaal managed to maintain a healthy and stable financial position.

5.12. The level of external gearing of Midvaal at the end of FY2016 came to 23% and is expected to decrease further over the next three years to 14%. This is well below the maximum benchmark of 45% set by National Treasury.

5.13. Midvaal's gross consumer debtor book increased from R 45.9 million ten years ago to the current R 216.2 million. The current payment ratio of 92% is below the targeted norm of 95%, but apart from two years, was maintained above 90% for the past 7 years. The provisions made for bad debts have enabled Midvaal to stabilise the net consumer debtors for the past three years at around R 100 million. Clearly consumer debtors are actively managed.

5.14. From the detailed analysis it can be concluded that Midvaal should be able to accelerate investment in infrastructure and, if the right projects are prepared and packaged in the framework of a LTFP with the focus on maintaining financial stability, it will attract keen interest from private and public funding institutions, especially should it be infrastructure projects that have a positive impact on the revenue base of the municipality.

6. A long term financial model was populated with a number of assumed variables and based on the FYE2016 AFS of the municipality. A summary of the Base Case outcome is presented in Table 1 below:

TABLE 1: BASE CASE FINANCIAL OUTCOME

Outcome	10-Years up to 2026
Average annual % increase in Revenue	9.7%
Average annual % increase in Expenditure	7.7%
Accounting Surplus accumulated during Planning Period (Rm)	R 1 318
Operating Surplus accumulated during Planning Period (Rm)	R 19
Cash generated by Operations during Planning Period (Rm)	R 1 338
Average annual increase in Gross Consumer Debtors	9.6%
Capital investment programme during Planning Period (Rm)	R 2 422
External Loan Financing during Planning Period (Rm)	R 404
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 463

7. We conclude that subject to disciplined future financial management, we estimate that in the ***Base Case Scenario*** the municipality will, over the planning period from 2016/17 to 2025/26, generate cash from operations of R 1 338 million and will be able to invest in a capital programme of R 2 422 million, 19% of which is expected to be funded from developers' bulk infrastructure contributions.

8. Chapter 12 of the main report lists a comprehensive list of recommendations. The operations framework within which the municipality should operate in future is summarised below:

TABLE 2: OPERATIONS FRAMEWORK

		MFMA Norm	Minimum	Healthy	Base Case 10-Year Average
FINANCIAL POSITION					
ASSET MANAGEMENT					
	Capital Expenditure / Total Expenditure	10% - 20%	10%	20%	13.6%
	Repairs and Maintenance as % of PPE and Investment Property	8%	n.a.	n.a.	n.a.[3]
DEBTORS MANAGEMENT					
	Gross Consumer Debtors Growth	n.a.	n.a.	0%	9.7%
	Payment Ratio / Collection Rate	95%	90%	95% +	93%
	Net Debtors Days	30	60	30	41
LIQUIDITY MANAGEMENT					
	Minimum Liquidity Level	1 – 3 months	1:1	1:1	R 211.4 m[4]
	Liquidity Ratio (Current Assets : Current Liabilities)	1.5:1 – 2.:1	1:1	2:1	1:2.1
LIABILITY MANAGEMENT					
	Debt Service as % of Total Operating Expenditure	6% - 8%	10%	7.5%	3.6%
	Total Debt (Borrowings) / Operating Revenue	45%	40%	35%	12.8%
	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)	n.a.	1.3	1.5	5.55
SUSTAINABILITY					

[3] Not measured separately but consisting of items such as contracted services, other materials, employee related expenses

[4] Average amount above the minimum liquidity requirement, consisting of short term provisions, statutory cash backed reserves, ceded investments and 1 month operating expenditure

		MFMA Norm	Minimum	Healthy	Base Case 10-Year Average
	Net Financial Liabilities Ratio	n.a.	n.a.	< 60%	-1.6%
	Operating Surplus Ratio	n.a.	n.a.	0% - 10%	-0.7%
	Asset Sustainability Ratio	n.a.	n.a.	> 90%	101.3%
FINANCIAL PERFORMANCE					
EFFICIENCY					
	Accounting Surplus	Break even or >0	Break even	> 0	R 132m
	Cash Operating Surplus	n.a.	Break even	> 0	R 134m
	Net Operating Surplus / Total Operating Revenue	>= 0%	Break even	> 0%	8.2%
	Electricity Surplus / Total Electricity Revenue	0% - 15%	> 0%	> 15%	24.3%[5]
	Water Surplus / Total Water Revenue	>= 0%	= 0%	> 0%	70.5%[6]
REVENUE MANAGEMENT					
	% Increase in Billed Income p.a.	CPI	n.a	n.a	9.2%
	Operating Revenue Growth %	CPI	n.a	n.a	8.9%
	Annual Increase per Income Source: Equitable Share	n.a	n.a	n.a	10.0%
	Annual Increase per Income Source: Property Rates	n.a	n.a	n.a	14.7%
	Annual Increase per Income Source: Electricity Services	n.a	n.a	n.a	6.7%
	Annual Increase per Income Source: Water Services	n.a	n.a	n.a	8.2%
EXPENDITURE MANAGEMENT					
	Creditors Payment Period	30	30	30	64
	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	25% - 30%	25%	22%
	Contribution per Expenditure Item: Contracted Services	2% - 5%	2% - 5%	< 5%	5.5%
GRANT DEPENDENCY					
	Total Grants / Total Revenue	n.a.	n.a.	n.a.	15.1%
	Own Source Revenue to Total Operating Revenue	n.a.	n.a.	n.a.	92.4%
	Capital Grants to Total Capital Expenditure	n.a.	n.a.	n.a.	42.2%

[5] Margin between service charges and bulk purchases
[6] Margin between service charges and bulk purchases

1. INTRODUCTION

1.1. This report is the result of an assignment undertaken by INCA Portfolio Managers ("INCA") pursuant to an appointment by GTAC, National Treasury under the *"Municipal Long Term Financial Plans and Project identification Programme – PN1020 (796)"*, to develop a Long Term Financial Plan for a period of 10 years from 1 July 2016 – 30 June 2026. (Finance for the assignment was provided by IIPSA).

1.2. In this assignment we have included a historic financial assessment of the municipality with the financial information up to 30 June 2016.

1.3. Based on a review of the IDP of MLM (*Midvaal Local Municipality Integrated Development Plan (IDP) Final Report 2016/2017 Revision*) and various other documents made available by the municipality as well as interviews with the management of the municipality we reflect on the capital investment requirements as well as proposed future strategies of the municipality. The capital demand, consisting of asset replacement costs (quantified pursuant to an analysis of the Asset Register) and new capital investments (quantified mainly with reference to existing backlogs and future estimated household formation), is evaluated against the capacity of the municipality to afford these future capital expenses. In the evaluation we estimate the potential future municipal revenues based on the economy and population of the sub-region. These revenues will in turn inform the funding mix that the municipality can access to finance its future capital needs.

1.4. Our recommendations reflect the outcome of the studies in this report and material issues raised by management and make very specific proposals regarding the 10-year financial plan, financial strategies and policies to be adopted.

1.5. The following sources of information have been scrutinised and taken into consideration in the conclusion of the Independent Financial Analysis and the development of this Long Term Financial Plan:

a. The audited financial statements for the years ending 30 June 2007 to 30 June 2016.
b. The Medium Term Revenue & Expenditure Framework 2017/2018 – 2019/2020.
c. Midvaal Local Municipality Integrated Development Plan (IDP) Final Report 2016/2017 Revision.
d. Various other documents, including financial policies, asset registers, etc. provided by the municipality.
a. Economic, demographic and household infrastructure data extracted from IHS Global Insight's Regional Explorer.

2. OBJECTIVES OF THE LONG TERM FINANCIAL PLAN

2.1. The purpose of a long term financial plan is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by predicting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

2.2. The plan provides guidelines, within the context of an uncertain future, of what the municipality can afford. The plan does not prescribe what the municipality should implement.

2.3. It is not the intention of this long term financial plan to recommend policy choices required to implement a capital investment programme that fits the future demand for infrastructure. Nor is it the intention of this document to assess the feasibility of projects. The proposals in this plan aim to quantify an affordable capital investment programme that will ensure the municipality's future sustainability.

2.4. The process followed in reaching the objective of the Long Term Financial Plan is illustrated in the diagram below:

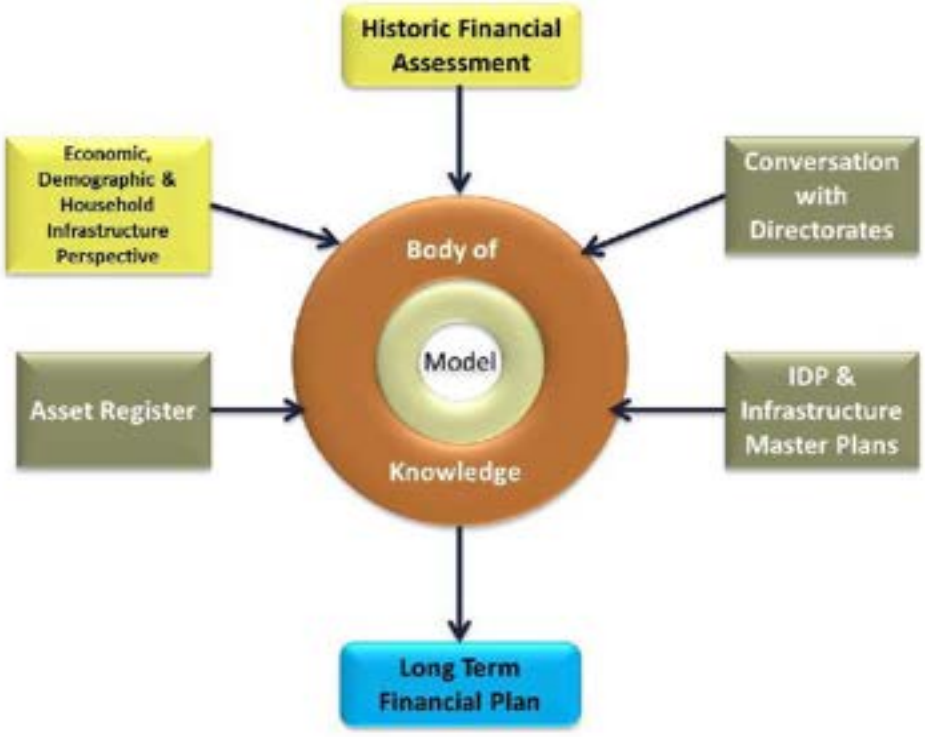


FIGURE 1: PLANNING PROCESS

3. PERSPECTIVE

An assessment of Midvaal Local Municipality's ("MLM")'s historic financial performance for the period 2006 to 2016 is presented in more detail in Annexure 1: *Midvaal Local Municipality: Independent Financial Assessment against the Background of the Municipality's Demographic, Economic & Household Infrastructure Situation, September 2017,* and summarised in this chapter in the following paragraphs:

- Spatial & demographic perspective
- Economic perspective
- Household infrastructure perspective
- Financial perspective

Spatial & Demographic Perspective

3.1. Midvaal has a total population of 107 430 (2016), which represents 11% of the people living in the Sedibeng DM. It has a population size like that of Lesedi LM. The municipality in the district with the largest population is Emfuleni with 77% of the district's population.

3.2. Midvaal's current population growth rate of 2.5% p.a. is high and exceeds the Gauteng (2.1%) and National (1.5%) population growth rates, but is partly due to in migration pursuant to developments such as Savannah City.

3.3. Midvaal's annual per capita income of R 88 461 is the highest of the three municipalities within Sedibeng and considerably higher than the average national per capita income of R 53 754.

3.4. The economic active population[7] in Midvaal is 46.5% of the population. The official unemployment rate of 31.8% of Economically Active Population is high, but still lower than the unemployment rate in Emfuleni (54%) and Lesedi (43%).

Economic Perspective

3.5. Midvaal's local economic output in 2016, i.e. its Gross Value Add ("GVA") was R 6.92 billion per annum in current prices or R 4.97 billion in constant (2010) prices. (See TABLE 3) The relative contribution of the nine sectors has not changed significantly in the period from 2007 to 2016. It is however noticeable that there was a slight

[7] Economically Active Population (EAP): The economically active population (EAP) is defined as the number of people who are able, willing and who are actively looking for, work and who are between the ages of 15 and 65. It thus includes both employed and unemployed people.

reduction in proportional contribution of Manufacturing in favour of Community Services.

3.6. Finance (which includes Real Estate Activities) (22.6%) and Community Services (21.7%) make the largest contribution followed by Manufacturing (18.4%). Notwithstanding the perception that Midvaal is often regarded as the food basket of Gauteng, the contribution of Agriculture is only 1.5%.

TABLE 3: SECTOR SHARE OF TOTAL GROSS VALUE ADD: MIDVAAL

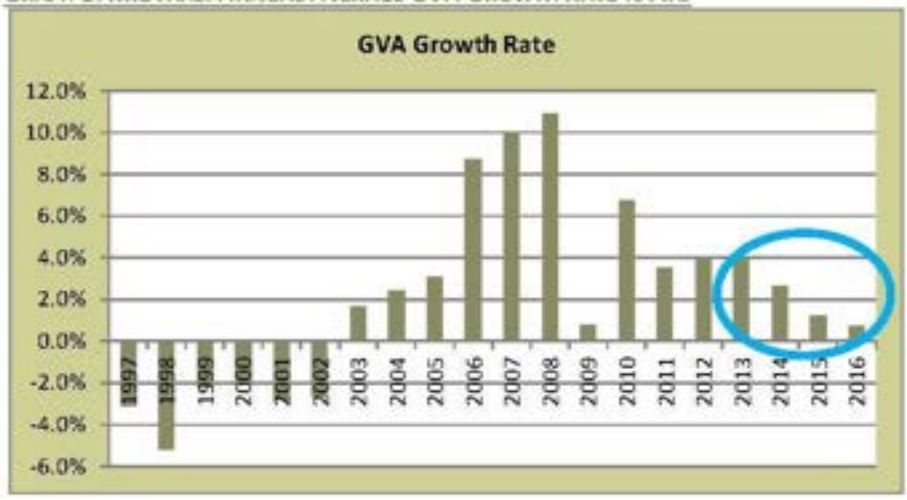
	2007	2016
1 Agriculture	1.5%	1.5%
2 Mining	2.6%	2.0%
3 Manufacturing	21.7%	18.4%
4 Utilities	10.5%	9.4%
5 Construction	3.5%	4.5%
6 Trade	11.4%	12.3%
7 Transport	7.3%	7.6%
8 Finance	22.3%	22.6%
9 Community services	19.2%	21.7%

3.7. Over the past ten years the total number of people formally employed in Midvaal has increased by 21% to 31 262 in 2016. The Manufacturing Sector is the largest provider of employment in Midvaal closely followed by the Finance Sector, each providing approximately 20% of employment within the municipality's boundaries.

3.8. Currently the amount of spending related to tourism (leisure, business, people visiting family and friends and other) is in the order of R 352 million per annum, which represents 5% of the GVA of Midvaal.

3.9. The average annual GVA growth rate for the period since 1997 is 2.1% p.a., peaking at 10.9% in 2008. The average growth rate since 2012 has however been declining steadily. The large contraction of the economy of Midvaal in 1998 pursuant to the Asian crisis and limited growth in 2009 pursuant to the junk bond crisis would indicate a degree of dependence on international economies.

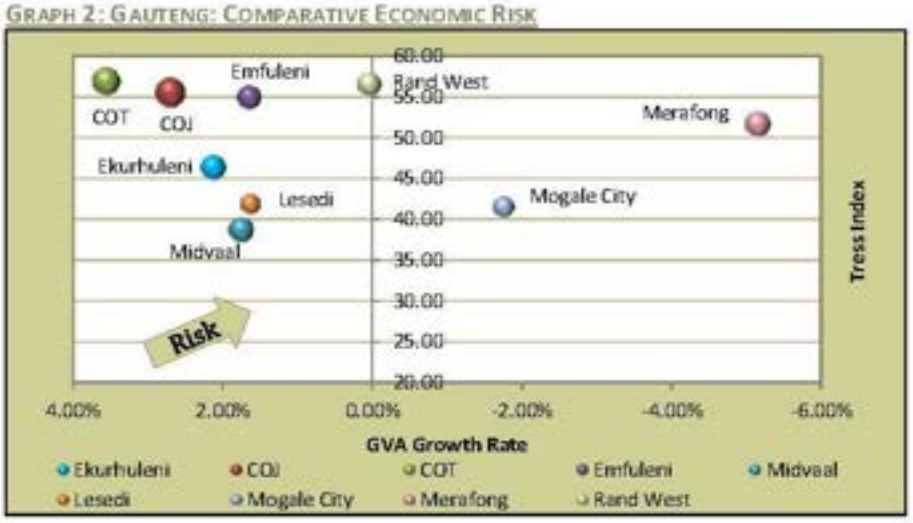
GRAPH 1: MIDVAAL: ANNUAL AVERAGE GVA GROWTH RATE % P.A.



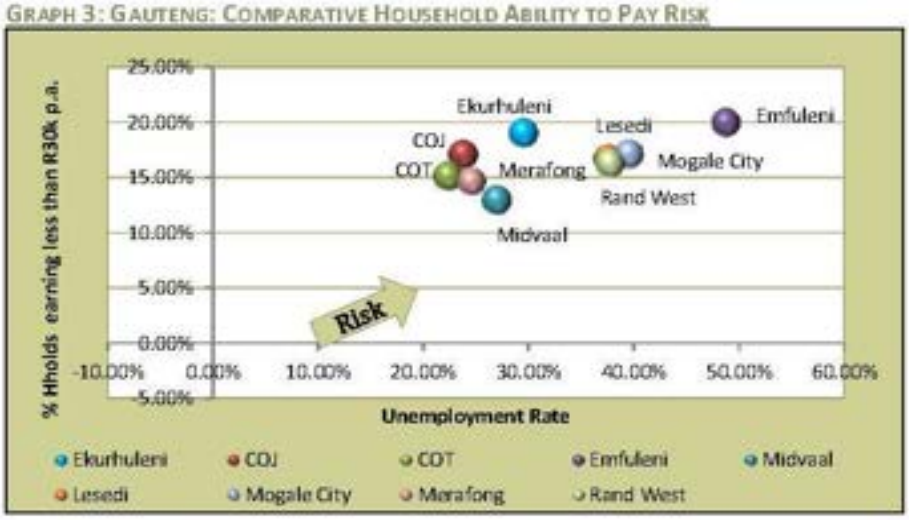
3.10. INCA has developed the Municipal Revenue Risk Indicator ("MRRI"), which measures the risk of a municipality to generate its own revenues. This risk is on the one hand a function of the economy (size of the economy as measured by the GVA per capita, GVA growth rate and Tress Index) and on the other a function of households' ability to pay (measured by the % of households with income below R30 000 p.a., unemployment rate and Human Development Index).

3.11. The regional economy and the ability of households to pay for services delivered by the municipality, rates Midvaal as "Medium" risk on INCA's Municipal Revenue Risk Indicator scale. There is a medium risk that the municipality will not be able to generate sufficient own revenue in future. The following graphs illustrate Midvaal's relative position in comparison to other municipalities in the Province.

GRAPH 2: GAUTENG: COMPARATIVE ECONOMIC RISK



GRAPH 3: GAUTENG: COMPARATIVE HOUSEHOLD ABILITY TO PAY RISK



Household Infrastructure Perspective

3.12. The Infrastructure Index[8] for Midvaal increased to 0.80 in 2016. This is in comparison to a National and Sedibeng improvement to 0.74 and 0.88 respectively in the period from 2007 and 2016. The rate of provision of household infrastructure can barely keep up with the high population growth.

3.13. With regards to all four services (sanitation, water, electricity and refuse removal), Midvaal Municipality recorded an outcome that is worse than the average of all the municipalities in the Sedibeng DM as a whole. Its service delivery challenge given the population growth is reflected in the 20% of households that experience electricity backlogs, 14% refuse removal backlogs, 14% sanitation backlogs and 11% water backlogs. This is however exacerbated by a large rural component, for which the municipality does not necessarily provide services.

3.14. In the period from 2007 to 2016, Midvaal Municipality experienced the second highest household formation (36%) of all three municipalities in the district. There are more than 34 000 households in Midvaal at present.

3.15. The Infrastructure Index for Midvaal may be interpreted that 80% of households have access to an infrastructure level of service of RDP or higher. This figure is comparable to the percentage of households with income above R30 000 p.a. It is concluded that Midvaal does have infrastructure backlogs but that approximately 20% of the population will not be able to afford a level of infrastructure service higher than the RDP standard.

[8] The infrastructure index is a population-adjusted, access-to-service weighted index which measures a region's overall access to household infrastructure.

Financial Perspective

3.16. Audit reports for FYE2012 until FYE2015 were unqualified but contained emphasis of matter items. The audit report for FYE2016 was unqualified with no findings.

3.17. From the MTREF framework (the principal strategic planning instrument, which directly guides and informs the planning, budget, management and development actions), it is clear that the Municipality's IDP is under pressure.

3.18. External factors outside the control of the municipality (National and local economy, Eskom, Rand Water and wage increases) adversely affect the municipality's financial sustainability. Administrative price increases that exceed inflation and challenges with debt collections add to the pressure.

3.19. Nevertheless, MLM's financial position is relatively healthy.

3.20. During 2010/11, Midvaal revalued its Fixed Assets which resulted in an increase in the value of Net Fixed Assets from R 711.76 million to R 2.06 billion in 2015/16. Since then, Net Fixed Assets and the Accumulated Surplus have flattened, due to Accumulated Depreciation and Impairment increasing faster than investment into infrastructure.

3.21. Midvaal's Non-Interest Bearing Long-Term Liabilities were recognized for the first time in 2012/13. This liability comprised Land Fill Rehabilitation and Employee related provisions.

3.22. During the 2012/13 financial year, Midvaal also provided for Long-Service Awards. Provisions were now classified as Non-current Liabilities impacting adversely on ratios.

3.23. The revision of MLM's Post-Retirement Health Benefits Policy may pose a risk if the legal challenges against such revision were to be successful.

3.24. Due to the pressure experienced with infrastructure provisioning Midvaal would benefit from a Capital Replacement Reserve ("CRR"). The absence of a CRR limits the ability of the Municipality to replace Fixed Assets in future.

3.25. Midvaal's Total Interest-Bearing Liabilities (short and long-term) peaked in 2013/14, totalling R 203 million. At that time, the line item increased by the largest annual movement totalling R 64.13 million (46%). Since 2014/15, the Municipality managed to reduce Total Interest-Bearing Liabilities by R 19.38 million (10%) and R14.62 million (8.1%) respectively. Midvaal's gearing level decreased from 31% to 21% in the process.

3.26. The current ratio was healthy for the recent three financial years and stood at 1.89 in 2016. It would appear however as if current assets are inflated by the cash proceeds from borrowings.

3.27. The cash coverage ratio which measures the ratio of Unencumbered Cash over the Minimum Liquidity Required (i.e. unspent conditional grants, statutory reserves, short term provisions and one month's operational expenditure), was a healthy 1.23x at FYE2016.

3.28. Total Revenue for 2016 was adjusted upwards by R 70.5 million (10%) mainly because of increases in Equitable Share and Conditional Operational Grants receipts, as well as Other Service Charges and income. The combined Service Charges continued to dominate as far as contribution to Total Revenue is concerned.

3.29. The increases in billed income during the period from 2009 to 2013 were in the range of 20% to 28% - exceeding inflation materially. Since 2013 increases were still exceeding inflation but at much more subdued rates (8% to 11%).

3.30. The increase in Gross debtors declined from 58% in 2012 to 11% in 2016, but no trend is discernable.

3.31. The provision for bad debts is high and in the range between 70% to 81%, a common phenomenon in many municipalities. It does however beg the question whether the municipality has exhausted all means to collect the debt. Household debtors comprised 86% of Gross Consumer Debtors at FYE2016 and this remains a concern.

3.32. The payment ratio was below the benchmark of 95% in recent years. This is one of the areas requiring attention as the range between 82% and 92% since 2010 places the municipality's cash flow under pressure. Every 1% not collected implies a shortfall of approximately R 5.55 million of billed income p.a.

3.33. Water Services expenditure deviated substantially from the 2015 budget. Water losses, although on the high side at 28.6% in 2016, are within the norm of 15% to 30%. It is noted that the municipality has embarked on a *"Water Conservation and Demand as well as Non-Revenue and Water Loss Reduction Plan"* in an attempt to reduce these losses.

3.34. Electricity remains the major source of income but yields on electricity and water sales are considered too low, when comparing these to revenue increases.

3.35. The contribution of Equitable Share to Operating Income has been in the range of 7% - 8% since 2011/12. In the light of the expected growth in indigent households in future, it is essential to balance the benefits advanced pursuant to an indigent policy with the expected equitable share receipts.

3.36. The last Valuation Cycle on Properties in the Municipality was performed on 1 July 2011. The MEC approved the extension of the Valuation Roll until 30 July 2016. This places into question the accuracy of Property Rates Charges in the interim period.

3.37. Salaries, Wages and Allowances increased by double digits except for 2011/12 and 2013/14; when it increased by 6% and decreased by R 16.43 million (-11%) respectively. Midvaal contained Salaries, Wages and Allowances as percentage of Total Expenditure well below the current recommended norm of 25% - 40% since 2005/06, at 22% and 23% for the recent two financial years. This may in part be due to the municipality's practice of sharing services with neighbouring municipalities.

3.38. Staff productivity is classified as a measurement of the employees' ability to generate Income. In 2015/16, for every R 1 spent on Employee Related Costs, the municipality generated R 4 Income. This rate has improved from R3 in 2008/09.

3.39. Midvaal allocated R 810.99 million to Depreciation and R 320.96 million to Repairs and Maintenance respectively since 2005/06. Expenditure on Repairs and Maintenance was well below the norm of 8% of carrying value of Property, Plant and Equipment ("PPE"). It is recommended that MLM assess the actual condition of Non-Current Assets, to establish an optimum level for Repairs and Maintenance, Depreciation and Impairment.

3.40. Electricity Distribution Losses are higher than the recommended norm of 7% - 10%. It is however important to highlight that the losses have decreased from 14.23% in 2012/13 to 11.66% in 2015/16.

3.41. Midvaal's Interest Paid exceeded Interest Received for 9 of the 11 studied years, resulting in R 89.69 million accumulated Net Interest outflow from Operational Income. In 2012/13 and 2013/14, Midvaal acquired R 88.80 million from the lending market (External loans and leases), which resulted in upward pressure on Interest Paid.

3.42. Since 2011 MLM generated a Cash surplus before financing, but not sufficient to cater for Investing activities. This resulted in additional borrowing. Gearing levels are still considered sound but it is essential that Cash flow before financing is strengthened.

3.43. Electricity Services Expenditure is forecast to increase by double digits throughout the budget cycle. In 2016/17, expenditure is expected to increase by 34%, which, in the light of the 14.24% increase in tariffs approved by NERSA would indicate a significant increase in expected bulk purchases.

3.44. Water Services Expenditure is estimated to increase by R 48.26 million (89%) in 2016/17 and thereafter by 9% for the two remaining years.

3.45. Capital expenditure on new assets is expected to decline in 2016/17 to 2018/19 exacerbated by cash flow pressure and low collection rates.

4. ISSUES RAISED

Issues identified during conversations with each Directorate are synthesized into the following main points:

- Development considerations
- Asset management not yet integrated
- Exciting prospects in electricity
- Large capex demand but uncertain scheduling
- Aspects worth mentioning

4.1. The list of issues below is the result of a synthesis of issues identified during conversations with representatives of each Directorate. These matters were raised by officials of the Municipality and provide valuable insight into the environment within which the Municipality operates. The observations of the officials and interpreted by INCA for purposes of this report, provide insight into material issues that may impact on the longer term financial position of Midvaal Local Municipality.

4.2. Development Considerations

The proportional growth in residential developments, especially in low income areas, in the absence of more commercial and industrial developments limits the municipality's ability to generate cash surpluses to provide infrastructure and its full mandate of services.

It was for this reason that the Basil Read project, Savannah City, is being developed in balanced phases that include equal proportions of subsidised housing, FLISP housing in the affordable or gap market and bonded housing. (In practice it would appear as if the proportion of subsidised housing is increasing.) Because the municipality is not an accredited housing institution, it does not act as an agent for the Province in administering subsidies. The municipality is conscious of the fact that its current rate base cannot cross subsidise large developments of exclusively subsidised housing. The development of commercial and industrial land uses becomes essential to generate revenues for the municipality. The R59 corridor and designated nodal points are earmarked for this purpose. No incentives are provided, but the municipality will consider preferential tariffs on services.

The municipality aims to ensure sustainability by linking a financial plan to any urban management plan. This was introduced during the Savannah City development.

There is a perception that the municipality has already weathered the collapse of the steel industry, to the extent that linked industries have already divested from the area. This affected approximately 6 500 households.

One of the drawbacks of attracting new developments is the absence of private hospitals and shopping centers in the area. Residents must travel to the south or north for these purposes. The current capacity constraint in water and sewerage infrastructure also inhibits developments in certain areas, and the underlying dolomitic sub-strata along parts of the R59, requires special building specifications.

The November 2016 gazetted land claim by the Bakwena Ba Mare a Phogole in the south of Johannesburg also affects the northern parts of the Midvaal jurisdiction. Irrespective of the legality of the claim, the developments in the area will be stifled until the claim is resolved. The land is also located close to the proposed second southern Johannesburg ring road which would attract developments adjacent to it, including the northern parts of Midvaal, in future. A delay of developments in these parts may be expected.

However, the comparative advantages of developing in Midvaal are numerous, viz.:

- Good governance
- Good reputation, including a clean audit for several years now
- Management stability, including retained institutional memory
- Exceptionally fast turnover of development applications
- Delegated approval of town planning applications
- Available space and "flat" land suitable for large industrial buildings
- Proximity of utilities, including Rand Water and Mozambique gas pipeline, as well as transport networks, i.e. roads and rail
- Logistically well located
- Available precinct plans provide investor confidence

The view exists that the rural nature of the area makes Midvaal the "food basket" of Gauteng. On the one hand agriculture needs to be protected, on the other the densification of the area is regarded as a reality and poses a risk to agriculture. One of the development principles of MLM is to facilitate and enhance agricultural production by actively protecting all land earmarked for this purpose and to maintain agricultural holdings for small scale farming and rural residential purposes.

Urban development boundaries are delineated to encourage consolidated development. The sustainability and growth of the Meyerton CBD is proof of this principle. A shopping center for the CBD is currently being assessed. The SDF serves as the guiding document for this purpose. Developers need to provide a comprehensive

motivation should they wish to breach this boundary, including proof of sustainability of infrastructure provision.

4.3. Asset Management not yet integrated

Currently tariffs do not include the full depreciation charge of the underlying assets. If this practice continues, not sufficient cash is generated to replace existing assets in future. The municipality maintains that the ratio of current depreciation to operational expenditure is twice the amount of that of other municipalities which raises the question whether the assets were not valued too highly when GRAP was introduced.

The rural nature of the municipality makes the provision of infrastructure provision to every household impractical. Even in settlements such as Henley-on-Klip some households are not connected to the sewerage system and rely on septic tanks.

Management acknowledges that the asset registers serve a compliance purpose, but do not serve as appropriate tools in managing assets. The Engineering Directorate has initiated a parallel system. As a first step of its asset management system it has developed a database of all water and sewerage assets. This will in time be developed to provide asset replacement and other information.

A Pavement Management System for roads was prepared, but is outdated and needs to be reviewed.

The high water loss experienced by the municipality has prompted MLM to embark on a 5-year water demand management plan[9]. This integrated and comprehensive programme aims to reduce non-revenue water to 20% and MLM believes that the cost of its interventions will be recovered by the expected savings. A steering committee (which meets fortnightly) oversees the programme which consists of various actions that are implemented by a dedicated complement of staff, viz. pipe- and meter replacement, leak detection, assistance to indigents in repairing leaks, pressure management, valve audit and various other actions.

The vehicle fleet is ageing and the view of management is that the management of its fleet should be outsourced to the private sector. The salaries that the municipality is able to offer are not sufficient to attract suitable mechanical technicians.

Management advises that Water and Sanitation Maintenance "Master" Plans are in existence.

[9] *Water Conservation and Demand as well as Non-Revenue and Water Loss Reduction Plan*; Midvaal Local Municipality; September 2014

4.4. Exciting Prospects in Electricity

Electricity infrastructure has spare capacity. The municipality maintains that it has 80MVA capacity in the north but utilises only 20MVA. It is considering linking the northern sub-station with the areas further south where the demand originates, viz. Sicelo near Meyerton.

ESKOM is the distributor of electricity in large areas of the municipality. Approximately 21% of consumers receive their electricity from ESKOM.

An unsolicited bid for the provision of electricity services has triggered the interest of the municipality to undertake a study of the feasibility of a PPP for the provision of electricity infrastructure as well as operations and maintenance of the services. The municipality is currently assessing the proposed service mechanism in accordance with Section 78 (1) of the Municipal Systems Act. MLM believes that the private sector is subject to fewer formalities and operates more efficiently, which should result in a net benefit to consumers.

MLM conducts energy demand management by monitoring the electricity consumption of large consumers monthly. Electricity consumption deviations greater than 30% are inspected to determine the cause of the deviation.

4.5. Large CAPEX Demand but Uncertain Scheduling

MLM has master plans for all engineering services and provided a 10-year project list of new bulk and connector infrastructure that amounts to the following:

Electricity	R 612.3 million
Roads	R 400.0 million
Sewerage	R 1 470.0 million
Water	R 1 055.0 million
Total Engineering Infrastructure	**R 3 537.3 million**

In addition to the engineering infrastructure, the municipality will also have to invest in other capital goods, viz. fire stations (Vaal Marina and Savanna City), Landfill Sites, Social Infrastructure, Cemeteries, Office accommodation (Savanna City), other moveable assets including vehicles and equipment, which could amount to a further R 600 million. This excludes cost estimates for the replacement of existing assets (e.g. replacement of old AC water pipes), the funding of which is the responsibility of the MLM.

The uncertain rate of development in Midvaal makes the scheduling of a capex programme virtually impossible. More so because the municipality responds to the

demand created by developers and is to a large extent dependent on bulk contributions from developers for the funding of the infrastructure. In the Service Level Agreements ("SLA") with developers the municipality may agree that in lieu of a cash payment, the developer will construct certain elements of the infrastructure at their own expense. Developers will in any event be fully responsible to provide and fund internal infrastructure.

MLM does not have the resources to provide bulk infrastructure upfront to all its development nodes and the R59 corridor and then recover the costs once developers have invested in the area. There is a view amongst management that the funding of a Bulk Contribution Reserve, which can be accessed for the financing of bulk infrastructure before the contributions of developers are received, will assist in bridging the cash flow gap. However, the low operational cash surplus generated by the municipality makes this proposal difficult to achieve.

MLM pumps its sewage generated in the north into the Waste Water Treatment Works ("WWTW") that belongs to ERWAT. These works have limited capacity. For any further developments to commence in that part of the municipal area, the waste water treatment capacity must be augmented. As opposed to building its own WWTW in the north, MLM prefers ERWAT increasing the capacity of its existing works and allow municipal sewage to be discharged into these works.

The R 3.5 billion Southern Regional Sanitation Scheme ("SRSS") aims to build a regional WWTW in Sebokeng into which the municipalities to the north can drain into. This combined initiative is to be implemented in 3 stages. In the short term existing infrastructure in Emfuleni and Midvaal will be refurbished, where after existing infrastructure in both municipalities will be augmented before the regional WWTW will eventually be constructed. The Council of MLM will be requested to consider a PPP process for all four of its plants as part of the SRSS. (Emfuleni has already approved this Section 78 process.)

Whereas municipalities along Rand Water supply pipelines were in the past allowed connecting directly to Rand Water infrastructure, this practice has been terminated, and municipalities are required to provide their own storage reservoirs.

MLM participates in a forum with Gautrans to identify transportation routes pursuant to any new developments. The municipality intends providing service roads parallel to the R59.

4.6. Aspects worth mentioning

4.6.1. MLM prides itself on the advanced Early Childhood Development service it delivers. This service is implemented with the aid of service providers,

especially in informal settlements. Compliance by these service providers leads to certification which allows them to draw grants from the state.

4.6.2. Whereas solid waste management is a function of the Directorate of Social services, there is a view amongst some executives that the landfill management function should reside with the Engineering Directorate.

4.6.3. The shortage of- and/or high cost of land for cemeteries and landfill sites is regarded as a large risk to the municipality as space for burials and air space at landfill sites is rapidly diminishing.

4.6.4. MLM manages 3 land fill sites and 3 transfer stations. Establishing "Buy-Back" centres at some of these facilities to allow for recyclable waste to be recycled will not only provide employment opportunities but will also reduce the waste transported to the landfill, and thereby extend the life of the landfills. MLM recognises that volumes are needed to make this feasible.

4.6.5. After road accidents, veld fires are the most common cause of death in the area; and the large rural character of the municipality prompted MLM to enter into partnership with farmers in establishing "Fire Protection Associations". Small fire vehicles are stationed on 75 farms and the associations are the first to respond to veld fires. MLM has entered into an agreement to provide this service for the District Municipality.

4.6.6. Budgetary constraints places limitations on the resourcing of the municipality, e.g. the Traffic Department does not have the human resources to provide services for 24 hours per day.

4.6.7. The number of dwelling units that will eventually be built in Savannah City is expected to amount to more than 18 000 by 2023. This number is more than 50% of the current households in Midvaal and will require an increase in resourcing regarding accommodation, staffing, equipment and the like. Already a skeleton staff drawn from each directorate is present in Savannah.

4.6.8. MLM prides itself on the responsiveness to any concerns. Due to the relatively small size of the municipality and the ease with which management can be assembled, a risk event or other concern can be addressed immediately.

5. DEMAND FOR FUTURE CAPITAL EXPENDITURE

We estimate that over the 10-year planning period, the capital expenditure demand amounts to R 5 195 million consisting of:

- 30% or R 1 533 million for replacement expenditure, and
- 70% or R 3 662 million for new capital investment.

This total demand significantly exceeds what is budgeted for in the first three years

The estimates assume that the expenditure will be spread as follows over the 10 year period

ESTIMATED 10-YEAR CAPITAL EXPENDITURE DEMAND

		1	2	3	4	5	6	7	8	9	10
	TOTAL	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Estimate Total Capex Demand	5 195	515	538	750	699	396	417	439	446	479	515

Of these capital requirements, potential projects that could be put forward for IIPSA funding are:

- Savannah City Electrical Connection
- Klipriver Business Park
- Risiville / Duncanville Town House Developments
- Various other Projects that require project preparation support (See paragraph 4.5)

Asset Replacement Expenditure

5.1. By analysing the asset registers of the municipality, a feel for the demand of future replacement cost of existing assets and investments in new assets was obtained. We recognise that MLM's Asset Registers only serve a compliance purpose and have not yet migrated to become a useful tool for asset management. Nonetheless, the analysis provides an indication of the magnitude of funding needed to replace assets in future. "Replacement" could also imply rehabilitation, enhancement (upgrade) or renewal (refurbishment) of that asset, but excludes routine repairs and maintenance.

5.2. The calculation is done mechanistically and does not cater for engineering judgement. The model only uses the "Life" of the asset component as a criterion. The model calculates the Replacement Cost (in nominal terms) of assets for the Planning Period, i.e. up to and including 2026. Some asset classes were not reviewed for replacement, viz. "Land" and "Investment Property".

5.3. The outcome of this analysis and the Annual Replacement Cost ("ARC") is presented in Annexure 4: Assets Earmarked for Replacement.

5.4. According to the analysis the nominal replacement cost for the 10-year period from 2016/17 to 2025/26 and added to the replacement not undertaken in 2015/16 and before, amounts to R 2 240 million. This is a mechanistic calculation of the replacement cost of assets in the asset registers that have reached the end of their useful lives.

5.5. After amendment of the estimated replacement cost in accordance with the procedure explained in Annexure 4: Assets Earmarked for Replacement, the total asset replacement cost, for the period 2016/17 to 2025/26 was reduced from the original R 2 240 million to R 1 533 million.

5.6. The graph below compares the Replacement Cost as determined from the asset registers and the smoothed Replacement cost after adjustment as described above:

GRAPH 4: MIDVAAL: ASSET REPLACEMENT COST, RM P.A.

5.7. The exceptionally high amounts recorded for 2020, 2023, 2024 and 2026 are largely (but not exclusively) due to:

2020:	Community assets; guardhouse; pavilion; Infrastructure
2023:	Roads; Vehicles
2024:	Electricity Infrastructure
2026:	General Infrastructure

The estimated amounts are so high that it becomes worthwhile to assess the condition of the assets as accurately as possible and by using engineering judgment determine when the asset components need to be replaced.

5.8. The smoothed ARC curve ranges from R 113 to R 200 million p.a. Whereas a smoothed asset replacement programme of this nature is preferable, the MLM will not have the cash resources available to afford this amount, and the prioritisation of asset replacement becomes essential.

5.9. In the light of the large demand for the replacement of assets that will be reaching the end of its useful life during the 10-year planning period, we propose that the Municipality prioritises a cash backed Capital Replacement Reserve ("CRR") for this purpose. Although the current cash constraint prohibits it, it would be prudent to transfer the full depreciation charge to the CRR once the cash balances are available. The CRR can then be used as a funding source for future capital expenditure. Furthermore, once the CRR has built up a significant balance the MLM should avoid depleting its CRR in any given financial year, but use a percentage (say 50%) of the prior year's balance for assets that require replacement. An asset replacement programme within the levels of available resources in the CRR will go a long way in quantifying the future replacement budget.

New Capital Investment

5.10. During conversations with the various directorates of MLM we obtained a high-level estimate of new capital investments required in the next 10 years. As indicated in paragraph 4.5 above, the timing of the capital expenditure is to a large extent dependent on the rate of developments in future. We did an independent high-level estimate of the future capital expenditure by adding to the replacement cost as calculated above, an estimate of the costs to eliminate backlogs and cater for new household formation. The approach followed is discussed in more detail in Annexure 5: New Capital Investments. For purposes of quantifying future capital demand, we have used INCA's estimates.

Total Capital Investment Demand

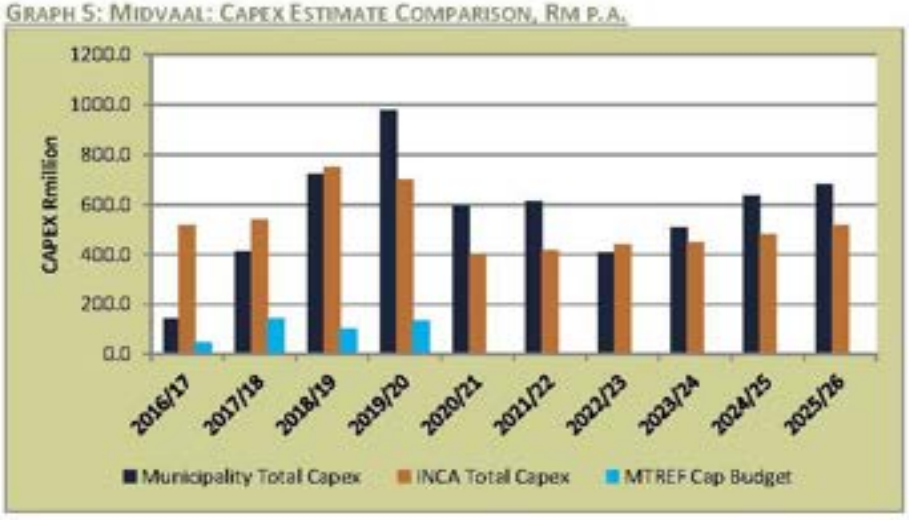
5.11. The total capital investment demand is then estimated as follows:

TABLE 4: ESTIMATE OF TOTAL FUTURE CAPEX DEMAND, R MILLION

		1	2	3	4	5	6	7	8	9	10
	TOTAL	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
MLM Estimate Total Capex	**5 910**	412	723	978	596	612	407	508	635	679	360
INCA New Capex	**3 662**	401	417	622	562	250	262	273	270	291	314
INCA Replacement Capex	**1 533**	114	121	129	137	146	156	166	177	188	200
INCA Estimate Total Capex	**5 195**	**515**	**538**	**750**	**699**	**396**	**417**	**439**	**446**	**479**	**515**
MTREF Cap Budget	**429**	49	144	104	132						

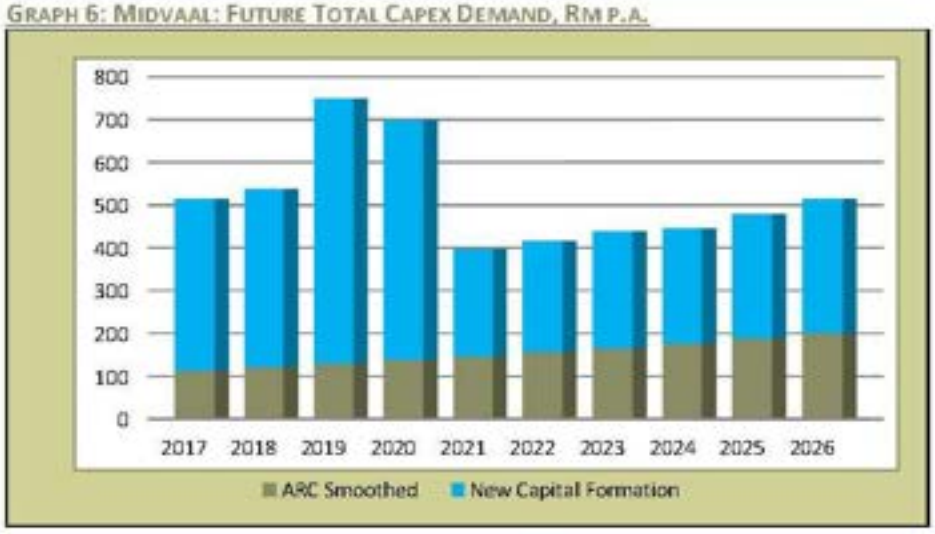
5.12. This is illustrated in the graph below. As is expected the MTREF capex budget is much lower than the demand, already hinting at affordability concerns. Whereas the quantum of the required capital investment in future provides an indication of the funding needed, the scheduling of the investment is highly speculative at this stage.

GRAPH 5: MIDVAAL: CAPEX ESTIMATE COMPARISON, RM P.A.



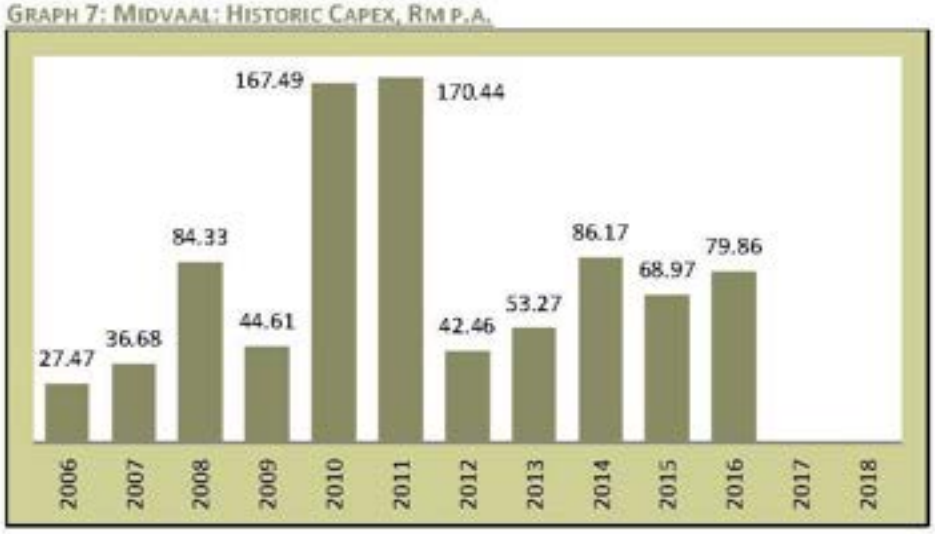
5.13. The total Capital Investment estimate (Replacement and New Assets) for the period 2016/17 to 2025/26 is estimated to amount to R5 910 million in MLM's estimate and R5 195 million in INCA's estimate.

GRAPH 6: MIDVAAL: FUTURE TOTAL CAPEX DEMAND, RM P.A.



5.14. In comparison, the historic capital expenditure for the period 2005/06 to 2015/16 reveals the extent of the capital investment programme for which Midvaal has capacity. The average capex during the past 5 years was R 66 million p.a. and never exceeded R 171 million in any one year.

GRAPH 7: MIDVAAL: HISTORIC CAPEX, RM P.A.



Projects appropriate for IIPSA Funding

5.15. The criteria relevant for the identification of projects appropriate for IIPSA funding, include amongst others unfunded projects of an infrastructure nature for which IIPSA provides additionality.

5.16. In identifying suitable projects in Midvaal a balance had to be found of projects that would result in immediate revenue generation and projects that would facilitate

much needed development but for which revenue generation would be ramped up over a period of time.

5.17. A meeting of representatives of the Midvaal administration, National Treasury (Local Government Infrastructure, Intergovernmental Relations), IIPSA and IPM identified several projects that could potentially be included in an IIPSA application. The MLM would complete the Project Fact Sheet for each project:

5.17.1. Savannah City Electrical Connection

The development in Savannah City consists of a mix of housing options. Whereas the developer provided electricity connections to the FLISP and Bonded Houses the RDP houses are not connected. Approximately 1 000 RDP houses are already occupied but not yet connected to electricity. A project that would provide such connections would result in an immediate generation of revenue through the pre-paid electricity charges.

5.17.2. Klipriver Business Park

Developments along the R59 support the long-term development objectives of the municipality. The Klipriver Business Park was developed by Basil Read and a steady uptake of stands in this development is noticed. However, to keep up this momentum, bulk infrastructure in the form of a water reservoir and sewerage connection is required. An investment in this infrastructure will facilitate the further uptake of business stands with concomitant employment creation and revenue generation potential.

5.17.3. Risiville / Duncanville Town House Developments

Demand for townhouses in the affordable market is being satisfied by developers who are subdividing small holdings for this purpose. However, bulk water needs to be supplied in the Risiville / Duncanville area to facilitate the commencement of these developments.

5.17.4. Various Other Projects

Other projects recorded in the project list submitted to IPM and referred to in paragraph 4.5 above clearly satisfy the IIPSA criteria, but may have too long ramp up periods before revenue is generated to service any loans. However, a project preparation support could provide answers to this concern. Examples of these projects include the 20-30 Ml/day Northern WWTW and Bulk water and sewerage to Riversdale.

6. FINANCIAL MODEL

Future predictions are based on the outcome of a financial model. The essential Base Case assumptions of the model are listed in the table below:

ASSUMPTIONS OF BASE CASE VARIABLES

VARIABLE	BASE CASE AVERAGE FOR THE 10 –YEAR PLANNING PERIOD
RSA consumer inflation rate (CPI)	5.8%
Population Growth Rate	3.3%
GVA Growth Rate	2.6%
Short term investment rate (Margin above CPI)	0.0%
Electricity Price Elasticity of Demand	-0.10
Water Price Elasticity of Demand	0.00
Employee related cost escalation	8.6%
Bulk electricity cost escalation	10.3%
Collection Rate of customer billings	93.0%

The Base Case outcome of the financial model is summarised below:

BASE CASE OUTCOME

Outcome	10-Years up to 2026
Average annual % increase in Revenue	9.7%
Average annual % increase in Expenditure	7.7%
Accounting Surplus accumulated during Planning Period (Rm)	R 1 318
Operating Surplus accumulated during Planning Period (Rm)	R 19
Cash generated by Operations during Planning Period (Rm)	R 1 338
Average annual increase in Gross Consumer Debtors	9.6%
Capital investment programme during Planning Period (Rm)	R 2 422
External Loan Financing during Planning Period (Rm)	R 404
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 463

6.1. The proposals in this financial plan are based on the assumptions in the Base Case Financial Model. We are cognisant of the fact that future cash flows may be influenced by a variety of variables which limits the accuracy with which predictions can be made. The transition by municipal finance to the mSCOA classification during this period further impedes the accuracy of the model, to the extent that some manual adjustments had to be made to reflect changing classifications.

6.2. The model framework is illustrated in the diagram below:

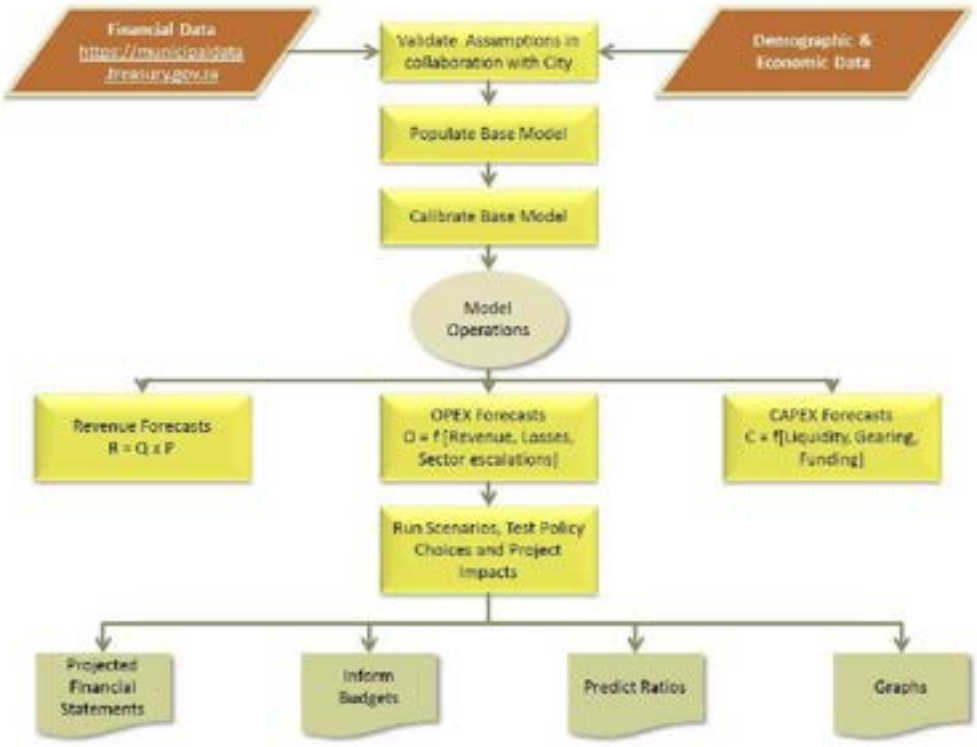


FIGURE 2: PLANNING PROCESS

6.3. The output of the model, especially the graphs and tables are used throughout this document. The Projected Financial Statements are presented in Annexure 2, which may also serve as a guide to inform future budgets of the municipality. The Financial ratios are presented in Annexure 3 and summarised in paragraph 6.11 below.

6.4. The model predicts the future revenue and expenditure by applying several independent variables. As an example, the future property rates income will in addition to the rate charged be affected by the future valuations of existing properties as well as the addition of new properties of various categories on the valuation roll because of future land development. Generic growth pursuant to the growth in population, households or economic output will be predicted.

6.5. To estimate the future revenue and expenditure, certain assumptions need to be made. These assumptions will serve as input to the model. For example, an assumption of future collection rates (payment ratios) is required to convert billings to actual cash receipts.

6.6. The average values for the 10-year planning period of those variables that were also changed for scenario testing are indicated in TABLE 5 below:

TABLE 5: ASSUMPTIONS OF BASE CASE VARIABLES

VARIABLE	BASE CASE AVERAGE FOR THE 10-YEAR PLANNING PERIOD
RSA consumer inflation rate (CPI)	5.8%
Population Growth Rate	3.3%
GVA Growth Rate	2.6%
Short term investment rate (Margin above CPI)	0.0%
Electricity Price Elasticity of Demand	-0.10
Water Price Elasticity of Demand	0.00
Employee related cost escalation	8.6%
Bulk electricity cost escalation	10.3%
Collection Rate of customer billings	93.0%

6.7. Most of these variables are self-explanatory. Suffice to highlight that the high average population growth rate of 3.3% p.a. is partly due to the migration of people into the area to reside in developments such as Savannah City. Whereas the economic growth rate as measured by the % GVA p.a. is 2.6% it ranges between 2.0% and 3.5% p.a. Employee related expenses are expected to be higher than CPI and increase by 8.6% p.a., largely due to the expected increase in staff complement to provide services for a growing municipality. The cost of Electricity is estimated to rise by 10.3% p.a. The collection rate of customer billings is assumed to be 93%, which has been achieved in recent years but is still less than the proposed benchmark of 95% which the municipality should set itself as the minimum target.

6.8. The outcome of the Base Case is reflected in the table below:

TABLE 6: BASE CASE OUTCOME

Outcome	10-Years up to 2026
Average annual % increase in Revenue	9.7%
Average annual % increase in Expenditure	7.7%
Accounting Surplus accumulated during Planning Period (Rm)	R 1 318
Operating Surplus accumulated during Planning Period (Rm)	R 19

Cash generated by Operations during Planning Period (Rm)	R 1 338
Average annual increase in Gross Consumer Debtors	9.6%
Capital investment programme during Planning Period (Rm)	R 2 422
External Loan Financing during Planning Period (Rm)	R 404
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 463

6.9. In the Base Case, surplus and cash will be generated by operations of R 1 338 million accumulated during the 10-year planning period. Long term debt of R 404 million can be raised for a total capital investment programme of R 2 422 million. The cash investments after the planning period to back a liquidity reserve and CRR amount to R 463 million.

6.10. The summary projected financial statements for the Base Case are presented in Annexure 2: Base Case Summary Projected Financial Statements.

6.11. A selection of ratios is summarised below. A complete list of ratios is presented in Annexure 3. These ratios are the outcome of the financial model.

TABLE 7: SELECTION OF RATIOS (SEE ANNEXURE 3 FOR COMPLETE LIST)

YEAR		1	3	5	7	9	10
RATIOS	**Norm**	**2016/17**	**2018/19**	**2020/21**	**2022/23**	**2024/25**	**2025/26**
Cash Generated by Operations / Own Revenue		16%	14%	20%	21%	27%	27%
Liquidity Ratio (Current Assets: Current Liabilities)	1:1.5 - 1:2.0	1 : 2.15	1 : 1.72	1 : 1.87	1 : 2.39	1 : 2.45	1 : 2.23
Cash Surplus / Shortfall on Minimum Liquidity Requirements		R 112m	R 101m	R 159m	R 272m	R 359m	R 340m
Capital Expenditure / Total Expenditure	10% - 20%	5%	8%	15%	12%	23%	25%
Gearing = Total Debt (Borrowings) / Operating Revenue	45%	18%	16%	12%	7%	11%	15%
Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)	Min 1.3:1	3.1 : 1	2.8 : 1	4.9 : 1	6 : 1	9.5 : 1	7.6 : 1
Total Grants / Total Revenue		12%	16%	16%	16%	14%	14%

6.12. All the liquidity measures, i.e. Liquidity Ratio, and Cash Surplus on the Minimum Liquidity Requirements are positive. Ratios related to External Financing, viz. Gearing and Debt Service Cover Ratio are also well within acceptable benchmarks. Capital

expenditure during the initial years is below par but picks up nicely towards the end of the planning period.

6.13. Improvement of the ratios during the period is due to improved cash generation pursuant to accelerated developments in the municipality and a progressive increase in rates and tariffs. The cash generated is firstly applied to fund a liquidity and capital replacement reserve before spending it on capital expenditure.

7. FUTURE MUNICIPAL REVENUE

In constant monetary terms the revenue per capita in 2026 is estimated to be R 4 866 p.a. that is 1.8% lower than the real per capita revenue generated in 2016.

The estimated future 10-year annual average growth in revenue is 9.7% p.a.

AVERAGE ANNUAL 10-YEAR GROWTH OF RATES/TARIFFS OF MAJOR REVENUE ITEMS

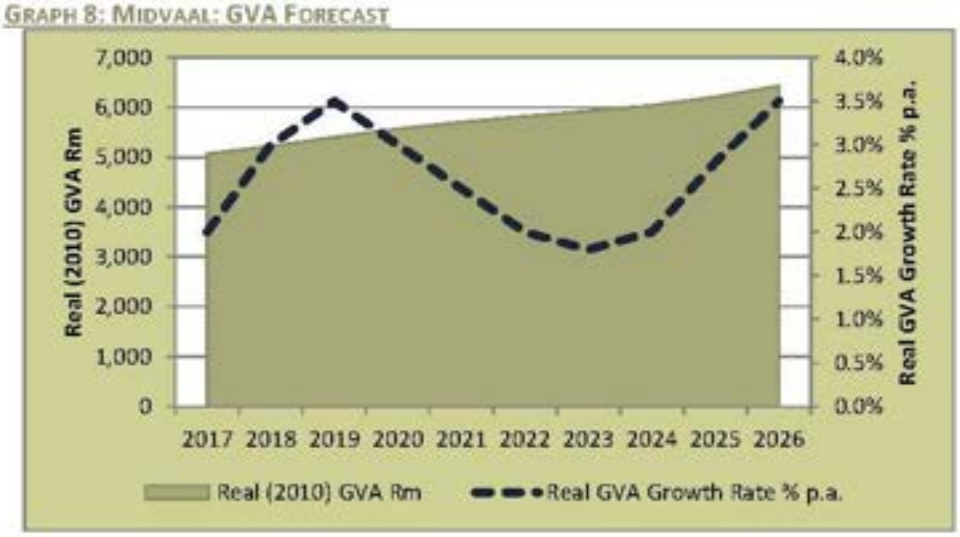
Revenue Item	Average Tariff / Rates Growth % p.a.
Property Rates	9.7%
Electricity Service Charges	8.5%
Water Service Charges	9.8%

7.1. The prediction of future revenue in the financial model is based in part on historical trends as well as an estimate of future revenue (Revenue = Quantity x Price), where "Quantity" is a function of independent variables (such households, population and GVA) and "Price" a function of policy choices such as rates and tariff increases. Revenue projections were tested against the outcome of research done by Schoeman[10], who researched the relationship between Real Revenues per Capita and Real GVA per Capita for municipalities.

7.2. The future Gross Value Add ("GVA") of MLM was estimated based on a view of the future economic growth of the region as well as an estimate of future population of Midvaal. The graph below illustrates the Base Case GVA and GVA growth rates used in INCA's model. The average annual economic growth rate for the planning period is 2.6% p.a., reaching a high of 3.5% p.a. in 2019 and 2026. Since the 2008 economic downturn the national economy has grown at an average rate of 1.8% p.a. whereas the economy in Midvaal has grown at a much faster rate of 3.8% p.a.

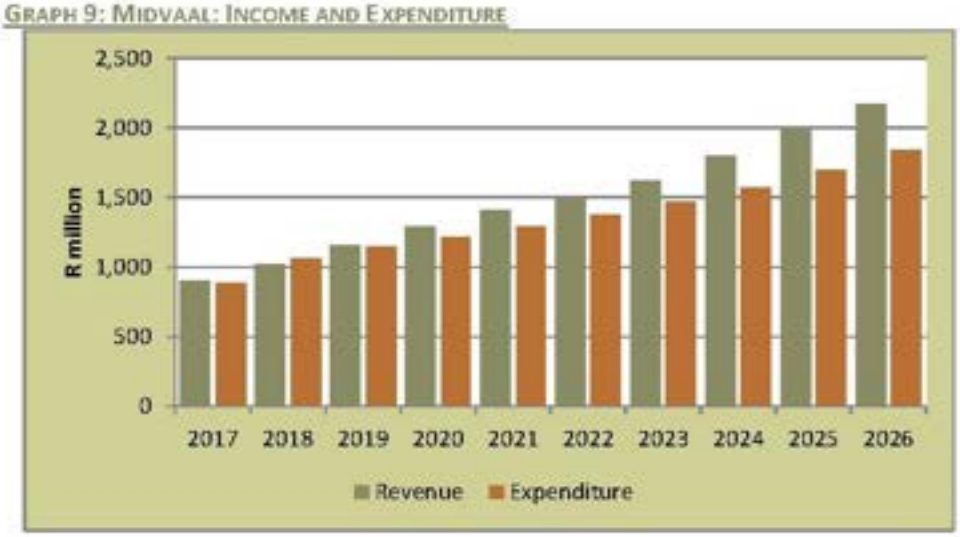
[10] *Fiscal Performance of Local Government in South Africa - an Empirical Analysis*; Niek Schoeman; UP 22 July 2011; https://editorialexpress.com/cgi-bin/conference/download.cgi?db_name=IIPF67&paper_id=40

GRAPH 8: MIDVAAL: GVA FORECAST



7.3. The estimated future revenue was calibrated against the municipality's forecast of future revenue in its MTREF. The estimated Total Income and Expenditure during the planning period for Midvaal is illustrated in GRAPH 9:

GRAPH 9: MIDVAAL: INCOME AND EXPENDITURE



7.4. In addition to the economic growth, the number of households is expected to grow at an average rate of 4.4% p.a., largely due to developments such as Savanah City. This resulted in an estimated future 10-year annual average growth in revenue of 9.7% p.a. This growth cannot be achieved through an increase in tariffs alone but consists of a combination of (i) increased sales, (ii) increase in tariffs and (iii) new revenue sources. This revenue growth is comparable to the municipality's own estimates of 9.6% p.a. for the MTREF period up to 2019/20.

7.5. The 10-year growth in billings and tariffs / rates of the major revenue items is illustrated in TABLE 8. The tariff growth figures are estimates that are also dependent on future expected growth rates of bulk purchase prices of electricity and water.

TABLE 8: AVERAGE ANNUAL 10-YEAR GROWTH OF MAJOR REVENUE ITEMS

Revenue Item	Average Billings Growth % p.a.	Average Tariff / Rates Growth % p.a.
Property Rates	14.5%	9.7%
Electricity Service Charges	6.7%	8.5%
Water Service Charges	8.1%	9.8%
Equitable Share	9.9%	n.a.

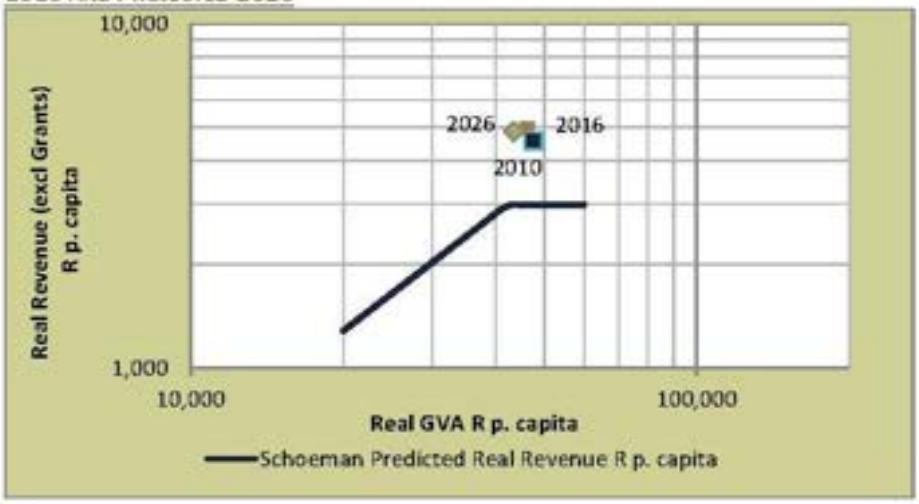
7.6. The revenue derived from property rates is significantly higher than the increase in rates, 14.5% vs 9.7%. This is due to the expected growth in new developments along the R59 as well as Savanah City. The reverse is true for electricity and water service charges where the price elasticity results in a reduction in the consumption of these services for an increase in tariffs. The 9.9% p.a. estimated growth in the Equitable Share is indicative of the growth rate of indigent households which is expected to exceed the growth rate of non-indigent households.

7.7. The historic nominal Municipal Revenue Growth Rate (***excluding*** Grants) for the period between 2006 and 2016 was 17.4% p.a. This phenomenal growth coincided partly with a period of high economic growth. The lower future projected growth rate is largely due to an expectation of a growing proportion of indigent population that will not contribute significantly to the municipality's own revenue.

7.8. The relationship of MLM's Real Municipal Revenue ***per Capita*** and the Real GVA ***per Capita*** over time (viz. 2010 and 2016) was compared to the sample of municipalities used by Schoeman in his research. For a nominal decline in real GVA per capita p.a. there was an increase in real revenue per capita of 1.3% p.a. on average over the historic assessment period. This is illustrated in GRAPH 10. In both 2010 as well as 2016 the revenue per capita was higher than Schoeman's model.

7.9. In comparison INCA's model estimates that the real GVA per capita in 2026 is R43 506 p.a., approximately the same as in 2016. The municipal real revenue (excluding grants) per capita at that time is estimated to amount to R 4 866 p.a. which is 1.8% lower than the real per capita revenue of 2016.

GRAPH 10: MIDVAAL: REAL REVENUE PER CAPITA VS. REAL GVA PER CAPITA FOR 2010 AND 2016 AND PROJECTED 2026



7.10. We conclude that MLM's own revenue per capita has increased at a faster rate than GVA per capita during the period 2010 to 2016. We are comfortable that the Real Revenue per Capita for 2026 as forecast by INCA's model is reasonable, i.e. slightly lower than the Real Revenue per Capita for 2016. This provides comfort in the light of the expected higher proportion of poorer households expected to reside in the municipality in future.

7.11. The revenue per capita as predicted above, excludes grants and subsidies, as these are not dependent on the local economy. However, the model does take grants into account by including Equitable Share and reliable conditional grants in Revenue. The Equitable Share receipts during 2015/16 amounted to approximately R63 million, but are assumed to increase in future due to the expected population growth. An estimate of capital grants, based on historic trends (but excluding ad hoc grants), is included in the capital funding mix.

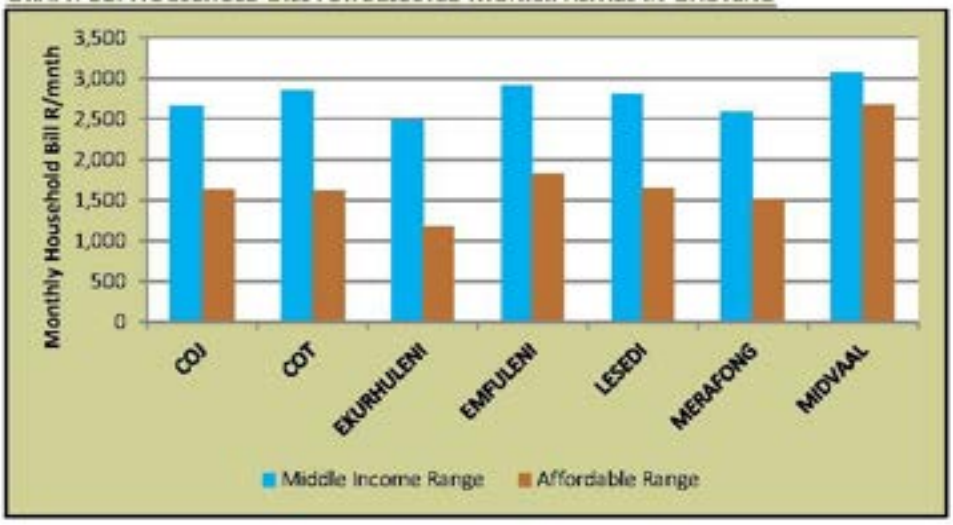
7.12. A comparison of the typical 2015/16 household bill for the Affordable- and Middle-Income Range as reported by the municipalities in their adopted Budgets reveals that Midvaal features at the top end of a sample of the Gauteng municipalities (Mogale- and Randwest City excluded due to lack of data). See GRAPH 11.

7.13. The municipality has commissioned the Palmer Group to undertake a tariff study. Initial results indicate that the surplus margins on service charges are in the range 3% to 6%. This is however based on tariffs that do not fully account for the full depreciation charge of assets.

7.14. The introduction of pre-paid meters for electricity has persuaded the municipality to abolish the basic charge (fixed component) of tariffs and it is currently considering only a variable charge based on actual usage. The municipality is advised to assess all

the risks with this approach. For example, to what extent will the introduction of alternative energy sources by customers reduce the purchase of electricity from the municipality? In the absence of a basic charge the municipality will not be compensated for the availability of the service to customers.

GRAPH 11: HOUSEHOLD BILL FOR SELECTED MUNICIPALITIES IN GAUTENG



7.15. Property valuations will commence shortly for purposes of introducing a new valuation roll by 1 July 2018. Due to the large component of agriculturally zoned areas, the municipality is advised to ensure that this land is in fact used for that purpose and rated accordingly.

7.16. Currently the municipality follows two approaches in providing indigent support. Households that comply with the following criteria are supported, viz. (i) households with a property value of less than R 150 000, and (ii) households with a combined income of less than R 3 500 p.m.

7.17. Once the annual municipal revenue was projected, the ability of the municipality to pay for operational and capital expenditure and the level of expenditure was estimated based on a range of assumptions, as discussed in more detail further on in this report.

8. FUTURE OPERATIONAL EXPENDITURE

The largest operational expenditure items are Employee Related Expenses and Bulk Purchases. To remain sustainable the municipality should maximise its productivity by:

- Limiting Employee Related Expenses to 25% of Total Expenditure
- Maximising staff productivity as measured by Total Income/Staff Costs and aim for a productivity target of 4.5
- Ensure that the full cost of electricity distribution is covered by tariffs and that the Electricity Surplus Margin as measured by the difference between Electricity Service Charges and Electricity Bulk Purchases exceeds 15% and preferably 30%
- Ensure that the full cost of water distribution is covered by tariffs. The margin as measured by the difference between Water Service Charges and Water Bulk Purchases should amount to 70%.

8.1. The ongoing challenge remains to align the expenditure budget not only to anticipated revenue growth, but very specifically to anticipated cash collections to generate both accounting and cash surpluses. Therefore, stringent expenditure management remains as important as ensuring that revenues are collected.

8.2. There is limited scope to substantially increase any costs without negatively impacting on the overall operational performance of the Municipality, therefore requiring stringent management of increases in current expenses.

8.3. Regulated expense items, viz. Salaries & Wages as well as Bulk Electricity Purchases, contribute the bulk of Total Expenditure (almost 48% in 2016). Employee Related Expenses as a percentage of Total Expenditure (23%) is low, translating into high staff productivity as measured by Total Income/Staff Costs. The opportunity to save on employee related expenses in future is limited. In fact, it may become necessary to improve service delivery to increase the staff complement with concomitant cost increases.

8.4. Employee related expenses are estimated to increase at an average rate of 8.6% p.a. for the 10-year planning period. This growth reflects an increase in the staff complement as well as salary increases and averages 22.2% of Total Expenditure. The average staff productivity of 4.5 during the 10-year planning period should be the target for the MLM.

8.5. The expenditure on electricity bulk purchases is expected to grow at a rate of 8.3% p.a. Purchases are dependent on demand and as indicated in paragraph 7.6 it is assumed that the price elasticity of electricity will result in a decline in the average consumption of electricity. The margin between Electricity Service Charges and Electricity Bulk Purchases in 2016 was 32%. This margin is expected to decline to an average of 24% p.a. during the 10-year planning period. Midvaal is encouraged to maintain a margin of at least 15% as proposed in MFMA Circular No. 71, or ensure that the income covers all associated costs, including the depreciation costs of associated infrastructure.

8.6. The expenditure on water bulk purchases is expected to grow at an average rate of 3.8% p.a. during the 10-year period, notwithstanding a unit price of water that is expected to escalate by more than 11% during the period. Midvaal budgets an actual decline in water purchases during the MTREF period, ostensibly due to improved water loss management. The margin between Water Service Charges and Water Bulk Purchases in 2016 was 62%. The model assumes that the average margin for the 10-year planning period will be 70%. It is essential that all related costs, including infrastructure costs and operational expenses, and not just bulk purchases, are covered by the margin.

8.7. The municipality resolved not to make post-retirement medical benefits available to those who do not qualify as per SALGA's policy decision of 2004. This has reduced the non-interest-bearing liabilities considerably and will result in savings on future expenditure as well. Whereas the initiative is supported by the unions, a legal challenge by one individual is still unresolved.

8.8. MLM is exemplary in its use of shared services with neighbouring municipalities. In addition to IT services provided by Sedibeng, MLM obtains sewer services from Ekurhuleni Metro and a wide range of services from Emfuleni. The optimal use of shared services to curtail expenses will be important going forward.

8.9. Any cost containment is therefore limited to minor savings under General Expenditure items. The municipality may also want to reconsider its level of services and adjust some of these downwards to affect savings, viz. reconsider providing refuse removal on public holidays.

8.10. The financial model has assumed cost increases like the increases in the MTREF for the first three years, but uses various independent variables to calculate expenses in future and where applicable accounts for losses to calculate bulk purchases and services sold.

9. AFFORDABILITY OF FUTURE CAPITAL EXPENDITURE

The total affordable capex for the period 2016/17 to 2025/26 amounts to R 2 422 million. The affordable capex is approximately R 2 773 million less than the future capex demand of R 5 195 million, and requires an adjustment downwards of the capex demand expectations, unless more funding can be secured from developers or grant sources.

Determination of Affordable Capital Expenditure

9.1. The long term financial model calculates the future capex that the municipality can afford.

9.2. The cash available to service any new debt is calculated by subtracting from the Revenue as determined in paragraph 5 above a waterfall of cash needs, starting with operational expenses and existing debt service. We are guided by the minimum liquidity reserves that should be held before allocating cash towards investment in capital assets.

9.3. The New Debt that the municipality can afford plus any remaining cash as well as estimated capital grants and other capital contributions (e.g. developers' bulk contributions) can then be allocated towards capital expenditure.

GRAPH 12: MIDVAAL: CAPITAL EXPENDITURE DEMAND VS AFFORDABILITY, RM P.A.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Capex Demand	515	538	750	699	396	417	439	446	479	515
Affordable Capex	49	144	104	132	224	152	201	321	492	603

10.FUNDING OF FUTURE CAPITAL EXPENSES

The estimated 10-year capex funding is shown in the table below:

FUNDING FUTURE AFFORDABLE CAPITAL EXPENDITURE

Source of Funds	Amount Rm	%
Public & Developers' Contributions	467	19%
Capital Grants	831	34%
Financing	404	17%
Cash Reserves and Funds	719	30%
Cash Shortfall	0	0%
TOTAL	**2 422**	**100%**

Determination of Funding of Future Capital Expenses

10.1. The funding mix to fund the future affordable capex is determined by the model by ensuring that the available cash is either invested to cover the minimum liquidity requirements and fund a capital replacement reserve or invested in capital assets. In accordance with the model the capex may be funded as follows:

TABLE 9: ESTIMATED 10-YEAR FUNDING OF CAPITAL EXPENDITURE R MILLION

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Public & Developers' Contributions	3	3	13	17	40	20	35	75	130	130
Capital Grants	15	57	65	87	91	95	99	103	108	113
Financing	8	63	11	7	35	0	14	47	95	125
Cash Reserves and Funds	23	21	15	21	58	37	53	96	159	236
Capital Expenditure	**49**	**144**	**104**	**132**	**224**	**152**	**201**	**321**	**492**	**603**

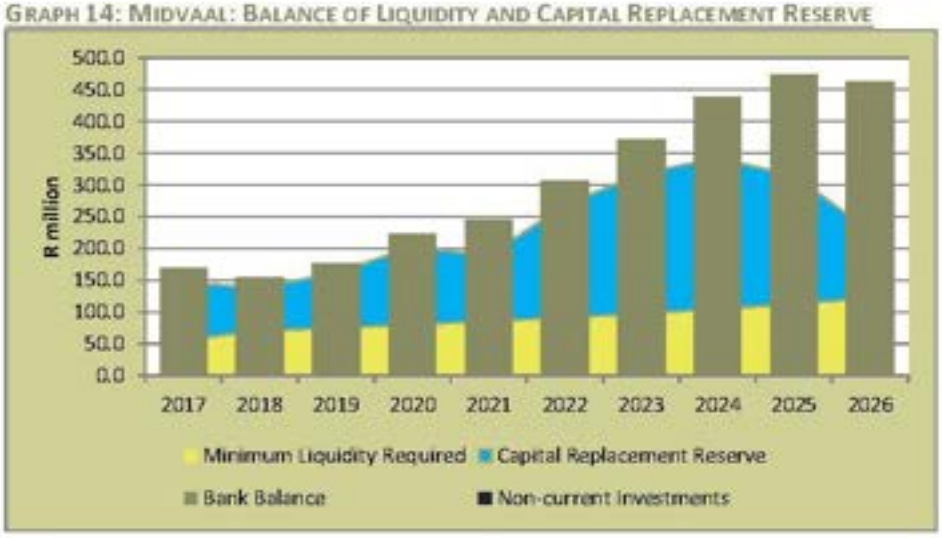
GRAPH 13: MIDVAAL: FUNDING OF FUTURE CAPITAL INVESTMENT, RM P.A.

10.2. The model accepted the capital funding mix as budgeted by the municipality in its MTREF until 2019/20.

10.3. The amount of Grants was informed by historical trends. Ad hoc capital grants were excluded from future estimates. Although the future quantum of grants is uncertain the model calculates that 34% of spending on PPE will be by way of grants. This is reflective of the need to provide infrastructure for a growing population of proportionally more indigents. External Loans amount to approximately 17% of the funding mix in the Planning Period. The municipality is prepared to borrow for the provision of income generating assets and road infrastructure, but not social infrastructure. An amount of R 467 million will come by way of capital contributions in future. This is to be assumed if the development projects envisaged by the municipality materialise, but the quantum and timing thereof may vary considerably depending on the progress made with new developments. The capital contributions are highly speculative and reliance on this source of funding must be certain before the associated capital expense is incurred.

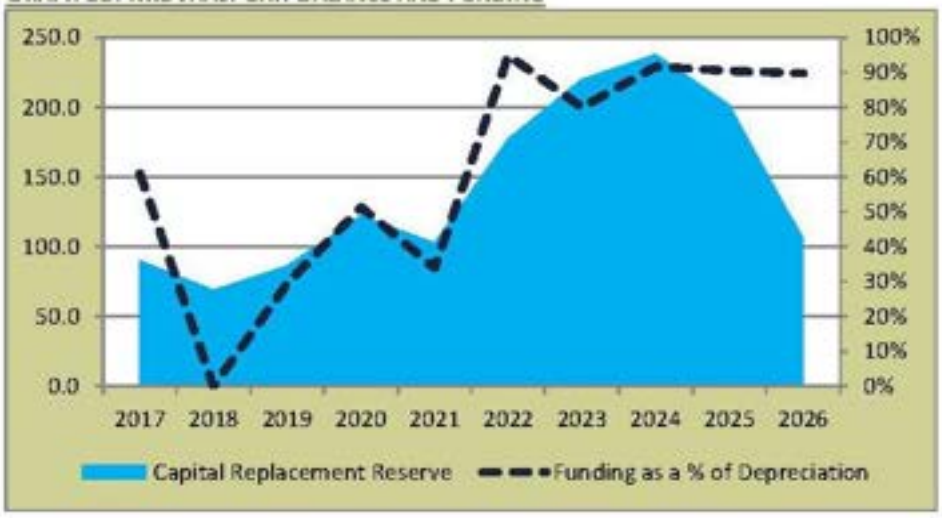
10.4. The model proceeds from the premise that the minimum required liquidity must be held in reserve before cash may be spent on capex. The "Liquidity Reserve" is the amount of cash equivalents held to cover the amounts of statutory reserves, unspent conditional grants, short term provisions and one month's operational expenditure. See GRAPH 14.

GRAPH 14: MIDVAAL: BALANCE OF LIQUIDITY AND CAPITAL REPLACEMENT RESERVE



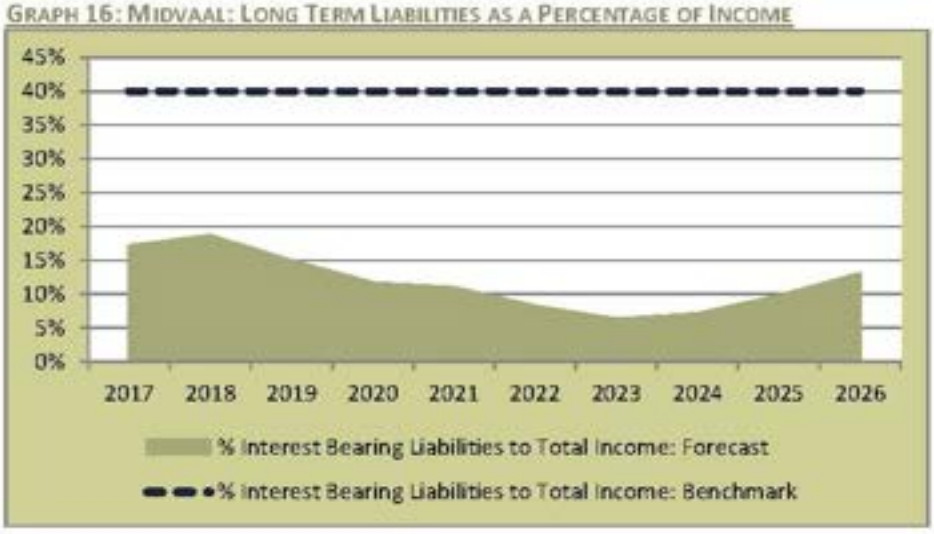
10.5. Although the cash available will not allow the cash funding of a CRR at a rate equivalent to the depreciation charge, a percentage of this charge may be reserved each year in future as illustrated in GRAPH 15.

GRAPH 15: MIDVAAL: CRR BALANCE AND FUNDING

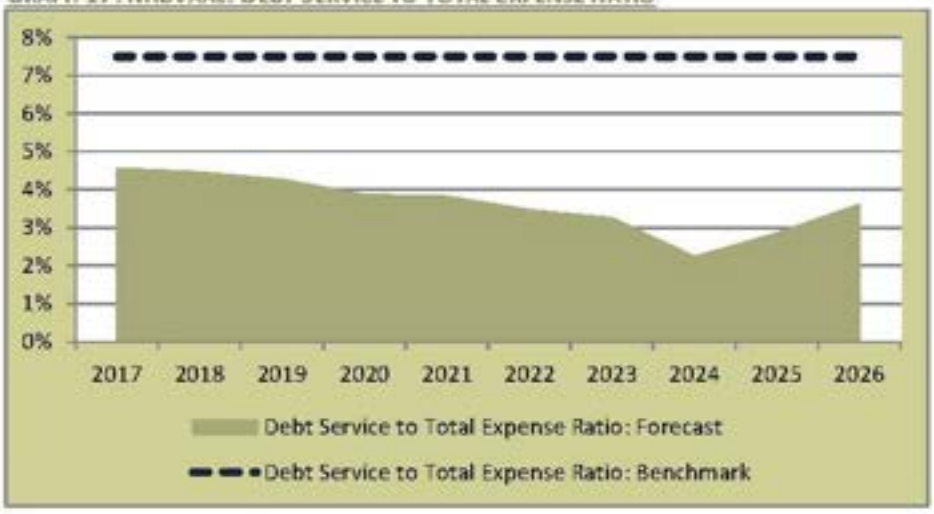


10.6. The long-term liabilities ("LTL") as a percentage of Income remain well below the benchmark of 40% as does the Debt Service (Interest and Capital) to Total Expense Ratio below the benchmark of 7.5%.

GRAPH 16: MIDVAAL: LONG TERM LIABILITIES AS A PERCENTAGE OF INCOME



GRAPH 17: MIDVAAL: DEBT SERVICE TO TOTAL EXPENSE RATIO



10.7. The realisation that only a small proportion of the capital investment demand is affordable requires the municipality to prioritise its investment programme. To avoid any deterioration in the asset quality, the municipality is advised to prioritise asset renewal and replacement, focusing on its absolute core functions.

10.8. The municipality has identified the need for a capital prioritisation model, but this still needs to be developed. A current initiative in association with the DBSA to identify priority projects for which preparation and investment funding is required will provide the motivation to prepare such a prioritisation model.

11.ALTERNATIVE SCENARIOS

A number of scenarios were aanalysed and compared to the Base Case and Reference Scenarios:

- Electricity Cost Down to 70% of Base Case Escalations
- Electricity Cost Up to 130% of Base Case Escalations
- Employee Cost Down to 70% of Base Case Escalations
- Employee Cost Up to 130% of Base Case Escalations
- Rates & Tariffs Up by 10% of Base Case Assumptions
- Rates & Tariffs Down by 10% of Base Case Assumptions
- Upside
- Downside

Environmental factors outside the control of the municipality (e.g. economic growth and regulated prices) as well as policy choices by the municipality (e.g. rates and tariff increases) have a significant impact on the future financial performance of the municipality.

11.1. A scenario analysis shows the changes in outcome for a change of a number of input variables. Various scenarios may be tested. For purposes of this report we limited the comparison to six scenarios with the Reference Case[11]:

- Firstly, the cost escalation of the two prominent and regulated operational expenditure items, viz. Bulk Electricity Cost and Employee Related Cost were tested at 70% of the Base Case values (positive outcome) and 130% of the Base Case values (negative outcome). The outcome is presented in TABLE 10 below.

- Secondly, the impact of rates and tariffs by increasing rates and all tariffs by 10% in the first scenario and reducing rates and all tariffs by 10% in the second scenario. The outcome is presented in TABLE 11below.

[11] Reference Case = Base Case but with unrestricted liquidity and CRR requirements for the capex programme determined by the model in the same way it determines the outcome of the other scenarios.

TABLE 10: OUTCOME OF VARIOUS COST ESCALATION FOR EMPLOYEE RELATED EXPENSES AND BULK ELECTRICITY COST

Items	Reference Case	Electricity Cost Down to 70% of Base Case Escalations	Electricity Cost Up to 130% of Base Case Escalations	Employee Cost Down to 70% of Base Case Escalations	Employee Cost Up to 130% of Base Case Escalations
Average annual % increase in Revenue	9.6%	9.6%	9.6%	9.6%	9.6%
Average annual % increase in Expenditure	8.0%	7.9%	8.2%	8.0%	8.1%
Accounting Surplus accumulated during Planning Period (Rm)	R 1 061	R 1 201	R 912	R 1 174	R 939
Operating Surplus accumulated during Planning Period (Rm)	-R 237	-R 98	-R 387	-R 124	-R 360
Cash generated by Operations during Planning Period (Rm)	R 1 163	R 1 314	R 1 003	R 1 301	R 1 014
Average annual increase in Gross Consumer Debtors	9.6%	9.6%	9.6%	9.6%	9.6%
Capital investment programme during Planning Period (Rm)	R 2 917	R 3 158	R 2 769	R 3 169	R 2 737
External Loan Financing during Planning Period (Rm)	R 800	R 993	R 682	R 1 002	R 656
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 62	R 128	-R 38	R 105	-R 9

11.2. As is expected all metrics for the positive cases are better than the Reference Case and worse for the negative cases, e.g. the capex programme for the positive cases is between 14% and 15% higher than the negative cases. Accounting Surplus for the positive cases is between 25% and 32% higher than the negative cases.

TABLE 11: OUTCOME OF VARIOUS RATES AND TARIFF INCREASES

Items	Reference Case	Rates & Tariffs Up by 10%	Rates & Tariffs Down by 10%
Average annual % increase in Revenue	9.6%	10.3%	8.9%
Average annual % increase in Expenditure	8.0%	8.4%	7.8%
Accounting Surplus accumulated during Planning Period (Rm)	R 1 061	R 1 449	R 668
Operating Surplus accumulated during Planning Period (Rm)	-R 237	R 150	-R 630
Cash generated by Operations during Planning Period (Rm)	R 1 163	R 1 610	R 714

Average annual increase in Gross Consumer Debtors	9.6%	10.2%	9.1%
Capital investment programme during Planning Period (Rm)	R 2 917	R 3 520	R 2 533
External Loan Financing during Planning Period (Rm)	R 800	R 1 206	R 590
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 62	R 215	-R 144

11.3. The difference in the 10-year capex programme for the two scenarios (increasing rates and all tariffs by 10% more than the Base Case Values and reducing rates and all tariffs by 10%) is R 1 billion. The policy choices made by the Council with regard to rates and tariff increases will have a profound impact on the capital investment programme that can be afforded.

11.4. Combined Upside- and Downside Scenarios were also compared to the Base Case. The input variables that were changed for the Upside- and Downside Scenarios are presented in TABLE 12. In each of the different cases, the percentage of the Base Case variable is indicated. The outcome for each of these scenarios is summarised in TABLE 13 as they relate to relevant dependent variables.

TABLE 12: UPSIDE AND DOWNSIDE SCENARIOS: INPUT VARIABLES

VARIABLE	BASE CASE AVERAGE FOR THE PLANNING PERIOD	% OF BASE CASE		
		BASE CASE	UPSIDE	DOWNSIDE
RSA consumer inflation rate (CPI)	5.78%	100%	90%	110%
Population Growth Rate	3.29%	100%	95%	105%
GVA Growth Rate	2.61%	100%	120%	80%
Short term investment rate	5.78%	100%	100%	100%
Electricity Price Elasticity of Demand	-0.10	100%	100%	120%
Water Price Elasticity of Demand	0.00	100%	100%	120%
Employee related cost escalation	8.58%	100%	80%	120%
Bulk electricity cost escalation	10.33%	100%	80%	150%
Collection Rate of customer billings	93.0%	100%	110%	90%

11.5. The outcome of these scenarios illustrates the sensitivity of this combination of variables.

TABLE 13: UPSIDE AND DOWNSIDE SCENARIOS: OUTCOME

Items	Base Case	Upside	Downside
Average annual % increase in Revenue	9.7%	9.2%	10.0%
Average annual % increase in Expenditure	7.7%	6.9%	10.0%
Accounting Surplus accumulated during Planning Period (Rm)	R 1 318	R 1 837	-R 539
Operating Surplus accumulated during Planning Period (Rm)	R 19	R 539	-R 1 837
Cash generated by Operations during Planning Period (Rm)	R 1 338	R 2 108	-R 514
Average annual increase in Gross Consumer Debtors	9.6%	-12.0%	19.0%
Capital investment programme during Planning Period (Rm)	R 2 422	R 3 910	R 2 125
External Loan Financing during Planning Period (Rm)	R 404	R 1 168	R 288
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 463	R 246	-R 1 191

11.6. Only a slight change in input variables has a significant effect on outcome. The accumulated surplus in the Upside exceeds the Downside by more than R 2.3 billion. The capital investment programme in the Downside of R2.1 billion is not significantly lower than the Base Case R 2.4 billion due to the reliance on Capital Grants and Developers Contribution, which are not subject to the financial performance of the municipality. The Capital Investment Programme in the Upside is R 3.9 billion. The cash position at the end of the planning period in the Downside is R1.2 billion in the red. This will obviously not materialise as the Council will manage any negative events (such as a deterioration of the variables in the Downside Scenario) during the 10-year period pro-actively, but is an indication of what can happen if these signs were ignored.

12.RECOMMENDATIONS

We recommend the following, subject to discussions with Executive Management and Council of the Municipality, to be adopted for inclusion in a long term financial strategy and plan:

12.1. OPERATIONS FRAMEWORK

Guided by the outcome of the Base Case Financial Model, the municipality is advised to adhere to the following parameters (detail and definitions are provided in Annexure 3: Ratio Analysis and Annexure 6: Viability Framework):

TABLE 14: OPERATIONS FRAMEWORK

		MFMA Norm	Minimum	Healthy	Base Case 10-Year Average
FINANCIAL POSITION					
ASSET MANAGEMENT					
	Capital Expenditure / Total Expenditure	10% - 20%	10%	20%	13.6%
	Repairs and Maintenance as % of PPE and Investment Property	8%	n.a.	n.a.	n.a.[12]
DEBTORS MANAGEMENT					
	Gross Consumer Debtors Growth	n.a.	n.a.	0%	9.7%
	Payment Ratio / Collection Rate	95%	90%	95% +	93%
	Net Debtors Days	30	60	30	41
LIQUIDITY MANAGEMENT					
	Minimum Liquidity Level	1 – 3 months	1:1	1:1	R 211.4 m[13]
	Liquidity Ratio (Current Assets : Current Liabilities)	1.5:1 – 2 :1	1:1	2:1	1:2.1
LIABILITY MANAGEMENT					
	Debt Service as % of Total Operating Expenditure	6% - 8%	10%	7.5%	3.6%
	Total Debt (Borrowings) / Operating Revenue	45%	40%	35%	12.8%
	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)	n.a.	1.3	1.5	5.55

[12] Not measured separately but consisting of items such as contracted services, other materials, employee related expenses

[13] Average amount above the minimum liquidity requirement, consisting of short term provisions, statutory cash backed reserves, ceded investments and 1 month operating expenditure

		MFMA Norm	Minimum	Healthy	Base Case 10-Year Average
SUSTAINABILITY					
	Net Financial Liabilities Ratio	n.a.	n.a.	< 60%	-1.6%
	Operating Surplus Ratio	n.a.	n.a.	0% - 10%	-0.7%
	Asset Sustainability Ratio	n.a.	n.a.	> 90%	101.3%
FINANCIAL PERFORMANCE					
EFFICIENCY					
	Accounting Surplus	Break even or >0	Break even	> 0	R 132m
	Cash Operating Surplus	n.a.	Break even	> 0	R 134m
	Net Operating Surplus / Total Operating Revenue	>= 0%	Break even	> 0%	8.2%
	Electricity Surplus / Total Electricity Revenue	0% - 15%	> 0%	> 15%	24.3%[14]
	Water Surplus / Total Water Revenue	>= 0%	= 0%	> 0%	70.5%[15]
REVENUE MANAGEMENT					
	% Increase in Billed Income p.a.	CPI	n.a	n.a	9.2%
	Operating Revenue Growth %	CPI	n.a	n.a	8.9%
	Annual Increase per Income Source: Equitable Share	n.a	n.a	n.a	10.0%
	Annual Increase per Income Source: Property Rates	n.a	n.a	n.a	14.7%
	Annual Increase per Income Source: Electricity Services	n.a	n.a	n.a	6.7%
	Annual Increase per Income Source: Water Services	n.a	n.a	n.a	8.2%
EXPENDITURE MANAGEMENT					
	Creditors Payment Period	30	30	30	64
	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	25% - 30%	25%	22%
	Contribution per Expenditure Item: Contracted Services	2% - 5%	2% - 5%	< 5%	5.5%
GRANT DEPENDENCY					
	Total Grants / Total Revenue	n.a.	n.a.	n.a.	15.1%
	Own Source Revenue to Total Operating Revenue	n.a.	n.a.	n.a.	92.4%
	Capital Grants to Total Capital Expenditure	n.a.	n.a.	n.a.	42.2%

[14] Margin between service charges and bulk purchases
[15] Margin between service charges and bulk purchases

12.2. ORGANISATIONAL STRATEGIES

The Municipality will maintain an effective and efficient organisation and promote productivity of all its resources. Very specific strategies to be pursued include:

12.2.1. Organisational Restructuring

MLM is a fast-growing municipality with a high population growth and household formation rate. It also expects more commercial and industrial developments in future. To be able to deliver on its mandates at an acceptable level of service the human resource component will have to be increased in future. It is recommended that this is done pursuant to an organisational study by focusing on the municipality's core functions and taking cognisance of shared service opportunities and Public Private Partnerships.

12.2.2. Shared Services

MLM has already demonstrated its willingness to share services with neighbouring municipalities. To save costs such opportunities should also be pursued in future, not only with other municipalities but also with ERWAT and Rand Water.

12.2.3. Public Private Partnerships

Due to its grading, MLM is constrained in attracting competent operational staff of various categories. One possibility of overcoming this constraint and improve efficiencies is to enter into suitable partnerships with private service providers. MLM has shown that it is prepared to consider such arrangements. We recommend that MLM carefully consider the feasibility of such partnerships and the cost/benefit associated with such mechanisms to rate payers.

12.3. PLANNING STRATEGIES

The Municipality will assess the implication of its long-term planning processes on its financial sustainability. Very specific strategies to be pursued include:

12.3.1. Balanced Development

Due to its location in Gauteng there exists a danger that Midvaal will become a dormitory town for residents working elsewhere. This may become a risk if the proportion of low income and indigent households exceeds the number of households contributing towards the income of the municipality through rates and service charges. It is therefore essential that MLM promote balanced development, not only

regarding the residential market segments but also between residential and other land uses.

12.3.2. Economies of Scale and Concentration

The spatial layout of Midvaal in various nodes and corridors, which is the consequence of historic development patterns, makes the economic provision of infrastructure and services difficult. It is therefore essential that MLM promotes densification within urban boundaries and concentrates development spatially to encourage economies of scale and concentration and carefully phase its developments to avoid incurring costs that cannot be recovered.

12.4. REVENUE RAISING STRATEGIES

The Municipality will continue to work on diversifying and ensuring growth of its revenue base. The following revenue streams need to be maximised:

- Assessment rates
- Revenue from trading services
- Agency fees and fines
- Smart revenue e.g. estate management, adverting rights and other revenue
- Grants
- Donor funding
- Public-Private and Public-Public Partnerships

12.4.1. Attract Investors

MLM's marketing efforts should be aimed at attracting investors into Midvaal that will enhance its ability to generate rates income and service charges surpluses. Such income is essential to cross-subsidise the great need for social infrastructure and services elsewhere in the municipality. We caution the municipality against offering too liberal rebates to such investors.

12.4.2. Excellence in service

MLM is already conscious of the need to provide efficient municipal services to attract investors. We recommend that it also facilitates the provision of other public services, viz. education, health, safety and security, etc. that would further enhance the attraction of Midvaal as an investment destination.

12.4.3. Property Valuations

MLM is encouraged to ensure that the new valuation roll correctly captures all land uses, is rated accordingly and implemented effectively.

12.4.4. Enhance Potential Revenue

We recommend that:

- All rate payers and consumers are captured, data is verified, billing is correct and monies due are collected
- Large consumers are billed correctly for all services used and payments made are correct
- Tariffs reflect cost, including depreciation
- Zero based budgeting is proposed for the future
- Indigent support cases are verified independently
- Maintain indigent support levels at the minimum levels as funded by fiscal transfers

12.4.5. Tariffs

The municipality has commissioned the Palmer Group to undertake a tariff study. It is recommended that depreciation charge on assets is assessed and included in tariffs, even if this must be implemented over a period.

The introduction of pre-paid meters for electricity has persuaded the municipality to abolish the basic charge (fixed component) of tariffs and it is currently considering only a variable charge based on actual usage. The municipality is advised to assess all the risks with this approach. For example, to what extent will the introduction of alternative energy sources by customers reduce the purchase of electricity from the municipality? In the absence of a basic charge the municipality will not be compensated for the availability of the service to customers.

12.5. COST SAVING STRATEGIES

The Municipality will align the expenditure budget not only to anticipated revenue growth, but very specifically to anticipated cash collections to generate both accounting and cash surpluses. Stringent expenditure management remains an important aim.

12.5.1. Level of Services

MLM is conscious of the need to save costs. As demonstrated in the scenario analysis, huge benefits may accrue in the case of significant cost savings. We also realise that

the major expenditure items (salaries & wages and electricity bulk purchases) are regulated expenses which limits the ability to save. We therefore recommend that MLM assess its level of services, and determine to what extent it can save costs by reducing such service levels, e.g. assess the need for refuse removal service on public holidays.

12.5.2. Productivity

By improving the productivity of its human resources, MLM may be able to save on expenditure. We recommend that the municipality investigate areas that are suitable for improving productivity and implement appropriate corrective measures.

12.6. FINANCIAL MANAGEMENT STRATEGIES

The sustainability and financial wellbeing of the Municipality is linked directly to sound financial management. In this regard the Municipality will continuously:

- Ensure that it complies with GRAP standards
- Review and update all policies and procedures annually
- Automate National Treasury reporting templates to ensure proper reporting
- Train and develop staff to minimize the use of the consultants
- Document processes to improve on the institutional memory
- Maintain an effective system of expenditure control, including procedures for approval authorization, withdrawal and payment of funds
- Prepare annual financial statements timeously and review performance and achievements
- Preserve and diversify its investment portfolio to maximize returns
- Ensure that multi-year forecasts are sustainable

Very specific strategies to be pursued include:

12.6.1. Adopt a Municipal Viability Framework

Healthy Liquidity is considered the key factor for effectively managing the financial viability of the Municipality in the longer term in conjunction with the necessary financial ratios against which to monitor actual performance. The framework provided in Annexure 6 presents ratios within which to manage liquidity, operational performance and external gearing. We recommend that MLM adopts the proposed Municipal Viability Framework in this report for quarterly reporting to Council.

12.7. ASSET MANAGEMENT STRATEGIES

The Municipality will ensure that its assets are properly accounted for and safeguarded. Leveraging on the municipal assets will drive the economic growth and sustainable development of the Municipality. In particular:

12.7.1. Integrated Asset Management

Integrated asset management aims to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers. This encompasses practices associated with considering management strategies as part of the asset lifecycle by minimizing long term costs. Such practices include management of assets, asset information (such as location and condition), demand forecasts, risk assessment and mitigation, maintenance, replacement, refurbishment and renewal programmes and procedures.

MLM's Asset Registers are not suitable for asset management and are used for accounting purposes only. We recommend that MLM investigate the opportunity of combining the system used by the Finance Department with the system implemented by the Engineering Service Directorate. This would be a first step in implementing integrated asset management. We recommend that it then actively proceeds to migrate (over several years) to implementing integrated asset management where expenditure on new infrastructure, replacement infrastructure and repairs and maintenance expenditure are optimised.

12.7.2. Prepare a Comprehensive Municipal Infrastructure Plan

We recommend that in addition to the sector master plans the municipality compiles a Comprehensive Municipal Infrastructure Plan that would assist in providing an overview of the state of infrastructure in the municipality and the key issues and strategic options. Such a plan will prevent level of service and funding decisions in one sector being considered in isolation from the others and allow for determining of priorities. This plan can then be updated annually with the latest information on asset replacement and provision of new infrastructure.

12.7.3. Assess Condition of Assets

There is a danger that MLM as a relatively young municipality with a focus on new developments and investment in new infrastructure will neglect the repairs and maintenance of its existing assets as well as replacement thereof when their useful life expires. We recommend that an accurate assessment of the condition of infrastructure asset components is undertaken and that repair and maintenance plans and asset replacement strategies are devised to ensure optimal use of these assets.

12.8. CAPITAL FINANCING STRATEGIES

It is essential to prioritise the allocation of resources to strategic infrastructure assets as part of the long-term growth strategy. Public infrastructure such as roads and bulk services for water and sanitation are key in terms of development and growth of the city. For the Municipality to deliver on its core mandate and achieve its developmental goals it needs to explore different funding opportunities.

Municipal infrastructure has a long term economic life and a general principle is that the future users of the infrastructure should contribute towards the payment for capital expenditure by servicing the loans taken up now for immediate implementation of that infrastructure.

12.8.1. Capital Contributions

A large funding source for new bulk infrastructure is developers' bulk contributions. We recommend that MLM regularly updates a schedule of estimates of future capital contributions based on the latest intelligence of prospective developments.

We also recommend that the municipality ensure that developers' contribution whether in kind or in cash is provided such that MLM is not obliged to incur expenses that would leave it out of pocket. However, specific care should be taken not to "bank short term gains" at the expense of long term benefits.

12.8.2. Fund a Capital Replacement Reserve ("CRR")

In the light of the relatively high household bill in Midvaal, we recommend that tariffs are progressively increased to also include a depreciation charge that can be used to fund a cash backed CRR which in turn can be applied towards the funding of the replacement of ageing infrastructure.

12.8.3. Project Funding

MLM's rate base cannot support large infrastructure investments with a long ramp up period for revenue generation. Either projects must generate revenue that can service external financing within a relative short period after completion or the covenants of such financing must allow for extended capital (and interest) grace periods.

The available land in Midvaal and its beneficial location in the context of a greater Gauteng may be sufficient motivation for MLM to approach the Province of Gauteng for project funding support.

12.9. OPERATIONAL FINANCING STRATEGIES

Operational efficiency will be improved by maximising the collection rates and managing the underlying items of current assets and current liabilities optimally.

12.9.1. Implement an Integrated System of Debt Collection and Credit Control

Suitably experienced private sector service provider can improve efficiencies in rendering debt collection and other administrative services. We recommend that MLM seriously considers contracting private debt managers to provide a comprehensive credit control and customer care process, which combines a disciplined focus on those able but unwilling to pay with a compassionate approach towards those households unable to pay.

12.10. FINANCIAL MANAGEMENT POLICIES

The aim of the financial policies is to provide guidance in terms of financial management and ultimately to ensure sound and sustainable management of the fiscal and financial affairs of the Municipality. The Municipality will review its policies annually.

12.11. ACTION

It is recommended that the Municipal Manager under the oversight of the Mayoral Committee action each of the recommendations made once these are adopted.

ANNEXURE 1: INDEPENDENT FINANCIAL ASSESSMENT AGAINST THE BACKGROUND OF MIDVAAL LOCAL MUNICIPALITY'S DEMOGRAPHIC, ECONOMIC & HOUSEHOLD INFRASTRUCTURE SITUATION

[SEE SEPARATE DOCUMENT]

ANNEXURE 2: BASE CASE SUMMARY PROJECTED FINANCIAL STATEMENTS

Municipal Financial Model - Midvaal
Statement of Financial Position

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
R thousand/s										
Non-current assets:	1 994 589	2 031 399	2 033 818	2 044 702	2 154 341	2 190 370	2 271 743	2 468 455	2 824 735	3 272 383
Property plant and equipment	1 949 839	1 983 119	1 979 538	1 996 422	2 108 061	2 142 090	2 223 463	2 420 175	2 776 455	3 224 103
Intangible assets	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695	1 695
Investment properties	46 566	46 566	46 566	46 566	46 566	46 566	46 566	46 566	46 566	46 566
Investments	–	–	–	–	–	–	–	–	–	–
Long-term receivables	–	–	–	–	–	–	–	–	–	–
Other non-current assets	19	19	19	19	19	19	19	19	19	19
Current assets:	297 354	288 538	311 550	359 230	382 368	443 472	509 511	578 695	814 446	805 740
Inventories	8 552	11 405	12 181	13 041	13 860	14 529	16 084	17 380	18 741	20 279
Trade and other receivables	122 432	122 432	122 432	122 432	122 432	122 432	122 432	122 432	122 432	122 432
Cash & Short term investments	166 370	154 697	176 936	223 757	246 076	306 114	370 994	438 913	673 273	663 033
TOTAL ASSETS	**2 293 942**	**2 319 937**	**2 338 368**	**2 403 932**	**2 536 709**	**2 633 842**	**2 781 254**	**3 047 150**	**3 639 182**	**3 878 123**
Municipal Funds:	1 561 129	1 940 572	1 957 669	2 033 664	2 152 992	2 267 482	2 421 163	2 646 210	2 954 029	3 286 226
Housing development fund & Other Cash Backed Reserves	–	–	–	–	–	–	–	–	–	–
Reserves (Not Cash Backed)	–	–	–	–	–	–	–	–	–	–
Accumulated surplus	1 561 129	1 940 572	1 957 669	2 033 664	2 152 992	2 267 482	2 421 163	2 646 210	2 954 029	3 286 226
Non-current liabilities:	174 198	211 929	196 347	174 867	180 784	149 500	147 335	170 903	234 510	320 746
Long-term liabilities (Interest Bearing)	129 658	162 897	144 422	119 931	122 536	88 059	81 436	100 646	159 353	240 255
Non-current provisions	45 540	49 032	51 925	54 936	58 248	61 691	65 899	70 257	75 157	80 491
Current liabilities:	138 615	167 036	181 351	186 371	204 933	216 410	212 756	229 986	250 643	271 152
Consumer deposits	19 419	23 090	25 010	32 914	34 984	36 601	38 678	40 502	43 361	46 046
Provisions	–	–	–	–	–	–	–	–	–	–
Trade and other payables	93 416	115 470	123 292	131 366	137 855	145 332	153 303	161 724	170 969	181 007
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Current portion of interest bearing liabilities	25 779	28 472	29 049	31 091	32 095	34 476	20 775	27 300	36 253	44 098
TOTAL MUNICIPAL FUNDS AND LIABILITIES	**2 293 942**	**2 319 937**	**2 338 368**	**2 403 932**	**2 536 709**	**2 633 842**	**2 781 254**	**3 047 150**	**3 639 182**	**3 878 123**

Municipal Financial Model - Midvaal
Statement of Financial Performance

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
R thousands										
Revenue										
Property rates	144 578	169 854	197 752	229 977	267 678	310 600	359 906	417 388	486 048	568 282
Service Charges	540 332	571 726	636 469	686 177	719 386	752 435	788 579	834 579	885 612	941 084
Operating grants and subsidies	96 447	105 451	117 030	129 113	138 433	146 152	154 380	163 221	172 782	183 181
Interest earned investments	6 400	10 814	8 818	9 908	12 223	13 455	16 908	20 850	26 231	27 923
Interest earned outstanding debtors	12 509	12 497	12 881	13 770	14 352	15 205	16 223	17 534	19 097	20 930
Dividends received	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	1 907	1 817	2 092	2 322	2 500	2 693	2 902	3 130	3 381	3 698
Licences and permits	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–
Fines	57 265	64 726	74 629	82 728	89 575	96 929	103 370	111 937	120 446	130 305
Revaluation on investment property gain / (loss)	–	–	–	–	–	–	–	–	–	–
Gain / (Loss) on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Other income	23 906	27 021	31 113	34 537	37 186	40 046	43 154	46 551	50 282	54 398
Total revenue before Capital Grants	882 044	963 907	1 080 724	1 188 532	1 279 835	1 376 512	1 485 420	1 614 856	1 762 880	1 929 770
Capital Grants	14 338	56 727	64 381	87 066	90 891	94 887	99 060	103 419	107 972	112 729
Public & developers contributions	3 320	3 494	13 373	17 092	40 000	20 000	30 000	75 000	130 000	130 000
Total Revenue after Capital Grants	899 712	1 024 128	1 158 478	1 292 690	1 410 727	1 491 399	1 619 480	1 793 275	2 000 852	2 172 499
Operating expenditure										
Employee related costs	211 151	259 715	277 766	294 987	317 001	340 674	366 205	394 217	424 763	468 319
Remuneration of councillors	9 521	12 203	13 051	13 960	14 894	16 007	17 211	18 522	19 957	21 534
Depreciation, amortisation and asset impairment	112 758	109 182	111 132	110 708	111 878	118 134	120 041	124 601	135 625	155 590
Repairs and maintenance	–	–	–	–	–	–	–	–	–	–
Finance costs	17 388	21 618	20 070	17 900	18 119	15 151	13 112	14 112	20 765	29 981
Bulk purchases	302 137	282 940	319 880	345 091	365 218	386 790	409 844	434 029	461 029	490 471
Contracted services	40 131	76 262	73 828	78 113	84 103	90 671	97 699	105 282	113 722	123 030
General expenses	103 444	198 291	211 721	226 959	240 806	259 424	279 585	301 592	325 737	352 399
Contribution to (Release from) Provisions	(673)	3 492	2 850	3 011	3 312	3 643	4 008	4 408	4 849	5 334
Bad debts impairment	91 506	100 582	114 441	126 340	136 006	146 545	158 126	171 494	186 987	203 641
Total Expenditure	887 259	1 064 284	1 141 781	1 216 985	1 291 429	1 376 909	1 485 799	1 598 227	1 693 034	1 849 301
Surplus/ (Shortfall) for the year	**12 452**	**(40 156)**	**16 697**	**75 825**	**119 298**	**114 490**	**133 681**	**225 048**	**307 818**	**322 197**

Municipal Financial Model - Midvaal
Cash Flow Statement

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
R thousands										
Cash flows from Operating Activities										
Surplus/Deficit for the year excluding Capital Grants	12 452	(40 156)	16 697	75 825	119 298	114 490	133 681	225 048	307 818	322 197
Surplus/Deficit for the year excluding Capital Grants & Contributions	(5 216)	(156 377)	(61 057)	(29 133)	(11 594)	(257)	19 621	46 629	69 846	69 469
Capital Grants & Contributions	17 668	40 221	77 754	104 958	130 891	114 887	134 060	178 419	237 972	252 729
Adjustments for non-cash items:										
Depreciation, amortisation and impairment loss	112 758	109 182	111 132	110 708	111 878	118 134	120 041	124 601	135 625	155 590
Revaluation on investment property (gain) loss	–	–	–	–	–	–	–	–	–	–
Increase / (Release from) current provisions & non-interest bearing liabilities	–	–	–	–	–	–	–	–	–	–
Increase / (Release from) other non-current provisions & non-interest bearing liabilities	(673)	3 492	2 850	3 011	3 312	3 643	4 008	4 408	4 849	5 334
(Increase) / Release from non-current interest bearing assets	–	–	–	–	–	–	–	–	–	–
Capitalised interest	–	–	–	–	–	–	–	–	–	–
Operating surplus before working capital changes:	124 536	72 517	130 722	189 744	234 468	236 267	277 730	354 657	448 292	483 122
Change in WC investment	2 361	16 556	7 048	7 245	5 839	6 412	6 912	7 155	7 054	5 534
(Increase)/decrease in inventories	3 464	(5 457)	(773)	(809)	(819)	(1 046)	(1 159)	(1 304)	(1 391)	(1 534)
(Increase)/decrease accounts receivable	6 761	–	–	–	0	0	–	(0)	(0)	–
Increase/(decrease) in trade payables	(9 864)	22 013	7 822	8 055	6 658	7 458	7 971	8 459	8 446	10 068
Net cash flow from Operating activities	126 898	89 114	137 772	196 989	240 127	242 679	284 642	361 212	455 146	501 656
Cash flows from Investing Activities										
Capital expenditure	(99 930)	(143 993)	(109 561)	(101 992)	(223 617)	(152 163)	(201 414)	(221 213)	(491 986)	(633 236)
Decrease/(Increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–
(Additions) / Disposals of investment property	–	–	–	–	–	–	–	–	–	–
Net cash flow from Investing activities	(99 930)	(143 993)	(109 561)	(101 992)	(223 617)	(152 163)	(201 414)	(221 213)	(491 986)	(633 236)
Cash flows from Financing Activities										
New loans raised	8 440	62 710	10 570	9 570	35 000	–	14 152	46 640	56 000	126 000
Loans repaid	(22 989)	(25 779)	(28 472)	(29 545)	(31 561)	(32 389)	(34 478)	(35 775)	(37 300)	(38 253)
(Decrease) / Increase in consumer deposits	5 669	3 678	5 928	3 999	1 778	1 917	2 077	2 254	2 448	2 665
Net cash flow from Financing activities	(8 880)	40 609	(11 974)	(15 976)	5 218	(30 472)	(18 247)	20 119	21 148	90 412
Change in Cash	68 068	(14 270)	16 236	46 021	21 318	60 044	64 981	87 118	34 308	(40 168)
Cash/(Overdraft), Beginning	100 000	168 068	154 697	170 934	223 757	245 076	305 114	370 964	458 013	473 273
Cash/(Overdraft), Ending	**168 068**	**154 697**	**170 934**	**220 757**	**245 076**	**305 114**	**370 964**	**458 013**	**473 273**	**433 833**

ANNEXURE 3: RATIO ANALYSIS

YEAR			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
FINANCIAL POSITION												
ASSET MANAGEMENT												
R29	Capital Expenditure / Total Expenditure	10% - 20%	5.2%	11.9%	8.3%	9.8%	20.6%	15.2%	16.9%	20.6%	24.8%	24.2%
DEBTORS MANAGEMENT												
R4	Gross Consumer Debtors Growth		10.2%	9.9%	10.4%	10.3%	9.7%	9.4%	9.1%	9.1%	9.2%	9.3%
R5	Payment Ratio / Collection Rate	95%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%
	Net Debtors Days	30	60	55	51	45	41	38	35	33	30	27
LIQUIDITY MANAGEMENT												
R49	Cash Coverage Ratio (excl. Working Capital)		12802.7 : 1	5158.1 : 1	5329.8 : 1	5224.2 : 1	4765.3 : 1	4863.1 : 1	4701.4 : 1	4300.4 : 1	3017.7 : 1	1175.2 : 1
R50	Cash Coverage Ratio (incl. Working Capital)		3 : 1	2.2 : 1	2.3 : 1	2.7 : 1	2.4 : 1	2.4 : 1	2.2 : 1	1.9 : 1	1.3 : 1	0.5 : 1
R51	Cash Surplus / Shortfall on Minimum Liquidity Requirements		R 112.0 m	R 83.5 m	R 100.6 m	R 142.1 m	R 121.2 m	R 126.9 m	R 120.5 m	R 101.6 m	R 35.9 m	-R 64.1 m
R1	Liquidity Ratio (Current Assets : Current Liabilities)	1:1.5 - 1:2.1	1 : 2.15	1 : 1.73	1 : 1.72	1 : 1.78	1 : 1.59	1 : 1.53	1 : 1.51	1 : 1.34	1 : 1.03	1 : 0.66
LIABILITY MANAGEMENT												
R45	Debt Service as % of Total Operating Expenditure	6% - 8%	4.6%	4.5%	4.3%	3.9%	4.9%	5.3%	5.8%	5.4%	6.3%	6.8%
R6	Total Debt (Borrowings) /	45%	17.5%	19.9%	16.1%	12.7%	18.8%	20.0%	21.5%	24.7%	28.5%	29.0%

YEAR			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Operating Revenue											
R7	Repayment Capacity Ratio		1.41	2.84	1.47	0.84	1.17	1.40	1.42	1.39	1.38	1.39
R46	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)		3.1 : 1	1.9 : 1	2.8 : 1	4.2 : 1	3.7 : 1	3.1 : 1	3 : 1	3.8 : 1	3.8 : 1	3.6 : 1
SUSTAINABILITY												
	Net Financial Liabilities Ratio	< 60%	1.8%	9.4%	6.1%	0.9%	9.9%	11.7%	14.6%	19.9%	28.3%	34.4%
	Operating Surplus Ratio	0% - 10%	-0.6%	-10.4%	-5.6%	-2.4%	-1.5%	-1.7%	-1.2%	-0.3%	0.3%	1.0%
	Asset Sustainability Ratio	> 90%	32.2%	108.1%	76.5%	104.3%	110.4%	106.1%	107.5%	107.1%	103.3%	96.1%

FINANCIAL PERFORMANCE												
EFFICIENCY												
R42	Net Operating Surplus / Total Operating Revenue	>= 0%	1.4%	-4.2%	1.5%	6.4%	8.7%	6.6%	7.9%	10.8%	13.9%	13.7%
R43	Electricity Surplus / Total Electricity Revenue	0% - 15%	24.2%	31.7%	28.4%	25.7%	24.3%	22.9%	21.5%	21.5%	21.5%	21.5%
R44	Water Surplus / Total Water Revenue	>= 0%	59.5%	64.6%	68.9%	71.6%	72.2%	72.7%	73.2%	73.7%	74.1%	74.6%
REVENUE MANAGEMENT												
R8	Increase in Billed Income p.a. (R'm)		R 58.1 m	R 56.9 m	R 92.9 m	R 82.1 m	R 70.1 m	R 77.2 m	R 85.7 m	R 103.8 m	R 119.8 m	R 138.0 m
R9	% Increase in Billed Income p.a.	CPI	9.2%	8.3%	12.5%	9.8%	7.6%	7.8%	8.0%	9.0%	9.5%	10.0%
R12	Operating Revenue Growth %	CPI	7.5%	9.3%	12.1%	10.0%	7.7%	7.4%	7.7%	8.5%	8.9%	9.2%

YEAR			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
R14	Contribution per Income Source: Equitable Share		8.7%	9.0%	9.0%	9.1%	9.3%	9.2%	9.1%	8.9%	8.7%	8.5%
R15	Contribution per Income Source: Conditional Operating Grants		2.2%	2.0%	1.8%	1.8%	1.6%	1.5%	1.4%	1.2%	1.1%	1.0%
R16	Contribution per Income Source: Property Rates		16.4%	17.6%	18.3%	19.3%	20.9%	22.6%	24.3%	26.0%	27.8%	29.7%
R17	Contribution per Income Source: Electricity Services		35.4%	33.3%	32.8%	31.9%	30.9%	30.1%	29.2%	28.6%	28.0%	27.4%
R18	Contribution per Income Source: Water Services		18.4%	18.6%	18.8%	18.7%	18.4%	18.0%	17.7%	17.2%	16.7%	16.3%
R19	Contribution per Income Source: Interest on Investments		0.7%	1.1%	0.8%	0.8%	1.0%	0.8%	0.8%	0.8%	0.7%	0.5%
R20	Annual Increase per Income Source: Equitable Share		20.5%	13.0%	12.9%	10.7%	9.8%	6.5%	6.5%	6.6%	6.7%	6.8%
R21	Annual Increase per Income Source: Property Rates		-1.2%	17.5%	16.4%	16.3%	16.4%	16.0%	15.9%	16.0%	16.5%	16.9%
R22	Annual Increase per Income Source: Electricity Services		14.0%	2.9%	10.3%	7.1%	4.4%	4.5%	4.5%	6.3%	6.7%	6.8%
R23	Annual Increase per Income Source: Water Services		13.8%	10.6%	13.4%	9.4%	5.6%	5.6%	5.6%	5.7%	5.8%	6.0%
R24	Annual Increase per Income Source: Interest on Investments		-15.9%	69.0%	-18.5%	12.4%	23.4%	-6.5%	6.8%	1.9%	-3.0%	-25.3%
R47	Cash Generated by Operations / Own Revenue		16.1%	10.3%	14.1%	18.3%	19.6%	18.1%	19.0%	21.5%	24.2%	24.5%
R48	Cash Generated by Operations / Total Operating Revenue		14.4%	9.2%	12.7%	16.6%	18.1%	16.4%	17.5%	20.3%	23.6%	23.8%
EXPENDITURE MANAGEMENT												
	Creditors Payment Period	30	76	65	71	69	55	62	60	54	49	49
R30	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	23.6%	22.5%	23.4%	22.9%	20.3%	21.6%	21.3%	20.3%	19.2%	19.2%
	Contribution per Expenditure Item: Contracted Services	2% - 5%	4.3%	6.3%	5.9%	5.8%	5.1%	5.5%	5.4%	5.2%	4.9%	4.9%
R31	Contribution per Expenditure Item: Electricity Services		25.3%	18.2%	20.4%	20.9%	18.3%	19.4%	18.8%	17.8%	16.6%	16.5%
R32	Contribution per Expenditure Item: Water Services		7.0%	5.3%	5.1%	4.7%	4.0%	4.1%	3.9%	3.6%	3.3%	3.2%
R33	Contribution per Expenditure Item: Repairs & Maintenance		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R34	Contribution per Expenditure Item: Depreciation and Asset Impairment		12.0%	9.0%	8.9%	8.2%	6.8%	7.6%	7.3%	7.0%	6.8%	7.2%
R35	Contribution per Expenditure Item: External Interest Charged		1.9%	1.8%	1.6%	1.3%	1.6%	1.8%	1.9%	2.0%	2.2%	2.3%
R36	Annual Increase per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)		3.9%	23.0%	7.0%	6.2%	7.5%	7.5%	7.5%	7.6%	7.7%	7.9%
R37	Annual Increase per Expenditure Item: Electricity Services		27.9%	-7.2%	15.6%	11.1%	6.3%	6.4%	6.5%	6.3%	6.7%	6.8%
R38	Annual Increase per Expenditure Item: Water Services		21.2%	-1.2%	-0.5%	-0.1%	3.6%	3.6%	3.7%	3.8%	3.9%	4.1%
R39	Annual Increase per Expenditure Item: Repairs & Maintenance		Reclassified in according to mSCOA									
R40	Annual Increase per Expenditure Item: Depreciation		0.0%	-3.2%	1.8%	-0.4%	1.1%	11.3%	5.6%	7.3%	11.0%	14.9%
R41	Annual Increase per Expenditure Item: External Interest Charged		-8.0%	24.3%	-7.2%	-10.8%	47.1%	13.4%	14.4%	19.0%	25.8%	12.5%
GRANT DEPENDENCY												
R10	Total Grants / Total Revenue		12.2%	15.8%	15.7%	16.7%	16.3%	16.2%	15.7%	14.9%	14.1%	13.7%

YEAR			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
R11	Own Source Revenue to Total Operating Revenue		89.6%	89.4%	90.4%	90.6%	92.3%	90.8%	91.9%	94.5%	97.6%	97.2%
	Capital Grants to Total Capital Expenditure		29.1%	39.4%	62.2%	66.2%	26.9%	37.9%	32.6%	24.7%	18.8%	18.7%

These ratios are calculated from the output of the model and can at best only approximate the calculation based on actual accounts.

DEFINITIONS	
Liquidity Ratios	
Current Ratio	*Current Assets / Current Liabilities*
Quick Liquidity Ratio	*(Current Assets - Debtors > 30 days) / Current Liabilities*
Minimum Liquidity Level (or Cost Coverage)	*((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Gain and Loss on Disposal of Assets)*
Overdraft to Total Income	*Overdraft / Total Operating Revenue*
Operational Ratios	
Accounting Surplus	*Total Operating Revenue + Conditional Grants - Total Operating Expenditure*
Cash Operating Surplus	*Total Operating Revenue - Total Operating Expenditure + Working Capital*
Cash from Operations as a % of own Revenue	*Operating Cash / Operating Revenue*
Repairs and Maintenance to PPE	*Total Repairs and Maintenance Expenditure / Carrying Value of PPE x 100*
Debtors Payment Ratio	*(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off) / Billed Revenue x 100*
Staff Costs	*Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100*
External Gearing Ratios	
External Loan Liability Paid Coverage Ratio	*(Total Operating Revenue - Total Operating Expenditure (excluding non-cash items)) / Capital Cost (Interest Paid and Redemption)*
External Interest and Capital Paid to Total Expenditure	*Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100*
External Gearing Ratio (or Debt as a % of Own Revenue)	*(Overdraft + Current Finance Lease Obligation + Non-Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue*
Other Ratios	
Level of Grant Dependency	*(Total Grants) / (Total Operating Revenue)*
Operating Surplus Ratio	*(Operating Revenue - Operating Expenditure) / Operating Revenue*
Net Financial Liabilities Ratio	*(Total Liabilities - Current Assets) / Operating Revenue (excl Capital Grants)*
Asset Sustainability Ratio	*Capex for Replacement / Depreciation*

ANNEXURE 4: ASSETS EARMARKED FOR REPLACEMENT

The asset register of the municipality was analysed mechanistically (without engineering judgement) and a replacement schedule of the Annual Replacement Cost of different asset classes was determined. This was done with reference to the "Life" as recorded in the asset register. This may not necessarily take the condition of the asset into account. The values in the Tables below are in nominal Rand values, escalated to the date of replacement.

TABLE 4.1: MIDVAAL: ESTIMATED ANNUAL REPLACEMENT COST AS EXTRACTED FROM THE ASSET REGISTER (RM NOMINAL)

	TOTAL	2015/16 & before	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Community	121.2	0.0	0.0	0.7	0.8	46.6	0.1	43.6	0.5	0.0	0.9	27.9
Heritage Assets	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Infrastructure	1 933.1	0.0	0.3	3.1	25.7	100.1	9.7	6.5	317.5	1 374.0	3.2	92.8
Intangible Assets	5.9	0.0	0.0	0.0	0.3	0.1	2.4	0.0	0.0	0.4	0.2	2.5
Investment Properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Leased Assets	48.8	0.0	0.0	0.0	1.2	2.2	22.3	3.2	14.4	0.0	2.2	3.4
Other	131.5	0.1	3.3	0.8	23.1	48.3	19.6	7.6	5.1	5.5	8.3	10.0
TOTAL	2 240.7	0.1	3.6	4.6	51.1	197.4	54.2	60.8	337.6	1 379.9	14.9	136.5

We have amended the estimated replacement costs. This was achieved by:

- Assuming that the actual remaining life of assets will exceed the life recorded in the asset register,
- Assuming that only a percentage of assets will be replaced when their estimated useful life expires,
- Spreading replacement not done in the past over several future years, and
- Smoothing the constant 2016 value over the Planning Period and reverting these back to nominal values.

The outcome of this analysis is presented in the Table below:

TABLE 4.2: MIDVAAL: SPREAD, REVISED, REDUCED AND SMOOTHED ESTIMATED ASSET REPLACEMENT COST (RM NOMINAL)

		0	1	2	3	4	5	6	7	8	9	10
	TOTAL	*<=2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
ARC (Rm Nominal) Original	2 240.7	0.1	3.6	4.6	51.1	197.4	54.2	60.8	337.6	1 379.9	14.9	136.5
ARC (Rm Nominal) Historic spread into future, Revised & Reduced	1 695.6	0.0	2.9	3.1	40.2	120.6	43.3	13.8	269.6	1 103.9	11.2	86.9
ARC (Rm Constant 2016)	1 066.7	0.0	2.7	2.8	33.3	93.8	31.6	9.5	173.5	667.0	6.4	46.3
ARC (Rm Constant) (Smoothed)	1 066.7	0.0	106.7	106.7	106.7	106.7	106.7	106.7	106.7	106.7	106.7	106.7
ARC (Rm Nominal) (Smoothed)	1 533.1	0.0	113.6	121.0	128.9	137.2	146.2	155.7	165.8	176.5	188.0	200.2

ANNEXURE 5: NEW CAPITAL INVESTMENTS

The IDP does not provide a long term (10 years plus) indication of capex requirements. However, during conversations with representatives of the various directorates a long-term capex estimate was provided.

TABLE 5.1: TOTAL CAPEX DEMAND AS PRESENTED BY MLM (RM)

R million	Past	1	2	3	4	5	6	7	8	9	10
	Estimates	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Infrastructure											
Electrical[2]	612	94	154	159	157	16	16	0	68	72	78
Water[3]	1 055	0	29	123	450	318	308	24	0	257	0
Sewer[4]	1 470	35	149	398	324	210	165	40	26	110	443
Solid Waste[5]	100	0	0	0	0	0	0	80	0	0	98
Streets[6]	400	0	0	0	0	0	0	201	344	138	0
Stormwater[7]	0	0	0	0	0	0	0	0	0	0	0
Total	**3 637**	**129**	**332**	**679**	**931**	**545**	**489**	**345**	**437**	**578**	**618**
Firestations[8]	75	4	9	18	20	21	17	12	0	0	0
Equipment & vehicles for Traffic[9]	10	0	1	1	1	1	2	2	2	2	2
Social infrastructure (Cemeteries, etc.)[10]	100	0	11	0	0	0	75	16	17	18	20
Other (Moveables, vehicles)[11]	200	9	14	25	26	28	30	32	34	37	39
Accommodation (e.g. Savanna City Offices)[12]	50	0	46	0	0	0	0	0	17	0	0
MLM Total	**4 072**	**141**	**412**	**723**	**978**	**596**	**612**	**407**	**508**	**635**	**679**

Notes:

1. Midvaal 10-Year Bulk Infrastructure Development Plan; VE 0110/4; 22 Nov 2016
2. 10 Year project list provided by the PMU of Midvaal; 29 Nov 2016
3. 10 Year project list provided by the PMU of Midvaal; 29 Nov 2016
4. 10 Year project list provided by the PMU of Midvaal; 29 Nov 2016
5. Estimate based on conversation with Executive Director Social Services; 29 Nov 2016
6. 10 Year project list provided by the PMU of Midvaal; 29 Nov 2016
7. Included in Roads
8. Internal Memorandum to the Executive Director Protection Services 22 Nov 2016
9. Internal Memorandum to the Executive Director Protection Services 22 Nov 2017
10. Estimate based on conversation with Executive Director Social Services; 29 Nov 2016
11. Raised Directorates but not quantified
12. Estimate based on conversation with Executive Director Engineering Services; 29 Nov 2016

The municipality's MTREF reflects the following capex amounts for the period 2016/17 to 2019/20:

TABLE 5.2: MTREF CAPEX (RM)

	2016/17	2017/18	2018/19	2019/20
MTREF Cap Budget	**48.9**	**144.0**	**103.6**	**131.6**

We did an independent high-level estimate of future new capital expenditure based on a number of assumptions. The Table below presents an estimate of the New Infrastructure Demand for the period 2016/17 to 2025/26 and is based on a quantification of infrastructure backlogs and infrastructure required for new household formation as well as Moveable and Other Assets.

TABLE 5.3: INCA ESTIMATE OF FUTURE NEW CAPITAL EXPENDITURE DEMAND (RM)

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Opening Balance of Households	36 250	38 372	40 419	43 443	45 929	46 708	47 459	48 182	48 815	49 458
Add new household formation	2 122	2 047	3 024	2 486	779	752	723	633	643	653
Closing Balance of Households	38 372	40 419	43 443	45 929	46 708	47 459	48 182	48 815	49 458	50 110
# Housing										
Eradicate Backlogs	389	389	389	389	389	389	389	389	389	389
New Households	2 122	2 047	3 024	2 486	779	752	723	633	643	653
Total No of Households Provided with Infrastructure	2 511	2 436	3 412	2 874	1 168	1 140	1 111	1 021	1 031	1 041
# Households for which Infrastructure Backlogs Need to be Eradicated										
Water	151	151	151	151	151	151	151	151	151	151
Sanitation	147	147	147	147	147	147	147	147	147	147
Electricity	323	323	323	323	323	323	323	323	323	323
Cost Estimates (Rm)										
Water	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.1
Sanitation	1.5	1.6	1.7	1.9	2.0	2.1	2.3	2.4	2.6	2.8
Electricity	4.4	4.8	5.1	5.4	5.8	6.2	6.7	7.1	7.6	8.2
Housing										
Internal Infrastructure	179.7	186.5	279.6	252.0	109.5	114.5	119.4	117.3	126.8	137.0
Bulk Infrastructure	178.2	185.0	277.3	250.0	108.6	113.5	118.4	116.4	125.8	135.9
Total Infrastructure Cost Estimate	365.0	379.1	565.0	510.6	227.4	237.9	248.4	245.1	264.7	285.9
Allow for Movable and Other Assets	36.5	37.9	56.5	51.1	22.7	23.8	24.8	24.5	26.5	28.6
Total New Capex Estimate	**401.5**	**417.0**	**621.5**	**561.7**	**250.2**	**261.7**	**273.2**	**269.6**	**291.2**	**314.5**

ANNEXURE 6: VIABILITY FRAMEWORK

12.12. A proposed framework is provided below, within which to manage liquidity, operational performance and external gearing and is aligned to MFMA Circular No. 71.

12.13. The municipality is advised to include these ratios in the relevant revised financial policies:

Liquidity Ratios

12.14. Standard Liquidity Ratio (The ability to fully provide for current liabilities with current assets.)

Minimum norm: 1:1
Healthy norm: 2:1
MFMA norm: 1.5 – 2:1

12.15. Quick Liquidity Ratio (The ability to provide for current liabilities with liquid current assets therefore current assets including only 30-day debtors.)

Minimum norm: 1:1
Healthy norm: 2:1
MFMA norm: None

12.16. Minimum Liquidity Level (Holding sufficient cash and investments to fully provide for the sum of unspent conditional grants, short term provisions, ceded investments, cash backed reserves and provisions and at least one month of operating expenditure (excluding non-cash expenses).

Minimum norm: 1:1
Healthy norm: 1:1 plus an additional month's operational expenditure
MFMA norm: 1 – 3 months

MFMA calculation excludes cash backed reserves and short-term provisions; however, an additional ratio is stipulated in Circular 71 regarding the Level of Cash Backed Reserves.

12.17. Overdraft to Total Income (Preferably a municipality should not have an overdraft facility at all at year end, however should an overdraft facility be used it should not exceed 5% of Total Income.)

Maximum norm: 5%
Healthy norm: 0%
MFMA: None

12.18. Other ratios as stipulated below are to be managed at levels applicable to the Municipality and although industry benchmarks exist it is more prudent to set objectives given the current financial context of the Municipality. The following ratios are recommended for consideration and it would be prudent to report hereon on a quarterly basis to the Finance Committee:

Operational Ratios

12.19. Total Accounting Surplus (The ability to post an accounting operational surplus where Total Income exceeds Total Expenditure with a positive margin.)

Minimum norm: Break-even of the above calculation
Healthy norm: Positive margin that is maintained
MFMA norm: Break-even or >0

12.20. Cash Operating Surplus (The ability to generate surplus cash from operational performance therefore Total Income less conditional transfers less total expenditure excluding non-cash items adjusted for changes in working capital should be positive.)

Minimum norm: Break-even of the above calculation
Healthy norm: Positive margin that is maintained
MFMA norm: None

12.21. Repairs and maintenance to Total Expenditure (The ability of the municipality to effectively maintain the infrastructure assets from which it derives its primary income.)

Minimum norm: 5%
Healthy norm: 7%
MFMA norm: 8%

MFMA calculation differs in using the Property, Plant and Equipment (carrying value) as the base of the ratio instead of Total Expenditure.

12.22. Consumer Collection Levels (For a municipality to maintain its viability it should maintain its collection levels at least above 90%. Growth in gross consumer debtors including debts written off in the financial year as a percentage of billed income including equitable share, will provide the non-collection level therefore the difference will indicate the consumer collection level.)

Minimum norm: 90%
Healthy norm: 95%+
MFMA norm: 95%

12.23. Staff Costs, Allowances and Wages (The level of staff costs, allowances and wages to total operational expenditure needs to be effectively managed to ensure that costs aren't considered too high, but also that the municipality is not under capacitated and employment levels are too low.)

Minimum norm: 25%
Healthy norm: 25% to 30%
MFMA norm: 25% to 40%

External Gearing Ratios

12.24. Proposed External Gearing ratios are subject to Liquidity ratios being within recommended levels.

12.25. External Loan Liability Paid Coverage Ratio (The ability to at least cover the External Interest and Capital Payable with the cash generated from operations before interest.)

Minimum norm: 1:1
Healthy norm: 2:1
MFMA norm: None

12.26. External Interest and Capital Paid to Total Expenditure (The percentage of Total Expenditure utilised to service external loan repayments.)

Maximum norm: 10%
Healthy norm: 7.5%
MFMA norm: 6% - 8%

12.27. External Gearing Ratio (The level to which the municipality has geared itself is calculated as Total External Interest-Bearing Debt as a percentage of Total Income less conditional grant funding.)

Maximum: 40%
Healthy norm: 35%
MFMA norm: 45%

DISPOSAL OF ASSETS POLICY

2018/2019 FINANCIAL YEAR

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ABBREVIATIONS

MLM	Midvaal Local Municipality
AMP	Asset Management Plan
AO	Accounting Officer
ASB	Accounting Standards Board
ATR	Asset Transfer Regulations
CFO	Chief Executive Officer
DRC	Depreciated Replacement Cost
GRAP	Generally Recognised Accounting Practise
HOD	Head of Department
MDA	Municipal Demarcation Act
MFMA	Municipal Finance Management Act
MM	Municipal Manager
MSA	Municipal Systems Act
PPE	Property, Plant and Equipment
SCM	Supply Chain Management
VAT	Value Added Tax

1. PURPOSE OF THIS DOCUMENT

The purpose of this document is to provide a framework for the disposal or transfer of the municipality's capital assets and scrap items (obsolete inventory stock).

2. DEFINITIONS

“Asset” means a resource controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality;

“Basic Municipal Services” shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment;

“Capital asset” –

(a) any immovable asset such as land, property or buildings; or

(b) any movable asset that can be used continuously or repeatedly for more than one year in the production or supply of goods or services, for rental to others or for administrative purposes, and from which future economic or social benefit can be derived, such as plant, machinery and equipment;

"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee;

Commercial services

Commercial services means a service other than municipal services –

(a) rendered by a private sector party or organ of state to or from a municipality on a commercial basis; and

(b) which is procured by the municipality through its supply chain management policy.

"Council" means the Council of the Midvaal Local Municipality;

“Councillor” shall mean a member of the Council of the Municipality;

“Disposal” in relation to a capital asset or scrap items, includes -

(a) the demolition, dismantling or destruction of the capital asset or scrap items; or

(b) any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership.

"Exempted capital asset" means a municipal capital asset which is exempted by 14(6) or 90(6) of the Municipal Finance Management Act, 2003 (MFMA) from the other provisions of that section;

“Fair market value” in relation to capital assets, means the value at which a knowledgeable willing buyer would buy and a knowledgeable willing seller would sell the capital asset in an arm’s length transaction;

“Financial Year” shall mean the period starting from 1 July in any year and ending on 30 June of the following year;

"Immovable Property" also includes -

(a) an undivided share in immovable property, and

(b) any right in immovable property.

"High value" in relation to a capital asset of a municipality, means that the fair market value of the capital asset exceed any of the following amounts:-

(a) R50 million;

(b) one percent of the total value of the capital assets of the municipality, as determined from the latest available audited annual financial statements of the municipality; or

(c) an amount determined by resolution of the Council of the municipality which is less than a) or b);

“the Municipality” means Midvaal Local Municipality;

"Non-exempted capital asset" means a capital asset which is not exempted by section 14(6) or 90(6) of the Municipal Finance Management Act, 2003 (MFMA) from the other provisions of that section;

“Organ of state” – means

(a) a national department or national public entity;
(b) a provincial department or provincial public entity;
(c) a municipality or municipal entity; or
(d) any other organ of state within the meaning assigned to ‘organ or state’ in section 239 of the Constitution;

"Regulation" refers to the Municipal Asset Transfer Regulations, Government Gazette no.31346;

“Scrap” refers to obsolete Inventory items such as any metal, steel, copper or any other discarded waste material that is suitable for reprocessing;

"Service Provider"

(a) in relation to a municipal service, means a private sector party or organ of state appointed by a municipality in terms of Chapter 8 of the Municipal Systems Act (MSA) to perform a municipal service in accordance with that Act; and
(b) in relation to a commercial service, means a private sector party or organ of state appointed in terms of the supply chain management policy of a municipality to render a commercial service to or for the municipality as an independent contractor;

"Subsidiary asset" in relation to a capital asset, means an asset that forms an integral part of the capital asset or of the operations or maintenance of the asset;

"Transfer" in relation to a capital or subsidiary asset, means transfer of ownership in the asset as a result of a sale or other transaction.

3. CONSTITUTIONAL AND LEGAL BACKGROUND

Section 14 and 90 of the Municipal Finance Management Act (MFMA) (Act 56, 2003) states:

“A municipality may not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of any capital asset needed to provide a minimum level of basic municipal services.”

The following key principals were adopted to assist in the identification and management of risks associated with the transfer and disposal of capital assets. These principles must be considered and implemented in the context of any asset transfer:

- **Valuation principle**, i.e. the need to attach a value to the transfer or disposal of a municipal capital asset, in order to ensure that the interests of the municipality and each of its stakeholders are not prejudiced by the transfer or disposal;
- **Continuity of service principle**, i.e. the need to ensure the uninterrupted continuance of a municipal service when a municipal capital asset that is being used in the delivery of that service, is transferred or disposed of, particularly when the asset is used in the provision of a minimum level of basic municipal service;
- **Risk transfer principle**, i.e. the need to transfer the risk relating to a municipal capital asset in conjunction with the transfer of the asset; and
- **Asset preservation principle**, i.e. the need to prevent the indiscriminate or unsustainable transfer or disposal of a municipal capital asset in order not to undermine the ability of the municipality to render or expand municipal services in the longer term.

4. OBJECTIVES

The objectives of the Asset Disposal Policy are to:

- Ensure that only assets that are assessed and deemed not to be critical to provide the minimum level of basic municipal services are disposed of;
- Ensure that assets are not disposed when the disposal of the asset or the terms of the disposal of the asset could disadvantage the municipality or community financially or otherwise;
- Ensure that all disposals are, in terms of section 14 (5) of the MFMA, fair, equitable transparent, competitive and consistent with the Supply Chain Management Policy (SCM) of the municipality; and
- Ensure that assets disposed of are updated in the municipality's Asset Register timeously and accurately.

5. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2018.

6. POLICY AMENDMENT

This policy should be reviewed annually to ensure continued compliance with the relevant legislation and accounting standards. Changes to this document shall only be applicable if approved by Council. Any proposals in this regard shall be motivated by the CFO in consultation with the AO and respective HODs. The recommendations of the CFO shall be considered for adoption by Council.

7. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegation of Powers;
- Accounting Policy;
- Supply Chain Management Policy;
- Land Use Management Policy;
- Asset Management Policy.

8. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Local Government Supply Chain Management Guidelines, National Treasury, 2005
- Guide to the Municipal Asset Transfer Regulations
- Municipal transfer and disposal regulations, Government Gazette no.31346

9. ASSET TYPES

In this policy asset means any tangible or intangible resource capable of being owned. Tangible assets include physical assets, such as land, building, plant and equipment; whereas intangible assets include servitudes and similar assets that can not necessarily be seen.

It is important that a municipality has a fully up-to-date asset register that records the name, type, allocation and value of the assets under its control. The asset register forms a critical source of information required during the decision making process on the validity and reasonability of asset transfers and disposals.

9.1 Capital assets

A capital asset may be movable or immovable, provided that it has a life span of at least one year and can be used to produce or supply goods and services, for rentals to others or for administrative purposes (where a future economic or social benefit can be enjoyed).

9.2 High value capital assets

The municipality will firstly have to determine the combined value of any capital assets it intends to transfer or dispose of in the particular financial year (such must also be reflected in its Medium Term Revenue and Expenditure Framework (MTREF) budget).

If the combined value of such capital assets *exceeds* five percent of the total value of its assets (as determined from its latest available audited financial statements), a public participation process must be followed for each of the capital assets identified for transfer or disposal, irrespective of each capital asset's individual value.

If the combined value of capital assets identified for transfer or disposal during the financial year *does not exceed* five percent of the total value of its assets, the municipality will have to assess whether each individual capital asset identified for

transfer or disposal in that particular year is a high value capital asset. For each high value capital asset a public participation process must be followed.

If it appears that any or all of the assets are "high value", Council must be approached to authorise the public participation process.

“High value” threshold relating to an *individual capital* asset is determined as the lower of the following:

1. R50 million; or
2. 1% or the total value of all capital assets of the municipality;
3. or otherwise a value determined by Council, provided that the value is less than (a) or (b).

9.3 Exempted capital assets

An exempted capital asset is an asset exempted by sections 14(6) or 90(6) of the MFMA and regulation 20 from the rest of sections 14 and 90 as well as the SCM Regulations.

Exempted capital assets are assets transferred to another organ of state as a result of any of the following circumstances (regulation 20):

(a) a review by a municipality of its service delivery mechanisms for the performance of a municipal service in terms of Chapter 8 of the Municipal Systems Act (MSA), and the subsequent appointment of an organ of state to perform this service;

(b) a reorganisation of powers and functions between a parent municipality and its municipal entity;

(c) an assignment of any of the powers and functions of a municipality to another organ of state by national legislation or in terms of a power contained in national legislation;

(d) when municipal housing or land is transferred to a national or provincial organ of state for housing for the poor in terms of a national or provincial housing policy;

(e) when the transfer is required or permitted in terms of national legislation and that legislation determines the conditions of the transfer; or

(f) any other circumstance provided that the capital asset to be transferred to the organ of state is determined by resolution of the Council not to be needed to provide a minimum level of basic municipal service and is surplus to the requirements of the municipality and municipal entity.

9.4 Non-exempted capital assets

If the transfer or disposal is not the result of any of the above transactions, the asset to be transferred or disposed of will be considered to be a non-exempted capital asset where sections 14 and 90 of the MFMA and the SCM Regulations will apply. In these situations therefore:

- the municipality may not transfer or dispose of a capital asset deemed to be needed to provide a minimum level of basic municipal service;
- the municipality in making the decision as to whether an asset is required to provide a minimum level of basic municipal service, must make that decision and consider the fair market value, and economic and community value to be received for the asset at a meeting open to the public; and
- any transfer must be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy.

The requirement to hold a public meeting to consider the decision to transfer or dispose of a movable capital asset below a value determined by Council, may be delegated to the Accounting Officer (AO) to make a decision in some cases (section 14(4) of the MFMA). All transfers or disposals of this nature will be regulated by sections 14 and 90 of the MFMA and Chapter 2 of the ATR – 'Transfer and Permanent disposal of non-exempted capital assets'.

9.5 Subsidiary assets

A subsidiary asset is an asset that forms an important part of a capital asset, as well as an asset that forms part of the operation or maintenance of that capital asset.

These assets are particularly relevant in the transfer of a service, power or function. In these instances, the ATR allow certain subsidiary assets to be transferred with the transfer of that service, power of function. The following subsidiary assets may be included in the transfer:

- movable and immovable assets used for or in connection with the service, power or function to be transferred (including investment property);
- intangible assets which are an integral part of that service, power or function;
- short and long-term receivables associated with that service, power or function; and
- investments, cash and bank balances or reserves derived from the performance of that service, power or function.

Subsidiary assets are always linked to the capital asset being transferred and therefore a municipality will not need to consider whether they should be regarded as high value or otherwise, they may be either – provided that their transfer comes as a result of the transfer of a service, power or function. If the capital asset to which the subsidiary asset is linked, is of high value, that the public consultation process on that capital asset must include consultation on all the subsidiary assets linked to that capital asset, to ensure transparency of the transaction as a whole.

If the transfer of the capital asset is classified as exempted, the transfer of the subsidiary asset is also exempted, if it is part of the same transaction.

10. TRANSFER OR DISPOSAL OF A CAPITAL ASSET

10.1 Classification of capital assets

Capital assets are classified as either exempted or non-exempted capital assets, in terms of sections 14(6) or 90(6) of the MFMA and regulation 20 of the ATR, refer to 9.3 and 9.4 above.

Exempted capital assets are capital assets transferred to another organ of state as a result of any of the circumstances described in section 9.3 of this policy.

10.2 Non-exempted capital assets

Once the asset identified for transfer or disposal has been classified as a non-exempted capital asset, the municipality must consider whether the asset is a high value capital asset as described in section 9.2 of this policy.

10.2.1 High value capital asset

In the case where a high value capital asset forms part of a transfer or disposal of the appointment of a service provider to perform a municipal or commercial service in terms of regulation 12(2), sections 14(2) or 90(2) of the MFMA and regulation 5(1) prescribes that a public participation process should be undertaken as part of and concurrent with the process envisaged in regulation 12(2).

The public participation process may only be authorised by the Council, although any party may make a request to the Council that such a process be considered. The request must be submitted to the Council together with an information statement stating the following (regulation 5(3)(b)):

- the valuation of the asset;
- the method of valuation used to determine that value;
- the reasons for the proposal; and
- the benefits, proceeds and gain or loss that could be realized or incurred from the transfer or disposal.

Where Council has authorised the AO to conduct a public participations process, the AO of the municipality must at least 60 days before the Council meeting authorising the asset transfer or disposal:

- Make public the proposal and information statement, as described above, to all affected communities and interested parties;
- Invite all affected communities and interested parties to submit their comments and representations; and
- Request the views and recommendations for National Treasury on the matter.

After the public participation process, Council may at this point make the section 14(2) or 90(2) determinations, as stated below, and depending on the outcomes of these determinations, either not to transfer or dispose of the asset or to *approve in-principal* of the transfer or disposal of the asset.

In terms of section 14(2) or 90(2) of the MFMA the municipal Council must:

(a) reasonably decide (or confirm) that the asset is not needed to provide a minimum level of basic municipal service; and

(b) consider the fair market and economic and community value to be received in exchange for the asset.

All transfers or disposals should be fair, equitable, transparent, competitive and consistent with the SCM policy of the municipality. This is however not applied in the case where the capital asset forms part of the appointment of a service provider to perform a municipal or commercial service in terms of regulation 12(2), refer to 10.2.5 of this policy).

SCM Regulation 40 states that:

(a) immovable property may be sold only at market related prices except when the public interest or plight of the poor demands otherwise; and

(b) movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality, etc.

In the case where the bids are well in excess of the fair market value or any other valuation method used by the municipality, the competitive process relies on the AO and bid committee to make a decision. Compensation received should be at the most advantageous to the municipality.

10.2.2 Not considered a high value capital asset

In the case where the asset is not considered to be high value, and the total value of asset transactions are not more than the 5% threshold value, as stated in 9.2 above, the municipal Council must follow the same considerations at a meeting open to the public as in the case of a high value capital asset transfer or disposal in terms of section 14(2) or 90(2) of the MFMA, as described in 10.2.1 above.

Such determinations are only necessary when the Council wishes to consider the transfer or disposal of the asset. It may resolve not to go ahead with the transfer or disposal without the need for a meeting open to the public.

If the asset is considered needed to provide a minimum level of basic municipal service, then that asset **cannot** be transferred or disposed of (regulations 5(1)(b), MFMA sections 14(2) and 90(2)).

10.2.3 Mandatory considerations

During the public meeting, before approving *in-principle* to either retain, transfer or dispose of the asset, the Council must first consider the following factors (regulation 5(1)(b) & 7), irrespective of whether a high value capital asset or not is under consideration:

- whether it may need the asset at a later date;
- expected gain or loss on transfer or disposal;
- compensation for the asset and if it will result in a cost or benefit;
- management of any risk;
- impact on its credit rating and ability to raise further borrowings in the future;
- limitations or conditions attached to the asset and the consequences of any potential non-compliance of those;

- cost of the proposed transfer or disposal;
- transfer of any liabilities and reserves associated with the capital asset;
- stakeholder comments and recommendations;
- the impact on its own strategic, legal and economic interests; and
- compliance with legislative regime applicable to the proposed transfer or disposal.

10.2.4 Apply discretionary conditions to the transfer or disposal of a non-exempted capital asset

When the Council provides an *in-principle* decision that a non-exempted capital asset may be transferred or disposed of (irrespective of whether the transaction involves a high value capital asset or not), the Council *may impose* conditions on the transfer or disposal, including conditions to specify *(regulation 11)*:

- the way in which the asset is to be sold or disposed of (within the framework set by the SCM regulations);
- a floor price or minimum compensation;
- whether the asset can be transferred or disposed of for less than fair market value (subject to the Council first considering the regulation 13(2) criteria); and
- a framework in which direct negotiations with another person may apply, if relevant.

10.2.5 Transfer or disposal of the asset

The MFMA requires the actual transfer or disposal to be fair equitable, transparent, competitive and consistent with the SCM Regulations. Council only has an oversight role in this process to ensure that Council policy are implemented and no Councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids or attend any such meeting as an observer. (Refer MFMA section 117).

Once Council has approved the transfer or disposal, the municipality may commence proceedings to transfer or dispose of the asset – irrespective of the value of the asset or whether it is to be transferred to a private sector party or an organ of state, can only be done in accordance with its SCM policy.

In terms of regulation 12(2), there are two exceptions to the requirement that the actual transfer or disposal of the non-exempted capital asset be done in terms of a competitive process:

- when a municipality undertakes a review of service delivery mechanisms in terms of Chapter 8 of the MSA and a private sector party is selected; and
- when a municipality appoints a private sector party or organ of state to perform a commercial.

In these cases, provided that a competitive bidding process is used to appoint the service provider, a municipality may transfer the asset as part of the appointment of the service provider and negotiate directly with the selected bidder (regulation 12(3)).

10.2.6 Compensation payable

Compensation payable to a municipality for a capital asset in terms of the ATR must always be in line with the disposal management system, see SCM regulation 40 stated in 10.1.2 above.

If the transfer is the result of the transfer of a commercial service or the sale of immovable property such as land or buildings then compensation must reflect fair market value (regulation 13(1), SCM regulation 40(2)).

If movable assets such as plant or equipment are sold, they must be sold at a price most advantageous to the municipality or entity by way of written quotes, competitive bidding or auction or at market related prices (SCM regulation 40(2)).

Once the municipality received compensation relating to the transfer or disposal, the proceeds must be used to discharge any borrowings against the asset at its redemption date or at another date agreed between the municipality and the lender *(regulation 16)*.

Alternatively, the municipality may seek to negotiate with the private sector party or organ of state to which the asset is to be transferred, to take over any borrowings

made against the asset as part of the compensation payable, subject to the agreement of the lender.

This effectively means that any liability for borrowings taken out for an asset is removed once the municipality no longer has ownership of the asset. This precludes a municipality from having to service a debt for an asset it no longer owns.

10.2.7 Finalise the asset transfer or disposal agreement

In accordance with regulation 17, a municipality may only transfer or dispose non-exempted capital assets approved for transfer or disposal, by way of a written agreement between the municipality and either private sector party or organ of state. The agreement must include the following:

- term and conditions of the transfer;
- details of the capital and subsidiary assets and liabilities to be transferred;
- compensation to be paid and the terms and conditions for payment; and
- the effective date in which risk and accountability for the assets are to be transferred.

10.3 Exempted capital assets

10.3.1 Considerations prior to the proposed transfer or disposal

The following considerations should be taken into account:

(a) Identify and distinguish all assets, staff and borrowings associated with the asset identified for transfer or disposal (regulations 23 and 26(1));

(b) Consider staff and staff liabilities associated with the assets identified to be transferred (regulation 27); and

(c) Whether the transfer is to another organ of state and circumstances of the transfer (regulations 20, refer to 9.3 above).

10.3.2 Mandatory conditions

Municipal capital assets needed to provide a minimum level of basic municipal services can only be transferred to an organ of state and in the circumstances provided for in regulation 20, refer to 9.3 above, subject thereto that the transferee (organ of state) demonstrated its ability to adequately maintain and safeguard the asset.

Under these circumstances, the municipality must impose certain mandatory legislated conditions on the transfer and ensure that the transfer documentation contains these conditions.

Conditions that must be included are (regulation 24):

- that ownership of the asset must immediately revert back to the municipality if the organ of state receiving the asset (the transferee) ceases or is unable to render the service; and
- that the transferee cannot without the written approval of the municipality, transfer, dispose, grant a right of use or encumber that asset in any way.

These conditions must also apply to any replacement, upgrade or improvements to the original asset (regulation 24(1), (3) and (4)).

10.3.3 Based on the circumstances of the transfer, the appropriate conditions will apply

(a) Transfer arising from a review of service delivery mechanisms by a municipality

If the asset is needed to provide a minimum level of basic municipal service, the municipality must ensure it receives the required assurances and imposes the necessary conditions, refer to 10.3.2 above, to ensure that the asset will be adequately maintained and appropriately safeguarded (regulation 24).

In all circumstances the municipality is responsible to ensure that the transfer or disposal will result in the continuance of the service to at least the same or better

level than would otherwise have been provided by the municipality had it not transferred or disposed the asset (regulation 22(3)).

The municipality may agree with the organ of state to transfer all capital and subsidiary assets that are essential to the performance of that service which in addition to all movable and immovable assets including intangible assets, receivables, investments and cash equal to the difference between the assets and liabilities of that particular service as well as any reserve funds (regulation 25).

Borrowings or other amounts owing by the municipality associated with the service must also be transferred (regulation 26(2)).

In the case where the transfer gives rise to the transfer of staff associated with that service, the staff transfer must be done in accordance with applicable labour legislation and legislation regulating the transfer of liabilities associated with such staff if applicable – such liabilities may include leave entitlements, medical, post-retirement liabilities and other staff liabilities (regulation 27).

(b) Transfer arising from a re-organization of powers and functions between a municipality and its municipal entity

Asset transfers resulting from a re-organization of powers and functions between a municipality and its municipal entity are treated in a similar manner to those transfers resulting from a municipality's full review of service delivery mechanisms in terms of Chapter 8 of the MSA, described in scenario (a) above.

Transfers resulting from a re-organisation of powers and functions between a municipality and its entity, will generally be regarded as being limited to asset transfers to parties owned by the municipality in a closed system of control.

Regulation 22(3) relating to continuity of service is not relevant in this instance, as this is implicit in the conduct of all powers, functions and services within the municipality.

Regulations 25 and 26(2), relating to the transfer of subsidiary assets and borrowings are not applicable to these transfers – the municipality must manage this process in its own manner provided that it adheres to the principles in the regulations and other relevant legislation. Regulation 27 concerning staff transfers and liabilities associated with such staff remain relevant.

(c) Transfer arising from the assignment of a municipality's powers or functions to another organ of state

Asset transfers deriving from the assignment of certain municipal powers or functions to another organ of state, as a result of national legislation or in terms of a power contained in national legislation, are treated quite differently from the previous two scenarios.

Such transfers include situations such as the re-alignment of municipal boundaries or adding or taking away certain powers and functions of a municipality. This is normally done through national legislation such as the MSA or Municipal Demarcation Act (MDA) and supported by certain provincial legislation.

Regulation 24 conditions and assurance and regulations 22(3), described in scenario (a) above, are not relevant in this scenario, even if the transfer involves assets required to provide a minimum level of basic municipal services, as the transfer is initiated by the national government through legislation. It is anticipated that these factors were considered by the national department and the protection and service continuity will become the responsibility of the transferee (organ of state that is to receive the service).

Regulations 25, 26(2) and 27, refer to scenario (a) above, relating to subsidiary assets, borrowings and staff are applicable to these transfers may all be considered.

In the case where the asset transfer is a result of national legislation, thus an initiative of national government, a public participation process is not necessary. Therefore the provisions of regulation 22(1) are not relevant.

(d) Transfer of municipal land or housing for the poor in terms of the national or provincial policy

If a national or provincial policy on housing necessitates the transfer of municipal housing or land to a national or provincial organ of state for the poor, the provisions of regulations 22, 24, 25, 27 and 31 do not apply. As the transfer is limited to specific capital assets i.e. municipal housing and land, regulations that are pertinent to the transfer of a municipal service, power or function are no longer relevant, scenarios (a), (b) and (c) above.

The transfer of borrowings associated with the municipal land or housing will still apply to these transfers (regulation 26(1)).

(e) Transfer required or permitted by national legislation

Certain transfers will be the result of national legislation that specifies the conditions of the transfer, unlike transfer described in scenarios (a), (b) and (c) above where the transfer conditions are not stipulated.

In this scenario, the same conditions attached to the transfer of municipal land and housing for the poor, described in scenario (d) above, will be applicable.

(f) Other transfers to organs of state

A capital asset may be transferred to any organ of state in any other circumstances not referred to in the scenarios above, provided that it was determined that the asset is not needed to provide a minimum level of basic municipal service and is surplus to the requirements of the municipality by the municipal Council.

In these situations, only the requirements of regulation 26(1) relating to borrowings associated with the capital asset are relevant. The municipality may directly negotiate the compensation to be paid with the neighbouring municipality.

The municipality must still properly identify and distinguish the assets (and staff if relevant) proposed to be transferred from other assets (and staff) of the municipality as required by regulation 23.

10.3.4 Compensation payable

Council should decide what is in the best interest of the municipality in the particular circumstances, taking into account the value the asset has for the municipality, any liabilities attached to it, etc. It is not necessarily a requirement that compensation is actually paid. Asset and liability values should be determined in accordance with the methods, refer to section 11 Valuation, below.

As the disposal management system of the municipality is not applicable to exempted transfers to organs of state, a municipality may choose to negotiate with the transferee the amount of compensation payable, subject to certain limitations on transfers for less than fair market value contemplated in regulation 20(1)(f), refer to 9.3 above. The amount of compensation payable and the terms and conditions for payment must be set out in the transfer agreement (regulation 30), refer to 10.3.5 below.

If the transfer is the result of any other transfer not contemplated in regulation 20(1)(a) to (e), refer to 9.3 above, for instance when a municipality chooses to sell or donate an exempted capital asset which is not required to provide a minimum level of basic municipal service and is surplus to requirements, to another organ of state for less than fair market value, it may only do so if the municipality takes into account the following matters as per regulation 20(1)(f)(ii):

- whether the capital asset may be required for the municipality at a later date;
- the expected loss or gain that is expected to result from the proposed transfer;
- the extent to which any compensation to be received in respect of the proposed transfer will result in a significant economic or financial cost or benefit for the municipality;
- the risk and rewards associated with the operation or control of the capital asset that is to be transferred in relation to the interest of the municipality;

- the effect that the proposed transfer will have on the ability of the municipality to raise long-term or short-term borrowings in the future;
- any limitations or conditions attached to the capital asset of the transfer of the asset, and the consequences of any potential non-compliance with those conditions;
- the estimated cost of the proposed transfer;
- the transfer of any reserve funds associated with the capital asset;
- the interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and
- compliance with the legislative regime applicable to the proposed transfer.

10.3.5 Finalise asset transfer agreement

Before entering into the transfer agreement, the organ of state to whom the asset will be transferred must undertake and document an exercise in due diligence on the assets and liabilities to be transferred. The results of the due diligence must be taken into account in any transfer decision to be made by the organ of state (regulation 32).

All exempted capital asset transfers may only take place by way of a written transfer agreement, signed by both parties and must include the following:

- the terms and conditions of the transfer;
- details of the capital and subsidiary assets and liabilities to be transferred (including valuation details and evidence to support the valuation, encumbrances, servitudes and rights of access requirements);
- compensation to be paid (if any) and the terms and conditions for payment;
- the effective date in which risk and accountability are to be transferred;
- details of any staff affected by the transfer – including details of staff that may be available to the organ of state on a temporary or defined basis, together with the compensation payable for such staff and any financial risk exposure to the municipality;

- if billing, information technology or other administrative systems are to be shared between the parties, the basis of that shared arrangement and any financial risk exposure to the municipality must also be defined and recorded; and
- where an asset is to be used by both the municipality and the organ of state, the basis of how the asset is to be shared as well as how the costs and benefits of the shared asset will be apportioned between the parties.

The transfer agreement must contain a separate clause that states that the transfer was affected on the basis of transfer of exempted capital assets as per the ATR, and that those provisions form part of the agreement (regulation 30(1) and (2)).

In the case of a transfer that emanates from a review of service delivery mechanisms when an organ of state is preferred, the transfer agreement must include provision for contract termination in case of non- or underperformance, dispute resolution and periodic review. It must also provide assurances that the organ of state is able to maintain and safeguard the asset.

The agreement may contain conditions imposed by the municipality that limit or restrict the use or subsequent transfer of the asset, and the extent that the asset may be used to provide security over any borrowings taken out by the organ of state. Such conditions may also be incorporated into the service delivery agreement (regulation 30(3)).

11. VALUATION

11.1 Valuation of assets

When a transfer or disposal of a capital asset is considered, the value of the asset should be determined in accordance with the applicable GRAP standards.

In the absence of guidelines through GRAP, any of the following valuation methods must be used:

- **depreciated replacement cost (DRC)**: this is the cost to replace the asset less depreciation to take account of the age and condition of the asset;
- **fair market value**: this is the value that would be agreed between a knowledgeable and willing buyer and a knowledgeable and willing seller;
- **historical cost, adjusted for depreciation and impairment**: this is the original purchase price less adjustments for depreciation and impairment;
- **realisable value:** this is the amount that could be obtained from the transfer less any transfer and completion costs.

11.2 Valuation of liabilities

When a liability specifically associated is to be transferred or disposed asset, the value of the liability must also be determined in accordance with the applicable GRAP standard the municipality applies in preparing its annual financial statements. Such calculations are only necessary where borrowings are transferred or disposed in terms of *exempted* capital asset transfers or disposals to other organs of state in the circumstances described in 9.3.

In the absence of guidelines through GRAP, any of the following valuation methods must be used:

- **settlement value**: the amount that will be paid or the value of the service that will be provided to settle the liability; or
- **net present value**: the value after discounting a future settlement value to a present value.

12. CALCULATION OF PROFIT AND LOSS ON DISPOSAL

Gain on disposal of asset (if proceeds are greater than carrying value)

Asset (cost)			
		Profit / loss	xx

Accumulated depreciation			
Profit / loss	xx		

Profit / Loss			
Asset (cost)	xx	Acc. Depr.	xx
Gain (P/L)	xx	Bank	xx

Bank / Debtors			
Profit / loss	xx		

Loss on disposal of asset (if proceeds are less than carrying value)

Asset (cost)			
		Profit / loss	xx

Accumulated depreciation			
Profit / loss	xx		

Profit / Loss			
Asset (cost)	xx	Acc. Depr.	xx
Bank	xx	Loss (P/L)	xx

Bank / Debtors			
		Profit / loss	xx

13. SCRAP ITEMS / OBSOLETE INVENTORY / LIBRARY BOOKS

13.1 SCRAP ITEMS

Each Head of Department must identify scrap items that have an economic value and as such the scrap items should be sold on public auction as opposed to being disposed of at the municipal dumping site. The items, with a detailed list containing the description of the scrap items, the quantities as well as an estimated value of the scrap must be delivered to the Asset Disposal Store and proof of delivery must be obtained. The scrap items will be sold as part of the annual asset auction.

13.2 OBSOLETE INVENTORY

The CFO, in consultation with the Director Expenditure (and as per the approved System of Delegations) and the end-user departmental head concerned must approve the write-offs, if they are satisfied that:-

- The inventory has is redundant
- The inventory is of a specialised nature and has become outdated due to the introduction of upgraded and more effective products;
- The inventory cannot be used for the purposes for which it was originally intended; or
- The inventory has been damaged beyond repair and is rendered obsolete.

Refer to the SCM Policies and Procedures for detailed processes to be followed.

13.3 LIBRARY BOOKS

The disposal of library books must be done through a process of “weeding”. The relevant Head of Department must prepare a Library Book Weeding Policy for approval and implementation on an annual basis. All library books disposed of, must be recorded with details of the books disposed, estimated value of the books and the method of disposal and forwarded to the Finance Department for the updating of the

Asset Register on an annual basis. The Finance Department will include these books in the item on the annual write-off of assets.

14. POLICY IMPLEMENTATION

The policy will be effective as from 1 July 2018.

BUDGET IMPLEMENTATION AND MONITORING POLICY

2018/2019 FINANCIAL YEAR

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ABBREVIATIONS

MLM	MIDVAAL LOCAL MUNICIPALITY
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
HOD	Head of Department (Senior Manager)
IDP	Integrated Development Plan
MBRR	Municipal Budget and Reporting Regulations, 2008
MFMA	Municipal Finance Management Act
MTREF	Medium Term Revenue and Expenditure Framework
SCM	Supply Chain Management
VAT	Value Added Tax

1. PURPOSE OF THIS DOCUMENT

1.1 The objective of the budget policy is to set out:

(a) The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget (MTREF);

(b) The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget;

(c) To control and inform the basis, format and information included in the Budget documentation; and

(d) To establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes.

2. DEFINITIONS

In this Budget Implementation Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), has the meaning so assigned, and:

"Accounting Officer"- means the Municipal Manager;

“Allocation", means-

- a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- an allocation of money to a municipality in terms of a provincial budget; or
- any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget,” means an annual budget-

- approved by a municipal council, or
- includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

“Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

- "Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-
- the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

- the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function / vote.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

“chief financial officer” means a person designated in terms of section 80(2) (a) of the MFMA;

“councillor” means a member of a municipal council;

"creditor", means a person to whom money is owed by the municipality;

"current year" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA;

"financial statements", means statements consisting of at least-

- a statement of financial position;
- a statement of financial performance;
- a cash-flow statement;
- any other statements that may be prescribed; and
- any notes to these statements;

"financial year" means a twelve months period commencing on 1 July and ending on 30 June each year;

"financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means-

- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;
- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment", in relation to funds of a municipality, means-

- the placing on deposit of funds of a municipality with a financial institution; or
- the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"lender", means a person who provides debt finance to a municipality;

"**local community**" has the meaning assigned to it in section 1 of the Municipal Systems Act;

“long-term debt" means debt repayable over a period exceeding one year;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

"mayor" means the councillor elected as the mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

"municipality"-

- when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998);

"accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means-

- an employee of a municipality;
- a person seconded to a municipality to work as a member of the staff of the municipality or
- a person contracted by a municipality to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"-

- means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"past financial year" means the financial year preceding the current year;

"quarter" means any of the following periods in a financial year:

- 1 July to 30 September;
- 1 October to 31 December;
- 1 January to 31 March; or
- 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- projections for each month of-
- revenue to be collected, by source; and
- operational and capital expenditure, by vote;
- service delivery targets and performance indicators for each quarter; and
- capital budget broken down per ward
- any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(l) of the MFMA.

"short-term debt" means debt repayable over a period not exceeding one year;

"standards of generally recognised accounting practice," means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board;

"unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

- overspending of the total amount appropriated in the municipality's approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (ii), (iii) or (iv) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the MFMA

"virement" means transfer of funds between functions / votes.

"vote" means-

- one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

- which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

In this document unless the context otherwise indicates, words and expressions denoting the singular shall include the plural and vice versa, words and expressions denoting the male sex shall include the female sex and vice versa and reference to a natural person shall include a legal person and vice versa.

3. BUDGETING PRINCIPLES

The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.

Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

Municipality shall prepare a multi-year budget (three year) – medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council.

4. BUDGETING PROCESS

4.1 Planning for the preparation of the budget

4.1.1 The Accounting Officer with the assistance of the Chief Financial Officer and the Executive Director Development & Planning shall draft the IDP process plan as well as the budget timetable for the municipality for the ensuing financial year.

4.1.2 The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).

4.1.3 IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework (MTREF) budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.

4.1.4 The mayor shall convene a strategic workshop with the senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality. The mayor shall table the IDP priorities with the draft budget to Council.

4.1.5 The Mayor shall table the Draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc.).

4.1.6 The Chief Financial Officer and senior managers undertake the technical preparation of the budget including:-

4.1.6.1 Review past performance;

4.1.6.2 Prepare initial preview assumptions;

4.1.6.3 Analyse past revenue trends and develop initial projections;

4.1.6.4 Prepare the IDP and make necessary revisions;

4.1.6.5 Prepare initial budget scenarios:-

(a) The budget must be in the prescribed format, and must be divided into capital and operating budget.

(b) The budget must reflect the realistically expected revenues and expenditure by major source for the budget year concerned; and

(c) Estimated revenue and expenditure by vote for the budget year; and

4.1.7 In terms of the MFMA Budget and Reporting Regulations, the Mayor must establish a budget steering committee to provide technical assistance to him / her in discharging his / her responsibilities set out in section 53 of the MFMA.

The minimum membership requirements of a budget steering committee as per MFMA are the following:

- Councillor responsible for financial matters
- Municipal Manager
- Chief Financial Officer
- Senior Managers responsible for at least the three largest votes in the municipality
- The Manager responsible for Budgeting
- The Manager responsible for Planning
- Any Technical Experts on Infrastructure

The Mayor will, on an annual basis, establish a steering committee.

Annexure A provides an outline of the budget activities, timeframes and responsibilities.

4.2 Public participation process

4.2.1 During the consultation process administration should consult with political executive; and

4.2.2 Immediately after the draft annual budget has been tabled, the municipality must convene hearings on the draft budget in April and invite the public and stakeholder organisations, to make representation at the council hearings and to submit comments in response to the draft budget.

4.3 Approval of the budget

4.3.1 Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year);

4.3.2 The council resolution, must contain budget policies and performance measures be adopted; and

4.3.3 Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved in terms of Section 53(2) of the MFMA.

4.4 Publication of the budget

4.4.1 Within 10 working days after the draft annual budget has been tabled, the Deputy Municipal Manager / Chief Financial Officer must post the budget and other budget-related documentation onto the municipal website so that it is accessible to the public as well as send hard copies to National and Provincial Treasury; and

4.4.2 The Deputy Municipal Manager / Chief Financial Officer must within 10 working days submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website.

5. CONTENTS OF THE BUDGET

The budget consist of the following key elements:

5.1 Mayor's Report

5.2 Council Resolutions

5.3 The Council approves and adopts: -

5.3.1 Budget set out in various tables;
5.3.2 by standard classification;
5.3.3 by municipal vote;
5.3.4 by source and expenditure by type;
5.3.5 Policies; and
5.3.6 Tariffs.

5.4 Executive Summary

5.4.1 Operating Revenue Framework

5.4.1.1 Property Rates ;
5.4.1.2 Sale of Water and Impact of Tariff Increases;
5.4.1.3 Sale of Electricity and Impact of Tariff Increases;
5.4.1.4 Sanitation and Impact of Tariff Increases;
5.4.1.5 Waste Removal and Impact of Tariff Increases; and
5.4.1.6 Overall impact of tariff increases on households.

5.4.2 Operating Expenditure Framework

5.4.2.1 Main operational expenditure categories;
5.4.2.2 Priority areas i.e. repairs and maintenance; and
5.4.2.3 Free Basic Services: Basic Social Services Package.

5.4.3 Capital expenditure

5.4.3.1 IDP Reference
5.4.3.2 Highlighted projects where major investment in Capex is made
5.4.3.3 Future operational cost of new infrastructure

5.5 Supporting Documentation

5.5.1 Budget Process Overview

5.5.1.1 IDP and Service Delivery and Budget Implementation Plan
5.5.1.2 Financial Modelling and Key Planning Drivers
5.5.1.3 Community Consultation
5.5.1.4 Overview of alignment of annual budget with IDP

5.5.2 Measurable performance objectives and indicators

5.5.3 Overview of budget related-policies

5.5.4 Monthly revenue cash flow projections by month

5.5.5 IDP amendments

5.5.6 Amendments to Budget related policies

5.5.7 Details of investments

5.5.8 Municipal entities – new and existing

5.5.9 Proposed service delivery agreements

5.5.10 Grants to external bodies

5.5.11 Contracts having future budgetary implications

5.5.12 Capital expenditure details

5.5.13 Legislation compliance status

5.5.14 Salary, allowances and benefits of:

5.5.14.1 Councillors
5.5.14.2 MM, CFO and senior managers

5.5.15 Overview of budget assumptions

5.5.15.1 External factors
5.5.15.2 General inflation outlook and its impact on the municipal activities
5.5.15.3 Credit rating outlook
5.5.15.4 Interest rates for borrowing and investment of funds
5.5.15.5 Collection rate for revenue services
5.5.15.6 Growth or decline in tax base of the municipality
5.5.15.7 Salary increases
5.5.15.8 Impact of national, provincial and local policies
5.5.15.9 Ability of the municipality to spend and deliver on the programmes; and

5.5.16 Municipal manager’s quality certificate

6. OPERATING BUDGET

6.1 The municipality shall budget in each annual and adjustments budget for the contribution to:

6.1.1 provision for accrued leave entitlements equal to 100% of the accrued leave

6.1.2 provision for bad debts in accordance with its collection rates

6.1.3 provision for the obsolescence and deterioration of stock

6.1.4 Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.

6.1.5 A sufficient proportion of the operating budget component of each annual and adjustments budget shall be set aside for maintenance in accordance with the asset maintenance plans of the Municipalities.

6.2 When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.

6.3 The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.

6.4 The operating budget shall reflect the impact of the capital component on:

6.4.1 depreciation charges

6.4.2 repairs and maintenance expenses

6.4.3 interest payable on external borrowings

6.4.4 other operating expenses.

6.5 The chief financial officer shall ensure that the cost of indigency relief is separately reflected in the appropriate votes.

7. CAPITAL BUDGET

7.1 Expenditure of a project shall be included in the capital budget if it meets the asset definition and has a useful life in excess of one year.

7.2 Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.

7.3 A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.

7.4 The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.

7.5 Before approving a capital project, the Council must consider:

7.5.1 the projected cost of the project over all the ensuing financial years until the project becomes operational,

7.5.2 future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).

7.5.3 the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,

7.5.4 depreciation of fixed assets,

7.5.5 maintenance of fixed assets, and

7.5.6 any other ordinary operational expenses associated with any item on such capital budget.

7.6 Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

8. FUNDING OF THE BUDGET

8.1 Operational Budget

The operational budget can only be funded from –

8.1.1 Realistically expected revenues.

8.1.1.1 Based on collection levels to date

8.1.1.2 Actual revenue collected in previous financial years

8.1.2 Uncommitted accumulated surpluses to the extent that the surpluses are cash backed.

8.2 Capital Budget

8.2.1 Revenue or Surplus

8.2.1.1 If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.

8.2.1.2 If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

8.2.2 External loans

8.2.2.1 External loans can be raised only if it is linked to the financing of an asset;

8.2.2.2 A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured;

8.2.2.3 The loan redemption period should not exceed the estimated life expectancy of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;

8.2.2.4 Interest payable on external loans shall be included as a cost in the expenditure budget;

8.2.2.5 Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

8.2.3 Capital Replacement Reserve (CRR)

8.2.3.1 Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve shall be established from the following sources of revenue:

- unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
- additional amounts appropriated as contributions in each annual or adjustments budget; and
- Sale of land and profit or loss on the sale of assets.

8.2.3.2 Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;

8.2.3.3 If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;

8.2.3.4 Transfers to the CRR must be budgeted for in the cash budget;

8.2.4 Grant Funding

8.2.4.1 Non capital expenditure funded from grants;

8.2.4.2 Must be budgeted for as part of the expenditure budget;

8.2.4.3 Capital expenditure must be budgeted for in the capital budget;

8.2.4.4 Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that interest should accumulate in the fund. If there is no condition stated the interest can then be allocated directly to the revenue accounts;

8.2.4.5 Grant funding does not need to be cash backed at the time of budget approval, but cash should be secured before spending can take place.

8.3 Unspent Funds / Roll over of Budget

8.3.1 The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.

8.3.2 Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year.

8.3.3 Conditions of the grant fund shall be taken into account in applying for such roll over of funds.

8.3.4 In order to apply for a rollover of unspent conditional grants the following must be submitted to National Treasury:

8.3.4.1 Municipalities must submit their June conditional grant expenditure reports according to section 71 of MFMA reflecting all accrued expenditure on conditional grants;

8.3.4.2 Submit the pre-audited AFS indicating the portion of each national conditional allocation it received which remained unspent as at 30 June;

8.3.4.3 Formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the of DoRA

8.3.4.4 Motivation of Commitment:

(a) Evidence that work on each of the projects has commenced, namely either of the following:
- Proof that the project tender was published and the period for tender submissions closed before 30 June; or
- Proof that a contract for delivery of the project was signed before 30 June.

(b) A progress report on the state of implementation of each of the projects;

(c) The amount of funds committed to each project, and the conditional allocation from which the funds come;

(d) An indication of the time-period within which the funds are to be spent.

8.3.5 Adjustments to the rolled over budget shall be done during the 1st Adjustments budget in the new financial year after taking into account expenditure up to the end of the previous financial year.

8.3.6 No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.

8.3.7 No unspent operating budget shall be rolled over to the next budget year

9. VIREMENTS

Refer to the Virements Policy of Council.

10. ADJUSTMENT BUDGET

The MFMA 28(2) recognises that there will be instances where unforeseen and unavoidable expenditure is required, as well as other circumstances which could necessitate the submission of an Adjustments Budget:

It is compulsory to prepare an adjustments budget:-

10.1 when there is an under collection of revenue

10.2 when a downwards adjustment of revenue and expenditure is required

The MFMA also recognises that a voluntary adjustment budget can be prepared as a result of the following:-

10.3 Over-collection of revenue – to support existing budgeted programmes (MFMA 28(2) (b) to be submitted after midyear performance assessment and before 28 February.

10.4 Unforeseen and unavoidable expenditure recommended by the Mayor (MFMA 28(2) (c) must be reported to Council at its next meeting and be included in adjustments budget within 60 days of expenditure being incurred.

10.5 May authorise the utilisation of projected savings in one vote (MFMA 28(2) (d) towards spending in another vote.

10.6 Under spending in prior financial year – if unforeseen (MFMA 28(2) (e) should be completed after year end but before 25 August.

10.7 Correct errors (MFMA 28(2) (f) to be submitted after midyear performance assessment and before 28 February.

10.8 To ratify unauthorised expenditure and any other expenditure within a prescribed framework in terms of Unauthorised Expenditure the Municipality may submit a Special Adjustments Budget when submitting the Annual Report for consideration.

10.9 When an adjustments budget is tabled, it must be accompanied by—

- an explanation how the adjustments budget affects the annual budget;
- a motivation of any material changes to the annual budget;
- an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
- any other supporting documentation that may be prescribed.

10.10 The Municipality may not change tax and tariffs unless in terms of a financial recovery plan.

10.11 Formats of adjustments budget

An adjustment budget and supporting documentation of a municipality must be in a the format specified in Schedule B of the MBRR and include all the required tables, charts and explanatory information, in view of any guidelines issued by National Treasury

10.12 Funding of adjustment budgets

An adjustments budget of a municipality must be suitably funded. The supportive documentation to accompany an adjustments budget in terms of section 28(5) of the MFMA must contain an explanation of how the adjustments budget is funded.

10.13 Submission of tabled adjustments budgets

The municipal manager must comply with section28(7) of the MFMA together with section 22(b)(i) of the MFMA, within ten working days after mayor has tabled an adjustments budget in the municipal council. When submitting the tabled adjustments budget to National Treasury and relevant provincial treasury in terms of section 28(7) of the MFMA, municipal manager must submit in both printed and electronic format.

10.14 Approval of adjustments budgets

The municipal council must consider the full consequences, fiscal or otherwise, of the adjustments budget and supporting documentation. When approving an adjustments budget, the municipal council must consider and adopt separate resolutions dealing with each of the matters listed below:

10.14.1 Approval of the adjustment budget;

10.14.2 Approval of any adjustments permitted in terms of section 28(2) of the MFMA;

10.14.3 Approval of the transfer of funds to a separate bank account for purpose contemplated in section 12 of the MFMA;

10.14.4 Approval of revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan, if any, to correspond with the approval of the adjustments budget;

10.14.5 Approval of any amendments to budget related policies necessitated by the adjustments budget.

10.15 Quality Certification

When an adjustment budget and supporting documentation is tabled in council, made public or submitted to another organ of state, it must be accompanied by a quality certificate complying with Schedule B and signed by the municipal manager.

10.16 Publication of approved adjustment budgets

Within five working days after the municipal council has approved an adjustments budget, the municipal manager must in agreement with section 21(A) of the Municipal System Act make public that approved adjustments budget and supporting documentation.

11. BUDGET IMPLEMENTATION

11.1 Monitoring

11.1.1 The accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:

- funds are spent in accordance with the budget;
- expenses are reduced if expected revenues are less than projected; and
- revenues and expenses are properly monitored.

11.1.2 The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling to Council.

11.1.3 The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

11.2 Reporting

11.2.1 Monthly budget statements

The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- actual revenues per source, compared with budgeted revenues;
- actual expenses per vote, compared with budgeted expenses;
- actual capital expenditure per vote, compared with budgeted expenses;
- actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- the amount of allocations received, compared with the budgeted amount;
- actual expenses against allocations, but excluding expenses in respect of the equitable share;

- explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- projections of the revenues and expenses for the remainder of the financial year,
- The report to the National Treasury must be both in electronic format and in a signed written document

11.2.2 Quarterly reports

The Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality

11.2.3 Mid-year budget and performance assessment

The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan in terms of Section 72 of the MFMA.

The Accounting Officer must then submit a report on such assessment to the Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury.

The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

12. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2018.

13. POLICY AMENDMENT

The Budget Implementation and Monitoring Policy must be reviewed on an annual basis.

14. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegation of Powers;
- Funding and Reserves Policy;
- Long Term Financial Plan Policy;

15. POLICY IMPLEMENTATION

The policy will be effective as from 1 July 2018.

ANNEXURE A: BUDGET PROCESS TIMETABLE

TIMEFRAME	ACTIVITY	RESPONSIBILITY
1 November Year 1 – 10 December Year 1	Heads of Departments to prepare and submit first draft operating and capital budgets in line with the approved operational plans, budget guidelines and secured financing sources.	Heads of Departments
10 December Year 1 –	Revision of the current operational and capital budget.	CFO / Heads of Departments
	Compilation of the MFMA Sec 72 Report and submission to the Executive Mayor.	AO / CFO
	Approval of adjustments budget by Mayoral Committee.	AO / CFO
	Approval of adjustments budget by Council.	AO / Executive Mayor
10 December Year 1 – 21 January Year 2	Finance Department to consolidate and prepare the first draft capital and operating budget in the following formats:	CFO / Manager Accounting / Heads of Departments
	High level consolidated format;	
	Line item budget; and	
	Proposed Tariffs.	
	Evaluation of and discussions on first draft budget by Mayoral Committee in line with operational plans, budget guidelines and IDP.	AO / CFO / Heads of Departments
21 January Year 2 – 4 February Year 2	Finance Department to consolidate and prepare the second draft capital and operating budget.	CFO / Manager Accounting/Heads of Departments
	Evaluation of and discussions on second draft by Mayoral Committee.	AO / CFO
7 February Year 2 – 14 February Year 2	Evaluation of and discussions on second draft by Portfolio Committees.	Chairpersons of Portfolio Committees / Heads of Departments
14 February Year 2 – 4 March Year 2	Evaluation and discussions of proposals from Portfolio Committees by the Mayoral Committee.	AO / CFO
4 March Year 2 – 11 March Year 2	Finance Department to consolidate and prepare the third draft capital and operating budget.	CFO / Manager Accounting/Heads of Departments
	Evaluation and finalisation of the draft MTREF operational and capital budgets by the Mayoral Committee.	AO / CFO
11 March Year 2 – 31 March Year 2	Finance Department to consolidate and prepare the final draft capital and operating budgets.	CFO / Manager Accounting/Heads of Departments

TIMEFRAME	ACTIVITY	RESPONSIBILITY
	Tabling of final draft capital and operating budget to Council.	AO / Executive Mayor
31 March Year 2 – 29 April Year 2	Consultation on final draft budget through formal meetings with all possible stakeholders.	Executive Mayor /
		AO / CFO
29 April Year 2 – 13 May Year 2	Finance Department to consolidate and prepare the final draft capital and operating budgets.	CFO / Heads of Departments
	Evaluation of and discussions on final draft by Mayoral Committee.	AO / CFO
13 May Year 2 – 31 May Year 2	Finance Department to consolidate and prepare the final capital and operating budgets.	CFO / Heads of Departments
	Adoption of budget by Council.	AO / Executive Mayor
31 May Year 2 – 13 June Year 2	Finance Department to submit approved budget to Provincial Treasury and National Treasury.	CFO
31 May Year 2	Finance Department to finalise all preparations to ensure proper and timeous implementation of budget, including promulgation of tariffs	CFO
30 June Year 2	Municipal Manager to submit draft SDBIP's and draft performance agreements of all section 57 personnel to Executive Mayor – 14 July	AO
	Executive Mayor to approve SDBIP's and note performance agreements – 28 July	AO / Executive Mayor

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE POLICY

POLICY AND PROCEDURES

2018/2019 FINANCIAL YEAR

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1. PURPOSE OF THE POLICY

A policy for unauthorised, irregular, fruitless and wasteful expenditure must be compiled and adopted by municipalities to ensure compliance with Section 32 of the MFMA, Act 56 of 2003 and MFMA Circular 68 dealing with unauthorised, irregular, fruitless and wasteful expenditure issued by National Treasury on 10 May 2013.

The objectives of this policy are:

(a) To state the regulatory and legislative requirements surrounding fruitless, wasteful and irregular expenditure.

(b) To provide definitions of fruitless, wasteful and irregular expenditure.

(c) To provide examples of fruitless, wasteful and irregular expenditure.

(d) To outline procedures to manage such expenditures.

(e) To inform officials of the consequences of not complying with the relevant regulatory and legislative requirements.

2. DEFINITIONS

General Definitions:

"municipality" means Midvaal Local Municipality (MLM)

"the Act" means the Municipal Finance Management Act, 2003 (Act 56 of 2003)

"the POBA" means the Public Office-Bearers Act, 1998 (Act 20 of 1998)

"official" means any person employed by the Midvaal Local Municipality, be it in the capacity as a permanent official, temporary official, intern or contracted employee (in terms of Section 57 of the Municipal Systems Act, Act 32 of 2000 or any other form of employment contract)

"department" means any internal department of the Midvaal Local Municipality as per the latest approved Organisational Structure of Council.

''overspending'' –

(a) In relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure as the case may be;

(b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section

''Vote'' means –

(a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different department or functional areas of the municipality; and

(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The MFMA defines unauthorised, irregular, fruitless and wasteful expenditure as follows:

"irregular expenditure", in relation to a Municipality or municipal entity, means-

(a) expenditure incurred by a Municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;

(b) expenditure incurred by a Municipality or municipal entity or in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;

(c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act 20 of 1998); or

(d) expenditure incurred by a Municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes-

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with the Act;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

"Unforeseen and unavoidable expenditure" means expenditure that -

- Could not have been foreseen at the time the annual budget of the municipality was passed
- The delay that will be caused by a pending adjustments budget may:
  - Result in significant financial loss for the municipality
  - Cause a disruption or suspension or serious threat to the continuation of municipal services
  - Lead to loss of life or serious injury or significant damage to property

- Obstruct the municipality from instituting or defending legal proceedings on an urgent basis.

3. LEGAL FRAMEWORK

The following Laws and regulations, amongst others, inform this policy:

(a) Section 32 of the MFMA reads as follows:

(1) Without limiting liability in terms of the common law or other legislation—

(a) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;

(b) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);

(c) any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or

(d) any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.

(2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—

(a) in the case of unauthorised expenditure, is—

(i) authorised in an adjustments budget; or

(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and

(b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.

(3) If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the accounting officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure."

(b) Section 176 of the MFMA which reads as follows:

(1) No municipality or any of its political structures, political office-bearers or officials, no municipal entity or its board of directors or any of its directors or officials, and no other organ of state or person exercising a power or performing a function in terms of this Act, is liable in respect of any loss or damage resulting from the exercise of that power or the performance of that function in good faith.

(2) Without limiting liability in terms of the common law or other legislation, a municipality may recover from a political office-bearer or official of the municipality, and a municipal entity may recover from a director or official of the entity, any loss or damage suffered by it because of the deliberate or negligent unlawful actions of that political office-bearer or official when performing a function of office.

(c) Section 170 and 173 of the MFMA

(d) Regulation 23 and 74 of the Municipal Budget and Reporting Regulations

4. ROLE OF THE ACCOUNTING OFFICER

The Accounting Officer is responsible, amongst others, for the following:

(a) Exercise all reasonable care to prevent and detect irregular, unauthorised, fruitless and wasteful expenditure and must for this purpose implement effective, efficient and transparent processes of financial and risk management;

(b) Inform the Executive Mayor, Mayoral Committee and Council (in writing), as the case may be, if a decision is taken which, if implemented, is likely to result in irregular, unauthorised, fruitless and wasteful expenditure;

(c) On discovery of any irregular, unauthorised, fruitless and wasteful expenditure to report promptly (in writing), the particulars of the expenditure to the Executive Mayor;

(d) Follow the prescribed processes to deal with irregular, unauthorised, fruitless, and wasteful expenditure.

5. PROCEDURE FOR UNFORESEEN AND UNAVOIDABLE EXPENDITURE

MLM hereby adopts the MFMA Budget and Reporting Regulations' prescribed processes to be followed for the approval of unforeseeable and unavoidable expenditure as set out below:

(a) No unavoidable expenditure exceeding R15 million may be approved during a financial year.

(b) Any official / department becoming aware of the need to incur unforeseen or unavoidable expenditure must immediately approach the Chief Financial Officer with the full details on the unforeseen expenditure, providing information on the consequences of not incurring the expenditure as well as an indication of the expected cost (both for the current year as well as any recurring cost resulting from the event). A confirmation that the expenditure does not constitute expenditure that may not be allowed by the Executive Mayor as per section 73(2) of the MFMA Budget and Reporting Regulations must be given by the department when approaching the CFO.

(c) The Chief Financial Officer will determine whether the cost cannot be dealt with through a process of shifting of funds within the relevant votes in terms of the virements policy. If sufficient funds are available, the virements process will be followed. If not, the matter will be reported to the Municipal Manager for consideration as unforeseen and unavoidable expenditure.

(d) Once the Municipal Manager has granted approval, the relevant Executive Director will be authorised to submit a report to the Executive Mayor requesting approval. If approval is granted, the Venus financial system will be adjusted to allow the department to process the financial transaction.

(e) The abovementioned process will be dealt with as highest priority to ensure that administrative delays do not exacerbate the situation.

(f) An adjustments budget will be submitted to the next Council meeting. The preferred process would be to shift funds between votes to avoid any negative impact on the total cash position of council.

6. EXAMPLES OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

The following examples are only guides and are not exhaustive.

6.1 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and wasteful expenditure in MLM includes the following:

- Procuring of goods and services that are not beneficial to the municipality
- Costs of goods and services are in excess of what would have been the case have proper procedures been followed (quotes etc.)

- Renting of property when sufficient and appropriate unoccupied property is owned by the entity
- Exuberant costs on parties, entertainment etc.
- Incurring penalty and interest costs on late payment of accounts
- Mismanagement of funds.

6.2 Irregular expenditure

Irregular expenditure in MLM is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), and the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure in MLM includes the following:

- Irregular expenditure incurred as a result of institutions procuring goods or services by means other than through competitive bids and where reasons for deviating from inviting competitive bids have not been recorded and approved by the accounting officer;
- Irregular expenditure incurred as a result of non-compliance with a requirement of the MLM's delegations of authority;
- Irregular expenditure incurred due to it being in contravention of the MLM's supply chain management policy;
- Expenditure paid out to service providers who are in the service of state;
- Irregular expenditure incurred as a result of non-compliance with a provision contained in any applicable legislation.

6.3 Unauthorised expenditure

Unauthorised expenditure in MLM is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Unauthorised expenditure in MLM includes the following:

- Procuring of goods and services that are not budgeted for;
- Expenditure not in terms of the conditions of an allocation (grant etc.) received from another sphere of government, entity or organ of state;
- Expenditure in the form of a grant that is not permitted in terms of the MFMA.

7. PROCESS TO BE FOLLOWED IN CASES OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

(a) Any unauthorised, irregular or fruitless and wasteful expenditure as defined above, must be promptly reported to the Chief Financial Officer who will initiate the process of dealing with the unauthorised, irregular or fruitless and wasteful expenditure.

(b) A register will be maintained by the Head of Supply Chain to record all instances of unauthorised, irregular, fruitless and wasteful expenditure. The format of the register will be consistent with Annexure A of MFMA Circular 68 issued on 10 May 2013.

(c) Upon receiving a report of unauthorised, irregular or fruitless and wasteful expenditure, the CFO will advise, in writing, the Municipal Manager and the Head of Internal Audit.

(d) The Head of Internal Audit will institute an investigation as contemplated in section 32 of the MFMA, and in particular, determine the following:

- Nature of the non-compliance (i.e. non-compliance with MFMA, MSA, Remuneration of Public Officer Bearer's Act, etc.);
- Nature and reason for the unauthorised expenditure, irregular or fruitless and wasteful expenditure ;
- Whether the unauthorised, irregular or fruitless and wasteful expenditure was as a result of an instruction given, and if so, by whom. In addition, whether the accounting officer of official involved advised that such a decision would result in unauthorised, irregular or fruitless and wasteful expenditure
- Whether the irregular expenditure result from a minor breach in the procurement policy;
- Whether the municipality suffered a financial loss;
- Whether the accounting officer / official / public officer bearer acted deliberately, negligently, or grossly negligently;
- Grounds shown as to why the unauthorised expenditure should be authorised (such as interest of the municipality);
- Whether the accounting officer can condone the non-compliance with the SCM policy as a minor breach;
- Whether the non-compliance must be submitted to the National Treasury for condonation;
- Whether the non-compliance must be submitted to the Minister of Co-operative Governance and Traditional Affairs for condonation.

(e) The findings of the Head Internal Audit will be submitted to the Municipal Manager for consideration of the following:

- Introduction of an adjustments budget to authorise the un-authorised expenditure (if unforeseen and unavoidable and the process outlined in paragraph 3 of this policy could not be followed)
- Recommendation to recover funds
- Recommendation to write the funds of as irrecoverable
- Disciplinary / Criminal action to be instituted.

(f) The Head Internal Audit must, in considering (e) above, take due cognisance of section 176 of the MFMA.

(g) The Municipal Manager must advise the Executive Mayor (Head of Supply Chain to facilitate reporting process) of the unauthorised, irregular or fruitless and wasteful expenditure and the recommendations that will be made to the section 80 committee.

(h) The Deputy Municipal Manager will be responsible to institute criminal charges where applicable.

(i) The findings of the of the Head Internal Audit and the recommendations of the Municipal Manager will be submitted to a joint sitting of the Finance and Corporate Services as well as the relevant departmental section 80 committee for consideration of the following:

- Introduction of an adjustments budget to authorise the un-authorised expenditure (if unforeseen and unavoidable and the process outlined in paragraph 3 of this policy could not be followed)
- Recommendation to recover funds
- Recommendation to write the funds of as irrecoverable

(j) The recommendations of the section 80 committees will be submitted to the next Mayoral Committee and Council meetings for final decision.

(k) Upon conclusion of the Council process, the Head of Internal Audit must promptly advise the MEC for Local Government and the Auditor General of the unauthorised, irregular or fruitless and wasteful expenditure and the decision taken by Council.

(l) If the unauthorised expenditure is not authorised by Council, the funds must be recovered from the liable official or political officer bearer (within 30 days or in reasonable instalments).

(m) The Register of unauthorised, irregular or fruitless and wasteful expenditure will form part of the Municipal Manager's management meeting agenda to ensure the reported items are dealt with in a prompt manner.

(n) All instances of unauthorised, irregular, fruitless and wasteful expenditure must be disclosed in the annual report.

(o) The Chief Financial Officer must initiate a special adjustments budget (if applicable) to deal with the authorisation of un-authorised expenditure.

8. INVESTIGATIONS AND DISCIPLINARY ACTIONS

8.1 In terms section 172 and 173 of the MFMA, an Accounting Officer is guilty of financial misconduct and an offence respectively if he or she:

(a) will fully or negligently fails to take effective and appropriate steps to prevent unauthorised, irregular or fruitless and wasteful expenditure as required by the MFMA;
(b) fails to take effective and appropriate disciplinary steps against an official in the department who makes or permits unauthorised, irregular or fruitless and wasteful expenditure;
(c) fails to report unauthorised, irregular or fruitless and wasteful expenditure in terms of the MFMA.

8.2 As soon as the Accounting Officer becomes aware of an allegation of financial misconduct against an official, the Accounting Officer has a responsibility to ensure that the Mayor initiates an investigation into the matter and if the allegations are confirmed, holds a disciplinary hearing in accordance with the prescripts of the applicable legislation.

8.3 In terms of section 172 of the MFMA, an official of a department to whom a duty or power has been assigned commits an act of financial misconduct if that official will fully or negligently fails to perform that duty or exercise that power in line with applicable legislation.

8.4 In terms of the MFMA, the accounting officer must take appropriate and effective disciplinary steps against an official who makes or permits unauthorised, irregular or fruitless and wasteful expenditure.

8.5 When an accounting officer determines the appropriateness of disciplinary steps against an official in terms of applicable legislation, he or she must take into account the following:

(a) circumstances of the transgression;
(b) extent of the expenditure involved;
(c) nature and seriousness of the transgression

Reference to financial misconduct regulations

All alleged financial misconduct must be reported according to the Municipal Regulations on Financial misconduct procedures and criminal proceedings.

All financial misconduct in terms of Section 171 of the MFMA must be investigated in terms of the Municipal Regulations on Financial misconduct procedures and criminal proceedings.

9. REPORTING

9.1 The Accounting Officer must comply with the following reporting requirements:

9.1.1 Immediately upon discovery of unauthorised, irregular or fruitless, and wasteful expenditure, the Accounting Officer must report the details of the unauthorised, irregular or fruitless, and wasteful expenditure to the Mayor.

The report must include the following details:

(a) amount of the Unauthorised, irregular or fruitless and wasteful expenditure;
(b) name of the vote from which the expenditure was made;
(c) reason why the unauthorised, irregular or fruitless and wasteful expenditure could not be avoided;
(d) name and title of the responsible official;
(e) details of any recovery steps taken or to be taken by the municipality;
(f) details of any disciplinary steps taken or to be taken by the municipality,

9.1.2 The Accounting Officer must also include the expenditure in the department's monthly revenue and expenditure report submitted to the Council in terms of the MFMA.

9.1.3 All unauthorised, irregular or fruitless and wasteful expenditure must be reported as a note to the annual financial statements.

10. CONCLUSION

Irregular expenditure resulting from non-compliance with the MFMA and the MSA can't be condoned by Council and approval must be sought from the National Treasury, the Minister of Co-operative Governance and Traditional Affairs respectively.

Irregular expenditure resulting from non-compliance with the Public Officer Bearer's Act can't be condoned and such irregular expenditure must be recovered from the political officer bearer concerned.

A council may condone irregular expenditure resulting from a contravention of the SCM policy provided that the contravention is not also a contravention of the MFMA or the SCM Regulations, in which case only the National Treasury can condone a contravention of the SCM Regulations.

Minor breaches of the procurement process can be ratified by the accounting officer (if the municipality's SCM policy allows for it). Only the breaches in the process can be ratified and not the irregular expenditure itself. The irregular expenditure must still be ratified by Council.

11. POLICY ADOPTION AND IMPLEMENTATION DATE

This policy has been considered and approved by Midvaal Local Municipality and the policy will be effective as from 1 July 2018.

PAYMENT OF BULK CONTRIBUTIONS POLICY

2018/2019 FINANCIAL YEAR

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1. Preamble

1.2 The progressive realisation of fundamental constitutional rights *inter alia* requires township development. Township development in turn requires the provision of engineering services.

1.3 Local government must ensure the provision of engineering services to communities and promote social and economic development in a sustainable manner. As a general principle local government should within budgetary constraints accept responsibility for the installation and financing of external engineering services.

1.4 As a general principle township developers should accept responsibility for the installation and financing of internal engineering services.

1.5 Local government has the discretionary power when granting development approvals to impose conditions in relation to the provision of engineering services and the payment of money which is directly related to requirements resulting from those approvals in respect of the provision of the necessary services to the land to be developed.

1.6 Local government must act in accordance with the law when exercising those powers

2. Purpose of Policy

2.1 The adoption of policy guidelines by state organs to assist decision-makers in the exercise of their discretionary powers has long been accepted as legally permissible and eminently sensible.

2.2 The purpose of this policy document is first to assist and guide municipal decision-makers in the exercise of their discretionary powers when considering appropriate conditions of approval to be imposed under the Land Use Planning Ordinance; their negotiations with developers relating to the payment of development contributions and the division of engineering services costs between the Municipality and Applicants; and

2.3 The application of the calculation methods for Development Contributions as outlined in the Reports defined below.

2.4 The purpose of this policy document is also to: inform interested and affected parties regarding the principles and calculation methods of development contributions and the process to be followed in reaching and recording agreements in respect thereof; and ensure the provision of adequate engineering services and/ or payment of development contributions in respect of new developments.

3. Need for Calculating Bulk Services Contributions (Development Contributions)

3.1 Background

A Local Authority may request “Development Contributions”, which means financial contributions calculated in accordance with this policy document, which an Applicant is required to make in terms of conditions of approval imposed by the Municipality when granting approvals under the Ordinance and which relate to requirements resulting from those approvals in respect of the provision of the necessary engineering services to the land to be developed. Where sewer purification services are rendered by the Ekurhuleni Metropolitan Municipality (ERWAT) the calculation of bulk contributions for sewer purification will be in terms of their policy in addition to the policy and tariffs of the Midvaal Local Municipality.

3.2 Rezoning

The newly approved zoning becomes effective on promulgation in the Provincial gazette and the commencement of the scheme is 56 calender days from the promulgation date, if no objection against the proposed application was lodged and the liability of bulk contributions becomes payable by the property owner. Within 30 days from the date that the

amendment scheme comes in operation, in terms of Section 58 (1) of the Town Planning And Townships Ordinance, Ordinance 15 of 1986, the ED: Development Planning & Housing direct the owner by means of a registered letter, as contemplated by Section 63, of said Ordinance that the Bulk Contributions are payable. A copy of the Section 63 letter Contributions will be levied by finance on date of mayoral resolution as interim/provisional contributions.

4. Consent use

If no payment is received from the applicant / owner within 90 days from the date of the approval letter, the Council will recalculate the bulk contributions payable, subject to escalation costs or increase in tariff and / or fees and will be determined as and when the applicant/developer/owner wishes to exercise the new right.

On cancellation of the approved application Development, Planning and Housing will inform finance within 10 working days to remove the contributions from the system.

5. Township establishment

The applicant will be informed of bulk and link contributions payable in accordance with a signed Services Agreement, subject to the conditions pertaining to such agreement.

6. General

6.1 Any arrangements regarding the payment of contributions are already delegated to the mayoral committee per resolution MC1211/12/2006 and such arrangements will be backed by an irrevocable bank guarantee.

6.2 The authority to cancel an approved application for consent use be delegated to the Executive Director: Development and Planning. This automatically authorises removal of outstanding contributions.

6.3 The authority to amend bulk contributions be delegated to the Municipal Manager on written request by the Executive Director's Development Planning, & Housing and Engineering.

6.4 That all communication regarding the final bulk contributions payable be mailed to the property owner by registered post.

7. Conditions

If no payment is received from the applicant/owner within 90 days from the date of the approval letter, Finance in conjunction with Engineering may recalculate the bulk contributions payable, subject to escalation costs or increase in tariff and /or fees and will be determined as and when the applicant/developer/owner wishes to exercise the new right.

This condition will come into immediate effect, and also apply to all applications that have already been considered but in respect of which external bulk contributions are still outstanding.

In the event of a Township Establishment application this condition shall form part of the Services Agreement.
The Executive Director: Engineering Services must recalculate the bulk contributions as and when required.

All land use applications where bulk contributions have not been paid within 90 days from the date of the approval letter shall be re-circulated to the Department: Engineering Services in order to recalculate revised bulk contributions prior to the approval of building plans or any certificate enabling transfer of the newly subdivided portions.

8. Implementation

The policy will be effective as from 1 July 2018.

RELATED PARTY POLICY

2018/2019 FINANCIAL YEAR

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1. INTRODUCTION

GRAP 20 is applicable to all entities on the accrual basis of accounting in identifying and disclosing related party relationships, transactions and balances at year-end, including commitments.

This policy framework shall be read in the context of the provisions of the following Acts, Regulations and Administrative Guidelines:

- Accounting guidelines, National Treasury, June 2012
- MFMA, Act 56 of 2003;
- GRAP 20

2. PURPOSE

This policy outlines the identification, treatment, recognition and reporting of Related party transactions in the municipality according to the requirements of the MFMA.

The accounting officer of an institution must ensure that internal procedures and internal control measures are in place for all payment approval and processing, including related party transactions. These internal controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported on.

The objective of this Standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

3. DEFINITIONS

Related party transactions – is a transfer of resources or obligations between related parties, regardless of whether a price is charged.

Related party – parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control or are controlled by the reporting entity;
- Associates and joint ventures;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close member of the family of such an individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) or (d), or over which such a person is able to exercise significant influence.

Significant influence – is the power to participate in the financial and operating policy decision of an entity, but not control those policies.

Control – is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

Joint control – is the agreed sharing of control over an activity by a binding agreement.

Entities – entities referred to in GRAP 20 and in this policy, i.e. for which this is applicable, are:

- Public entities;
- Constitutional institutions;
- Municipalities and all other entities under their control;
- Parliament and provincial legislature; and
- Trading entities (only effective from 1 April 2013).

Key Management personnel:

- all Directors or members of a governing body of the entity;
- other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity. Where they meet this requirement key personnel include:
- where there is a member of the governing body of a whole-of-government entity who has the authority and responsibility for planning, directing and controlling the activities of the reporting entity, that member (e.g. Councillors);
- any key advisor of that member; and unless included in (a), the senior management group of the reporting entity, including the chief executive or permanent head of the reporting entity (e.g. the Accounting Officer)

4. IDENTIFICATION

Parties are considered to be related if one party has the ability to **control** (or jointly control) the other party or exercise **significant influence** over the other party, or vice versa, or an entity that is subject to **common control**, or joint control.

As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- Is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
- The entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled is related to the others);
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- Both entities are joint ventures of the same third party;
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

- The entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- The entity is controlled or jointly controlled by a related person; and
- A person who has control or joint control over the reporting entity has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

In identifying related party relationships, attention should be given to the substance of a relationship and not merely its legal form.

Where two entities have a member of management in common, it is necessary to consider the possibility, and to assess the likelihood, that this person would be able to affect the policies of both entities in their mutual dealings. However, the mere fact that two entities have a member of management in common does **not necessarily** create a related party relationship.

The following other instances also do **not necessarily** create related party relationships:

- Two ventures **merely** because they share joint control over a joint venture;
- Providers of finance and trade unions;
- A customer, supplier, distributor or general agent with whom an entity transacts a significant volume of business, **merely** by virtue of the resulting economic dependence.

Other factors could, however, result in the parties being related.

5. CONTROL

Control is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

An entity (or a person or body of persons) has control over another entity when it has certain decision-making capabilities over another and that it benefits from the activities of that entity.

Further indicators that can also individually or collectively be indicative of control are:

- The entity has the ability to veto operating and capital budgets of the other entity;
- The entity has the ability to veto, overrule, or modify the board of directors or equivalent governing body decisions of the other entity;
- The entity has the ability to approve the hiring, reassignment and removal of key personnel of the other entity;
- The mandate of the other entity is established and limited by legislation;
- The entity holds a “golden share” (or equivalent) in the other entity that confers rights to govern the financial and operating policies of that entity;
- The entity holds direct or indirect title to the net assets of the other entity;

- The entity has a right to a significant level of the net assets of the other entity in the event of a liquidation or in a distribution other than a liquidation;

- The entity is able to direct the other entity to co-operate with it in achieving its objectives;

- The entity is exposed to the residual liabilities of the other entity.

In the South African context, the government is divided into three spheres, namely the national, provincial and local spheres of government. Although provinces and municipalities are responsible for executing its assigned functions in line with the overall policies and objectives set by the relevant national department, the autonomy of the different spheres is guaranteed in terms of the Constitution of South.

Africa and provinces and municipalities can therefore decide how it will achieve those objectives. The national government does not **control** provinces or municipalities for accounting purposes, although funding may be received from the national government.

The following figure illustrates the related parties in the South African government context (note that the different spheres of government are not related to each other):

Local sphere:

For example: The City of Johannesburg and its municipal entities are related parties. The City of Tshwane and the City of Johannesburg are not related parties as they are not under common control.

6. INFLUENCE

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Significant influence may be exercised in several ways, usually by representation on the board of directors or equivalent governing body but also by, for example, participation in the policy making process. Significant influence may be gained by an ownership interest, statute, or agreement.

7. MANAGEMENT

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Management include any sub-committees of the governing body or key advisors of a member of management as well as the senior management group of the entity (if not part of the governing body of the entity).

Management hold positions of responsibility within an entity. They are responsible for the strategic direction and operational management of an entity and are entrusted with significant authority. This responsibility may enable them to influence the decisions of the entity and therefore the benefits of office that may flow to them or their related parties.

In respect of a municipality, the accounting authority or all the members (e.g. major, speaker, council members), and their close family relatives, are related parties of the municipality.

The senior management team of entities across all spheres of government (including the chief executive or permanent head of the entity) also form part of management.

8. CLOSE FAMILY MEMBERS

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity. A person is considered to be a close member of the family of another person if they:

- are married or live together in a relationship similar to a marriage; or
- are separated by no more than two degrees of natural or legal consanguinity or affinity.

Close family members of management (and entities under significant influence of such individuals) are related parties of an entity.

The reason for the inclusion of close family members in the definition of a related party is to prevent entities from transacting with these individuals rather than with management in order to circumvent the disclosure requirements of the standard.

Judgement will be necessary in determining whether an individual should be identified as a close member of the family of an individual for purposes of related party disclosures.

9. RELATED PARTY TRANSACTIONS

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged.

According to GRAP 20, an entity should disclose all transactions with its related parties (refer to disclosure) other than transactions that would occur within:

- Normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual entity or person in the same circumstances; and

Terms and conditions within the normal operating parameters established by that reporting entity's legal mandate.

10. DISCLOSURE

The minimum disclosure in the annual financial statements for related party relationships, transactions and balances are the following:

Accounting policies

"The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that member of management in their dealings with the entity.

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

The following are situations where related party transactions may lead to disclosures required by a reporting entity

- Rendering or receiving of services
- Purchases or transfers/sales of goods (finished or unfinished)
- Purchases or transfers/sales of property and other assets
- Agency arrangements;
- Leasing arrangements;
- Transfer of research and development;
- Licence agreements;
- Finance (including loans, capital contributions, grants whether in cash or in kind and other financial support including cost sharing arrangements); and
- Guarantees and collaterals;
- Settlement of liabilities

Management remuneration

An entity should disclose the remuneration of management per person and in aggregate, for each class of management, in the following categories:

- Fees for services as a member of management;
- Basic salary;
- Bonuses and performance related payments;
- Other short-term employee benefits;
- Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- Termination benefits;
- Other long-term benefits;
- Any commission, gain or surplus sharing arrangements; and
- Any other benefits received.

Entities shall make separate disclosures about the major classes of management that they have. For example, where an entity has a governing body, such as a board or a council, which is separate from its senior management group, disclosures about remuneration of the two groups must be made separately.

Where a person is a member of both the governing body and the senior management group, that person will be included in only one of those groups.

11. SUMMARY OF KEY PRINCIPLES

GRAP 20 sets out the principles for the identification and disclosure or related party relationships and transactions.

Identification

Parties are considered to be related if one party has the ability to **control** the other party or exercise **significant influence** over the other party in making financial and operating decisions or if the related party and other entity are subject to **common control**.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Associates
- Joint ventures
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family or any individual;
- Management, and close members of the family of management; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the two bullets above, or over which such a person is able to exercise significant influence.

All departments and public entities in the national sphere of government are related parties;

All departments and public entities in each province are related parties; and

Each municipality and its own municipal entities are related parties. A municipality is not “related” to another municipality as they are not under common control.

The National government does not control provinces or municipalities for accounting purposes, although funding may be received from the national government.

Disclosure

The reporting entity must disclose:

- Relationships between an entity and its controlling entities (or entities that it controls) needs to be disclosed.
- The nature of its related party relationships;
- The types of transactions that have occurred’ and
- The elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the financial statements to provide relevant and reliable information for decision-making and accountability purposes.

Disclosure of management information must also be made.

Entities are not required to disclose the value of transactions (other than those dealt with above) with other public sector entities where the transactions are concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.

12. POLICY AUDIT

A periodic policy audit process shall be conducted either by the Finance section, or Municipal Manager, when deemed necessary. The Provincial Government and or Auditor-General may also audit and formally request amendment of the policy, as may required from time to time, to ensure appropriate application and compliance the relevant Treasury and MFMA regulations and other legislation.

13. POLICY AMMENDMENT

No amendment(s) may be made to any section of this policy without such amendment(s) first being:

- Consulted upon with the Chief Financial Officer and the Municipal Manager.
- Duly approved by the Council.

CELL PHONE AND 3G POLICY

2018/2019 FINANCIAL YEAR

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CELL PHONE ALLOWANCE POLICY

1. OBJECTIVE

Council understands and appreciates that employees utilise their cell phones for business purposes so as for services to be delivered on a continuous basis. With the implementation of a cell phone allowance policy Council will have a universal tool to clearly define who is entitled to a cell phone allowance and how the costs will be met.

The policy will provide guidelines as to the attainment and management of the benefit of a cell phone allowance, so as to promote service delivery and ensure that services continue even when employees are not office bound.

Council will therefore pay a cell phone allowance to employees as determined by assessing an employee's individual needs.

2. SCOPE

This policy covers the usage of a cell phone allowance by permanent employees where the regular use of a cell phone is necessary to meet the requirements of the job and is applicable to any official who has received approval from the Municipal Manager, based on a recommendation from the relevant head of department, for a cellular allowance.

3. GUIDELINES

3.1 HANDSET & MAINTENANCE

Employees who are entitled to a cell phone allowance will only receive monetary remuneration and will be expected to provide their own handset by means of a contract with a cellular service provider (i.e. Vodacom, MTN, or Cell C). Council will not be responsible to provide any handset or additions to a handset to any employee or stakeholder covered in this policy.

Employees are encouraged to structure their contract with the service provider in a manner which best suits the individual's needs and personal circumstances. Recipients of a cell phone allowance must avail their cell phone number to their HOD and must continue to maintain the cell phone contract or air-time/pay-as-you-go contract while in receipt of the allowance.

The contract should be entered into between the Employee and Service Provider and the onus is on the employee to ensure the monthly payment of the contract.

Furthermore the Employee is responsible for insuring the handset against theft, loss or damage and should ensure that the mobile phone is available, at all times, for Council's use, failing which the allowance will be forfeited. Employees must inform the Human Resources Division of any cancellation arising from theft, sale, termination of the contract, etc. by no later than the 3rd of the month following the month in which the event occurred.

An allowance will not be granted to employees without official authorisation to acquire a cell phone for official use. Council will not be liable for any costs incurred without official authorisation if a private contract has been obtained for official use.

3.2 PRE PAID CONTRACTS

Employees making use of a prepaid contract with a service provider are entitled to a cell phone allowance benefit. Employees on a prepaid contract should ensure that the mobile phone is always available i.e. that enough airtime is available for making and receiving business calls, failing which the allowance will be forfeited.

3.3 PROCEDURE TO BE FOLLOWED WHEN APPLYING FOR A CELL PHONE ALLOWANCE OR INCREASING AN EXISTING BENEFIT

3.3.1 NEW POSITIONS

Executive Directors, when requesting a position to be filled, should clearly indicate on the provided portion on the “Request to fill a vacancy form” that the position will be requiring a cell phone allowance. The amount, in terms of this policy, should also be reflected. This will ensure that the cell phone allowance forms part of the employee’s remuneration package.

3.3.2 EXISTING POSITIONS

In the event of an employee already being appointed and the need for a cell phone allowance arise the following procedure should be followed:

A written application, supported by a detailed motivation as to the need for a cell phone allowance, from the employee should be forwarded to the relevant Head of Department. The Head of Department will consider the application, if supported the recommendation should be forwarded to the Municipal Manager for final approval. Thereafter, the approved application must be forwarded to Human Resources Division for record purposes, from where it will be forwarded to the Finance Department so as to include the benefit on the employee's salary advice.

3.3.3 INCREASING BENEFITS

In the event of an employee continually exceeding the approved limits of the cell phone allowance provided for to him / her, as a result of their job function, a written motivation should be made to the relevant Head of Department to approve a revised limit. Again the application should be forwarded to the Municipal Manager, to Human Resources Division and Finance. In the event of increasing the cell phone allowance, proof of the exceeded amount should be provided i.e. itemised billing.

3.4 INTERNATIONAL CALLS

Officials, travelling abroad must activate international roaming; the cost of the activation will be for the user's account. Only official international calls made by the user will be paid by Council and is subject to proof i.e. itemised billing.

4. ALLOWANCE

A Cell phone allowance is payable to an employee on a monthly basis and may be amended from time to time in terms of business related costs incurred by the individual and per approval from the relevant Head of Department and Municipal Manager.

Any increase in a cell phone allowance payable to an employee should be within the prescriptions of this policy. The maximum amount will only be payable if sufficient evidence, from the employee, is provided and agreed to by the relevant Head of Department and Municipal Manager.

Job Level	Office / Not Office Bound	Amount
Section 54A	Connectivity allowance	R2 500
Section 56	Connectivity allowance	R2 000
1-3	Office bound	R300.00 – R 650.00
	Not Office Bound	R300.00 – R1 500.00
4-6	Office bound	R200.00 – R 300.00
	Not Office Bound	R300.00 – R1 500.00
7-8	Office bound	R150.00 – R 200.00
	Not Office Bound	R300.00 – R1 000.00

Requests for 3G cards will be based on a 3 month average usage and the allowance be calculated on the basis thereof in deserving cases and to be signed off by IT, the relevant HOD, CFO and MM, if funding is available.

5. CELL PHONE USAGE WHILE DRIVING

Council is aware that in utmost circumstances, that employees use their cell phones for business purposes while driving. Due to the recent research about the safety of cell phone usage while driving, Council prohibits employees from using their cell phones while driving, unless the vehicle is fitted with a blue tooth device.

Council recognises that other distractions occur while driving, however, eliminating the use of cell phones, while driving is one way to minimize the risk to employees of accidents. Employees are therefore required to either park the vehicle so as to safely communicate via cell phone or to request the caller for permission to contact them at a more convenient and safer time as to driving.

6. VIOLATION OF POLICY

Employees who violate this policy may be subject to disciplinary action and may have their allowance suspended.

RISK MANAGEMENT POLICY

2018/19 FINANCIAL YEAR

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GLOSSARY OF TERMS

Accounting Officer refers to the Municipal Manager.

Event means an incident or occurrence from internal or external sources that affects the achievement of the municipality's objectives.

Framework refers to the Gauteng Provincial Government Risk Management Framework, June 2014 and Public-Sector Risk Management Framework, 1 April 2010.

Impact means a result or effect of and event. The impact of an event can be positive or negative. A negative event is termed a "risk".

Inherent refers to the impact that the risk will have an achievement of objectives if the current controls in place are not considered.

Key risks – Risks that are rated high on an inherent level. It is that possess a serious threat to the municipality.

Likelihood / Probability means the probability of the risk occurring.

Management refer to all levels of management, other than the MM and the CRO.

Mitigation / Treatment – After comparing the risk score (Risk Exposure = impact X likelihood) with the risk tolerance, risks with unacceptable levels of risk will require treatment plans (additional action to be taken by management)

Operations are a team used with "objective", having to do with the effectiveness and efficiency of the municipality's activities, including performance and safeguarding resources against loss.

Residual means the remaining exposures after the controls / treatments has been taken into consideration. (The remaining risk after management has put in place measures to control the inherent risk).

Risk Appetite means the amount (level) of risk the municipality is willing to accept.

Risk Owner means the person responsible for managing a particular risk.

Risk Profile / Register – Also known as the risk register. The risk profile will outline the number of risks, type of risk and potential effects of the risk. This outline will allow the municipality to anticipate additional costs or disruption to operations. Also describes the willingness of a company to take risks and how those risks will affect the strategy of the municipality.

Risk Tolerance means the acceptable level of risk that the municipality can tolerate.

Strategic is a term used with “objectives”, it has to do with high-level goals that are aligned with and support the municipality’s mission or vision.

1. OVERVIEW

1.1 Policy Objective

The objective of this policy is to safeguard Midvaal Local Municipality's property, interests and people.

1.2 Policy Statement

Through this policy, the Municipal Manager puts into practice his commitment to implement and maintain an effective, efficient and transparent system of risk management. This policy forms the basis for the accompanying Risk Management Strategy and implementation Plan which is designed to help achieve the objective of implementing an effective ERM process and embedding a culture of risk management within the Municipality.

1.3 Policy Scope

This is an enterprise-wide policy. It applies throughout Midvaal Local Municipality in as far as risk management is concerned as all staff within the municipality has a role to play in the identification and management of risks.

1.4 Background

1.4.1 Legislative mandate

Section 62 (1) (c) (i) of the Municipal Finance Management Act states that: "The accounting officer of the municipality and municipal entity is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal controls."

1.4.2 Legislative compliance

The policy is aligned to the principles set out in the Gauteng Provincial Treasury Risk Management framework, approved on 11 June 2014 and to some extent King IV, COSO and ISO 31000. This policy is also supported by the MFMA, Act 56 of 2003.

1.4.3 Objectives of Enterprise Risk Management

The objective of Risk Management is to assist management in making more informed decisions which:

- Provide a level of assurance that current significant risks are effectively managed;
- Improve operational performance by assisting and improving decision making and planning;
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance;

1.4.4 Benefits of Enterprise Risk Management

- **Increasing probability of achieving organisational objectives within budget and in time** – Risk Management assists Management in achieving Municipal performance targets and prevents loss of resources. Risk interventions will be chosen on the basis that they increase the likelihood that the Municipality will fulfil its intentions to stakeholders.
- **Effective utilization of resources** – Risk quantification techniques assist Management in prioritizing risks to ensure that resources and capital are focused on high priority risks faced by the Municipality.
- **Enhancing risk response decisions** – Risk Management provides the consistency for Management to identify and select among alternative responses such as risk treatment, risk transfer, tolerate and terminate. Risk Management provides the techniques and methodologies to make these decisions.
- **Identifying and managing multiple and cross-enterprise risks** – Municipalities faces a myriad of risks affecting different parts of Districts and Risk Management facilitates effective responses to the interrelated impacts, and integrated responses to multiple risks.

- **Seizing opportunities** - By considering a full range of potential events, Management is positioned to identify and proactively realize opportunities.
- **Ensuring compliance with laws and regulations** – Risk Management helps ensure effective reporting and compliance with laws and regulations, and helps avoid damage to municipality's reputation and associated consequences.
- **Ensuring proper financial and asset management** – Risk Management contributes to ensuring that there is proper financial and asset management within organizations.

2. Roles and Responsibilities

The roles and responsibilities of the players in the risk management process are as follows:

2.1 Risk Management Oversight

2.1.1 Council

Council is responsible for the governance of risk. Council takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect Midvaal Local Municipality against significant risks.

Council must report to its stakeholders, on the municipality's system of internal control. This provides comfort that the Municipality is protected against significant risks to ensure the achievement of objectives as detailed in the Service Delivery and Budget Implementation Plan (SDIBIP).

2.1.2 Audit and Performance Committee (APC)

APC is an independent committee, responsible to oversee the municipality's control, governance and risk management. This committee is vital to, amongst other things, ensure that financial, IT and fraud risks related to financial reporting are identified and managed.

The Committee's primary responsibility is to provide an independent and objective view of the effectiveness of the municipality's risk management process to council and to provide recommendations to the MM for continuous improvement and management of risks. The responsibilities of the AC with regards to risk management are formally defined in its charter.

2.1.3 Ethics and Risk Management Committee

The committee's role is to review the risk management progress and maturity of the municipality, the effectiveness of risk management activities, the key risks facing the municipality and the responses to address these key risks. The responsibilities of the committee are formally defined in its charter.

2.2 Risk Management Implementers

2.2.1 Municipal Manager (MM)

The MM is ultimately responsible for risk management within the municipality. This includes ensuring that the responsibility for risk management vests at all levels of management. The MM sets the tone at the top by promoting accountability, integrity and other factors that will create a positive control environment.

2.2.2 Management

All other levels of management, supports the municipality's risk management philosophy, promotes compliance with the risk appetite and manage risks within their areas of responsibilities.

Management takes ownership for managing the municipality's risks within their areas of responsibility and is accountable to the MM for designing, implementing, monitoring and integrating ERM into their day to day activities of the municipality. This should be done in a manner that ensures that risk management becomes a valuable strategic management tool.

2.2.3 Other officials

Other officials are responsible for integrating risk management into their daily activities i.e. by ensuring that emerging risks are identified as well as conformance with controls and compliance to policies and procedures.

2.3 Risk Management Support

2.3.1 Chief Risk Officer (CRO)

The CRO is the custodian of the Risk Management Strategy and implementation Plan and the coordinator of ERM activities throughout Midvaal. The primary responsibility of the CRO is to use his / her specialist expertise to assist the municipality to embed ERM and leverage its benefits to enhance performance. The CRO plays a vital communication link between senior management, operational level management, the Ethics and Risk committee as well as other relevant committees.

2.3.2 Risk Champions

Risk Champions would generally hold a senior position within the municipality and possess the skills, knowledge and leadership qualities required to champion a particular aspect of risk management.

Risk Champions assist the CRO to facilitate the risk assessment process and manage risks within their area of responsibility to be within the risk appetite. The primary responsibilities are advising on, formulating, overseeing and managing all aspects of a municipality's entire risk profile, ensuring that major risks are identified and reported upwards.

2.4 Risk Management Assurance Providers

2.4.1 Internal Audit

The role of internal audit in risk management is to provide an independent, objective assurance to council and audit committee on the effectiveness of risk management. Internal audit also assists in bringing about a systematic, disciplined approach to evaluate and improve the

effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

2.4.2 External Audit

External Audit (Auditor General) provides an independent opinion on the effectiveness of ERM.

3. Policy review

The content of the ERM policy will be reviewed annually to reflect the current stance on risk management within Midvaal local municipality.

4. Approval

Recommended by the Accounting Officer:

Signature:

Name in Print:

Date:

BILLING POLICY

2018/2019 FINANCIAL YEAR

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1. DEFINITIONS

"Accounting Officer" means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act.

"Actual Consumption" means the measured consumption by a customer of a municipal service.

"Applicable Charges" means the rate (including assessment rates) charges, tariffs or subsidies determined by council.

"Annually" means once every financial year.

"Arrangement" means a written agreement entered into between the Municipality and the customer where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act.

"Arrears" means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.

"Authorised Representative" means a person or instance legally appointed by the Municipality to act or to fulfill a duty on its behalf.

"Availability Charges" shall mean an availability charge which means a fixed monthly or annual charge levied against the account holder which is based on the cost for providing a municipal service to the premises of the account holder.

"Basic Municipal Services" shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

"Billing" refers to the process of charging for service provided by issuing accounts.

“Billing Date” means the date upon which the monthly statement is generated and debited to the customer's account.

“Business and Commercial Property” means -

- property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
- property on which the administration of the business of private or public entities take place.

“By-law” shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies.

"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee.

"Consolidated Account" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality.

"Council" means the Council of the Midvaal Local Municipality.

“Councillor” shall mean a member of the Council of the Midvaal Local Municipality.

“Connection” means the point at which a customer gains access to municipal services.

"Customer" means the occupier of any premises to which the Municipality has agreed to supply or is actually supplying municipal services, or if no occupier can be identified or located, then the owner of the premises and includes any customer of the Municipality;

“Disconnections” means interrupting the supply of water and electricity to a debtor as a result for non-payment of a Consumer Deposit.

“Defaulter” means any person who owes arrears to the Municipality.

"Delivery Date" shall mean the date on which the periodic account is delivered to the customer or 3 days after the date the account was posted, whichever is the first.

"Domestic Customer or User" of municipal services means a customer who primarily for residential purposes occupies a dwelling, structure or premises.

"Due Date" in relation to rates and services -

(a) rates due in respect of any immovable property, means:-

(i) the date for payment indicated on the account, in the case where rates and services are levied on a monthly basis, the due date shall be the 7th of each month.

"Dwelling" means a building, structure or place of shelter to live in or conduct business from.

"Electricity Charges" means service charges in respect of the provision of electricity.

"**Executive Mayor**" means the Executive Mayor of the municipality.

"Financial Year" shall mean the period starting from 1 July in any year and ending on 30 June of the following year.

"Indigent Customer" means the head of an indigent household:-

(a) who applied for and has been declared indigent in terms of Council's Indigent Policy for the provision of services from the Municipality; and

(b) who makes application for indigent support in terms of Council's Indigent Policy on behalf of all members of his or her household.

"Indigent Policy" means the Indigent Policy adopted by the Council of the Municipality.

"Indigent Program" means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Policy.

"Illegal Connection" means a connection to any system through which a municipal service is provided and that is not authorised or approved by the municipal.

"Interest" means a charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time.

“Municipal Tariff” shall mean a tariff for services which the Municipality may set for the provision of a service to the local community, and may include a surcharge on such service.

“Tariffs for major services” shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean all other tariffs, charges, fees, rentals or fines levied or imposed by the Municipality in respect of other services supplied including services incidental to the provision of the major services.

“Normal Office Hours” means the hours when the Chief Financial Officer’s offices are open to the public from Mondays to Fridays, excluding public holidays, Saturdays and Sundays.

“Owner” in relation to immovable property means -

(a) the person in whom is vested the legal title thereto provided that:-
    (i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;
    (ii) the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;
(b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof.

“Person” means a natural and juristic person, including any department of state, statutory bodies or foreign embassies.

“Service Delivery Agreement” means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000.

"Sundry Customer Accounts" means accounts raised for miscellaneous charges for services provided by the Municipality or charges that were raised against a person as a result of an action by a person, and were raised in terms of Council's policies, bylaws and decisions.

“Tampering” means unauthorised reconnection of a supply that has been disconnected for non-payment, the interference with the supply mains or bypassing of the metering equipment to obtain unmetered service.

2. ABBREVIATIONS

AO	Accounting Officer
CFO	Chief Financial Officer
EM	Executive Mayor
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
NCA	National Credit Act
VAT	Value Added Tax
IBT	Inclining Block Tariff

3. PREAMBLE

Whereas section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 *('the Constitution)* provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

And whereas section 4 (1) (c) of the Local Government: Municipal Systems Act 32 of 2000, as amended *('the Systems Act')* provides that the Council of a Municipality has the right to finance the affairs of the Municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties;

And whereas section 5 (1) (g), read with subsection (2) (b) of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent customers, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

And whereas Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority, respectively.

Now therefore the Municipal Council of Midvaal Local Municipality adopts the following policy regarding Billing of Services towards Customers.

4. OBJECTIVE OF THE POLICY

Section 95 of the Local Government: Municipal Systems Act, 32 of 2000 (hereinafter referred to as the MSA) requires the Municipality to:

4.1 establish a sound customer management system;

4.2 establish mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of services;

4.3 Take reasonable steps to ensure that users of services are informed of the costs of service provision, the reason for the payment of service fees, and the manner in which monies are utilised;

4.4 Take reasonable steps to ensure the accurate measurement of consumption of services;

4.5 Ensure the receipt by persons liable for payments of regular and accurate accounts that indicate the basis for calculating the amounts due;

4.6 Provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow for prompt redress for inaccurate accounts;

4.7 Provide accessible mechanisms for dealing with complaints, prompt replies and corrective action;

4.8 Provide mechanisms to monitor response times to such complaints;

4.9 Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.

5. UNDERLYING PRINCIPLES OF THIS POLICY

The principles of Billing in the Municipality are:-

5.1 The administrative integrity of the Municipality must be maintained at all times.

5.2 This policy must have the full support of Council.

5.3 Councillors must have full knowledge of the implementation and enforcement of the policy.

5.4 Customers must be informed of the contents of this policy.

5.5 Customers must apply for services from the Municipality by the completion of the prescribed application form.

5.6 A person liable for a rates and taxes must furnish the municipality with an address where correspondence can be directed to and remains his / her responsibility to enquire with the municipality if the account is not rendered

5.7 Customers must receive regular and accurate accounts that indicate the basis for calculating the amounts due. The customer is entitled to have the details of the account explained upon request.

5.8 Customers must pay their accounts regularly on or before the due date.

5.9 Customers are entitled to reasonable access to pay points and to a variety of reliable payment methods.

5.10 Customers are entitled to an efficient, effective and reasonable response to appeals, and should not suffer any disadvantage during the processing of a reasonable appeal.

5.11 Debt collection action will be instituted promptly, consistently, and effectively without exception and with the intention of proceeding until the debt, including the cost of collection, is recovered.

5.12 All tariffs to calculate, Property Rates, Electricity and Water charges, Sewer and Refuse collection are determined annually, approved by Council and contained in the Tariff booklet produced by the Municipality.

6. LEGISLATIVE FRAMEWORK

The legal framework central to Billing and the functioning of municipalities is contained in various pieces of legislation, some of which is briefly outlined in the section to follow.

6.1 Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

The Constitution of the Republic of South Africa, 1996, (Act 108 of 1996), is the supreme law of the Republic, any law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled. The right to sufficient water and appropriate assistance where one is unable to support them and their dependents is enshrined in the Constitution. In this instance the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights.

The objectives of local government are set out in Section 152 of the Constitution and include:

6.1.1 providing a democratic and accountable government for local communities;
6.1.2 provision of services to communities in a sustainable manner;
6.1.3 promoting social and economic development;
6.1.4 promoting a safe and healthy environment; and
6.1.5 encouraging the involvement of communities and community organisations in the matters of local government.

Furthermore a municipality must achieve these objectives within its financial and administrative capacity. It is therefore within the powers and functions of a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of a municipality as it aims to achieve its objective of providing services to communities in a sustainable manner.

6.2 Electricity Regulation Act, 2006 (4 of 2006)

The Electricity Regulation Act, 2006 (4 of 2006) prohibits a municipality (licensee) from reducing or terminating the supply of electricity unless;

6.2.1 the customer is insolvent,

6.2.2 the customer has failed to honour, or refuses to enter into, an agreement for the supply of electricity; or

6.2.3 the customer has contravened the payment conditions of that licensee.

As such, the municipality must ensure that it enters into service agreements with its customers for the supply of services, including electricity, and that these agreements clearly spell out the service and payment conditions which the customer will be subject to.

6.3 Water Services Act, 1997 (Act 108 of 1997)

The main objective of this Act is to provide for the right of access to “basic water supply” and “basic sanitation” necessary to ensure sufficient water and an environment not harmful to health or well-being. The responsibility lies on the municipality as a water services authority to make reasonable measures to realise these rights.

Basic water supply refers to the prescribed minimum standard of water supply services necessary to support life and personal hygiene. A municipality cannot deny any person access to basic water services due to non-payment, where that person proves, to the satisfaction of the municipality, that they are unable to afford to pay for basic services. The implication for municipalities is that they cannot disconnect or discontinue services beyond the basic water supply as defined but may limit/restrict the flow of water to a property.

6.4 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

The Municipal Finance Management Act (Act 56 of 2000) places responsibility on the Municipal Manager as the Accounting Officer to ensure that a municipality has and implements a Credit Control and Debt Collection Policy .As an Accounting Officer, the Municipal Manager is also responsible for the management of the revenue of the municipality and is under obligation to take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the municipality’s Credit Control and Debt Collection Policy. Further that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies.

6.5 Local Government: Municipal Structures Amendment Act, 2000 (Act 33 of 2000)

The Municipal Structures Act 117 of 1998 set out the powers and function of municipalities where in District Municipalities where tasked with the supply of portable water, bulk electricity, sewerage and waste disposal. With the **Municipal Structures Amendment Act, 2000 (Act 33 of 2000),** these functions are now performed by both the District and Local Municipalities based on the locality of the municipality.

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

The Act aims to regulate the powers of municipalities to impose rates on property. As required by the Act, the council of a municipality must adopt a rates policy and pass bylaws to enable the municipality to levy rates on all rate-able properties in its area as required.

The owner of a property is liable for the payment of a rate levied by a municipality on the property, subject to the municipality's Credit Control and Debt Collection Policy .The municipality may recover any unpaid rates on the property from the tenant, occupier or agent of the owner after serving them with a written notice. This is irrespective of any contractual obligation that might exist with the owner and is limited to the rent or money due and payable.

6.7 Municipal By-laws

Section 160(4) of the Constitution provides that no bylaw may be passed by a Municipal Council unless all the members of the Council have been given reasonable notice; and the proposed bylaw has been published for public comment. Only once the by law has been published on the official gazette of the relevant province can it be enforceable.

Further, Section 90 of the Municipal Systems Act requires municipalities to adopt credit control and debt collection bylaws in order to give effect to the policy and to give municipality legislative powers to enforce the policy. These bylaws may differentiate between categories of ratepayers, user of service, debtors, taxes, services, service standards and other matters, as long as the differentiation does not amount to unfair discrimination.

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

The Act requires a municipality to collect all money due and payable to it, and in so doing a municipality must adopt, maintain and implement a credit control and debt collection policy. A municipality is empowered by the Act to levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and to recover collection charges and interest on any outstanding amount subject to the provisions of the National Credit Act. The Act further outlines the contents required of a municipal credit control and debt collection policy.

7. SUPERVISORY AUTHORITY

7.1 As provided by section 99 of the Act, the Executive Mayor of the municipality is responsible for overseeing and monitoring:

7.1.1 The implementation and enforcement of this policy; and

7.1.2 The performance of the Municipal Manager in implementing this

7.2 The Executive Mayor shall at least once a year cause an evaluation or review of this policy and the by-law to be performed, in order to improve the efficiency of the municipality's Billing processes and procedures, as well as the implementation of this policy.

8. IMPLEMENTING AUTHORITY

8.1 As contemplated in Section 100 of the Act, the Municipal Manager:-

8.1.1 Implements and enforces the Billing policy.

8.1.2 Must establish effective administration mechanisms, processes and procedures to bill amounts that are due and payable to the Municipality.

8.1.3 Where necessary make recommendations to the Executive Mayor with the aim of improving the efficiency of the billing mechanisms, processes and procedures.

8.1.4 Establish effective communication between the Municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that my affect account holders.

8.1.5 Establish customer service centres, located in such communities as determined by the Municipal Manager.

8.1.6 Convey to account holders information relating to the costs involved in service provision, and how funds received for the payment of services are utilised, and may where necessary employ the services of local media to convey such information.

8.2 The Municipal Manager may, in writing, delegate any of the powers entrusted or delegated to him or her in terms of Council's Billing policy to the Chief Financial Officer.

8.3 A delegation in terms of subsection (2):-

8.3.1 Is subject to any limitations or conditions that the Municipal Manager may impose;

8.3.2 May authorise the Chief Financial Officer in writing, to sub-delegate duties and responsibilities to the Director Income.

8.3.3 The delegation does not divest the Municipal Manager of the responsibility concerning the exercise of the delegated power.

8.4 The Chief Financial Officer is accountable to the Municipal Manager for the implementation, enforcement and administration of this policy, and the general exercise of his powers in terms of this policy.

8.5 The Director Income shall be accountable to the Chief Financial Officer for the sections of this policy delegated to the Director Income in terms of the MFMA section 82.

9. APPLICATION FOR THE PROVISION OF MUNICIPAL SERVICES

9.1 A customer who requires the provision of municipal services must apply for the service from the Municipality. The application must be made on the prescribed form.

9.2 The application for the provision of municipal services must be made by the registered owner of an immovable property ONLY. An applicant can apply for the connection of services (water and electricity) without approved building plans.

9.3 The Municipality will not entertain an application for the provision of municipal services by a tenant of a property, or any other person who is not the owner of the property. The only exception will be:-

9.3.1 Individuals and Businesses with lease agreements to lease properties from the Municipality;

9.3.2 Government Departments;

9.3.3 Body Corporates who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual sectional title owners; and

9.3.4 Approved Indigent Customers for the purposes of registering and allocating the applicable subsidy to qualified indigent customers whom will be allowed to open an account in the name of the lessee of the property.

9.4 In case of existing arrangements where tenants have existing accounts, and the tenant is guilty of non-payment, the owner is liable for the outstanding debt, except where the property concerned is owned by the Municipality.

9.5 In terms of section 102(3) of the Municipal Systems Act the 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.

9.6 An agent may with a proxy open an account in the name of the owner.

9.7 The application for the provision of municipal services must be made in writing on the prescribed application form that is provided by the Municipality.

9.8 By completing the prescribed application form for the provision of municipal services the consumer of services enters into an agreement with the Municipality. Such agreement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act (NCA) but shall be incidental credit as envisaged in terms of section 4(6)(b) of the NCA, to which the NCA will only apply to the extent as stipulated in section 5 of the NCA.

9.9 The agreement with the Municipality makes provision for the following:-

9.9.1 An undertaking by the occupier that he or she will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on the attorney and client scale;

9.9.2 An acknowledgement by the occupier that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account;

9.9.3 That the onus will be on the occupier to ensure that he or she is in possession of an account before the due date; and

9.9.4 An undertaking by the Municipality that it shall do everything in its power to deliver accounts timeously.

9.10 The application for the provision of municipal services shall be made at least fourteen (14) days prior to the date on which the services are required to be connected.

9.11 On receipt of the application for provision of municipal services, the Municipality will cause the reading of metered services linked to the property to be taken on the working day after the application.

9.12 The first account for services will be rendered after the first meter reading cycle to be billed following the date of signing the service agreement.

9.13 In case of new buildings being erected and a connection is made for the first time to the main service lines the metering and levying of services actually consumed or received will take place as follow:-

9.13.1 Charges for sewer are levied with effect from the date when the property is registered in the deeds office and a connection is available.

9.13.2 Refuse removal charges are levied with effect from the date of the Occupancy Certificate issued by the Building Control Section.

10. DEPOSITS AND GUARANTEES

10.1 At the time of registration as a customer, a deposit will be required based on the criteria set by the Chief Financial Officer from time to time.

10.2 The Chief Financial Officer may accept an irrevocable bank guarantee in lieu of a deposit on application for the provision of municipal services at his / her own discretion and in exceptional cases in pursuance of local economic development.

10.3 Existing customers moving to a new address are required to pay the prescribed customer deposit on application for the provision of municipal services at the new address.

10.4 All existing guarantees less than R100 000 in lieu of cash deposits must be converted to cash deposits before 30 June 2019.

10.5 Arrangements for the payment of the deposit shall be entered into only with the approval of the Director Income.

10.6 Deposits levied not paid within a three (3) month period after being levied will result in disconnection of the services until such time the deposit has been paid.

10.7 On termination of the supply of services the amount of the deposit less any payment due to the Municipality will be refunded to an account holder, provided that payments due are less than the deposit paid, and that the account holder has provided a forwarding address.

10.8 No interest will be paid on any deposit held by Council

10.9 Review of the Deposits

10.9.1 The deposits shall be reviewed and increased annually with the review of the tariffs.

10.9.2 If the customer poses a credit risk, the value of the original deposit paid or a guarantee held may be reviewed from time to time by the Chief Financial Officer.

10.9.3 The deposit on an account may be reviewed when:

10.9.3.1 The Account is paid after the due date

10.9.3.2 Payment by negotiable instrument or direct debit, is dishonoured

10.9.3.3 There is an increased consumption of services

11. ACCOUNTS AND BILLING

11.1 The Municipality shall provide all customers with a monthly consolidated account for municipal service rendered as per Section 102 of the Municipal Systems Act, Act 32 of 2000 which account shall be generated on a monthly basis.

11.2 The monthly consolidated account can include property rates charges, in which case they shall comply with section 27 of the Municipal Property Rates Act 6 of 2004.

11.3 All accounts rendered by the Municipality shall be payable on the due date.

11.4 Account balances which remain unpaid after 30 days from the delivery date of the account shall attract interest on arrears, irrespective of the reasons for non-payment.

11.5 All accounts are payable as above regardless of the fact that the customer has not received the account, the onus being on the customer to obtain a copy of the account before the due date

11.6 Accounts will be rendered using either one of the following ;

11.6.1 Conventional postal services,

11.6.2 Hand delivery at the premises

11.6.3 By means of an email if so requested by the customer or

11.6.4 By means of Multimedia system (MMS) if registered for.

12. RATES

12.1 Rates shall be billed annually and maybe recovered annually or monthly, as determined by the Municipality.

12.2 Property rates which are billed and recovered annually shall be billed in terms of the July account of each year.

12.3 Property rates may also be billed annually for a specific financial year but recovered in monthly instalments to assist its customers.

13. ELECTRICITY

13.1 The provisions of this policy, in respect of the supply of electricity to a customer, shall constitute the payment conditions of the Municipality as licensee, contemplated in section 21(5) of the Electricity Regulation Act 4 of 2006.

13.2 Service charges in respect of electricity shall be determined in accordance with metered consumption.

13.3 Monthly accounts shall be rendered for electricity consumption and the customer shall effect payment thereof by the due date.

14. WATER CHARGES

14.1 The provisions of this policy, in respect of the supply of water to a customer, shall constitute the payment conditions of the Municipality as water services authority and water services provider, contemplated in sections 4 and 21 of the Water Services Act 108 of 1997.

14.2 Service charges in respect of water shall be determined in accordance with metered consumption.

14.3 Monthly accounts shall be rendered for water consumption and the customer shall effect payment thereof by the due date.

15. REFUSE AND SEWER CHARGES

15.1 Refuse and Sewer charges are billed monthly.

15.2 Charges for sewer, where applicable, are levied monthly.

16. SUNDRY CUSTOMER ACCOUNTS

16.1 Sundry customer accounts may be rendered by the Municipality from time to time.

16.2 Any sundry customer account may be included in the monthly consolidated account produced by the Municipality in terms of section 102 of the Municipal Systems Act, 32 of 2000,

17. FINAL ACCOUNTS

17.1 Upon receipt of a customer's application for the termination of municipal services, the Municipality shall:-

17.1.1 Take final readings in respect of metered municipal services;

17.1.2 Prepare and render a final account;

17.1.3 Appropriate the customer deposit for the reduction or settlement of any outstanding amount owed by the customer; and

17.1.4 Return the customer deposit to the customer in the event that no amount is owed to the Municipality.

17.1.5 The water and / or electricity services will be disconnected with a final reading taken until such time the new owner signed a new services agreement.

18. METERING OF MUNICIPAL SERVICES

18.1 The Municipality may introduce various metering equipment and may encourage customers to convert to a system which is preferred by the Council when Council considers this to be beneficial to its functioning and operations.

18.2 Electricity and water consumption is measured with conventional and prepayment meters.

18.3 Customers may apply to Council for the installation of a prepayment electricity meter in place of a conventional meter at the cost of the customer, subject to the account of customer being paid in full.

18.4 Where a customer has successfully applied for indigent status the conventional meter for electricity will be changed to a prepayment electricity meter at the cost of the Council.

18.5 The following applies to the reading of conventional meters:-

18.5.1 Conventional electricity and water meters are read at in cycles of approximately 30 days.

18.5.2 If for any reason the conventional electricity and water meters cannot be read, the Municipality will render an account based on interim consumption. The interim will be based on the average of the previous 6 months' consumption.

18.5.3 The account based on interim consumption will be adjusted in the subsequent account based on the actual consumption.

18.5.4 The customer is responsible to ensure access to metering equipment for the obtaining of meter readings for billing purposes.

18.5.5 Customers can, for reasons of non-accessibility to their properties by meter readers, provide the Municipality with monthly meter readings for billing purposes. Customers can phone in or email the above information to billing personnel with their readings and a photo will be compulsory with meter number visible and reading.

18.5.6 Should the customer fail to provide the municipality with the meter readings, the meter number and the photo of the meter, the following will apply;

(a) A letter requesting access to the meter will be hand delivered or left at the gate by the premises.
(b) If the municipality does not receive readings as requested within seven (7) days then the service will be terminated until the requested information is provided to the municipality.

18.5.7 If any calculation, reading or metering error is discovered, or an actual meter reading is obtained in cases where the Municipality did not have access to the meter, in respect of any account rendered to a customer:-

18.5.7.1 The error shall be corrected or the adjustment made in the subsequent account;

18.5.7.2 Any such correction / adjustment in favour of Council may apply in respect of an account from a date no more than 3 years for municipal services from the date on which the error on the account was discovered or the adjustment were done. All interims levied during this period will be reversed.

18.5.7.3 any such correction / adjustment in favour of the customer may apply in respect of an account from a date no more than 3 years for municipal services from the date on which the error on the account was discovered or the adjustment were done.

18.5.7.4 The correction shall be based on the tariffs applicable during the period in which the error occurred.

18.5.8 Any water leakage within the property of the customer (consumer's side of the meter) will be the responsibility of the customer and he will be liable for the payment of the water consumed.

18.6 The following applies to prepayment metering:-

18.6.1 Prepayment electricity and water is purchased at prepayment vending points for consumption after the date of purchase.

18.6.2 Amounts tendered for the purchase of prepayment electricity and water will not be refunded after the prepayment meter voucher has been produced.

18.6.3 On request of the customer, copies of the previous prepayment meter vouchers will be produced. Lost vouchers will not be replaced under any circumstances.

18.6.4 Credits remaining in the prepayment meter will not be refunded when a premises is vacated by a customer.

18.6.5 The Municipality shall not be liable for the reinstatement of credit in a prepayment meter due to tampering with, or the incorrect use or abuse of prepayment meters.

18.6.6 The Municipality may appoint vendors for the sale of prepaid electricity and water but does not guarantee the continued operation of any vendor.

18.6.7 The Municipality may apply all the debt collection functions available on the prepayment system to collect all arrear debt on the account of the customer.

19. PAYMENT OF ACCOUNTS

19.1 All accounts rendered by Midvaal Local Municipality shall be payable on the 7th of each month regardless of the day of the week.

19.1 The Municipality has established the following accessible Pay Points and other mechanisms for settling accounts:

Direct Deposits towards Midvaal Local Municipality's Bank Account
Various Cashier Pay Points.
Third Party payments such as:
EasyPay
Post Office
Pick &Pay
Checkers
Shoprite

19.2 Account balances which remain unpaid after 30 days from the due date shall attract interest on arrears irrespective of the reason for non-payment.

19.3 All accounts are payable as above regardless of the fact that the customer has not received the account; the onus being on the customer to obtain a copy or the balance of the account before the due date.

19.4 Payments received in respect of rates and service charges will be allocated by the CFO of Midvaal Local Municipality entirely within his or her discretion, on the account of the customer.

20. INTEREST ON ARREAR DEBT

20.1 Interest charges are raised on arrears which appear on the accounts.

20.2 The interest rate is determined by the Chief Financial Officer and is reviewed from time to time.

20.3 Interest shall accrue 30 days from date of account on unpaid accounts. Interest shall accrue for each completed month in respect of any arrears remaining unpaid after 30 days of the account. A part of a month shall be deemed to be a completed month.

20.4 Payments on assessed / estimated charges, where the final amount has not been determined but which would have been due and payable had the amount been determined, shall attract interest from the date when it would have been so due and payable, i.e. 30 days from date of account.

20.5 Interest may only be reversed under the following circumstances:

20.6 If the Municipality has made an administrative error on the account

20.6.1 Where the Chief Financial Officer approves such reversal from time to time in terms of interest waiver scheme.

21. DISPUTES AND APPEALS

21.1 In this policy “dispute” refers to the instance when a debtor questions the correctness of any account rendered by the Municipality with the Municipal Manager as per the process in sub-item (2) below.

21.2 In order for a dispute to be registered with the municipality, the following procedures must be followed:

21.2.1 By the customer

21.2.1.1 The dispute must be submitted in writing

21.2.1.2 No dispute will be registered verbally whether in person or over the telephone.

21.2.1.3 The debtor must furnish full personal particulars including ALL account numbers held with the Municipality, direct contact telephone number, fax-number, postal and e-mail addresses and any other relevant particulars required by the municipality.

21.2.1.4 The full nature of the dispute must be described in the correspondence referred to above.

21.2.1.5 The onus will be on the debtor to ensure that he receives a written acknowledgement of the dispute.

21.2.1.6 The debtor will be liable for the amount due except for the dispute amount on or before due date for the account rendered.

21.2.2 By the Municipality:

21.2.2.1 On receipt of the dispute the following actions are to be taken:

21.2.2.2 A written acknowledgement of the receipt of the dispute must be provided to the debtor.

21.2.2.3 The amount payable by the debtor for the specific month of the dispute and inform the debtor that all accounts thereafter must be paid in full.

21.2.2.4 Specify the time to resolve the dispute- disputes must be solved within 3 (three) months

21.2.2.5 The dispute must be registered in a dispute register

21.2.2.6 Inform the Debt Collection Department of the dispute

21.2.2.7 Ensure that all relevant information received is rectified accordingly on the finance system

21.2.2.8 Conduct checks or follow-ups on all disputes as unresolved

21.3 The following provisions apply to the consideration of disputes:

21.3.1 All disputes must be concluded by the Municipal Manager or delegated official

21.3.2 The Municipal Manager's or the delegated official's decision is final and will result in the immediate implementation of any debt collection and credit control measures provided for in this Policy after the debtor is provided with the outcome of the appeal.

21.3.3 The same debt will not again be defined as a dispute in terms of this paragraph and will not be reconsidered as the subject of a dispute.

21.3.4 Should the debtor not be satisfied with the outcome of the dispute, a debtor may lodge an appeal in terms of section 62 of the Systems Act.

21.4 The Municipality reserves the right to declare a dispute on any account as may be deemed necessary.

21.5 Any customer may appeal to the Council against the accuracy of an amount reflected in a particular account within one month after receiving the account

21.6 Appeals are made by way of written representation or telephonically to the Council

21.7 In the event of a customer alleging that any meter, measuring device or service connection is defective or inaccurate, the Council may arrange for the meter, measuring device or service connection to be inspected and tested. Should the meter, measuring device or service connection prove not to be defective or inaccurate by more than 5%, the costs of carrying out the inspection and test are paid by the customer who requested the inspection and test.

21.8 Out of court settlement offers by debtors against whom legal action is pending can be considered after consultation with Councils legal representatives, if it is in the best financial interest of the Council.

22. PRIMA FACIE EVIDENCE

22.1 A certificate endorsed by the municipal manager, reflecting the amount due and payable to the Municipality, shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness reflected therein.

23. POWER OF ENTRY AND INSPECTION

23.1 For any purpose related to the implementation or enforcement of this policy, and at all reasonable times, or in an emergency, a duly authorised representative of the Municipality may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary:-

23.1.1 With regard to the installation or repair of any meter or service connection or reticulation; or

23.1.2 So as to limit, discontinue, disconnect or reconnect the provision of any service.

23.2 If the Municipality considers it necessary that work be performed to enable the afore stated authorised representative to perform a function referred to in subsection (1) properly and effectively, then it may:-

23.2.1 By written notice require the owner or occupier of the premises, at his or her own expense, to do specific work within a specified period; or

23.2.2 If, in its reasonable opinion, the situation is a matter of urgency, then the Municipality may do such work, or cause it to be done, at the expense of the owner or occupier, and without written notice.

23.3 If the work referred to in subsection (2)(b) above is carried out for the sole purpose of establishing whether a contravention of this policy has been committed, and no such contravention has taken place, then the Municipality shall bear the expense connected therewith, together with the expense of restoring the premises to its former condition.

24. IMPLEMENTATION AND REVIEW OF THIS POLICY

24.1 This policy shall be implemented once approved by Council. All future Billing Procedures must be made in accordance with this policy.

24.2 In terms of section 17(1)(e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

24.3 The policy is effective from 1 July 2018.

ELECTRICAL BY-LAWS

2018/2019 FINANCIAL YEAR

MIDVAAL LOCAL MUNICIPALITY

ELECTRICITY SUPPLY BY-LAW

CHAPTER 1
GENERAL

1. Definitions - In this by-law, unless inconsistent with the context –

"accredited person" means a person registered in terms of the Regulations as an electrical tester for single phase, an installation electrician or a master installation electrician, as the case may be;

"applicable standard specification" means the standard specifications as listed in Schedule 1 attached to this by-law;

"certificate of compliance" means a certificate issued in terms of the Regulations in respect of an electrical installation or part of an electrical installation by an accredited person;

"consumer" in relation to premises means:

(i) any occupier thereof or any other person with whom the Municipality has contracted to supply or is actually supplying electricity thereat; or

(ii) if such premises are not occupied, any person who has a valid existing agreement with the Municipality for the supply of electricity to such premises; or

(iii) if there is no such person or occupier, the owner of the premises;

"credit meter" means a meter where an account is issued subsequent to the consumption of electricity;

"electrical contractor" means an electrical contractor as defined in the Regulations;

"electrical installation" means an electrical installation as defined in the Regulations;

"high voltage" means the set of nominal voltage levels that are used in power systems for bulk transmission of electricity in the range of 44kV<Un 220 kV. [SABS 1019];

"low voltage" means the set of nominal voltage levels that are used for the distribution of electricity and whose upper limit is generally accepted to be an a.c. voltage of 1000 V (or a d.c. voltage of 1500 V). [SABS 1019]

"the law" means any applicable law, proclamation, ordinance, act of parliament or enactment having force of law;

"medium voltage" means the set of nominal voltage levels that lie above low voltage and below high voltage in the range of 1 kV < Un 44 kV. [SABS 1019]

"meter" means a device which records the demand and / or the electrical energy consumed and includes conventional and prepayment meters;

"motor load, total connected" means the sum total of the kW input ratings of all the individual motors connected to an installation;

"motor rating" means the maximum continuous kW output of a motor as stated on the maker's rating plate;

"motor starting current" in relation to alternating current motors means the root mean square value of the symmetrical current taken by a motor when energised at its rated voltage with its starter in the starting position and the rotor locked;

"Municipality" means Midvaal Local Municipality, a municipality established in terms of the law or any legal entity duly authorised by the Midvaal Local Municipality to provide an electricity service within the jurisdiction of the Midvaal Local Municipality.

"occupier" in relation to any premises means –

(a) any person in actual occupation of such premises;

(b) any person legally entitled to occupy such premises;

(c) in the case of such premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants, whether on his own account or as agent for any person entitled thereto or interested therein, or

(d) any person in control of such premises or responsible for the management thereof, and includes the agent of any such person when he / she is absent from the Republic of South Africa or his / her whereabouts are unknown;

"owner" in relation to premises means the person in whom is vested the legal title thereto; provided that –

(a) in the case of immovable property –

(i) leased for a period of not less than 50 years, whether the lease is registered or not, the lessee thereof, or

(ii) beneficially occupied under a servitude or right analogous thereto, the occupier thereof;

(b) if the owner as hereinbefore defined –

(i) is deceased or insolvent, has assigned his estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, or

(ii) is absent from the Republic of South Africa, or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, and

(iii) if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property, shall be deemed to be the owner thereof to the exclusion of the person in whom is vested the legal title thereto;

"point of consumption" means a point of consumption as defined in the Regulations;

"point of metering" means the point at which the consumer's consumption of electricity is metered and which may be at the point of supply or at any other point on the distribution system of the Municipality or the electrical installation of the consumer, as specified by the

Municipality or any duly authorised official of the Municipality; provided that it shall meter all of, and only, the consumer's consumption of electricity;

"point of supply" means the point determined by the Municipality or any duly authorised official of the Municipality at which electricity is supplied to any premises by the Municipality;

"premises" means any land or any building or structure above or below ground level and includes any vehicle, aircraft or vessel;

"prepayment meter" means a meter that can be programmed to allow the flow of pre-purchased amounts of energy in an electrical circuit;

"Regulations" means Regulations made in terms of the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as amended;

"safety standard" means the Code of Practice for the Wiring of Premises SABS 0142 incorporated in the Regulations;

"service connection" means all cables and equipment required to connect the supply mains to the electrical installation of the consumer at the point of supply;

"service protective device" means any fuse or circuit breaker installed for the purpose of protecting the Municipality's equipment from overloads or faults occurring on the installation or on the internal service connection;

"standby supply" means an alternative electricity supply not normally used by the consumer;

"supply mains" means any part of the Municipality's electricity network;

"tariff" means the Municipality*'s* tariff of charges for the supply of electricity, and

"token" means the essential element of a prepayment metering system used to transfer information from a point of sale for electricity credit to a prepayment meter and *vice versa;*

"voltage" means the root-mean-square value of electrical potential between two conductors.

2. **Other terms –** All other terms used in this by-law shall, unless the context otherwise requires, have the meaning assigned thereto in the Electricity Act, 1987 (Act 41 of 1987), as amended, or the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as amended.

3. **Headings and titles –** The headings and titles in this by-law shall not affect the construction thereof.

CHAPTER 2
GENERAL CONDITIONS OF SUPPLY

4. Provision of Electricity Services – Only the Municipality shall supply or contract for the supply of electricity within the jurisdiction of the Municipality.

5. Supply by agreement – No person shall use or be entitled to use an electricity supply from the Municipality unless or until such person shall have entered into an agreement in writing with the Municipality for such supply, and such agreement together with the provisions of this by-law shall in all respects govern such supply. If a person uses an electricity supply without entering into an agreement he / she shall be liable for the cost of electricity used as stated in section 44 of this by-law.

6. Service of notice –

(1) Any notice or other document that is served on any person in terms of this by-law is regarded as having been served –

(a) when it has been delivered to that person personally;

(b) when it has been left at that person's place of residence or business in the Republic with a person apparently over the age of sixteen years;

(c) when it has been posted by registered or certified mail to that person's last known residential or business address in the Republic and an acknowledgement of the posting thereof from the postal service is obtained;

(d) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) or (c); or

(e) if that person's address and agent or representative in the Republic is unknown, when it has been posted in a conspicuous place on the property or premises, if any, to which it relates.

(2) When any notice or other document must be authorised or served on the owner, occupier or holder of any property or right in any property, it is sufficient if that person is described in the notice or other document as the owner, occupier or holder of the property or right in question, and it is not necessary to name that person.

(3) Any legal process is effectively and sufficiently served on the Municipality when it is delivered to the municipal manager or a person in attendance at the municipal manager's office.

7. Compliance with notices – Any person on whom a notice duly issued or given under this by-law is served shall, within the time specified in such notice, comply with its terms.

8. Application for supply –

(1) Application for the supply of electricity shall be made in writing by the prospective consumer on the prescribed form obtainable at the office of the Municipality, and the estimated load, in kVA, of the installation, shall be stated therein. Such application shall be made as early as possible before the supply of electricity is required in order to facilitate the work of the Municipality.

(2) An application for an electricity supply for a period of less than one year shall be regarded as an application for a temporary supply of electricity and shall be

considered at the discretion of the Municipality or any duly authorised official of the Municipality, which may specify any special conditions to be satisfied in such case.

9. Processing of requests for supply – Applications for the supply of electricity will be processed and the supply made available within the periods stipulated in NRS 047.

10. Way leaves –

(1) The Municipality may refuse to lay or erect a service connection above or below ground on any thoroughfare or land not vested in the Municipality or on any private property, unless and until the prospective consumer shall have obtained and deposited with the Municipality written permission granted by the owner of the said private property or by the person in whom is vested the legal title to the land or thoroughfare as aforesaid exists, as the case may be, authorising the laying or erection of a service connection thereon.

(2) If such permission is withdrawn at any time or if the aforesaid private property or thoroughfare changes ownership and the new owner refuses to grant or continue such permission, the cost of any alteration required to be made to a service connection in order that the supply of electricity may be continued, and of any removal thereof which may become necessary in the circumstances, shall be borne by the consumer to whose premises the supply of electricity is required to be continued.

11. Statutory Servitude –

(1) Subject to the provisions of subsection (3) the Municipality may within its municipal area:

(a) provide, establish and maintain electricity services;

(b) acquire, construct, lay, extend, enlarge, divert, maintain, repair, discontinue the use of, close up and destroy electricity supply mains;

(c) construct, erect or lay any electricity supply main on, across, through, over or under any street or immovable property and the ownership of any such main shall vest in the Municipality;

(d) do any other thing necessary or desirable for or incidental, supplementary or ancillary to any matter contemplated by paragraphs (a) to (c).

(2) If the Municipality constructs, erects or lays any electricity supply main on, across, through, over or under any street or immovable property not owned by the Municipality or under the control of or management of the Municipality it shall pay to the owner of such street or property compensation in an amount agreed upon by such owner and the Municipality or, in the absence of agreement, be determined either by arbitration or a court of law.

(3) The Municipality shall, before commencing any work other than repairs or maintenance on or in connection with any electricity supply main on immovable property not owned by the Municipality or under the control or management of the Municipality, give the owner or occupier of such property reasonable notice of the proposed work and the date on which it proposes to commence such work.

12. Right of admittance to inspect, test and / or do maintenance work –

(1) The Municipality shall, through its employees, contractors and their assistants and advisers, have access to or over any property for the purposes of –

(a) doing anything authorised or required to be done by the Municipality under this by-law or any other law;

(b) inspecting and examining any service mains and anything connected therewith;

(c) enquiring into and investigating any possible source of electricity supply or the suitability of immovable property for any work, scheme or undertaking of the Municipality and making any necessary survey in connection therewith;

(d) ascertaining whether there is or has been a contravention of the provisions of this by-law *or any other law,* and

(e) enforcing compliance with the provisions of this by-law *or any other law,*

(2) The Municipality shall pay to any person suffering damage as a result of the exercise of the right of access contemplated by subsection (1), except where the Municipality is authorised to execute on the property concerned any work at the cost of such person or some other person or to execute on such property any work and recover the cost thereof from such person or some other person, compensation in such amount as may be agreed upon by the Municipality and such person or, in the absence of agreement, as may be determined by arbitration or court of law.

(3) An employee of the Municipality authorised thereto by such Municipality may, by notice in writing served on the owner or occupier of any property, require such owner or occupier to provide, on the day and at the hour specified in such notice, access to such property to a person and for a purpose referred to in subsection (1).

(4) The Municipality may gain access to or over any property without notice and may take whatever action as may, in its opinion, be necessary or desirable in consequence of the existence of a state of war or the occurrence of any calamity, emergency or disaster.

13. Refusal or failure to give information – No person shall refuse or fail to give such information as may be reasonably required of him / her by any duly authorised official of the Municipality or render any false information to any such official regarding any electrical installation work completed or contemplated.

14. Refusal of admittance – No person shall willfully hinder, obstruct, interfere with or refuse admittance to any duly authorised official of the Municipality in the performance of his duty under this by-law or of any duty connected therewith or relating thereto.

15. Improper use – If the consumer uses the electricity for any purpose or deals with the electricity in any manner which the Municipality has reasonable grounds for believing interferes in an improper or unsafe manner or is calculated to interfere in an improper or unsafe manner with the efficient supply of electricity to any other consumer, the Municipality may, with or without notice, disconnect the electricity supply but such supply shall be restored as soon as the cause for the disconnection has been permanently remedied or removed. The fee as prescribed by the Municipality for the disconnection and reconnection shall be paid by the consumer before the electricity supply is restored, unless it can be shown that the consumer did not use or deal with the electricity in an improper or unsafe manner.

16. Electricity tariffs and fees – Copies of charges and fees may be obtained free of charge at the offices of the Municipality.

17. Deposits – The Municipality reserves the right to require the consumer to deposit a sum of money as security in payment of any charges which are due or may become due to the Municipality. The amount of the deposit in respect of each electricity installation shall be determined by the Municipality, and each such deposit may be increased if the Municipality deems the deposit held to be inadequate. Such deposit shall not be regarded as being in payment or part payment of any accounts due for the supply of electricity for the purpose of obtaining any discount provided for in the electricity tariff referred to in this by-law. On cessation of the supply of electricity, the amount of such deposit, free of any interest, less any payments due to the Municipality shall be refunded to the consumer.

18. Payment of charges –

(1) The consumer shall be liable for all charges listed in the prescribed tariff for the electricity service as approved by the Municipality. A copy of the prescribed tariff is obtainable free of charge from the Municipality.

(2) All accounts shall be deemed to be payable when issued by the Municipality and each account shall, on its face, reflect the due date and a warning indicating that the supply of electricity may be disconnected should the charges in respect of such supply remain unpaid after the due date.

(3) An error or omission in any account or failure to render an account shall not relieve the consumer of his obligation to pay the correct amount due for electricity supplied to the premises and the onus shall be on the consumer to satisfy himself/herself that the account rendered is in accordance with the prescribed tariff of charges in respect of electricity supplied to the premises.

(4) Where a duly authorised official of the Municipality has visited the premises for the purpose of disconnecting the supply of electricity in terms of subsection (2) and he / she is obstructed or prevented from effecting such disconnection, the prescribed fee shall become payable for each visit necessary for the purpose of such disconnection.

(5) After disconnection for non-payment of an account, the prescribed fees and any amounts due for electricity consumed shall be paid before the electricity supply is re-connected.

19. Interest on overdue accounts – The Municipality may charge interest on accounts which are not paid by the due date appearing on the account, at an interest rate as approved by the Municipality from time to time.

20. Resale of electricity –

(1) Unless otherwise authorised by the Municipality, no person shall sell or supply electricity, supplied to his premises under an agreement with the Municipality, to any other person or persons for use on any other premises, or permit or suffer such resale or supply to take place. If electricity is resold for use upon the same premises, such resale shall be subject to the conditions laid down in the Electricity Act, 1987 (Act 41 of 1987), provided that the reseller shall be permitted to recover his / her actual electricity cost, provided further that he / she must substantiate these costs if called upon to do so.

(2) Further, in terms of Regulation 11(3)(a) of the Electricity Act, 1987 (Act 41 of 1987), the reseller of electricity may recover the administration costs incurred in metering reading and billing from the person so supplied with electricity, provided that, at the request of such person, the reseller must furnish such person with such information as may be necessary to enable him/her to determine whether the administration costs are fair and reasonable.

21. Right to disconnect supply –

(1) The Municipality shall have the right to disconnect the supply of electricity to any premises if the person liable to pay for such supply fails to pay any charge due to the Municipality in connection with any supply of electricity which he / she may at any time have received from the Municipality in respect of such premises, or, where any of the provisions of this by-law and / or the Regulations are being contravened, provided the Municipality has given the person 7 (seven) days' notice to remedy his / her default and the person has failed to remedy such default after notice has been given, or, in the case of a grave risk to person or property, or as envisaged in terms of Section 26 of this by-law, without notice. After disconnection for non-payment of accounts or the improper or unsafe use of electricity, the fee as prescribed by the Municipality shall be paid.

(2) In the case where an installation has been illegally reconnected on a consumer's premises after having been previously legally disconnected by the Municipality, or in the case where the Municipality's electrical equipment has been tampered with to prevent the full registration of consumption by the meter, the electricity supply may be physically removed from those premises.

22. Non-liability of the Municipality – The Municipality shall not be liable for any loss or damage, direct or consequential, suffered or sustained by a consumer as a result of or arising from the cessation, interruption or any other abnormality of the supply of electricity, unless caused by negligence on the part of the Municipality.

23. Leakage of electricity – Under no circumstances shall any rebate be allowed on the account for electricity supplied and metered in respect of electricity wasted owing to leakage or any other fault in the electrical installation.

24. Failure of supply – The Municipality does not undertake to attend to a failure of supply of electricity due to a fault in the electrical installation of the consumer, except when such failure is due to the operation of the service protective device of the Municipality. When any failure of supply of electricity is found to be due to a fault in the electrical installation of the consumer or to the faulty operation of apparatus used in connection therewith, the Municipality shall have the right to charge the consumer the fee as prescribed by the Municipality for each restoration of the supply of electricity in addition to the cost of making good or repairing any damage which may have been done to the service main and meter by such fault or faulty operation as aforesaid.

25. Seals of the Municipality – The meter, service protective devices and all apparatus belonging to the Municipality shall be sealed or locked by a duly authorised official of the Municipality, and no person not being an official of the Municipality duly authorised thereto shall in any manner or for any reason whatsoever remove, break, deface, or tamper or interfere with such seals or locks.

26. Tampering with service connection or supply mains –

(1) No person shall in any manner or for any reason whatsoever tamper or interfere with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the Municipality.

(2) Where prima facie evidence exists of a consumer and / or any person having contravened subsection (1), the Municipality shall have the right to disconnect the supply of electricity immediately and without prior notice to the consumer. The person shall be liable for all fees and charges levied by the Municipality for such disconnection.

(3) Where a consumer and / or any person has contravened subsection (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover from the consumer the full cost of his estimated consumption.

27. Protection of Municipality's supply mains –

(1) No person shall, except with the consent of the Municipality and subject to such conditions as may be imposed –

(a) construct, erect or lay, or permit the construction, erection or laying of any building, structure or other object, or plant trees or vegetation over or in such a position or in such a manner as to interfere with or endanger the supply mains

(b) excavate, open up or remove the ground above, next to, under or near any part of the supply mains

(c) damage, endanger, remove or destroy, or do any act likely to damage, endanger or destroy any part of the supply mains

(d) make any unauthorised connection to any part of the supply mains or divert or cause to be diverted any electricity there from.

(e) The owner or occupier shall limit the height of trees or length of projecting branches in the proximity of overhead lines or provide a means of protection which in the opinion of the Municipality will adequately prevent the tree from interfering with the conductors should the tree or branch fall or be cut down. Should the owner fail to observe this provision the Municipality shall have the right, after prior written notification, or at any time in an emergency, to cut or trim the trees or other vegetation in such a manner as to comply with this provision and shall be entitled to enter the property for this purpose.

(2) The Municipality may subject to obtaining an order of court demolish, alter or other wise deal with any building, structure or other object constructed, erected or laid in contravention with this by-law.

(3) The municipality may in the case of an emergency or disaster remove anything damaging, obstructing or endangering or likely to damage, obstruct, endanger or destroy any part of the electrical distribution system.

28. Prevention of tampering with service connection or supply mains – If the Municipality decides that it is necessary or desirable to take special precautions in order to prevent tampering with any portion of the supply mains, service connection or service protective

device or meter or metering equipment, the consumer shall either supply and install the necessary protection or pay the costs involved where such protection is supplied by the Municipality.

29. Unauthorised connections – No person other than a person specifically authorised thereto by the Municipality in writing shall directly or indirectly connect, attempt to connect or cause or permit to be connected any electrical installation or part thereof to the supply mains or service connection.

30. Unauthorised reconnections –

(1) No person other than a person specifically authorised thereto by the Municipality in writing shall reconnect, attempt to reconnect or cause or permit to be reconnected to the supply mains or service connection any electrical installation or installations which has or have been disconnected by the Municipality.

(2) Where the supply of electricity that has previously been disconnected is found to have been reconnected, the consumer using the supply of electricity shall be liable for all charges for electricity consumed between the date of disconnection and the date the electricity supply was found to be reconnected and any other charges raised in this regard. Furthermore, the Municipality reserves the right to remove part or all of the supply equipment until such time as payment has been received in full. In addition, the consumer will be responsible for all the costs associated with the reinstatement of such supply equipment.

31. Temporary disconnection and reconnection –

(1) The Municipality shall, at the request of the consumer, temporarily disconnect and reconnect the supply of electricity to the consumer's electrical installation upon payment of the fee as prescribed by the Municipality for each such disconnection and subsequent reconnection.

(2) In the event of the necessity arising for the Municipality to effect a temporary disconnection and reconnection of the supply of electricity to a consumer's electrical installation and the consumer is in no way responsible for bringing about this necessity, the Municipality shall waive payment of the fee hereinbefore referred to.

(3) The Municipality may only under exceptional circumstances temporarily disconnect the supply of electricity to any premises without notice, for the purpose of effecting repairs or carrying out tests or for any other legitimate purpose. In all other instances adequate notice shall be given.

32. Temporary supplies – It shall be a condition of the giving of any temporary supply of electricity, as defined in this by-law, that, if such supply is found to interfere with the efficient and economical supply of electricity to other consumers, the Municipality shall have the right, with notice, or under exceptional circumstances without notice, to terminate such temporary supply at any time and, the Municipality shall not be liable for any loss or damage occasioned by the consumer by such termination.

33. Temporary work – Electrical installations requiring a temporary supply of electricity shall not be connected directly or indirectly to the supply mains except with the special permission in writing of the Municipality. Full information as to the reasons for and nature of such temporary work shall accompany the application for the aforesaid permission, and the Municipality may refuse such permission or may grant the same upon such terms and conditions as it may appear desirable and necessary.

34. Load reduction –

(1) At times of peak load, or in an emergency, or when, in the opinion of the Municipality, it is necessary for any reason to reduce the load on the electricity supply system of the Municipality, the Municipality may without notice interrupt and, for such period as the Municipality may deem necessary, discontinue the electricity supply to any consumer's electrically operated thermal storage water heater or any specific appliance or the whole installation. The Municipality shall not be liable for any loss or damage directly or consequentially due to or arising from such interruption and discontinuance of the electricity supply.

(2) The Municipality may install upon the premises of the consumer such apparatus and equipment as may be necessary to give effect to the provisions of subsection (1), and any duly authorised official of the Municipality may at any reasonable time enter any premises for the purpose of installing, inspecting, testing adjusting and / or changing such apparatus and equipment.

(3) Notwithstanding the provisions of subsection (2), the consumer or the owner, as the case may be, shall, when installing an electrically operated water storage heater, provide such necessary accommodation and wiring as the Municipality may decide to facilitate the later installation of the apparatus and equipment referred to in subsection (2).

35. Medium and low voltage switchgear and equipment –

(1) In cases where a supply of electricity is given at either medium or low voltage, the supply and installation of the switchgear, cables and equipment forming part of the service connection shall, unless otherwise approved by the Municipality or any duly authorised official of the Municipality, be paid for by the consumer.

(2) In the case of a medium voltage supply of electricity, all such equipment shall be approved by any duly authorised official of the Municipality and installed by or under the supervision of any duly authorised official of the Municipality.

(3) No person shall operate medium voltage switchgear without the written authority of the Municipality.

(4) All earthing and testing of medium voltage equipment linked to the Municipality's network shall be conducted by or under the supervision of an employee of the Municipality.

(5) In the case of a low voltage supply of electricity, the consumer shall provide and install a low voltage main switch and/or any other equipment required by the Municipality or any duly authorised official of the Municipality.

36. Substation accommodation – The Municipality may, on such conditions as may be deemed fit by the Municipality or any duly authorised official of the Municipality, require the owner to provide and maintain accommodation which shall constitute a substation and which shall consist of a separate room or rooms to be used exclusively for the purpose of housing medium voltage cables and switchgear, transformers, low voltage cables and switchgear and other equipment necessary for the supply of electricity requested by the applicant. The accommodation shall be situated at a point to which free, adequate and unrestricted access is available at all times for purposes connected with the operation and maintenance of the equipment.

The Municipality reserves the right to supply its own networks from its own equipment installed in such accommodation, and if additional accommodation is required by the

Municipality, such additional accommodation shall be provided by the applicant at the cost of the Municipality.

37. Wiring diagram and specification –

(1) When more than one electrical installation or electricity supply from a common main or more than one distribution board or meter is required for any building or block of buildings, the wiring diagram of the circuits starting from the main switch and a specification shall on request be supplied to the Municipality in duplicate for approval before the work commences.

(2) Where an electrical installation is to be supplied from a substation on the same premises on which the current is transformed from high voltage, or from one of the substations of the Municipality through mains separate from the general distribution system, a complete specification and drawings for the plant to be installed by the consumer shall, if so required, be forwarded to the Municipality for approval before any material in connection therewith is ordered.

38. Standby supply – No person shall be entitled to a standby supply of electricity from the Municipality for any premises having a separate source of electricity supply except with the written consent of the Municipality and subject to such terms and conditions as may be laid down by the Municipality.

39. Consumer's emergency standby supply equipment –

(1) No emergency standby equipment provided by a consumer in terms of any Regulations or for his own operational requirements shall be connected to any installation without the prior written approval of the Municipality. Application for such approval shall be made in writing and shall include a full specification of the equipment and a wiring diagram. The standby equipment shall be so designed and installed that it is impossible for the Municipality's supply mains to be energized by means of a back-feed from such equipment. The consumer shall be responsible for providing and installing all such protective equipment.

(2) Where by special agreement with the Municipality, the consumer's standby generating equipment is permitted to be electrically coupled to, and run in parallel with the Municipality's supply mains, the consumer shall be responsible for providing, installing and maintaining all the necessary synchronizing and protective equipment required for such safe parallel operation, to the satisfaction of the Municipality.

40. Circular letters – The Municipality may from time to time issue Circulars detailing the requirements of the Municipality regarding matters not specifically covered in the Regulations or this by-law but which are necessary for the safe, efficient operation and management of the supply of electricity.

CHAPTER 3
RESPONSIBILITIES OF CONSUMERS

41. Consumer to erect and maintain electrical installation – Any electrical installation connected or to be connected to the supply mains, and any additions or alterations thereto which may be made from time to time, shall be provided and erected and maintained and kept in good order by the consumer at his own expense and in accordance with this by-law and the Regulations.

42. Fault in electrical installation –

(1) If any fault develops in the electrical installation, which constitutes a hazard to persons, livestock or property, the consumer shall immediately disconnect the electricity supply. The consumer shall without delay give notice thereof to the Municipality and shall immediately take steps to remedy the fault.

(2) The Municipality may require the consumer to reimburse it for any expense to which it may be put in connection with a fault in the electrical installation.

43. Discontinuance of use of supply – In the event of a consumer desiring to discontinue using the electricity supply, he / she shall give at least two full working days' notice in writing of such intended discontinuance to the Municipality, failing which he / she shall remain liable for all payments due in terms of the tariff for the supply of electricity until the expiration of two full working days after such notice has been given.

44. Change of occupier –

(1) A consumer vacating any premises shall give the Municipality not less than two full working days' notice in writing of his intention to discontinue using the electricity supply, failing which he / she shall remain liable for such supply.

(2) If the person taking over occupation of the premises desires to continue using the electricity supply, he / she shall make application in accordance with the provisions of section 5 of this by-law, and if he / she fails to make application for an electricity supply within ten working days of taking occupation of the premises, the supply of electricity shall be disconnected, and he / she shall be liable to the Municipality for the electricity supply from the date of occupation till such time as the supply is so disconnected.

(3) Where premises are fitted with pre-payment meters any person occupying the premises at that time shall be deemed to be the consumer. Until such time as an application is made by this person for a supply of electricity, in terms of section 5 of this by-law, he / she shall be liable for all charges and fees owed to the Municipality for that metering point as well as any outstanding charges and fees whether accrued by that person or not.

45. Service apparatus –

(1) The consumer shall be liable for all costs to the Municipality arising from damage to or loss of any metering equipment, service protective device, service connection or other apparatus on the premises, unless such damage or loss is shown to have been occasioned by an Act of God or an act or omission of an employee of the Municipality or caused by an abnormality in the supply of electricity to the premises.

(2) If, during a period of disconnection of an installation from the supply mains, the service main, metering equipment or any other service apparatus, being the

property of the Municipality and having been previously used, have been removed without its permission or have been damaged so as to render reconnection dangerous, the owner or occupier of the premises, as the case may be, during such period shall bear the cost of overhauling and/or replacing such equipment.

(3) Where there is a common metering position, the liability detailed in subsection (1) shall devolve on the owner of the premises.

(4) The amount due in terms of subsection (1) shall be evidenced by a certificate from the Municipality which shall be final and binding.

CHAPTER 4
SPECIFIC CONDITIONS OF SUPPLY

46. Service connection –

(1) The consumer shall bear the cost of the service connection, as approved by the Municipality.

(2) Notwithstanding the fact that the consumer bears the cost of the service connection, ownership of the service connection, laid or erected by the Municipality, shall vest in the Municipality, the Municipality shall be responsible for the maintenance of such service connection up to the point of supply. The consumer shall not be entitled to any compensation from the Municipality in respect of such service connection.

(3) The work to be carried out by the Municipality at the cost of the consumer for a service connection to the consumer's premises shall be determined by the Municipality or any duly authorised official of the Municipality.

(4) A service connection shall be laid underground, whether the supply mains are laid underground or erected overhead, unless an overhead service connection is specifically required by the Municipality.

(5) The consumer shall provide, fix and / or maintain on his premises such ducts, wire ways, trenches and fastenings as may be required by the Municipality for the installation of the service connection.

(6) The conductor used for the service connection shall have a cross-sectional area according to the size of the electrical supply but shall not be less than 10 mm^2 (copper or copper equivalent), and all conductors shall have the same cross-sectional area, unless otherwise approved by any duly authorised official of the Municipality.

(7) Unless otherwise approved, the Municipality shall only provide one service connection to each registered erf. In respect of two or more premises belonging to one owner and situated on adjacent erven, a single bulk supply of electricity may be made available provided the erven are consolidated or notarially tied.

(8) Any covers of a wire way carrying the supply circuit from the point of supply to the metering equipment shall be made to accept the seals of the Municipality.

(9) Within the meter box, the service conductor or cable, as the case may be, shall terminate in an unobscured position and the conductors shall be visible throughout their length when cover plates, if present, are removed.

(10) In the case of blocks of buildings occupied by a number of individual consumers, separate wire ways and conductors or cables shall be laid from the common metering room or rooms to each individual consumer in the blocks of buildings. Alternatively, if trunking is used, the conductors of the individual circuits shall be clearly identified (tied together every 1.5 m) throughout their length.

47. Metering accommodation –

(1) The consumer shall, if required by the Municipality or any duly authorised official of the Municipality, provide accommodation in an approved position, the meter board and adequate conductors for the Municipality's metering equipment, service apparatus and protective devices. Such accommodation and protection shall be provided and maintained, to the satisfaction of the Municipality, at the cost of the consumer or the owner, as the circumstances may demand, and shall be situated, in the case of credit meters, at a point to which free and unrestricted access shall be had at all reasonable hours for the reading of meters but at all times for purposes connected with the operation and maintenance of the service equipment. Access at all reasonable hours shall be afforded for the inspection of prepayment meters.

(2) Where sub metering equipment is installed, accommodation separate from the Municipality's metering equipment shall be provided.

(3) The consumer or, in the case of a common meter position, the owner of the premises shall provide adequate electric lighting in the space set aside for accommodating the metering equipment and service apparatus.

(4) Where in the opinion of the Municipality the position of the meter, service connection, protective devices or main distribution board is no longer readily accessible or becomes a course of danger to life or property or in any way becomes unsuitable, the consumer shall remove it to a new position, and the cost of such removal, which shall be carried out with reasonable dispatch, shall be borne by the consumer.

(5) The accommodation for the Municipality's metering equipment and protective devices may, if approved, include the consumer's main switch and main protective devices. No apparatus other than that used in connection with the supply of electricity and use of electricity shall be installed or stored in such accommodation unless approved.

CHAPTER 5
SYSTEMS OF SUPPLY

48. Load requirements – Alternating current supplies shall be given as prescribed by the Electricity Act, 1987 (Act 41 of 1987), and in the absence of a quality of supply agreement, as set out in applicable standard specification.

49. Load limitations –

(1) Where the estimated load, calculated in terms of the safety standard, does not exceed 15 kVA, the electrical installation shall be arranged for a two-wire single-phase supply of electricity, unless otherwise approved by the Municipality or any duly authorised official of the Municipality.

(2) Where a three-phase four-wire supply of electricity is provided, the load shall be approximately balanced over the three phases but the maximum out-of-balance load shall not exceed 15kVA, unless otherwise approved by the Municipality or any duly authorised official of the Municipality.

(3) No current-consuming appliance, inherently single phase in character, with a rating which exceeds 15kVA shall be connected to the electrical installation without the prior approval of the Municipality.

50. Interference with other persons' electrical equipment –

(1) No person shall operate electrical equipment having load characteristics which, singly or collectively, give rise to voltage variations, harmonic currents or voltages, or unbalanced phase currents which fall outside the applicable standard specification.

(2) The assessment of interference with other persons' electrical equipment shall be carried out by means of measurements taken at the point of common coupling.

(3) Should it be established that undue interference is in fact occurring, the consumer shall, at his/her own cost, install the necessary equipment to filter out the interference and prevent it reaching the supply mains.

51. Supplies to motors –

Unless otherwise approved by the Municipality or any duly authorised official of the Municipality the rating of motors shall be limited as follows:

(1) Limited size for low voltage motors **–**

The rating of a low voltage single-phase motor shall be limited to 2kW and / or the starting current shall not exceed 70A. All motors exceeding these limits shall be wound for three phases at low voltage or such higher voltage as may be required.

(2) Maximum starting and accelerating currents of three-phase alternating current motors –

The starting current of three-phase low voltage motors permitted shall be related to the capacity of the consumer's service connection, as follows:

Insulated service cable, size in mm², copper equivalent mm²	Maximum permissible starting current A	Maximum motor rating in kW		
		Direct on line (6 x full-load current	Star/Delta (2.5 x full-load current)	Other means (1.5 x full-load current)
		kW	kW	kW
16	72	6	13.5	23
25	95	7.5	18	30
35	115	9	22	36.5
50	135	10	25	45
70	165	13	31	55
95	200	16	38	67
120	230	18	46	77
150	260	20	52	87

(3) Consumers supplied at medium voltage –

In an installation supplied at medium voltage the starting current of a low voltage motor shall be limited to 1.5 times the rated full-load current of the transformer supplying such a motor. The starting arrangement for medium voltage motors shall be subject to the approval of the Municipality.

52. Power factor –

(1) If required by the Municipality, the power factor of any load shall be maintained within the limits 0.85 lagging and 0.9 leading.

(2) Where, for the purpose of complying with subsection (1), it is necessary to install power factor corrective devices, such corrective devices shall be connected to the individual appliance terminals unless the correction of the power factor is automatically controlled.

(3) The consumer shall, at his / her own cost, install such corrective devices.

53. Protection – Electrical protective devices for motors shall be of such a design as effectively to prevent sustained overcurrent and single and reverse phasing, where applicable.

CHAPTER 6
MEASUREMENT OF ELECTRICITY

54. Metering –

(1) The Municipality shall, at the consumer's cost in the form of a direct charge or prescribed fee, provide, install and maintain appropriately rated metering equipment at the point of metering for measuring the electricity supplied.

(2) Except in the case of prepayment meters, the electricity used by a consumer during any metering period shall be ascertained by the reading of the appropriate meter or meters supplied and installed by the Municipality and read at the end of such period except where the metering equipment is found to be defective, or the Municipality invokes the provisions of section 58(2) of this by-law, in which case the consumption for the period shall be estimated.

(3) Where the electricity used by a consumer is charged at different tariff rates, the consumption shall be metered separately for each rate.

(4) The Municipality reserves the right to meter the supply to blocks of shops and flats, tenement-houses and similar buildings for the buildings as a whole, or for individual units, or for groups of units.

(5) No alterations, repairs or additions or electrical connections of any description shall be made on the supply side of the point of metering unless specifically approved in writing by the Municipality or any duly authorised official of the Municipality.

55. Accuracy of metering –

(1) A meter shall be conclusively presumed to be registering accurately if its error, when tested in the manner prescribed in subsection (5) hereof, is found to be within the limits of error as provided for in the applicable standard specifications.

(2) The Municipality shall have the right to test its metering equipment. If it is established by test or otherwise that such metering equipment is defective, the Municipality shall **–**

(i) in the case of a credit meter, adjust the account rendered;

(ii) in the case of prepayment meters, (a) render an account where the meter has been under-registering, or (b) issue a free token where the meter has been over-registering;

in accordance with the provisions of subsection (6).

(3) The consumer shall be entitled to have the metering equipment tested by the Municipality on payment of the prescribed fee. If the metering equipment is found not to comply with the system accuracy requirements as provided for in the applicable standard specifications, an adjustment in accordance with the provisions of subsections (2) and (6) shall be made and the aforesaid fee shall be refunded.

(4) In case of a dispute, the consumer shall have the right at his own cost to have the metering equipment under dispute tested by an approved independent testing authority, and the result of such test shall be final and binding on both parties.

(5) Meters shall be tested in the manner as provided for in the applicable standard specifications.

(6) When an adjustment is made to the electricity consumption registered on a meter in terms of subsection (2) or (3), such adjustment shall either be based on the percentage error of the meter as determined by the test referred to in subsection (5) or upon a calculation by the Municipality from consumption data in its possession. Where applicable, due allowance shall be made, where possible, for seasonal or other variations which may affect the consumption of electricity.

(7) When an adjustment is made as contemplated in subsection (6), the adjustment may not exceed a period of six months preceding the date on which the metering equipment was found to be inaccurate. The application of this section does not bar a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.

(8) Where the actual load of a consumer differs from the initial estimated load provided for under section 8(1) to the extent that the Municipality deems it necessary to alter or replace its metering equipment to match the load, the costs of such alteration or replacement shall be borne by the consumer.

(9) (a) Prior to the Municipality making any upward adjustment to an account in terms of subsection (6), the Municipality shall **–**

(i) notify the consumer in writing of the monetary value of the adjustment to be made and the reasons therefore;

(ii) in such notification provide sufficient particulars to enable the consumer to submit representations thereon, and

(iii) call upon the consumer in such notice to provide it with reasons in writing, if any, within 21 days or such longer period as the Municipality may permit why his / her account should not be adjusted as notified.

(b) Should the consumer fail to make any representations during the period referred to in subsection 9(a)(iii) the Municipality shall be entitled to adjust the account as notified in subsection 9(a)(i).

(c) The Municipality shall consider any reasons provided by the consumer in terms of subsection (9)(a) and shall, if satisfied that a case has been made out therefor, adjust the account appropriately.

(d) If a duly authorized official of the Municipality decides after having considered the representation made by the consumer that such representations do not establish a case warranting an amendment to the monetary value established in terms of subsection (6), the Municipality shall be entitled to adjust the account as notified in terms of subsection 9(a)(i), subject to the consumer's right to appeal the decision of the official in terms of section 62 of the Municipal Systems Act, 2000.

56. Reading of credit meters –

(1) Unless otherwise prescribed, credit meters shall normally be read at intervals of one month and the fixed or minimum charges due in terms of the tariff shall be assessed accordingly. The Municipality shall not be obliged to effect any adjustments to such charges.

(2) If for any reason the credit meter cannot be read, the Municipality may render an estimated account. The electrical energy consumed shall be adjusted in a subsequent account in accordance with the electrical energy actually consumed.

(3) When a consumer vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly.

(4) If a special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee.

(5) If any calculating, reading or metering error is discovered in respect of any account rendered to a consumer, the error shall be corrected in subsequent accounts. Any such correction shall only apply in respect of accounts for a period of 3 years preceding the date on which the error in the accounts was discovered, and shall be based on the actual tariffs applicable during the period. This also applies to a consumer claiming back overpayment where the consumer is able to prove the claim in the normal legal process.

57. Prepayment metering –

(1) No refund of the amount tendered for the purchase of electricity credit shall be given at the point of sale after initiation of the process by which the prepayment meter token is produced.

(2) Copies of previously issued tokens for the transfer of credit to the prepayment meter may be issued at the request of the consumer.

(3) When a consumer vacates any premises where a prepayment meter is installed, no refund for the credit remaining in the meter shall be made to the consumer by the Municipality.

(4) The Municipality shall not be liable for the reinstatement of credit in a prepayment meter lost due to tampering with, or the incorrect use or the abuse of, prepayment meters and / or tokens.

(5) Where a consumer is indebted to the Municipality for electricity consumed or to the Municipality for any other service supplied by the Municipality (including rates) or for any charges previously raised against him / her in connection with any service rendered, the Municipality may deduct a percentage from the amount tendered to offset the amount owing to the Municipality, as set out in the section 5 agreement for the supply of electricity.

(6) The Municipality may, at its discretion, appoint vendors for the sale of credit for prepayment meters and shall not guarantee the continued operation of any vendor.

CHAPTER 7
ELECTRICAL CONTRACTORS

58. In addition to the requirements of the Regulations the following requirements shall apply:

(1) Where an application for a new or increased supply of electricity has been made to the Municipality, any duly authorised official of the Municipality may at his/her discretion accept notification of the completion of any part of an electrical installation, the circuit arrangements of which permit the electrical installation to be divided up into well-defined separate portions, and such part of the electrical installation may, at the discretion of any duly authorised official of the Municipality, be inspected, tested and connected to the supply mains as though it were a complete installation.

(2) The examination, test and inspection that may be carried out at the discretion of the Municipality or any duly authorised official of the Municipality in no way relieves the electrical contractor / accredited person or the user or lessor, as the case may be, from his responsibility for any defect in the installation. Such examination, test and inspection shall not be taken under any circumstances (even where the electrical installation has been connected to the supply mains) as indicating or guaranteeing in any way that the electrical installation has been carried out efficiently with the most suitable materials for the purpose or that it is in accordance with this by-law or the safety standard, and the Municipality shall not be held responsible for any defect or fault in such electrical installation.

59. The Municipality shall not be held responsible for the work done by the electrical contractor / accredited person on a consumer's premises and shall not in any way be responsible for any loss or damage which may be occasioned by fire or by any accident arising from the state of the wiring on the premises.

CHAPTER 8
COST OF WORK

60. The Municipality may repair and make good any damage done in contravention of this by-law or resulting from a contravention of this by-law. The cost of any such work carried out by the Municipality which was necessary due to the contravention of this by-law, shall be to the account of the person who acted in contravention of this by-law.

CHAPTER 9
PENALTIES

61. (1) Any person who contravenes any of the provisions of sections 5, 7, 13, 14, 20, 25, 26, 27, 29 and 30 of this by-law shall be guilty of an offence.

(2) Any person who continues to commit an offence after notice has been served on him / her to cease committing such offence or after he / she has been convicted of such offence shall be guilty of a continuing offence.

(3) Any person convicted of an offence under this by-law for which no penalty is expressly provided shall be liable to a fine not exceeding ten thousand rands or imprisonment for a period not exceed six months or to such imprisonment without the option of a fine or to both such fine and such imprisonment and, in the case of a continuing offence, to an additional fine not exceeding two hundred rands or

additional imprisonment for a period not exceeding ten days or to such additional imprisonment without the option of a fine or to both such additional fine and imprisonment for each day on which such offence is continued.

(4) Every person committing a breach of the provisions of this by-law shall be liable to recompense the Municipality for any loss or damage suffered or sustained by it in consequence of such breach.

***62.** Any person without legal right (the onus of proof of which shall be upon him to prove the contrary) who abstracts, branches off or diverts or causes to be abstracted, branches off or diverted any electric current, or consumes or uses any such current which has been wrongfully or unlawfully abstracted, branched off or diverted knowing it to have been wrongfully or unlawfully abstracted, branched off or diverted or who allows same shall be guilty of an offence of tampering with the municipality's electrical network and a tampering fee (per offence) and, as prescribed in Chapter 2(16) may be imposed on the illegal user, or occupier of the premises which wrongfully and unlawfully abstracted, branched off or diverted electric current or who has allowed same.

*Amended in terms of Notice 1467 of 2012 dated 13 January 2012.

SCHEDULE 1

“applicable standard specification” means

SABS 1607 Electromechanical watt-hour meters,

SABS 1524 Parts 0.1 & 2 - Electricity dispensing systems,

SABS IEC 60211 Maximum demand indicators, Class 1.0,

SABS IEC 60521 Alternating current electromechanical watt-hour meter (Classes 0.5, 1 & 2),

SABS 0142 Code of practice for the wiring of premises;

NRS 047 National Rationalised Specification for the Electricity Supply – Quality of Service

NRS 048 National Rationalised Specification for the Electricity Supply – Quality of Supply, and

NRS 057 Electricity Metering: Minimum Requirements

WATER SERVICES BY-LAWS

2018/2019 FINANCIAL YEAR

WATER SERVICES BY-LAWS

Arrangement of sections

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Water audit

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CHAPTER I: General provisions

Part 1: Definitions

Definitions

(1) In these regulations, unless the context otherwise indicates -

“accommodation unit”	in relation to any premises, means a building or section of a building occupied or used or intended for occupation or use for any purpose;
“Act”	means the Water Services Act, 1997 (Act 108 of 1997), as amended from time to time;
"approved"	means approved by an authorised officer;
"authorised agent"	means a person authorised by the municipality to perform any act, function or duty in terms of, or exercise any power under, these bylaws;
“best practicable environmental option”	means the option that provides the most benefit or causes the least damage to the environment as a whole, at a cost acceptable to society, in the long term as well as in the short term;
"borehole"	means a hole sunk into the earth for the purpose of locating, abstracting or using subterranean water and includes a spring;
"Building Regulations"	means the National Building Regulations made in terms of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977);
“communal water services work”	means a consumer connection through which water services are supplied to more than one person;
"connecting point"	means the point at which the drainage installation joins the connecting sewer;
"connecting sewer"	means a pipe owned by the municipality and installed by it for the purpose of conveying sewage from a drainage installation on a premises to a sewer beyond the boundary of those premises or within a servitude area or within an area covered by a wayleave or by agreement;

"connection pipe" means a pipe, the ownership of which is vested in the municipality or its authorised agent and installed by it for the purpose of conveying water from a main to a water installation, and includes a “communication pipe” referred to in SABS 0252 Part I;

"consumer" means –

(a) any occupier of any premises to which or on which the municipality or its authorised agent has agreed to provide water services or is actually providing water services, or if there be no occupier, then any person who has entered into a current agreement with the municipality or its authorised agent for the provision of water services to or on such premises, or, if there be no such person, then the owner of the premises; provided that where water services is provided through a single connection to a number of occupiers, it shall mean the occupier, or person, to whom the municipality or its authorised agent has agreed to provide water services; or

(b) person that obtains access to water services are provided through a communal water services work;

"drain" means that portion of the drainage installation that conveys sewage within any premises;

"drainage installation" means a system situated on any premises and vested in the owner thereof and is used for or intended to be used for or in connection with the reception, storage, treatment or conveyance of sewage on that premises to the connecting point and includes drains, fittings, appliances, septic tanks, conservancy tanks, pit latrines and private pumping installations forming part of or ancillary to such systems;

"drainage work" includes any drain, sanitary fitting, water supplying apparatus, waste or other pipe or any work connected with the discharge of liquid or solid matter into any drain or sewer or otherwise connected with the drainage of any premises;

"duly qualified sampler" means a person who takes samples for analysis from the sewage disposal and stormwater disposal systems and from public waters and who has been certified to do so by an authorised agent;

“effluent”	means any liquid whether or not containing matter in solution or suspension;
“emergency”	means any situation that poses a risk or potential risk to life, health, the environment or property;
"environmental cost"	means the full cost of all measures necessary to restore the environment to its condition prior to the damaging incident;
“fire hydrant”	means a potable water installation that conveys water for fire fighting purposes only;
“fixed quantity water delivery system”	means a water installation, which delivers a fixed quantity of water to a consumer in any single day;
"flood level (1 in 50 year)"	means that level reached by flood waters resulting from a storm of a frequency of 1 in 50 years;
"flood plain (1 in 50 year)"	means the area subject to inundation by flood waters from a storm of a frequency of 1 in 50 years;
"high strength sewage"	means sewage with a strength or quality greater than standard domestic effluent;
"industrial effluent"	means effluent emanating from industrial use of water, includes for purposes of these bylaws, any effluent other than standard domestic effluent or stormwater;
"installation work"	means work in respect of the construction of, or carried out on a water installation;
"main"	means a pipe, other than a connection pipe, vesting in the municipality or its authorised agent and used by it for the purpose of conveying water to a consumer;
“measuring device”	means any method, procedure, process or device, apparatus, installation that enables the quantity of water services provided to be quantified and includes a method, procedure or process whereby quantity is estimated or assumed;
“meter”	means a water meter as defined by the Regulations published in terms of the Trade Metrology Act, 1973 (Act 77 of 1973), or, in the case of water meters of size greater than 100 mm, a device which measures the quantity of water passing through it;

"municipality" means the water services authority as defined in the Act;

"occupier" means a person who occupies any premises or part thereof, without regard to the title under which he or she occupies;

"owner" means –

(a) the person in whom from time to time is vested the legal title to premises;

(b) in a case where the person in whom the legal title to premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;

(c) in any case where the municipality or its authorised agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon;

(d) in the case of premises for which a lease agreement of 30 years or longer has been entered into, the lessee thereof;

(e) in relation to -

(i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 95 of 1986), the developer or the body corporate in respect of the common property, or

(ii) a section as defined in the Sectional Titles Act, 1986 (Act 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;

"person" means any natural person, local government body or like authority, a company incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

"pollution" means the introduction of any substance into the water supply system, a water installation or a water resource that may directly or indirectly alter the physical, chemical or biological properties of the water found therein so as to make it –

(a) less fit for any beneficial purpose for which it may reasonably be expected to be used; or

(b) harmful or potentially harmful –
  (i) to the welfare, health or safety of human beings;

  (ii) to any aquatic or non-aquatic organism;

"premises" means any piece of land, the external surface boundaries of which are delineated on –

(a) a general plan or diagram registered in terms of the Land Survey Act, 1927 (Act 9 of 1927), or in terms of the Deeds Registries Act, 1937 (Act 47 of 1937); or

(b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 95 of 1986);

(c) a register held by a tribal authority;

"prescribed tariff or charge" means a charge prescribed by the municipality;

"public notice" means a notice in a newspaper in at least two of the official languages in general use within the Province or area in question, and, where possible, the notice shall be published in a newspaper appearing predominantly in the language utilised in the publication of the notice;

"public water" means any river, watercourse, bay, estuary, the sea and any other water to which the public has the right of use or to which the public has the right of access;

“sanitation services” has the same meaning assigned to it in terms of the Act and includes for purposes of these bylaws water for industrial purposes and the disposal of industrial effluent;

“sea outfalls” means the discharge of effluent directly into the sea;

"service pipe"	means a pipe which is part of a water installation provided and installed on any premises by the owner or occupier and which is connected or to be connected to a connection pipe to serve the water installation on the premises;
"sewage"	means waste water, industrial effluent, standard domestic effluent and other liquid waste, either separately or in combination, but shall not include stormwater;
"sewage disposal system"	means the structures, pipes, valves, pumps, meters or other appurtenances used in the conveyance through the sewer reticulation system and treatment at the sewage treatment plant under the control of the municipality or its authorised agent and which may be used by it in connection with the disposal of sewage and shall include the sea outfalls;
"sewer"	means any pipe or conduit which is the property of or is vested in the municipality or its authorised agent and which may be used for the conveyance of sewage from the connecting sewer and shall not include a drain as defined;
"standard domestic effluent"	means domestic effluent with prescribed strength characteristics in respect of chemical oxygen demand and settable solids as being appropriate to sewage discharges from domestic premises within the jurisdiction of the municipality or its authorised agent, but shall not include industrial effluent;
"stormwater"	means water resulting from natural precipitation or accumulation and includes rainwater, subsoil water or spring water;
"terminal water fitting"	means a water fitting at an outlet of a water installation that controls the discharge of water from a water installation;
"trade premises"	means premises upon which industrial effluent is produced;
"water fitting"	means a component of a water installation, other than a pipe, through which water passes or in which it is stored;

"water installation"	means the pipes and water fittings which are situated on any premises and vested in the owner thereof and used or intended to be used in connection with the use of water on such premises, and includes a pipe and water fitting situated outside the boundary of the premises, which either connects to the connection pipe relating to such premises or is otherwise laid with the permission of the municipality or its authorised agent;
"water services"	has the same meaning assigned to it in terms of the Act and includes for purposes of these bylaws water for industrial purposes and the disposal of industrial effluent;
"water supply services"	has the same meaning assigned to it in terms of the Act and includes for purposes of these bylaws water for industrial purposes and the disposal of industrial effluent;
"water supply system"	means the structures, aqueducts, pipes, valves, pumps, meters or other apparatus relating thereto which are vested in the municipality or its authorised agent and are used or intended to be used by it in connection with the supply of water, and includes any part of the system;
"wet industry"	means an industry which discharges industrial effluent; and
"working day"	means a day other than a Saturday, Sunday or public holiday.

Any word or expression used in these bylaws to which a meaning has been assigned in –

(a) the Act will bear that meaning; and

(b) the National Building Regulations and Building Standards Act, 1997 (Act 103 of 1977), the Building Regulations will in respect of Chapter III bear that meaning, unless the context indicates otherwise.

Any reference in Chapter I of these bylaws to water services or services must be interpreted as referring to water supply services or sanitation services depending on the services to which is applicable.

Part 2: Application for water services

Application for water services

2. (1) No person shall gain access to water services from the water supply system, sewage disposal system or through any other sanitation services unless he or she has applied to the municipality or its authorised agent on the prescribed form for such services for a specific purpose and to which such application has been agreed.

(2) Where a premises or consumer are provided with water services, it shall be deemed that an agreement in terms of Sub-Section (1) exists.

(3) An application agreed to by the municipality or its authorised agent shall constitute an agreement between the municipality or its authorised agent and the applicant, and such agreement shall take effect on the date referred to or stipulated in such agreement.

(4) A consumer shall be liable for all the prescribed tariffs and / or charges in respect of water services rendered to him or her until the agreement has been terminated in accordance with these bylaws or until such time as any arrears have been paid.

(5) In preparing an application form for water services the municipality or its authorised agent will ensure that the document and the process of interaction with the owner, consumer or any other person making application are understood by that owner, consumer or other person. In the case of illiterate or similarly disadvantaged persons, the municipality or its authorised agent will take reasonable steps to ensure that the person is aware of and understands the contents of the application form.

(6) Water services rendered to a consumer are subject to the provisions of these bylaws and the conditions contained in the relevant agreement.

(7) If a municipality or its authorised agent refuses an application for the provision of water services, is unable to render such water services on the date requested for such provision of water services to commence or is unable to render the water services the municipality or its authorised agent will inform the consumer of such refusal and / or inability, the reasons therefore and, if applicable, when the municipality or its authorised agent will be able to provide such water services.

Special agreements for water services

3. The municipality or its authorised agent may enter into a special agreement for the provision of water services to –

   (a) an applicant inside its area of jurisdiction, if the services applied for necessitates the imposition of conditions not contained in the prescribed form; and

   (b) an applicant outside its area of jurisdiction, if such application has been approved by the municipality or its authorised agent having jurisdiction in the area in which the premises is situated.

Part 3: Tariffs and charges

Prescribed tariffs and charges for water services

4. All tariffs and or charges payable in respect of water services rendered by the municipality or its authorised agent in terms of these bylaws, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest in respect of failure to pay such tariffs or charges on the specified date will be set by the municipality –

   by a resolution passed by the Council; in accordance with –

   (i) its tariff policy;
   (ii) any bylaws in respect thereof; and
   (iii) any regulations in terms of Section (10) of the Act.

Fixed charges for water services

5. (1) The municipality may, in addition to the tariffs or charges prescribed for water services actually provided, levy a monthly fixed charge, annual fixed charge or once-off fixed charge in respect of the provision of water services in accordance with

   (a) its tariff policy;

   (b) any bylaws in respect thereof; and

   (c) any regulations in terms of Section (10) of the Act.

(2) Where a fixed charge is levied in terms of Sub-Section (1), it shall be payable by every owner or consumer in respect of water services provided by the municipality or its authorised agent to him, her or it, whether or not water services are used by him, her or it.

Part 4: Payment

Payment of deposit

6. (1) Every consumer must on application for the provision of water services and before such water services will be provided by the municipality or its authorised agent, pay a deposit as determined by the municipality or its authorised agent except in the case of a pre-payment measuring device being used by the municipality or its authorised agent.

(2) The municipality or its authorised agent may require a consumer to whom services are provided and who was not previously required to pay a deposit, for whatever reason, to pay a deposit on request, within a specified period.

(3) The municipality or its authorised agent may from time to time review the sum of money deposited by a consumer in terms of Sub-Section (1) and, in accordance with such review -

(a) require that an additional amount be deposited by the consumer; or

(b) refund to the consumer such amount as may be held by the municipality or its authorised agent in excess of the reviewed deposit.

(4) Subject to Sub-Section (5), an amount deposited with the municipality or its authorised agent in terms of Sub-Sections (1) or (2) shall not be regarded as being in payment or part payment of an account due for water services rendered.

(5) If, upon the termination of the agreement for the provision of water services, an amount remains due to the municipality or its authorised agent in respect of water services rendered to the consumer, the municipality or its authorised agent may apply the deposit in payment or part payment of the outstanding amount and refund any balance to the consumer.

(6) No interest shall be payable by the municipality or its authorised agent on the amount of a deposit held by it in terms of this Section.

(7) An agreement for the provision of water services may contain a condition that a deposit shall be forfeited to the municipality or its authorised agent if it has not been claimed within twelve months of the termination of the agreement.

Payment for water services provided

7. (1) Water services provided by the municipality or its authorised agent to a consumer shall be paid for by the consumer at the prescribed tariff or charge set in accordance with Sections (4) and (5), for the particular category of water services provided.

(2) A consumer shall be responsible for payment for all water services provided to the consumer from the date of an agreement until the date of termination thereof. If the consumer fails to pay, the owner shall be responsible.

(3) The municipality or its authorised agent may estimate the quantity of water services provided in respect of a period or periods within the interval between successive measurements and may render an account to a consumer for the services so estimated.

(4) If a consumer uses water supply services for a category of use other than that for which it is provided by the municipality or its authorised agent in terms of an agreement and as a consequence is charged at a rate lower than the rate which should have been charged, the Municipality or its authorised agent may make an adjustment of the amount charged in accordance with the rate which should have been charged and recover from the consumer the tariffs and charges payable in accordance with such adjustment. Provided that no such adjustment shall be made in respect of a period in excess **of 3 years** prior to the date on which the wrong charge was observed or the council was notified of such wrong charge by the consumer.

(5) A consumer must pay his or her or its account at an approved agent of the municipality or its authorised agent. A consumer shall remain liable for the payment of an account not paid with the municipality, its authorised agent or approved agent.

(6) A municipality or its authorised agent must inform a consumer as to who the approved agents for payment of accounts are.

Part 5: Termination, limitation and discontinuation of water services

Termination of agreement for the provision of water services

8. (1) A consumer may terminate an agreement for the provision of water services by giving to the municipality or its authorised agent not less than ten (10) working days' notice in writing of his or her intention to do so.

(2) The municipality or its authorised agent may, by notice in writing of not less than thirty working days, advise a consumer of the termination of his, her or it agreement for the provision of water services if –

(a) he, she or it has not used the water services during the preceding six months and has not made arrangements to the satisfaction of the municipality or its authorised agent for the continuation of the agreement;

(b) he, she or it has failed to comply with the provisions of these bylaws and has failed to rectify such failure to comply on notice in terms of Section (23) or to pay any tariffs or charges due and payable after the procedure set out in Section (11) was applied;

(c) in terms of an arrangement made by it with another water services institution to provide water services to the consumer.

(3) The municipality or its authorised agent may, after having given notice, terminate an agreement for services if a consumer has vacated the premises to which such agreement relates.

Limitation and / or discontinuation of water services provided

9. (1) The municipality or its authorised agent may limit or discontinue water services provided in terms of these bylaws –

(a) on failure to pay the prescribed tariffs or charges on the date specified, after the provisions of Section (11) were applied;

(b) on failure to comply with any other provisions of these bylaws, after notice in terms of Section (23) was given;

(c) at the written request of a consumer;

(d) if the agreement for the provision of services has been terminated in terms of Section (13) and it has not received an application for subsequent services to the premises within a period of 90 (ninety) days of such termination;

(e) the building on the premises to which services were provided has been demolished;

(f) if the consumer has interfered with a limited or discontinued service; or

(g) in an emergency.

(2) The municipality or its authorised agent will not be liable for any damages or claims that may arise from the limitation or discontinuation of water services provided in terms of Sub-Section (1).

Restoration of water services

10. When a consumer enters into an agreement for the payment of the arrears amount in installments after the receipt of a final demand notice or a discontinuation notice the water services will be restored to the type of service the consumer elected in terms of the agreement for the provision of water services, within 7 (seven) working days.

Part 6: General provisions

Responsibility for compliance with these bylaws

11. (1) The owner of premises is responsible for ensuring compliance with these bylaws in respect of all or any matters relating to any installation.

(2) The consumer is responsible for compliance with these bylaws in respect of matters relating to the use of any installation.

Exemption

12. (1) The municipality or its authorised agent may, in writing exempt an owner, consumer, any other person or category of owners, consumers or other persons from complying with a provision of these bylaws, subject to any conditions it may impose, if it is of the opinion that the application or operation of that provision would be unreasonable, provided that the municipality or its authorised agent shall not grant exemption from any section of these bylaws that may result in –

(a) the wastage or excessive consumption of water;

(b) the evasion or avoidance of water restrictions;

(c) significant negative effects on public health, safety or the environment;

(d) the non-payment for services;

(e) the installation of pipes and fittings which are not approved in terms of these bylaws; and

(f) the Act, or any regulations made in terms thereof, is not complied with.

(2) The municipality or its authorised agent may at any time after giving written notice of at least thirty days, withdraw any exemption given in terms of Sub-Section (1).

Unauthorised use of water services

13. (1) No person may gain access to water services from the water supply system, sewage disposal system or any other sanitation services unless an agreement has been entered into with the municipality or its authorised agent for the rendering of those services.

(2) The municipality or its authorised agent may, irrespective of any other action it may take against such person in terms of these bylaws, by written notice order a person who has gained access to water services from the water supply system, sewage disposal system or any other sanitation services without an agreement with the municipality or its authorised agent for the rendering of those services,

(a) to apply for such services in terms of Sections 2 or 3; and

(b) to undertake such work as may be necessary to ensure that the consumer installation through which access was gained complies with the provisions of these bylaws.

(3) The provisions of Section 23 shall apply to a notice in terms of Sub-Section (2) above.

Change in purpose for which water services are used

14. Where the purpose or extent for which water services are used is changed, the consumer must enter into a new agreement with the municipality or its authorised agent.

Interference with water supply system or any sanitation services

15. (1) No person other than the municipality or its authorised agent shall manage, operate or maintain the water supply system or any sanitation system unless authorised by these bylaws or an authorised agent.

(2) No person other than the municipality or its authorised agent shall effect a connection to the water supply system or sewage disposal system or render any other sanitation services.

Obstruction of access to water supply system or any sanitation services

16. (1) No person shall prevent or restrict physical access to the water supply system or sewage disposal system.

(2) If a person contravenes Sub-Section (1), the municipality or its authorised agent may –

(a) by written notice require such person to restore access at his or her own expense within a specified period; or

(b) if it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

Notices and documents

17. (1) A notice or document issued by the municipality or its authorised agent in terms of these bylaws must be deemed to be duly authorised if the authorised agent signs it.

(2) If a notice or document is to be served on an owner, consumer or any other person in terms of these bylaws such service shall be effected by –

(a) delivering it to him or her personally or to his or her duly authorised agent;

(b) delivering it at his or her residence, village or place of business or employment to a person not less than sixteen years of age and apparently residing or employed there;

(c) if he or she has nominated an address for legal purposes, delivering it to such an address;

(d) if he or she has not nominated an address for legal purposes, delivering it to the address given by him or her in his or her application for the provision of water services, for the reception of an account for the provision of water services;

(e) sending by pre-paid registered or certified post addressed to his or her last known address;

(f) in the case of a legal person, by delivering it at the registered office or business premises of such legal person; or

(g) if service cannot be effected in terms of Sub-Sections (a) to (f), by affixing it to a principal door of entry to the premises concerned.

(3) In the case where compliance with a notice is required within a specified number of working days, such period shall be deemed to commence on the date of delivery or sending of such notice.

Power to serve and compliance with notices

18. (1) The municipality or its authorised agent may, by written notice, order an owner, consumer or any other person who fails, by act or omission, to comply with the provisions of these bylaws or of any condition imposed thereunder to remedy such breach within a period specified in the notice, which period shall not be less than thirty days.

(2) If a person fails to comply with a written notice served on him or her by the municipality or its authorised agent in terms of these bylaws within the specified period, it may take such action that in its opinion is necessary to ensure compliance, including –

(a) undertaking the work necessary itself and recovering the cost of such action or work from that owner, consumer or other person;

(b) limiting or discontinuing the provision of services; and

(c) instituting legal proceedings.

(3) A notice in terms of Sub-Section (1) will –

(a) give details of the provision of the bylaws not complied with;

(b) give the owner, consumer or other person a reasonable opportunity to make representations and state his or her case, in writing, to the municipality or its authorised agent within a specified period, unless the owner, consumer or other person was given such an opportunity before the notice was issued;

(c) specify the steps that the owner, consumer of other person must take to rectify the failure to comply;

(d) specify the period within which the owner, consumer or other person must take the steps specified to rectify such failure; and

(e) indicate that the municipality or its authorised agent –

(i) may undertake such work necessary to rectify the failure to comply if the notice is not complied with and that any costs associated with such work may be recovered from the owner, consumer or other person; and

(ii) may take any other action it deems necessary to ensure compliance.

(4) In the event of an emergency the municipality or its authorised agent may without prior notice undertake the work required by Sub-Section (3)(e)(i) and recover the costs from such person.

(5) The costs recoverable by the municipality or its authorised agent in terms of Sub-Sections (3) and (4) is the full cost associated with that work and includes, but is not limited to, any exploratory investigation, surveys, plans, specifications, schedules of quantities, supervision, administration charge, the use of tools, the expenditure of labour involved in disturbing or rehabilitation of any part of a street or ground affected by the work and the environmental cost.

Power of entry and inspection

19. (1) A municipality or its authorised agent may enter and inspect any premises –

(a) for the purposes set out in and in accordance with the provisions of Section 80 of the Act;

(b) for any purpose connected with the implementation or enforcement of these bylaws, at all reasonable times, after having given reasonable written notice of the intention to do so, unless it is an emergency situation.

False statements or information

20. No person shall make a false statement or furnish false information to the municipality or its authorised agent or falsify a document issued in terms of these bylaws.

Offences

21. (1) A person who –

(a) unlawfully and intentionally or negligently interfere with any water services works of the municipality or its authorised agent;

(b) fails to provide information or provide false information reasonably requested by the municipality or its authorised agent;

(c) fails or refuses to give access required by a municipality or its authorised agent in terms of Section 24;

(d) obstructs or hinders a municipality or its authorised agent in the exercise of his or her powers or performance of his or her functions or duties under these bylaws;

(e) contravenes or fails to comply with a provision of these bylaws;

(f) contravenes or fails to comply with a condition or prohibition imposed in terms of these bylaws;

(g) contravenes or fails to comply with any conditions imposed upon the granting of any application, consent, approval, concession, exemption or authority in terms of these bylaws; or

(h) fails to comply with the terms of a notice served upon him or her in terms of these bylaws; shall be guilty of an offence and liable on conviction to a fine not exceeding R2 000.00 or in default on payment, to imprisonment for a period not exceeding 4 months and in the event of a continued offence to a further fine not exceeding R1 000.00 for every day during the continuance of such offence after a written notice from the municipality or its authorised agent has been issued, and in the event of a second offence to a fine not exceeding R4 000.00 or, in default on payment to imprisonment for a period not exceeding 8 months.

Availability of bylaws

22. (1) A copy of these bylaws shall be included in the municipalities Municipal Code as required in terms of legislation.

(2) A copy of these bylaws shall be available for inspection at the municipal offices or at the offices of its authorised agent at all reasonable times.

(3) A copy of the bylaws may be obtained at the approved tariff from the municipality or its authorised agent.

CHAPTER II: Water supply services

Part 1: Connection to water supply system

Provision of connection pipe

23. (1) If an agreement for water supply services in respect of premises has been concluded and no connection pipe exists in respect of the premises, the owner shall make application on the prescribed form and pay the prescribed charge for the installation of such a pipe.

(2) If an application is made for water supply services which are of such an extent or so situated that it is necessary to extend, modify or upgrade the water supply system in order to supply water to the premises, the municipality or its authorised agent may agree to the extension subject to such conditions as it may impose.

Location of connection pipe

24. (1) A connection pipe provided and installed by the municipality or its authorised agent shall –

(a) be located in a position agreed to between the owner and the municipality or its authorised agent and be of a suitable size as determined by the municipality or its authorised agent;

(b) terminate at –

(i) the boundary of the land owned by or vested in the municipality or its authorised agent, or over which it has a servitude or other right; or

(ii) the outlet of the water meter if it is situated on the premises; or

(iii) the isolating valve if it is situated on the premises.

(2) In reaching agreement with an owner concerning the location of a connection pipe, the municipality or its authorised agent shall ensure that the owner is aware of

(a) practical restrictions that may exist regarding the location of a connection pipe;

(b) the cost implications of the various possible locations of the connection pipe;

(c) whether or not the municipality or its authorised agent requires the owner to indicate the location of the connection pipe by providing a portion of his or her water installation at or outside the boundary of his or her premises, or such agreed position inside or outside his or her premises where the connection is required, for the municipality or its authorised agent to connect to such installation.

(3) A municipality or its authorised agent may at the request of any person agree, subject to such conditions as he or she may impose, to a connection to a main other than that which is most readily available for the provision of water supply to the premises; provided that the applicant shall be responsible for any extension of the water installation to the connecting point designated by the municipality or its authorised agent and for obtaining at his or her cost, such servitudes over other premises as may be necessary.

(4) An owner must pay the prescribed connection charge.

Provision of single water connection for supply to several consumers on same premises

25. (1) Notwithstanding the provisions of Section 29 only one connection pipe to the water supply system may be provided for the supply of water to any premises, irrespective of the number of accommodation units, business units or consumers located on such premises.

(2) Where the owner, or the person having the charge or management of any premises on which several accommodation units are situated, requires the supply of water to such premises for the purpose of supply to the different accommodation units, the municipality or its authorised agent may, in its discretion, provide and install either –

(a) a single measuring device in respect of the premises as a whole or any number of such accommodation units; or

(b) a separate measuring device for each accommodation unit or any number thereof.

(3) Where the municipality or its authorised agent has installed a single measuring device as contemplated in Sub-Section (2)(a), the owner or the person having the charge or management of the premises, as the case may be, -

(a) must, if the municipality or its authorised agent so requires, install and maintain on each branch pipe extending from the connection pipe to the different accommodation units –

(i) a separate measuring device; and

(ii) an isolating valve; and

(b) will be liable to the municipality or its authorised agent for the tariffs and charges for all water supplied to the premises through such a single measuring device, irrespective of the different quantities consumed by the different consumers served by such measuring device.

(4) Notwithstanding Sub-Section (1), the municipality or its authorised agent may authorise that more than one connection pipe be provided on the water supply system for the supply of water to any premises comprising sectional title units or if, in the opinion of the municipality or its authorised agent, undue hardship or inconvenience would be caused to any consumer on such premises by the provision of only one connection pipe.

(5) Where the provision of more than one connection pipe is authorised by the municipality or its authorised agent under Sub-Section (4), the tariffs and charges for the provision of a connection pipe is payable in respect of each water connection so provided.

Interconnection between premises or water installations

26. An owner of premises shall ensure that no interconnection exists between –

(a) the water installation on his or her premises and the water installation on other premises; or

(b) where several accommodation units are situated on the same premises, the water installations of the accommodation units; unless he or she has obtained the prior written consent of the municipality or its authorised agent, and complies with any conditions that it may have imposed.

Disconnection of water installation from connection pipe

27. The municipality or its authorised agent may disconnect a water installation from the connection pipe and remove the connection pipe if –

(a) the agreement for supply has been terminated in terms of Section (13) and it has not received an application for a subsequent supply of water to the premises served by the pipe within a period of 90 days of such termination; or

(b) the building on the premises concerned has been demolished.

Part 2: Communal water services works

Provision of a water services work for water supply to several consumers

28. (1) A municipality or its authorised agent may install a communal water services work for the provision of water services to several consumers at a location it deems appropriate, provided that –

(a) the consumers to whom water services will be provided through that water services work has been consulted in respect of the level of service, tariff that will be payable and location of the work.

Part 3: Temporary supply

Water supplied from a hydrant

29. (1) The municipality or its authorised agent may authorise a temporary supply of water to be taken from one or more fire hydrants specified by it, subject to such conditions and period as may be prescribed by it.

(2) A person who desires a temporary supply of water referred to in Sub-Section (1) must apply for such water services in terms of Section (2).

(3) The supply of water in terms of Sub-Section (1) must be measured.

(4) The municipality or its authorised agent may for purposes of measuring provide a portable water meter to be returned to the municipality or its authorised agent on termination of the temporary supply, which portable meter and all other fittings and apparatus used for the connection of the portable water meter to a hydrant, shall remain the property of the municipality or its authorised agent and will be provided subject any conditions imposed by the municipality or its authorised agent.

Part 4: Standards and general conditions of supply

Quantity, quality and pressure

30. Water supply services provided by the municipality or its authorised agent will comply with the minimum standards set for the provision of water supply services in terms of Section (9) of the Act.

General conditions of supply

31. (1) The municipality or its authorised agent may specify the maximum height to which water will be supplied from the water supply system. Where a consumer requires water to be supplied at a greater height or pressure the consumer will be responsible therefor.

(2) The municipality or its authorised agent may, in an emergency, interrupt the supply of water to any premises without prior notice.

(3) If in the opinion of the municipality or its authorised agent the consumption of water by a consumer adversely affects the supply of water to another consumer, it may apply such restrictions as it may deem fit to the supply of water to the first mentioned consumer in order to ensure a reasonable supply of water to the other consumer and will inform that consumer of such restrictions.

Part 5: Measurement of water supply services

Measuring of quantity of water supplied

32. (1) The municipality or its authorised agent will measure the quantity of water supplied at regular intervals.

(2) Any measuring device through which water is supplied to a consumer by the municipality or its authorised agent and its associated apparatus shall be provided and installed by the municipality or its authorised agent, shall remain its property, and may be changed and maintained by the municipality or its authorised agent when deemed necessary by it.

(3) The municipality or its authorised agent may install a measuring device, and its associated apparatus, on premises at any point on the service pipe.

(4) If the municipality or its authorised agent installs a measuring device on a service pipe in terms of Sub-Section (3), it may install a section of pipe and associated fittings between the end of its connection pipe and the meter, and such section shall be deemed to form part of the water supply system.

(5) If the municipality or its authorised agent installs a measuring device together with its associated apparatus on a service pipe in terms of Sub-Section (3), the owner shall –

(a) provide a place satisfactory to the municipality or its authorised agent in which to install it;

(b) ensure that unrestricted access is available to it at all times;

(c) be responsible for its protection and be liable for the costs arising from damage thereto, excluding damage arising from normal fair wear and tear;

(d) ensure that no connection is made to the pipe in which the measuring device is installed, between the measuring device and the connection pipe serving the installation; and

(e) make provision for the drainage of water which may be discharged, from the pipe in which the measuring device is installed, in the course of work done by the municipality or its authorised agent on the measuring device.

(6) No person other than an authorised agent shall –

(a) disconnect a measuring device and its associated apparatus from the pipe in which they are installed;

(b) break a seal which the municipality or its authorised agent has placed on a meter; or

(c) in any other way interfere with a measuring device and its associated apparatus.

(7) If the municipality or its authorised agent considers that, in the event of the measuring device being a meter that the size of a meter is unsuitable by reason of the quantity of water supplied to premises, it may install a meter of such size as it may deem necessary, and may recover from the owner of the premises concerned the prescribed charge for the installation of the meter.

(8) The municipality or its authorised agent may require the installation, at the owner's expense, of a measuring device to each dwelling unit, in separate occupancy, on any premises, for use in determining quantity of water supplied to each such unit; provided that where fixed quantity water delivery systems are used, a single measuring device may be used to supply more than one unit.

Quantity of water supplied to consumer

33. (1) For purposes of assessing the quantity of water measured by a measuring device installed by the municipality or its authorised agent on the premises of a consumer or, where applicable, estimated or determined by the municipality or its authorised agent in terms of any provision of these bylaws, it will, for the purposes of these bylaws, be deemed, unless the contrary can be proved, that –

(a) the quantity is represented by the difference between measurements taken at the beginning and end of such period;

(b) the measuring device was accurate during such period;

(c) the entries in the records of the municipality or its authorised agent were correctly made; and

(d) provided that if water is supplied to, or taken by, a consumer without its passing through a measuring device, the estimate by the municipality or its authorised agent of the quantity of such water shall be deemed to be correct.

(2) Where water supplied by the municipality or its authorised agent to any premises is in any way taken by the consumer without such water passing through any measuring device provided by the municipality or its authorised agent, the municipality or its authorised agent may for the purpose of rendering an account estimate, in accordance with Sub-Section (3), the quantity of water supplied to the consumer during the period from the last previous reading of the water meter until the date it is discovered that water is so taken by the consumer.

(3) For the purposes of Sub-Section (2), an estimate of the quantity of water supplied to a consumer shall be based on, as the municipality or its authorised agent may decide -

(a) the average monthly consumption of water on the premises during any three consecutive measuring periods during the twelve months' period prior to the date on which the taking of water in the manner mentioned in Sub-Section (2) was discovered; or

(b) the average monthly consumption on the premises registered over three succeeding measuring periods after the date referred to in Sub-Section (3)(a).

(4) Nothing in these regulations shall be construed as imposing on the municipality or its authorised agent an obligation to cause any measuring device installed by the municipality or its authorised agent on any premises to be measured at the end of every month or any other fixed period, and the municipality or its authorised agent may estimate the quantity of water supplied over any period during the interval between successive measurements of the measuring device and render an account to a consumer for the quantity of water so estimated.

(5) The municipality or its authorised agent must, on receipt from the consumer of written notice of not less than 7 (seven) days and subject to payment of the prescribed charge, measure the quantity of water supplied to consumer at a time or on a day other than that upon which it would normally be measured.

(6) If a contravention of Sub-Section 36(6) occurs, the consumer shall pay to the municipality or its authorised agent the cost of such quantity of water as in the municipality or its authorised agent's opinion was supplied to him or her.

(7) Until such time a measuring device have been installed in respect of water supplied to a consumer the estimated or assumed consumption of that consumer must be based on the average consumption of water supplied to the specific zone within which the consumer's premises is situated, during a specific period.

(8) Where in the opinion of the municipality or its authorised agent it is not reasonably possible or cost effective to measure water supplied to each consumer within a determined zone, the municipality or its authorised agent may determine a basic tariff or charge to be paid by each consumer within that zone irrespective of actual consumption.

(9) A tariff or charge determined in terms of Sub-Section (8) will be based on the estimated average consumption of water supplied to that zone.

(10) Where water supply services are provided through a communal water services work the amount due and payable by consumers gaining access to water supply services through that communal water services work must be based on the estimated average consumption of water supplied to that water services work.

Defective measurement

34. (1) If a consumer has reason to believe that a measuring device, used for measuring water, which was supplied to him or her by the municipality or its authorised agent is defective he or she may, against payment of the prescribed charge, make application in writing for the measuring device to be tested.

(2) The provisions of Sections 10(8) to 10(12) will apply to such an application.

Special measurement

35. (1) If the municipality or its authorised agent wishes, for purposes other than charging for water consumed, to ascertain the quantity of water which is used in a part of a water installation, it may by written notice advise the owner concerned of its intention to install a measuring device at such point in the water installation as it may specify.

(2) The installation of a measuring device referred to in Sub-Section (1), its removal, and the restoration of the water installation after such removal shall be carried out at the expense of the municipality or its authorised agent.

(3) The provisions of Sections 37(5) and 37(6) shall apply insofar as they may be applicable in respect of a measuring device installed in terms of Sub-Section (1).

No reduction of amount payable for water wasted

36. A consumer shall not be entitled to a reduction of the amount payable for water wasted or water losses in a water installation.

Adjustment of quantity of water supplied through defective measuring device

37. (1) If a measuring device is found to be defective in terms of Section 10(11), the municipality or its authorised agent may estimate the quantity of water supplied to the consumer concerned during the period in which, in its opinion, such measuring device was defective, on the basis of the average daily quantity of water supplied to him or her over

(a) a period between two successive measurements subsequent to the replacement of the measuring device; or

(b) a period in the previous year corresponding to the period in which the measuring device was defective; or

(c) the period between three successive measurements prior to the measuring device becoming defective; whichever it considers the most appropriate.

(2) If the quantity of water supplied to a consumer during the period when his or her measuring device was defective cannot be estimated in terms of Sub-Section (1), the municipality or its authorised agent may estimate the quantity on any basis that is available to it.

(3) Provided that no such adjustment shall be made in respect of a period in excess of 12 months prior to the date on which the meter was found to be registering incorrectly.

Part 6: Installation work

Approval of installation work

38. (1) If an owner wishes to have installation work done, he or she must first obtain the municipality or its authorised agent's written approval; provided that approval shall not be required in the case of water installations in dwelling units or installations where no fire installation is required in terms of SABS Code 0400 or for the repair or replacement of an existing pipe or water fitting other than a fixed water heater and its associated protective devices.

(2) Application for the approval referred to in Sub-Section (1) shall be made on the prescribed form and shall be accompanied by –

(a) the prescribed charge, if applicable;

(b) copies of the drawings as prescribed by the municipality or its authorised agent, giving information in the form required by Clause 4.1.1 of SABS Code 0252 : Part I; and

(c) a certificate certifying that the installation has been designed in accordance with SABS Code 0252 : Part I or has been designed on a rational basis.

(3) The provisions of Sub-Sections (1) and (2) shall not apply to a qualified plumber who replaces a fixed water heater or its associated protective devices.

(4) Authority given in terms of Sub-Section (1) shall lapse at the expiry of a period of twenty-four months after the first day of the month succeeding the month in which the authority is given.

(5) A complete set of approved drawings of installation work shall be available at the site of the work at all times until such work has been completed, where approval was required in terms of Sub-Section 1.

(6) If installation work has been done in contravention of Sub-Section (1) or (2), the municipality or its authorised agent may by written notice require the owner of the premises concerned to –

(a) comply with that regulation within a specified period;

(b) if work is in progress, to cease the work; and

(c) to remove all such work which does not comply with these bylaws.

Persons permitted to do installation and other work

Provision and maintenance of water installations

39. (1) An owner must provide and maintain his or her water installation at his or her own cost and, where permitted in terms of Sub-Section (2), must ensure that the installation is situated within the boundary of his or her premises.

(2) Before doing work in connection with the maintenance of a portion of his or her water installation which is situated outside the boundary of his or her premises, an owner shall obtain the written consent of the municipality or its authorised agent or the owner of the land on which such portion is situated, as the case may be.

Use of pipes and water fittings to be authorised

40. (1) No person shall, without the prior written authority of the municipality or its authorised agent, install or use a pipe or water fitting in a water installation within the municipality or its authorised agent's area of jurisdiction unless it is included in the Schedule of Approved Pipes and Fittings as compiled by the municipality or its authorised agent.

(2) Application for the inclusion of a pipe or water fitting in the Schedule referred to in Sub-Section (1) must be made on the form prescribed by the municipality or its authorised agent and be accompanied by the prescribed charge.

(3) A pipe or water fitting may be included in the Schedule referred to in Sub-Section (1) if –

(a) it bears the standardisation mark of the South African Bureau of Standards in respect of the relevant SABS specification issued by the Bureau; or

(b) it bears a certification mark issued by the SABS to certify that the pipe or water fitting complies with an SABS Mark specification or a provisional specification issued by the SABS, provided that no certification marks shall be issued for a period exceeding two years.

(4) The municipality or its authorised agent may, in respect of any pipe or water fitting included in the Schedule, impose such additional conditions, as it may deem necessary in respect of the use or method of installation thereof.

(5) A pipe or water fitting shall be removed from the Schedule if it –

(a) no longer complies with the criteria upon which its inclusion was based; or

(b) is no longer suitable for the purpose for which its use was accepted.

(6) The current schedule shall be available for inspection at the office of the municipality or its authorised agent at any time during working hours.

(7) The municipality or its authorised agent may sell copies of the current schedule at the prescribed charge.

Labelling of terminal water fittings and appliances

41. All terminal water fittings and appliances using or discharging water shall be marked, or have included within the packaging of the item, the following information:

(a) the range of pressure in kPa over which the water fitting or appliance is designed to operate;

(b) the flow rates, in litres per minute, related to the design pressure range, provided that this information shall be given for at least the following water pressures –

(i) 20 kPa
(ii) 100 kPa
(iii) 400 kPa

Part 7: Water pollution, restriction and wasteful use of water

Owner to prevent pollution of water

42. An owner shall provide and maintain approved measures to prevent the entry of a substance, which may be a danger to health or adversely affect the potability of water or affect its fitness for use, into –

(a) the water supply system; and
(b) any part of the water installation on his or her premises.

Water restrictions

43. (1) The municipality or its authorised agent may by public notice to prevent the wasteful use of water in terms of Section (51) or in the event of a water shortage, drought or flood –

(a) prohibit or restrict the consumption of water in the whole or part of its area of jurisdiction in general or for –

(i) specified purposes;

(ii) during specified hours of the day or on specified days; and

(iii) in a specified manner; and

(b) determine and impose -

(i) limits on the quantity of water that may be consumed over a specified period;

(ii) charges additional to those prescribed in respect of the supply of water in excess of a limit contemplated in Sub-Section (1)(b)(i); and

(iii) a general surcharge on the prescribed charges in respect of the supply of water; and

(c) impose restrictions or prohibitions on the use or manner of use or disposition of an appliance by means of which water is used or consumed, or on the connection of such appliances to the water installation.

(2) The municipality or its authorised agent may limit the application of the provisions of a notice contemplated by Sub-Section (1) to specified areas and categories of consumers, premises and activities, and may permit deviations and exemptions from, and the relaxation of, any of the provisions on reasonable grounds.

(3) The municipality or its authorised agent may –

(a) take, or by written notice require a consumer at his or her own expense to take, such measures, including the installation of measurement devices and devices for restricting the flow of water, as may in its opinion be necessary to ensure compliance with a notice published in terms of Sub-Section (1); or

(b) discontinue or, for such period as it may deem fit, limit the supply of water to any premises in the event of a contravention on such premises or failure to comply with the terms of a notice published in terms of Sub-Section (1), subject to notice in terms of Section (23); and

(c) where the supply has been discontinued, it shall only be restored when the prescribed charge for discontinuation and reconnecting the supply has been paid.

(4) The provisions of this section shall also apply in respect of water supplied directly by the municipality or its authorised agent to consumers outside its area of jurisdiction, notwithstanding anything to the contrary in the conditions governing such supply, unless otherwise specified in the notice published in terms of Sub-Section (1).

Waste of water unlawful

44. (1) No consumer shall permit –

(a) the purposeless or wasteful discharge of water from terminal water fittings;

(b) pipes or water fittings to leak;

(c) the use of maladjusted or defective water fittings;

(d) an overflow of water to persist; or

(e) an inefficient use of water to persist.

(2) An owner shall repair or replace any part of his or her water installation which is in such a state of disrepair that it is either causing or is likely to cause an occurrence listed in Sub-Section (1).

(3) If an owner fails to take measures as contemplated in Sub-Section (2), the municipality or its authorised agent shall, by written notice in terms of Section (23), require the owner to comply with the provisions of Sub-Section (1).

(4) A consumer shall ensure that any equipment or plant connected to his or her water installation uses water in an efficient manner.

(5) The municipality or its authorised agent may, by written notice, prohibit the use by a consumer of any equipment in a water installation if, in its opinion, its use of water is inefficient. Such equipment shall not be returned to use until its efficiency has been restored and a written application to do so has been approved by the municipality or its authorised agent.

Part 8: Water Audit

Water audit

45. (1) Water users using more than 3 650 Kl per annum, excluding those comprising multiple dwelling units, must within one month after the end of each financial year of the municipality or its authorised agent undertake an annual water audit at their own cost.

(2) A copy of the audit must be available for inspection by officials from the Department of Water Affairs and Forestry, the water board, if applicable, and the municipality or its authorised agent.

(3) The audit must contain details in respect of –

(a) the amount of water used during the financial year;

(b) the amount paid for water for the financial year;

(c) the number of people living on the stand or premises;

(d) the number of people permanently working on the stand or premises;

(e) the seasonal variation in demand through monthly consumption figures;

(f) the water pollution monitoring methods;

(g) the current initiatives to manage demand for water;

(h) the plans to manage their demand for water;

(i) a comparison of the above factors with those reported in each of the previous three years (where available);

(j) estimates of consumption by various components of use; and

(k) a comparison of the above factors with those reported in each of the previous three years, where available.

Part 9: General provisions

Notification of boreholes

46. (1) The municipality or its authorised agent may, by public notice, require –

(a) the owner of any premises within the area of jurisdiction of the municipality or its authorised agent upon which a borehole exists or, if the owner is not in occupation of such premises, the occupier thereof, to notify it on the prescribed form of the existence of a borehole on such premises, and provide it with such information in respect thereof as it may require; and

(b) the owner or occupier of any premises who intends to sink a borehole on such premises to notify it on the prescribed form of such intention before work in connection therewith is commenced.

(2) The municipality or its authorised agent may require the owner or occupier of any premises who intends to sink a borehole to undertake an environmental impact assessment for such intended borehole, to the satisfaction of the municipality or its authorised agent, before sinking the borehole.

(3) Boreholes are subject to any requirements of the National Water Act, 1998 (Act 136 of 1998).

(4) The municipality or its authorised agent may by notice to an owner or occupier or by public notice require owners and occupiers on who has existing boreholes used for water services to –

(a) obtain approval from it for the use of a borehole for water services in accordance with Sections 6, 7 and 22 of the Act;

(b) impose conditions in respect of the use of a borehole for water services; and

(c) impose a fixed charge in respect of the use of such a borehole.

Sampling of water

47. (1) The municipality or its authorised agent may take samples of water obtained from a source, authorised in terms of Sections (6) or (7) of the Act, other than the water supply system for domestic purposes and cause the samples to be tested for compliance with any national standards prescribed in terms of Section (9) of the Act.

(2) The prescribed charge for the taking and testing of the samples referred to in Sub-Section (1) shall be paid by the person to whom approval to use the water for potable water was granted in terms of Section 6(1) of the Act.

Supply of non-potable water by municipality or its authorised agent

48. (1) The municipality or its authorised agent may on application in terms of Section (3) agree to supply non-potable water to a consumer, subject to such terms and conditions as the municipality or its authorised agent may impose.

(2) Any supply of water agreed to in terms of Sub-Section (1) shall not be used for domestic or any other purposes, which, in the opinion of the municipality or its authorised agent, may give rise to a health risk.

(3) No warranty, expressed or implied, shall apply to the purity of any non-potable water supplied by the municipality or its authorised agent or its suitability for the purpose for which the supply was granted.

(4) The supply of non-potable water shall, both as to condition and use, be entirely at the risk of the consumer, who shall be liable for any consequential damage or loss arising to himself, herself or others arising directly or indirectly therefrom, including the consequences of any bona fide fault of the municipality or its authorised agent or the malfunction of a treatment plant.

Testing of pressure in water supply systems

49. The municipality or its authorised agent may, on application by an owner and on payment of the prescribed charge, determine and furnish the owner with the value of the pressure in the water supply system relating to his or her premises over such period as the owner may request.

Pipes in streets or public places

50. No person shall for the purpose of conveying water derived from whatever source, lay or construct a pipe or associated component on, in or under a street, public place or other land owned by, vested in, or under the control of any municipality or its authorised agent, except with the prior written permission of that municipality or its authorised agent and subject to such condition as it may impose.

SUPPLY CHAIN MANAGEMENT PROCESS TURN-AROUND TIME POLICY

2018/2019 FINANCIAL YEAR

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1. BACKGROUND

The MFMA SCM regulations provide that effective supply chain processes must be in place to render effective service delivery within the set legislative provisions.

The Expenditure Section must ensure proper financial control; uphold the principle of effective administration and a high standard of service levels. The SCM unit assists the various departments in ensuring effective service delivery and ensuring the delivery of good quality products and services in the shortest possible turn-around time.

2. DEFINITIONS

In this Policy, unless the context indicates otherwise, the following definitions are applied:-

"End user" means an MLM official who has requested the goods and services who will receive such and utilise for the purpose it is intended.

"*Official order*" means a written request to order goods and services.

"Working days" means office hours between 07:30 and 16:00 Monday to Friday excluding public holidays and weekends

3. OBJECTIVES OF THE POLICY

3.1 The aim of this policy is:

a) To set standards on turn-around times for the various supply chain processes.

b) To eliminate any potential standing time in hampering effective service delivery.

4. TURN AROUND TIMES FOR VARIOUS LEVEL OF PROCUREMENT PROCESSES

NO.	BID PROCESS INDICATORS	TURNAROUND TIME INDICATORS
1	Three written or verbal quotations for goods and services with a transaction value over between R2 000 up to R 30 000. (Specifications, request for quotations, evaluations, award and official order)	5 working days from receipt of correct specifications / order requests from end-user excluding delays Excluding Section 36 approvals
2	Seven (7) day process for goods and services with a transaction value between R30 000 and R200 000. (Specifications, ad, 7 day notice on website and notice boards, evaluations, approval memo awards and order/appointment letter)	30 working days from receipt of correct specifications from end user
3	Turnaround time for the formal SCM bid process for goods and services above R200 000. (specifications, bid spec committee, ad, formal ad in local media, on website and notice boards, bid opening commercial report capturing, technical evaluations, formal bid evaluation committee and formal bid adjudicating committee approval and issue of order/appointment letter)	120 working days from receipt of correct specifications from end user
4	**Bid Committees:** Bid Specification Committee Bid Evaluation Committee Bid Adjudication Committee	 Notice minimum 2 working days in advance. Notice minimum 2 working days in advance. Notice minimum 3 working days in advance. Agenda's to be issued the Friday before the Thursday meetings as advertised. Additional meeting notices to be placed on the website minimum two days prior to the meeting.
5	Accredited Service Provider Database	10 – 15 working days from date of receipt of original vendor form with all qualifying supporting documents.

EFT POLICY

2018/2019 FINANCIAL YEAR

Midvaal Local Municipality recognises that the use of electronic funds transfer as a faster, easier and more efficient method of payment to creditors.

Internal controls such as written policies and procedures, authorisations, segregation of duties and monitoring are still important in the new technological world.

Electronic banking will be used for, but not limited to, the following:

- Online banking services (reviewing account balances, retrieving bank statements
- Paying of creditors
- Paying of salaries
- Refund of billing payments
- Investment of funds in accordance with Council investment policy.

1. Municipal Expenditure

All expenditure of Midvaal Local Municipality shall be incurred in terms of section 11 of the MFMA. The accounting system has built-in controls which prevents duplicate payments of the same invoice.

2. Electronic Fund Transfer

The Chief Financial Officer shall delegate officials in writing for authority to process electronic payments. One person should not be allowed to process transactions from beginning to end single handedly. A minimum of four officials should be allowed to process EFT's on behalf of the municipality. This practice shall ensure the segregation of duties and division of authority in order to minimise fraud.

Delegation shall be made in terms of Section 79 of the MFMA.

Only the Accounting Officer or the Chief Financial Officer of Midvaal Local Municipality or any other delegated senior financial officer of the municipality acting on written authority of the Accounting Officer, may authorise the withdrawal of money from Midvaal Local Municipality's bank account through signature on a cheque or Electronic

Fund Transfer. Such withdrawals shall be accompanied by official expenditure documents which are duly authorised for purposes as prescribed in section 11(a)-(j) of the MFMA.

Officials delegated in terms of Section 79 of the MFMA:

- Assistant Director Expenditure
- Chief Financial Officer
- Deputy Chief Financial Officer
- Director Expenditure
- Assistant Director: Financial Control

Once an EFT transaction has been completed, the payment list with banking details, together with the supporting documentation, is submitted to the Deputy Chief Financial Officer for final verification.

3. Banking details

Suppliers banking details are captured onto the system once the completed bank stamped electronic funds transfer form which is received. Once captured, the bank details are then verified and authorised on the system. Banking details cannot be captured and authorised by the same official, thereby ensuring segregation of duties.

An audit trail of changes to bank details is printed and verified monthly.

4. Controls for EFT users

Access to the banking system is restricted to authorised officials. These officials are authorised by completing a request for user form which is then signed by the authorised signatories at the bank.

The bank manager would then send a bank official to verify the user and grant him/her access to the system from their PC. Users have a login name and are required to have two passwords. The user is prompted by the system on a monthly basis to change the second password. The first password can be voluntarily changed whenever the user wants to. If you have logged on and have not used the service for three minutes, you will be logged off. To access your account, you will need to LOGON again. You have three opportunities to enter your password correctly. After the third unsuccessful attempt, you will be denied access to the service. You will then be required to call the Helpdesk to have the password reset.

A user is temporarily suspended from using the system if they have not accessed the system for more than a month. Once suspended, the user will have to contact the bank to re-instate their access. Two different users are required to effect an EFT transaction, as two approvals are required before a payment is made. Both approvals have to be made the same day, otherwise the transaction is aborted.

5. Additional Precautions

The following precautions should be taken when entering user codes and passwords on the internet:

- Check to make sure that the URL begins with "https" rather than "http".
- Ensure that the website has a security certificate
- Always ensure the secrecy of your password

PROVISION FOR DOUBFUL DEBTORS POLICY

2018/2019 FINANCIAL YEAR

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PROVISION FOR DOUBTFUL DEBTORS POLICY

1. OBJECTIVES OF POLICY

To ensure that debtors disclosed in the annual financial statements are stated at amounts that are deemed to be collectable.
To ensure that uncollectable debt is written off within guidelines of existing policies and applicable legislation.

2. INTRODUCTION

This policy provides guidelines on the treatment of the impairment and write-off of debtors.

The effective management of debtors include, amongst others, the following processes:

- Implementation/Maintenance of the appropriate ICT Systems and Business Processes;
- Accurate billing;
- Customer care and accounts enquiry management;
- Effective and timeous credit control;
- Impairment of debtors (Provision for Doubtful Debtors);
- Write-off of uncollectable debtors.

3. IMPAIRMENT OF DEBTORS

Consumer debtors, long term receivables and other debtors are stated at cost less a provision for bad debts. The provision is made on an individual basis, or based on expected cash flows.

In accordance with IAS 39, an objective assessment of financial assets is made at financial year-end in order to determine possible impairment. Impairment loss is recognized as an expense in the Statement of Financial Performance.
Individual classes of loans and receivables are assessed for impairment using the following methodologies:

3.1 CONSUMER DEBTORS

Consumer Debtors and sundry debtors are evaluated at each reporting date and impaired as follows:

- The provision for doubtful debts is compiled in accordance with GRAP.
- The following are used to calculate the provision:

- Ageing of each Debtor;
- Active / Inactive account;
- Owner / tenant Account; and
- Debtor type

The following matrix is used:

	Debtor Type					
Indicator	**Residential**	**Business**	**Indigent**	**Government**	**Municipal**	**Agri**
Aging between 0-30 days outstanding	5	5	0	5	5	5
Aging between 31-60 days outstanding	4	5	0	5	5	4
Aging between 61-90 days outstanding	3	4	0	5	5	3
Aging between 91-120 days outstanding	2	3	0	5	5	2
Aging between 121-365 days outstanding	1	2	0	5	5	1
Aging more than 365 days outstanding	0	1	0	5	5	0
Active Account	2	2	0	2	2	2
Inactive Account	0	0	0	1	1	0
Owners' Account	2	2	0	2	2	2
Tenants Account	1	1	0	2	2	1
Max points that can be earned	**9**	**9**	**9**	**9**	**9**	**9**

Scoring per matrix	% impairment	% determination
0	100.00%	Full provision
1		% impair scoring as per category 2+ Collection rate /8
2		% impair scoring as per category 3+ Collection rate /8
3		% impair scoring as per category 4+ Collection rate /8
4		% impair scoring as per category 5+ Collection rate /8
5		% impair scoring as per category 6+ Collection rate /8
6		% impair scoring as per category 7+ Collection rate /8
7		% impair scoring as per category 8+ Collection rate /8
8		Collection shortfall (100% minus actual collection rate)
9	Not impaired	No Provision

In terms of the provisions of GRAP standard AG125, the above-mentioned "*Percentage of debt provided for as irrecoverable*" will be reviewed and adjusted at the Statement of Financial Position date on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used

for estimating future cash flows will be reviewed to reduce any differences between loss estimates and actual loss experience.

4. IMPLEMENTATION AND REVIEW OF THIS POLICY

The policy will be effective as from 1 July 2018.

This policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

SUPPLY CHAIN MANAGEMENT POLICY FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

2018/2019 FINANCIAL YEAR

Midvaal Local Municipality's SCM Policy for Infrastructure procurement and delivery management

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1. SCOPE

This policy establishes the Midvaal Local Municipality's policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It excludes:

a) the storage of goods and equipment following their delivery to Midvaal Local Municipality which are stored and issued to contractors or to employees;

b) the disposal or letting of land;

c) the conclusion of any form of land availability agreement;

d) the leasing or rental of moveable assets; and

e) public private partnerships.

2. TERMS, DEFINITIONS AND ABBREVIATIONS

2.1 TERMS AND DEFINITIONS

For the purposes of this document, the definitions and terms given in the standard and the following apply:

agent: person or organisation that is not an employee of Midvaal Local Municipality that acts on the municipality's behalf in the application of this document

authorised person: the municipal manager or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

conflict of interest: any situation in which:

a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,

b) an individual or organisation is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or

c) incompatibility or contradictory interests exist between an employee and the organisation which employs that employee

contract manager: person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

family member: a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child,

parent, brother, sister, whether such a relationship results from birth, marriage or adoption

framework agreement: an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

gate: a control point at the end of a process where a decision is required before proceeding to the next process or activity

gateway review: an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

gratification: an inducement to perform an improper act

infrastructure delivery: the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

infrastructure procurement: the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

maintenance: the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

operation: combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

order: an instruction to provide goods, services or any combination thereof under a framework agreement

organ of state: an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

procurement document: documentation used to initiate or conclude (or both) a contract or the issuing of an order

principal: a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act 69 of 1984)

standard: the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

working day: any day of a week on which is not a Sunday, Saturday or public holiday

2.2 ABBREVIATIONS

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board
SARS: South African Revenue Services

3. GENERAL REQUIREMENTS

3.1 Delegations

3.1.1 The Council of Midvaal Local Municipality hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer to:

a) discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 or 10 of the Local Government Municipal Finance Management Act of 2003 and this document;

b) maximise administrative and operational efficiency in the implementation of this document;

c) enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this document; and

d) comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003.

3.1.2 No departure shall be made from the provisions of this policy without the approval of the accounting officer of Midvaal Local Municipality.

3.1.3 The accounting officer shall for oversight purposes:

a) within 30 days of the end of each financial year, submit a report on the implementation of this policy to the council of Midvaal Local Municipality;

b) whenever there are serious and material problems in the implementation of this policy, immediately submit a report to the Municipal Manager who must then submit the report to the Mayor of Midvaal Local Municipality for submission to the council;

c) within 10 days of the end of each quarter, submit a report on the implementation of the policy to the Mayor; and

d) make the reports public in accordance with section 21A of the Municipal Systems Act of 2000.

3.2 Implementation of the standard for infrastructure procurement and delivery management

3.2.1 Infrastructure procurement and delivery management shall be undertaken in accordance with the all applicable legislation and the relevant requirements of the latest edition of the National Treasury Standard for Infrastructure Procurement and Delivery Management. Any deviation to the provisions of this standard must be reported to National Treasury and the relevant treasury.

3.2.2 Pre-feasibility and feasibility reports are required where the project is a major capital project which is not standardised, and the risk of failing to achieve time, cost and quality objectives is relatively high.

3.3 Supervision of the infrastructure delivery management unit

The Infrastructure Delivery Management Unit shall be directly supervised by the Executive Director: Engineering Services.

3.4 Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

3.5 Resolution of disputes, objections, complaints and queries

3.5.1 The accounting officer shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes to assist in the resolution of disputes between the municipality and other persons regarding:

a) any decisions or actions taken in the implementation of the supply chain management system;

b) any matter arising from a contract awarded within the municipality's infrastructure delivery management system; or

c) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

3.5.2 The designated person shall assist the person appointed in terms of 3.5.1 to perform his or her functions effectively.

3.5.3 The person appointed in terms of 3.5.1 shall:

a) strive to resolve promptly all disputes, objections, complaints or queries received; and
b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

3.5.4 A dispute, objection, complaint or query may be referred to the Gauteng Provincial Treasury if:

a) the dispute, objection, complaint or query is not resolved within 60 days; or

b) no response is forthcoming within 60 days.

3.5.5 If the Gauteng Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

3.6 Amendment of the policy

3.6.1 The accounting officer must –

(a) at least annually review the implementation of this Policy; and

(b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the **council**

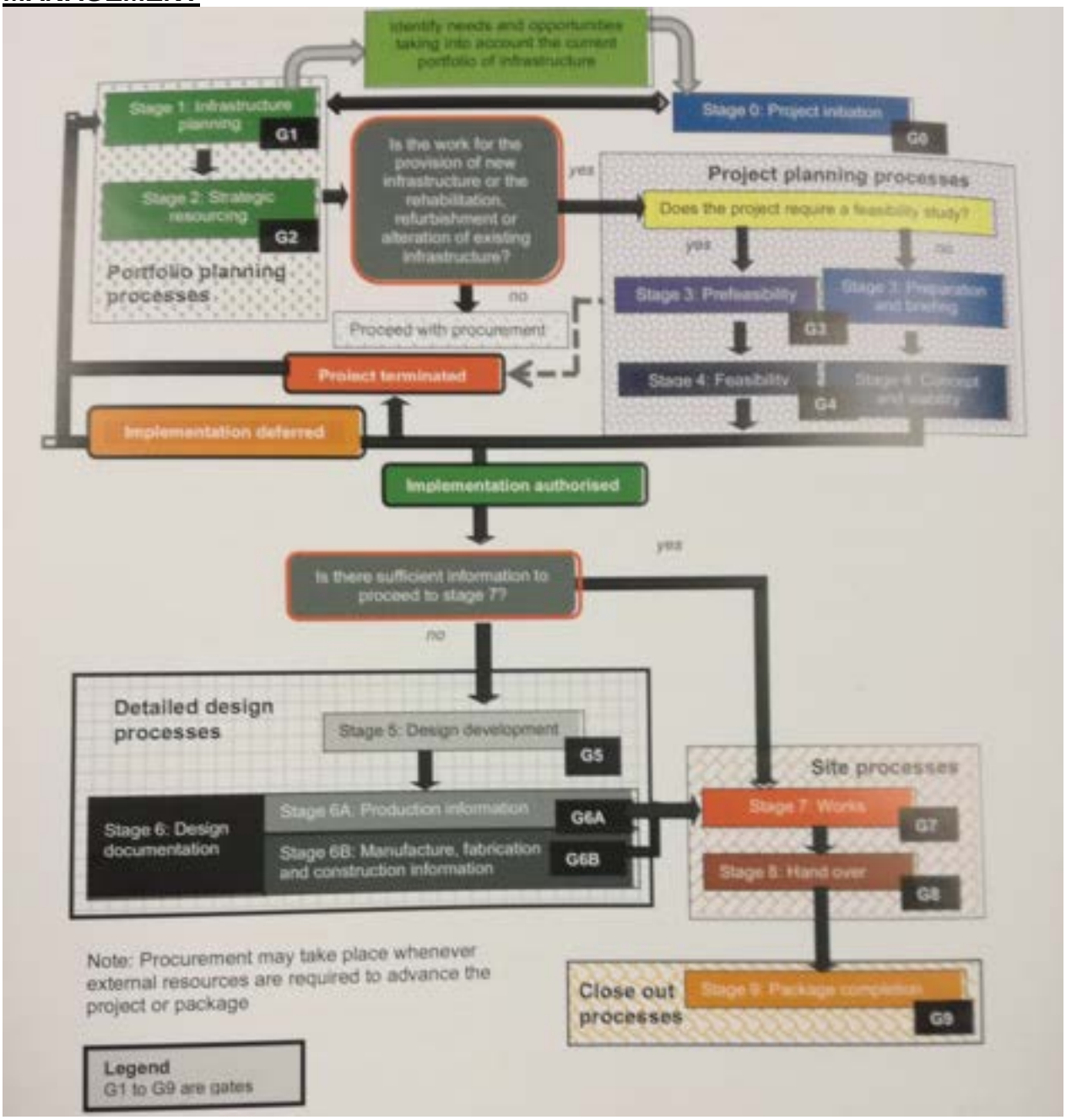
3.6.2 If the accounting officer submits proposed amendments to the **council** that differ from the model policy issued by the National Treasury, the accounting officer must –

(a) ensure that such proposed amendments comply with the Regulations; and
(b) report any deviation from the model policy to the National Treasury and the Gauteng Provincial Treasury.

3.6.3 When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

3.6.4 The draft policy should be forwarded to the Gauteng Provincial Treasury: Policy, Norms and Standards component before tabling to the Municipal Council for approval.

4 CONTROL FRAMEWORK FOR INFRASTRUCTURE DELIVERY MANAGEMENT



4.1 Assignment of responsibilities for approving or accepting end of stage deliverables

The responsibilities for approving (officially agreeing to) or accepting (receive as adequate, valid, or suitable) end of stage deliverables shall be as stated below:

Stage		**Person assigned the responsibility for approving or accepting end of stage deliverables**
No	**Name**	
0	Project initiation	Accounting officer accepts the initiation report
1	Infrastructure planning	Council approves the infrastructure plan
2	Strategic resourcing	Head of Department (HOD) approves the delivery and / or procurement strategy

Stage			Person assigned the responsibility for approving or accepting end of stage deliverables
No	**Name**		
3	Pre-feasibility		Project manager accepts the pre-feasibility report
	Preparation and briefing		Project manager accepts the strategic brief
4	Feasibility		Project manager accepts the feasibility report
	Concept and viability		Project manager accepts the concept report
5	Design development		Project manager accepts the design development report
6	Design documentation	6A Production information	Project manager / end user accepts the parts of the production information which are identified when the design development report is accepted as requiring acceptance
		6B Manufacture, fabrication and construction information	The contract manager accepts the manufacture, fabrication and construction information
7	Works		The contract manager certifies completion of the works or the delivery of goods and associated services
8	Handover		The owner or end user accepts liability for the works
9	Package completion		The contract manager or supervising agent certifies the defects certificate in accordance with the provisions of the contract The contract manager certifies final completion in accordance with the provisions of the contract Project manager accepts the close out report

The infrastructure plan (stage 1), initiation reports (stage 0), decisions made during stages 3 and 4 and work in progress in stages 5 to 9, and the procurement strategy (stage 2) shall be reviewed and updated at least once a year.

4.1.1 Stage 0: Project initiation

An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope.

The initiation report for a project shall as a minimum:

a) provide a project description and high-level scope of work;
b) outline key issues and solution options that were interrogated;
c) outline options that were evaluated;
d) indicate the high-level business case; and
e) provide the estimated project cost and indicative high-level schedule.

4.1.2 Stage 1: Infrastructure planning

The infrastructure plan for a portfolio of projects or packages which require implementation shall cover a period of not less than five years. Such a plan shall be:

a) described by the high-level scope of work for each project, the proposed time schedule, the estimated total project cost and annual budget requirement, the

geographical location, any known encumbrances and estimated timeframes for removing these encumbrances; and

b) aligned with all prescribed planning, budgeting, monitoring and reporting requirements.

The demand for infrastructure delivery shall be managed through:

a) the service life plans which;
   1) are based on:
      - an assessment of current performance against desired levels of service or functionality; and
      - a needs analysis informed by factors such as policies, norms and standards, condition assessments, functional performance, demographic trends, current and forecasted levels of optimisation; and
   2) reflect a cost estimate for the life cycle activities comprising acquisition, operations, maintenance, refurbishment, rehabilitation or alteration as relevant, over a minimum period of five years; and

b) infrastructure plans which, as a minimum, summarise the service life plans and provide a credible forecast of current and net demand for services or requirements for functionality over a period of not less than ten years.

Consideration shall, where appropriate, be given to:

a) alternative service delivery methods or means of satisfying needs which do not require infrastructure to implement or reduce the demand for infrastructure; and
b) the disposal of infrastructure that is surplus to requirements.

Projects shall, wherever possible, be delivered in accordance with established norms and standards which are designed to yield value for money.

4.1.3 Stage 2: Strategic resourcing

A delivery management strategy shall be developed following the conducting of a spend, organisational and market analysis. Such a strategy shall indicate how needs are to be met for each category of spend through one or more of the following:

a) a public private partnership;
b) another organ of state on an agency basis;
c) another organ of state's framework agreement;
d) own resources; or
e) own procurement system.

A procurement strategy shall document the selected packaging, contracting, pricing and targeting strategy and procurement procedure for all required goods or services or any combination thereof including professional services, including the rationale for adopting a particular option.

4.1.4 Stage 3: Preparation and briefing or Pre-feasibility

Prefeasibility and feasibility reports shall be required as end-of-stage deliverables for stages 3 and 4, respectively, where one or more of the following applies:

a) the major capital project is required for:
    1) a major public enterprise where the total project capital expenditure exceeds R1.5 billion; or
    2) an organ of state subject to the Public Finance Management Act other than a major public enterprise where the total project capital expenditure exceeds R1.0 billion including VAT, or where the expenditure per year for a minimum of three years exceeds R250 million per annum including VAT;
b) the project is not:
    1) a building project with or without related site works; or
    2) a process-based, somewhat repetitive or relatively standardised project where the risk of failing to achieve time, cost and quality objectives is relatively low; or
c) it is deemed necessary during stage 2

The strategic brief shall as necessary:

a) confirm the scope of the package and identify any constraints, including those relating to occupational health and safety;
b) establish the project criteria, including the performance and reliability requirements, design life, service life of components, function, maintenance and replacement requirements, mix of uses, scale, location, quality, value, time, safety, health, environment and sustainability;
c) identify procedures, organisational structure, key constraints, statutory permissions (e.g. environmental, heritage, social, planning, building control), and utility approvals, policies (e.g. environmental, developmental, social, maintenance or facilities management) and strategies to take the package forward;
d) identify risks that need to be mitigated;
e) identify interfaces between packages as necessary; and
f) establish the control budget for the package, ownership costs and schedule for the package or series of packages.

The prefeasibility study shall as necessary:

a) document the owner or user requirements specification;
b) shortlist the options that were considered;
c) provide a preliminary design for study options;
d) provide preliminary capital estimate and the proposed schedule; and
e) present the study outcomes.

4.1.5 Stage 4: Concept and viability or feasibility

The concept report shall as necessary:

a) document the initial design criteria and design options or the methods and procedures required to maintain the condition of infrastructure for the package;
b) establish the detailed brief, scope, scale, form and cost plan for the package;
c) provide an indicative schedule for documentation and construction or maintenance services associated with the package;
d) contain a site development plan or other suitable schematic layouts of the works;
e) describe the statutory permissions, funding approvals or utility approvals required to proceed with the works associated with the package;
f) include a baseline risk assessment for the package, and a health and safety plan which is required in terms of the requirements of the Construction Regulations issued in terms of the Occupational Health and Safety Act;
g) contain a risk report linked to the need for further surveys, tests, other investigations and consent and approvals, if any, during subsequent stages and identified health, safety and environmental risk;
h) contain an operations and maintenance support plan which establishes the organisational structure required for the operation and maintenance of the works resulting from the package or series of packages over its service life, and the office, stores, furniture, equipment, Information and Communications Technology (ICT), engineering infrastructure and staff training requirements;
i) confirm the financial sustainability of the project; and
j) establish the feasibility of satisfying the strategic brief for the package or series of packages within the control budget established during stage 3 and, if not, motivate a revised control budget.

A feasibility report shall as a minimum provide the following:

a) details regarding the preparatory work covering:
    1) a needs and demand analysis with output specifications; and
    2) an options analysis;

b) a viability evaluation covering:
    1) a financial analysis; and
    2) an economic analysis, if necessary;

c) a risk assessment and sensitivity analysis;

d) a professional analysis covering:

    1) a technology options assessment;
    2) an environmental impact assessment; and
    3) a regulatory due diligence; and

e) implementation readiness assessment covering:
    1) institutional capacity; and
    2) a procurement plan

4.1.6 Stage 5: Design development

The design development report shall as necessary:

a) develop in detail the accepted concept to finalise the design and definition criteria;
b) establish the detailed form, character, function and costings;
c) define all components in terms of overall size, typical detail, performance and outline specification;
d) describe how infrastructure, or elements or components thereof, are to function, how they are to be safely constructed, how they are to be maintained and how they are to be commissioned; and
e) confirm that the package or series of packages can be completed within the control budget or propose a revision to the control budget.

Outline specifications shall be in sufficient detail to enable a view to be taken on the operation and maintenance implications of the design and the compatibility with existing plant and equipment.

4.1.7 Stage 6: Design documentation

Stage 6A (Production information) is complete when all the production information that is required to be accepted prior to being issued for construction, manufacturing or fabrication purposes has been accepted.

Stage 6B (Manufacture, fabrication and construction information) is complete when the manufacture, fabrication and construction information is accepted as being in accordance with the production information.

4.1.8 Stage 7: Works

Stage 7 is complete when:

a) completion of the works is certified in accordance with the provisions of the contract; or
b) the goods and associated services are certified as being delivered in accordance with the provisions of the contract.

4.1.9 Stage 8: Handover

The handover stage shall include as necessary the training of the end user's or the owner's staff in the operation of the delivered infrastructure.

The record information shall as relevant:

a) accurately document the condition of the completed works associated with a package;
b) accurately document the works as constructed or completed;
c) contain information on the care and servicing requirements for the works or a portion thereof;
d) contain information or instructions on the use of plant and equipment;

e) confirm the performance requirements of the design development report and production information;
f) contain certificates confirming compliance with legislation, statutory permissions and the like; and
g) contain guarantees that extend beyond the defects liability period provided for in the package.

Record information shall, as relevant, provide those tasked with the operation and maintenance of infrastructure with the information necessary to:
a) understand how the designers intended the works, systems, subsystems, assemblies and components to function;
b) effectively operate, care for and maintain the works, systems, subsystems, assemblies and components to function;
c) check, test or replace systems, subsystems, assemblies or components to ensure the satisfactory performance of works, systems, subsystems, assemblies and components over time;
d) develop maintenance plans;
e) determine stock levels for components and assemblies that need to be regularly replaced; and
f) budget for the operation and maintenance of the works, systems, subsystems and components over time.

Arrangements shall be put in place to secure and safeguard the works from the time that the contractor's liabilities for damage to the works end until such time that the works are handed over to the end user who shall accept such liabilities.

4.1.10 Stage 9: Close out

The close out report for the package shall outline what was achieved in terms of at least the following:
a) the following performance parameters;
- expenditure incurred in infrastructure delivery for the financial year, against the budget made available to cover such expenditure at the start of the year;
- the average variance between planned and achieved completion of stages of all packages and projects;
- an overview of all packages where stage 7 was completed within the financial year and the total of the prices and the time for completion at the start of the contract or when the order was issued, any expansions and variations not exceeding 20%, and any amendments to the contract in terms of 116(3) of the MFMA.
- the average time taken to award a contract, measured from the closing date for tender submission or the final submission made in terms of a proposal or competitive negotiations procedure to a decision being taken to award the contract;
- the average time taken, in respect of all packages covered in the report, to complete stage 8 measured from the time that stage 7 is completed;
- the average difference between the total of the prices in the payment certificate that was issued following the completion of stage 7, and the total of the prices at the end of stage 9;

- the average time taken to award a contract above the threshold for quotations, measured from the closing date for tender submission or the final submission made in terms of a proposal or competitive negotiations procedure, to the acceptance of the tender evaluation report; and
- the average number of days that payment is later than that required under the terms of a contract.

b) unit costs of completed work or major components thereof; and

c) key performance indicators relating to developmental objectives.

The close out report shall make suggestions for improvements on future packages of a similar nature. Such a report should also comment on the performance of the contractor and, if relevant, include building tuning or similar reports.

Stage 9 is complete when, as relevant, defects certificates or certificates of final completion are issued in terms of the contract, the final amount due to the contractor in terms of the contract is certified and the close out report is accepted.

4.2 Gateway reviews

4.2.1 Gateway reviews for major capital projects above a threshold

4.2.1.1 Accounting Officer shall appoint a gateway review team to undertake gateway reviews for major capital projects equal to or above R50 million.

4.2.1.2 All major capital projects having an estimated capital expenditure equal to or above R50 million shall have a gateway review of the end-of-stage 4 deliverable, prior to the acceptance of such deliverable. The focus of such a review shall in the first instance be on the quality of the documentation, and thereafter on:

a) deliverability (the extent to which a project is deemed likely to deliver the expected benefits within the declared cost, time and performance envelope);
b) affordability (the extent to which the level of expenditure and financial risk involved in a project can be taken up on, given the organisation's overall financial position, both singly and in the light of its other current and projected commitments); and
c) value for money.

4.2.1.3 A gateway review team shall comprise not less than three persons who are not involved in the project associated with the works covered by the end of the stage 4 deliverable, and who are familiar with various aspects of the subject matter of the deliverable at the end of the stage under review. Such a team shall be led by a person who has at least six years postgraduate experience in the planning of infrastructure projects and is registered either as a professional engineer in terms of the Engineering Profession Act, a professional quantity surveyor in terms of the Quantity Surveying Profession Act or a professional architect in terms of the Architectural Profession Act. The members of the team shall, as

relevant, have expertise in key technical areas, cost estimating, scheduling and implementation of similar projects.

4.2.1.4 The relevant treasury shall be notified of a proposed gateway review for a major capital project, three weeks prior to the conducting of such a review. Such notification shall be accompanied by a brief outline of the proposed project or package, the names and qualifications of the reviewers and the timeframes for the review. The relevant treasury may nominate additional persons to serve on the review team.

4.2.1.5 The gateway review team shall base its findings primarily on:

a) the information contained in the end-of-stage deliverables;
b) supplementary documentation, if any, provided by key staff obtained during an interview process; and
c) interviews with key staff members and stakeholders.

4.2.1.6 The gateway review team shall issue a report at the conclusion of a gateway review which indicates the team's assessment of the information at the end of a stage and provides findings or recommendations on areas where further work may be undertaken to improve such information.

4.2.1.7 The contents of the gateway review report shall be taken into account when accepting the stage 4 deliverable. A stage 4 deliverable shall not be accepted until such time that all code red risks have been addressed in the stage 4 end-of-stage deliverable.

5. Control framework for infrastructure procurement

5.1 The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

5.2 The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

a) Chief Financial Officer / delegated official shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;

b) the authorised person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

5.3 The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

6. Infrastructure delivery management requirements

6.1 Institutional arrangements

6.1.1 Committee system for procurement

a) General

1) A committee system comprising the specification (documentation) committee, evaluation committee and Adjudication (tender) committee shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.

2) The evaluation committee shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.

3) The persons appointed in writing as technical advisors and subject matter experts may attend any committee meeting.

4) No person who is a political officer bearer, a public office bearer including any councillor of a municipality, a political advisor or a person appointed in terms of section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a procurement documentation, evaluation or tender committee.

5) Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterised by the lack of sustained opposition to substantial issues. Committees shall record their decisions in writing. Such decisions shall be kept in a secured environment for a period of not less than five years after the completion or cancellation of the contract unless otherwise determined in terms of the National Archives and Record Services Act of 1996.

6) Committees may make decisions at meetings or, subject to the committee chairperson's approval, on the basis of responses to documents circulated to committee members provided that not less than sixty percent of the members are present or respond to the request for responses. Where the committee chairperson is absent from the meeting, the members of the committee who are present shall elect a chairperson from one of them to preside at the meeting.

b) Procurement documentation committee (Bid Specification Committee)

1) The Accounting Officer shall appoint in writing on a procurement by procurement basis:

- the persons to review the procurement documents and to develop a procurement documentation review report. Where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, the report shall be

prepared by one or more persons who participated in the review and who are registered as:

- a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act or a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
- a professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or
- a professional quantity surveyor in terms of the Quantity Surveying Professions Act.; and

- the members of the procurement documentation committee.

2) The procurement documentation committee shall comprise one or more persons. The chairperson shall be an employee of Midvaal Local Municipality with requisite skills. Other members shall, where relevant, include a representative of the end user or the department requiring infrastructure delivery.

3) No member of, or technical adviser or subject matter expert who participates in the work of any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold

Activity		**Sub-Activity** (see Table 3 of the standard)		**Key action**	**Person assigned responsibility to perform key action**
1*	Establish what is to be procured	1.3 **PG1**	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Head of department
2*	Decide on procurement strategy	2.5 **PG2**	Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	Confirm selection of strategies so that tender offers can be solicited	Head of department
3	Solicit tender offers	3.2 **PG3**	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Procurement Specification (documentation) committee and Accounting officer
		3.3 **PG4**	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	Deputy Director: SCM
4	Evaluate tender offers	4.2 **PG5**	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Evaluation Committee
		4.7 **PG6**	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	Adjudication (Tender) committee
5	Award contract	5.3 **PG7**	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Accounting Officer / delegated official
		5.5 **GF1**	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	SCM: Vendor Clerk

* Applies only to goods and services not addressed in a procurement strategy developed during stage 2 (strategic resourcing) of the control framework for infrastructure delivery management

Table 2 (concluded)

Activity		Sub-Activity		Key action	Person assigned responsibility to perform key action
6	Administer contracts and confirm compliance with requirements	6.4 **PG8A**	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	Municipal Manager on recommendation of the Adjudication (Tender) Committee
		6.5 **PG8B**	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Accounting officer
		6.6 **PG8C**	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage	Approve amount of time and cost overruns up to the threshold of 15%	Adjudication (Tender) Committee
		6.7 **PG8E**	Obtain approval to cancel or terminate a contract	Approve amount	Municipal Manager on recommendation of the Adjudication (Tender) Committee
		6.8 **PG8F**	Obtain approval to amend a contract	Approve proposed amendment to contract	Council

Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement

Activity		**Key action**	**Person assigned responsibility to perform key action**
1 **FG1**	Confirm justifiable reasons for selecting a framework contactor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	Project manager
3 **FG2**	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Head of department
4 **FG3**	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	Deputy Director: SCM
6 **FG4**	Authorise the issuing of the order	If applicable, review evaluation report and confirm or reject recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	Chief Financial Officer / delegated official

c) Evaluation committee

1) The Accounting Officer shall appoint on a procurement by procurement basis in writing:
   a) the persons to prepare the evaluation and, where applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and
   b) the members of the evaluation committee.

2) The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Midvaal Local Municipality with requisite skills. Other members shall include a supply chain management practitioner (built environment professional) and, where relevant, include an official from the department requiring infrastructure delivery.

3) The evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:
- the capability and capacity of a tenderer to perform the contract;
- the tenderer's tax and municipal rates and taxes compliance status;
- confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;
- the Compulsory Declaration has been completed; and
- the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

4) No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

5) The chairperson of the evaluation committee shall promptly notify the Accounting Officer of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

d) Tender committee / Bid Adjudication Committee

1) The tender committee shall comprise the persons or their mandated delegate as stated for the Bid Adjudication Committee in the Supply Chain Management Policy.

2) No member of the evaluation committee may serve on the Adjudication (tender) committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

3) The tender committee shall:

- consider the report and recommendations of the evaluation committee and:
    - verify that the procurement process which was followed complies with the provisions of this document;
    - confirm that the report is complete and addresses all considerations necessary to make a recommendation;
    - confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
    - consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and

- refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation.

4) The Adjudication (tender) committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

5) The Adjudication (tender) committee shall consider the merits of an unsolicited offer and make a recommendation to the Accounting Officer.

6) The Adjudication (tender) committee shall report to the Accounting Officer and National Treasury any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

7) The Adjudication (tender) committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- made a misrepresentation or submitted false documents in competing for the contract or order; or
- been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

8) The Adjudication (tender) committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper conduct in relation to such system. The National Treasury and the Gauteng Provincial Treasury shall be informed where such tenderers are disregarded.

6.1.2 Actions of an authorised person relating to the award of a contract or an order

a) Award of a contract

1) The authorised person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the Adjudication (tender) committee, or in the case of the awards for contracts below the quotation threshold, the recommendation of the Head of Department, and either:

- award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
- decide not to proceed or to start afresh with the process.

2) The authorised person shall immediately notify the Accounting Officer if a tender other than the recommended tender is awarded, save where the recommendation is changed to rectify an irregularity. Such person shall, within 10 working days, notify in writing the Auditor-General, the National Treasury and the Gauteng Provincial Treasury, and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

b) Issuing of an order

The authorised person shall, if the value of an order issued in terms of a framework contract, is within his or her delegation, consider the resolution of the adjudication committee or the Chief Financial Officer, as relevant, and either:

1) authorise the issuing of an order in accordance with the provisions of clause 4.25 of the standard; or
2) decide not to proceed or to start afresh with the process.

6.1.3 Conduct of those engaged in infrastructure delivery

a) General requirements

1) All personnel and agents of Midvaal Local Municipality shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

- behave equitably, honestly and transparently;
- discharge duties and obligations timeously and with integrity;
- comply with all applicable legislation and associated regulations;
- satisfy all relevant requirements established in procurement documents;
- avoid conflicts of interest; and
- not maliciously or recklessly injure or attempt to injure the reputation of another party.

2) All personnel and agents engaged in Midvaal Local Municipality's infrastructure delivery management system shall:

- not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
- perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;
- strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
- furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
- ensure that resources are administered responsibly;
- be fair and impartial in the performance of their functions;
- at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
- not abuse the power vested in them;
- not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- assist Midvaal Local Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;
- not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
- not make false or misleading entries in reports or accounting systems; and
- keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

3) An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

b) Conflicts of interest

1) The employees and agents of Midvaal Local Municipality who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

- disclose in writing to the employee of the Midvaal Local Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and
- not participate in any activities that might lead to the disclosure of Midvaal Local Municipality proprietary information.

2) The employees and agents of Midvaal Local Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement

process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

3) Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in Midvaal Local Municipality's interest to do so, submit a tender for work associated with such documents provided that:

- Midvaal Local Municipality states in the tender data that such an agent is a potential tenderer;
- all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and
- the procurement documentation committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

c) Evaluation of submissions received from respondents and tenderers

1) The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

- not have any conflict between their duties as an employee or an agent and their private interest;
- may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
- deal with respondents and tenderers in an equitable and even-handed manner at all times; and
- not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to Midvaal Local Municipality.

2) The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of Midvaal Local Municipality and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

3) Midvaal Local Municipality personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

d) Non-disclosure agreements

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect Midvaal Local Municipality's confidential information and interests.

e) Gratifications, hospitality and gifts

1) The employees and agents of Midvaal Local Municipality shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

2) The employees and agents of Midvaal Local Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- money, loans, equity, personal favours, benefits or services;
- overseas trips; or
- any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

3) The employees and agents of Midvaal Local Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

4) All employees and agents of Midvaal Local Municipality may for the purpose of fostering inter-personal business relations accept the following:

a) meals and entertainment, but excluding the cost of transport and accommodation;
b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc.;
c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
e) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350 unless they have declared them to the Accounting Officer.

5) Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

6) Employees and agents of Midvaal Local Municipality shall without delay report to the Accounting Officer / Chief Financial Officer any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

f) Reporting of breaches

Employees and agents of Midvaal Local Municipality shall promptly report to the Accounting Officer / Chief Financial Officer any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

6.1.4 Measures to prevent abuse of the infrastructure delivery system

The Accounting Officer / Chief Financial Officer shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

1) take steps against an employee or role player and inform the National Treasury and Gauteng Provincial Treasury of those steps;
2) report to the South African Police Service any conduct that may constitute a criminal offence;
3) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;
4) cancel a contract if:
    - it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
    - an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

6.1.5 Awards to persons in the service of the state

a) Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:

- a member of any municipal council, any provincial legislature, or the National Assembly or the National Council of Provinces;
- a member of the board of directors of any municipal entity;
- an official of any municipality or municipal entity;
- an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999);
- a member of the accounting authority of any national or provincial public entity; or
- an employee of Parliament or a provincial legislature.

b) The notes to the annual financial statements of the Municipality shall disclose particulars of an award of more than R2 000 to a person who is a family member of a person identified in 6.1.5.1 or who has been in the previous 12 months. Such notes shall include the name of the person, the capacity in which such person served and the amount of the award.

6.1.6 Collusive tendering

Any submissions made by a respondent or tenderer who fails to declare in the Compulsory Declaration that the tendering entity:

1) is not associated, linked or involved with any other tendering entity submitting tender offers; or
2) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc.) or intention to not win a tender shall be rejected.

6.1.7 Placing of contractors under restrictions

a) If any tenderer which has submitted a tender offer or a contractor which has concluded a contract has, as relevant:

1) withdrawn such tender or quotation after the advertised closing date and time for the receipt of submissions;
2) after having been notified of the acceptance of his tender, failed or refused to commence the contract;
3) had their contract terminated for reasons within their control without reasonable cause;
4) offered, promised or given a bribe in relation to the obtaining or the execution of such contract;
5) acted in a fraudulent, collusive or anti-competitive or improper manner or in bad faith towards Midvaal Local Municipality; or
6) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of Midvaal Local Municipality that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,

b) The Bid Adjudication Committee shall make a recommendation to the Accounting Officer for placing the contractor or any of its principals under restrictions from doing business with the Midvaal Local Municipality.

c) The Accounting Officer may, as appropriate, upon the receipt of a recommendation made in terms of 6.1.7.1 and after notifying the contractor of such intention in writing and giving written reasons for such action, suspend a contractor or any principal of that contractor from submitting a tender offer to Midvaal Local Municipality for a period of time.

d) The Accounting officer shall:

1) record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of Midvaal Local Municipality who are engaged in procurement processes; and

2) notify the National Treasury and Gauteng Provincial Treasury and, if relevant, the Construction Industry Development Board, of such decision and provide them with the details associated therewith.

6.1.8 Complaints

a) All complaints regarding the Midvaal Local Municipality's infrastructure delivery management system shall be addressed to the Accounting officer. Such complaints shall be in writing.

b) The Assistant Director: PMS shall investigate all complaints regarding the infrastructure procurement and delivery management system and report on actions taken to the Accounting officer who will decide on what action to take.

6.2 Acquisition management

6.2.1 Unsolicited proposal

a) The Midvaal Local Municipality is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:

1) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;
2) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;
3) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for Midvaal Local Municipality;
4) the offer is in writing and clearly sets out the proposed cost;
5) the person who made the offer is the sole provider of the goods or service; and
6) the accounting officer finds the reasons for not going through a normal tender processes to be sound.

b) The accounting officer may only accept an unsolicited offer and enter into a contract after considering the recommendations of the tender committee if:

1) the intention to consider an unsolicited proposal has been made known in accordance with Section 21A of the Municipal Systems Act of 2000 together with the reasons why such a proposal should not be open to other competitors, an explanation of the potential benefits for the municipality and an invitation to the public or other potential suppliers and providers to submit their comments within 30 days after the notice;
2) the Midvaal Local Municipality' has obtained comments and recommendations on the offer from the National Treasury and Gauteng Provincial Treasury;
3) the tender committee meeting which makes recommendations to accept an unsolicited proposal was open to the public and took into account any public comments that were received and any comments and

recommendations received from the National Treasury and Gauteng Provincial Treasury; and

4) the provisions of 6.2.1.3 are complied with.

c) The accounting officer shall, within 7 working days after the decision to award the unsolicited offer is taken, submit the reasons for rejecting or not following the recommendations to the National Treasury, the Gauteng Provincial Treasury and Auditor General. A contract shall in such circumstances not be entered into or signed within 30 days of such submission.

6.2.2 Tax and rates compliance

a) SARS tax clearance

1) No contract may be awarded or an order issued where the value of such transaction exceeds R15 000 unless a tenderer or contractor is tax compliant provided that the tenderer is not domiciled in the Republic of South Africa and the SARS has confirmed that such a tenderer is not required to prove their tax compliance status.

2) In the case of a partnership, each partner shall comply with the requirements of 6.2.2.a.1.

3) No payment shall be made to a contractor who does not satisfy the requirements of 6.2.2.a.1. An employee of Midvaal Local Municipality shall upon detecting that a tenderer or contractor is not tax compliant, immediately notify such person of such status.

4) Notwithstanding the requirements of 6.2.2.a.1 and 6.2.2.a.3 the following shall apply, unless a person who is not tax compliant indicates to the chief financial officer that it intends challenging its tax compliance status with SARS,
   a) a contract may be awarded to a non-compliant tenderer if such a tenderer is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;
   b) an order may be awarded to a non-compliant contractor if such a contractor is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;
   c) a non-compliant contractor shall be issued with a first warning that payments in future amounts due in terms of the contract may be withheld, before the authorising of any payment due to such contractor;
   d) before authorising a further payment due to a non-compliant contractor who has failed to remedy its tax compliance status after receiving a first warning,
   e) a second warning shall be issued to such contractor;
   f) no payments may be released for any amounts due in terms of the contract due to a non-compliant contractor if, after a period of 30

calendar days have lapsed since the second warning was issued, the non-compliant contractor has failed to remedy its tax compliance status.

5) The Midvaal Local Municipality may cancel a contract with a non-compliant contractor if such a contractor fails to remedy its tax compliance status after a period of 30 calendar days have lapsed since the second warning was issued in terms of 6.2.2.a.4.e.

b) Municipal rates and taxes

No contract may be awarded to a tenderer who, of the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are in arrears for more than 3 months.

c) Declarations of interest

Tenders and respondents making submissions in response to an invitation to submit a tender or a call for an expression of interest, respectively shall declare in the Compulsory Declaration whether or not any of the principals:

1) are an employee of the Midvaal Local Municipality or in the employ of the state; or
2) have a family member or a business relation with a person who is in the employ of the state.
3) No staff member may be involved in the soliciting or adjudication of quotations or bids where that staff member, or that staff member's spouse, partner or business associate, or partner or business associates of the staff member's spouse has a direct or indirect personal or private business interest.

d) Invitations to submit expressions of interest or tender offers

1) All invitations to submit tenders where the estimated value of the contract exceeds R200 000 including VAT, except where a confined tender process is followed, and expressions of interest shall be advertised on the Midvaal Local Municipality's website and on the National Treasury eTender Publication Portal. Advertisements shall be placed by Deputy Director: SCM

2) Advertisements relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.4.1 be advertised on the CIDB website. Advertisements shall be placed by Deputy Director: SCM.

3) Where deemed appropriate by Deputy Director: SCM an invitation to tender and a call for an expression of interest shall be advertised in suitable local and national newspapers and the Government Tender Bulletin as directed by such person. Advertisements shall be placed by Deputy Director: SCM.

4) Such advertisements shall be advertised for a period of at least 30 days before closure, except in urgent cases when the advertisement period may be shortened as determined by the accounting officer.

e) Publication of submissions received and the award of contracts

1) The Deputy Director: SCM shall publish monthly of the closure of any advertised call for an expression of interest or an invitation to tender where the estimated value of the contract exceeds R200 000 including VAT on the municipality's or municipal entity's website, the names of all tenderers that made submissions to that advertisement, and if practical or applicable, the total of the prices and the preferences claimed. Such information shall remain on the website for at least 30 days.

2) The Deputy Director: SCM shall publish within 7 days from date of the award of a contract the following on the Midvaal Local Municipality's website

- the contract number;
- contract title;
- brief description of the goods, services or works;
- the total of the prices, if practical;
- the names of successful tenderers and their B-BBEE status level of contribution;
- duration of the contract; and
- brand names, if applicable.

3) The Deputy Director: SCM shall submit within 7 working days of the award of a contract the information required by National Treasury on the National Treasury eTender Publication Portal regarding the successful and unsuccessful tenders.

4) The award of contracts relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.5.3 be notified on the CIDB website. The notification shall be made by placed by Deputy Director: SCM.

f) Disposal committee

1) The accounting officer shall appoint on a disposal by disposal basis in writing the members of the disposal committee to decide on how best to undertake disposals relating to the demolition or dismantling of infrastructure or parts thereof, and the disposal of unwanted, redundant or surplus materials, plant and equipment.

Disposals shall be proceeded with only after the feasibility and desirability of using one or more of the following alternative disposal strategies have been considered:

- transfer to another organ of state, business unit or a charitable organisation at market-related value or free of charge;
- recycling or re-use of component materials; or
- disposal by means of dumping at an authorised dump site, burning or demolition.

The reasons for adopting a disposal strategy shall be recorded prior to proceeding with such disposal.

2) The disposal panel shall comprise not less than three people. The chairperson shall be an employee of Midvaal Local Municipality.

3) The disposal committee shall make recommendations to Council who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration, decide not to proceed or to start afresh with the process.

6.3 Reporting of infrastructure delivery management information

Deputy Director: SCM shall report to the relevant treasury within one month of the award of a contract or the issuing of an order, all engineering and construction, supply, service and professional service contracts that are awarded, or orders that are issued, should the total of prices, including VAT, exceed R25 million for services and professional services, and R50 million for supply and engineering and construction works. Such a report shall indicate the following:

a) the title and number of the contract or order;
b) a brief outline of the scope;
c) the total of the prices at the time that a contract is concluded or an order issued;
d) the time for completion or delivery; and
e) the procurement procedure that was used to put the contract in place, or in the case of a framework agreement, whether or not competition amongst framework contractors was reopened.

7. Infrastructure procurement

7.1 Procurement documents

7.1.1 The forms of contract that may be used are as follows:

Form of contract	Code	Usage
Construction Industry Development Board (CIDB)		
CIDB Standard Professional Service Contract	SPSC	Professional Service
CIDB General Conditions of Purchase	-	An order form type of contract for low-value goods without any

		incidental work or services on or before a specified date being required
CIDB Contract for the Supply and Delivery of Goods	-	Simple, regional purchase of readily available materials or commodities which require almost no management of the buying and delivery process, minimal testing, installation and commissioning on delivery
CIDB General Conditions of Service -	-	An order form type of contract where low-value services on or before a specified date are required.
International Federation of Consulting Engineers (FIDIC)		
FIDIC Short Form of Contract	Green Book	Building or engineering works of relatively small capital value, or for relatively simple or repetitive work, or for work of short duration. Use for design by employer- or contractor-designed works.

7.1.2 The Midvaal Local Municipality's preapproved templates for Part C1 (Agreements and contract data) of procurement documents shall be utilised to obviate the need for legal review prior to the awarding of a contract. All modifications to the standard templates shall be approved by Specifications Committee prior to being issued for tender purposes.

7.1.3 Disputes arising from the performance of a contract shall be finally settled in a South African court of law.

7.1.4 any additional requirements, if any e.g. use of standard access specifications, health and safety specifications etc., will be added on a case by case basis

7.1.5 The Municipal Declaration and returnable documents contained in the standard shall be included in all tenders for:

a) consultancy services; and
b) goods and services or any combination thereof where the total of the prices is expected to exceed R10 m including VAT.

7.2 Developmental procurement policy

7.2.1 General

Municipalities shall utilise procurement to promote Broad-Based Black Economic Empowerment in accordance with the provisions of the Broad-Based Black Economic Empowerment Act and, where appropriate, to promote:

a) work opportunities for target groups; and
b) national development goals, such as those identified by the Presidential Infrastructure Coordinating Commission.

Not less than 50% of the points allocated to preference in a points scoring system in the evaluation of tenders shall be allocated to Broad-Based Black Economic Empowerment goals.

Minimum local content shall be included in contracts in accordance with the Preferential Procurement Regulations issued in terms of the Preferential Procurement Policy Framework Act. Requirements shall be evaluated in tenders through declarations made by tenderers and shall be included in the scope of work associated with the contract.

7.2.2 Permitted targeted procurement procedures

The targeted procurement procedures that may be used to promote social and economic objectives shall include one or more of the following:

a) the granting of preferences;
b) accelerated rotations on electronic databases, where appropriate;
c) the granting of up to 10% of the total number of evaluation points used to short-list tenderers following a call for expressions of interest;
d) financial incentives for the attainment of key performance indicators in the performance of the contract; and
e) the creation of contractual obligations to engage target groups in the performance of the contract by establishing requirements for the tendering of subcontracts in terms of a specified procedure, or establishing obligations to attain contract participation goals in accordance with the relevant provisions of SANS 10845.

7.3 Payment of contractors

The Midvaal Local Municipality shall settle all accounts within 30 days of invoice or statement as provided for in the contract, once signed off by project manager.

7.4 Approval to utilise specific procurement procedures

7.4.1 Prior approval shall be obtained for the following procurement procedures from the following persons, unless such a procedure is already provided for in the approved procurement strategy:

a) Tender Committee shall authorise the use of the negotiated procedure above the thresholds provided in the standard.
b) Tender Committee shall authorise the approaching of a confined market except where a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions set out in the standard and which can be dealt with or the risks relating thereto arrested within 48 hours; and
c) the proposal procedure using the two-envelope system, the proposal procedure using the two-stage system or the competitive negotiations procedure.

7.4.2 The person authorised to pursue a negotiated procedure in an emergency is *the accounting officer,* tenderer or respondent and, if relevant, the total of prices including VAT where this is possible;

a) record in the register the name of any submissions that is returned with the reasons for doing so;
b) record the names of the tenderer's representatives that attend the public opening;
c) sign the entries into the register; and
d) stamp each returnable document in each tender submission.

7.4.3 Each member of the opening panel shall initial the front cover of the submission and all pages that are stamped.

7.4.4 Respondents and tenderers whose submissions are to be returned shall be afforded the opportunity to collect their submissions.

7.4.5 Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process.

7.5 Use of another organ of state's framework agreement

The Midvaal Local Municipality may make use of another organ of state's framework contract which has been put in place by means of a competitive tender process and there are demonstrable benefits for doing so. The accounting officer shall make the necessary application to that organ of state to do so. The municipality is required to solicit the comments of the Gauteng Provincial Treasury according to section 29.10.1 of the revised 2017/2018 Municipal SCM Framework.

7.6 Insurances

7.6.1 Contractors shall be required to take out all insurances required in terms of the contract.

7.6.2 The insurance cover in engineering and construction contracts for loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4, unless otherwise directed by Executive Director: Engineering services

7.6.3 Lateral earth support insurance in addition to such insurance shall be take out on a case by case basis.

Minimum insurance cover (table 4)

Type of insurance	Value
Engineering and construction contracts – loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract	Not less than R20 million
Professional services and service contracts – death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract or damage to property	Not less than R10 million
Professional indemnity insurance	geotechnical, civil and structural engineering: R5.0 million electrical, mechanical and engineering: R3.0 million architectural: R5.0 million other R3.0 million

7.6.4 The insurance cover in professional services and service contracts for damage to property or death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event unless otherwise directed by Executive Director: Engineering services.

7.6.5 SASRIA Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials shall be taken out on all engineering and construction works.

7.6.6 Professional service appointments shall as a general rule be subject to proof of current professional indemnity insurance being submitted by the contractor in an amount not less than the value stated in Table 4 in respect of each claim, without limit to the number of claims, unless otherwise directed by the Executive Director: Engineering services in relation to the nature of the service that they provide.

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7.6.7 Midvaal Local Municipality shall take out professional indemnity insurance cover where it is deemed necessary to have such insurance at a level higher than the levels of insurance commonly carried by contractors.

7.6.8 Where payment is to be made in multiple currencies, either the contractor or Midvaal Local Municipality should be required to take out forward cover. Alternatively, the prices for the imported content should be fixed as soon as possible after the starting date for the contract.

7.7 Written reasons for actions taken

7.7.1 Written reasons for actions taken shall be provided by Deputy Director: SCM.

7.7.2 The written reasons for actions taken shall be as brief as possible and shall as far as is possible, and where relevant, be framed around the clauses in the:

a) SANS 10845-3, *Construction procurement – Part 3: Standard conditions of tender,* and, giving rise to the reason why a respondent was not short listed, prequalified or admitted to a data base; or
b) SANS 10845-4, *Construction procurement – Part 4: Standard conditions for the calling for expressions of interest;*

as to why a tenderer was not considered for the award of a contract or not awarded a contract.

7.7.3 Requests for written reasons for actions taken need to be brief and to the point and may not divulge information which is not in the public interest or any information which is considered to prejudice the legitimate commercial interests of others or might prejudice fair competition between tenderers.

7.8 Request for access to information

7.8.1 Should an application be received in terms of Promotion of Access to Information Act of 2000 (Act 2 of 2000), the "requestor" should be referred to the Midvaal Local Municipality's Information Manual which establishes the procedures to be followed and the criteria that have to be met for the "requester" to request access to records in the possession or under the control of Midvaal Local Municipality's.

7.8.2 Access to technical and commercial information such as a comprehensive programme which links resources and prices to such programme should be refused as such information provides the order and timing of operations, provisions for time risk allowances and statements as to how the contractor plans to do the work which identifies principal equipment and other resources which he plans to use. Access to a bill of quantities and rates should be provided in terms of the Act.

CONTRACT MANAGEMENT POLICY

2018/2019 FINANCIAL YEAR

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1. TERMS AND DEFINITION

Contract	The written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including attachments and appendices thereto and all documents incorporated by reference therein.
Contractor	The party to the contract that is required to provide goods or services according to the terms of the agreement.
Contract Management	The activities necessary to manage a contract throughout all stages in the contract life cycle to ensure that immediate action is taken effectively and efficiently to the change that may occur to the contract
Contract Management system	Computerised / manual system necessary to ensure proper Contract Management control and monitoring of contracts.
Contract Register	Manual system necessary to ensure proper Contract Management control and monitoring of contracts.
Force Majeure	An event beyond the control of the contractor and not involving the contractor's fault or negligence and not foreseeable.
Litigate	The act or process of contesting a lawsuit or seeking redress through the courts.
Parties	Parties that stipulate obligations to one another to ensure that the contract term and condition are fulfilled.
Specification	The statement that provide detailed description of goods, services and works characteristics and identify performance requirements prepared when procuring goods, services and works.
Transversal Contract	Term contracts that are facilitated and arranged by National Treasury or Provincial Treasury for goods and services that are frequently required by Municipality.

Terms of Reference	The statement that define clearly the task directive (methodology), objectives, goals and scope of the assignment and provide background information, prepared when procuring professional services.
Institution	Unit / Function in the organisation as the role player to the procedures.
Division	Includes the divisional section within the municipality.
Firm Contract Price	Contract prices provide for a fixed price which normally not subject to any adjustment.
Non-Firm Contract Price	Contracts prices that are subjected to changes if they are explicitly included in the agreement based on the economic pricing escalations.

Abbreviations

CRA	Contract Registration Application
CFO	Chief Financial Officer
MCMG	Municipal Contract Management Guideline
CPA	Contract Price Adjustments
BAC	Bid Adjudication Committee
GCC	General Conditions of Contract
GPG	Gauteng Provincial Government
GPT	Gauteng Provincial Treasury
MBD	Municipal Bidding Document
MFMA	Municipal Finance Management Act
MM	Municipal Manager
SCC	Special Conditions of Contract
SCM	Supply Chain Management
SLA	Service Level Agreement
TOR	Terms of Reference
RT	National Treasury Transversal Contract

2. INTRODUCTION

Good contract management is essential for sound financial management and contributes greatly to effective and efficient service delivery. Contract management is concerned with monitoring supplier performance to avoid bid violations (e.g. submission and payment of fictitious invoices and abuse of the variation procedures)

Contract management leads to increased savings and good quality on-time delivery. Furthermore, it is the process that enables both parties to a contract to meet their obligations in order to deliver the objectives required from the contract and invoices building a good working relationship between the parties. Contract management continues throughout the life of a contract and also involves managing proactively to anticipate future needs as well as reacting to situations that arise.

One of the key aims of contract management is to accelerate service delivery in accordance with the signed contract and attainment of value for money while managing risks. Active management of contractual relationship with the contractor will yield optimum efficiencies, effectiveness and economy of the service and balance in cost and risk.

3. PURPOSE

The purpose of the Municipal Contract Management policy is to establish sound and consistent management practices with respect to municipal contracts. It describes the processes and assigns responsibilities to effectively administer contracts from:

- Preparation of contracts;
- Maintenance of contract register;
- Monitoring of payments;
- Control contract variation and price adjustment;
- Assess and monitor performance; and
- Manage contract disputes and close out of contracts.

4. TYPES OF CONTRACTS

4.1 Lump Sum (Firm Fixed Price) Contract

Lump sum contracts are used mainly for assignments in which the content and the duration of the services and the required output of the consultants are clearly defined.

They are widely used for simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, preparation of data processing systems, and so forth.

Payments are linked to outputs (deliverables), such as reports, drawings, bills of quantities, bidding documents and software programs.

Lump sum contracts are easy to administer because payments are due on clearly specified outputs.

4.2 Time-Based Contract

This type of contract is appropriate when it is difficult to define the scope and the length of services, either because the services are related to activities by others for which the completion period may vary, or because the input of the consultants required to attain the objectives of the assignment is difficult to assess.

This type of contract is widely used for complex studies, supervision of construction, advisory services, and most training assignments.

Payments are based on agreed hourly, daily, weekly, or monthly rates for staff (who are normally named in the contract) and on reimbursable items using actual expenses and / or agreed unit prices.

The rates for staff include salary, social costs, overheads, fees (or profit), and, where appropriate, special allowances.

This type of contract should include a maximum amount of total payments to be made to the consultants. This ceiling amount should include a contingency allowance for unforeseen work and duration and provision for price adjustments, where appropriate.

Time-based contracts need to be closely monitored and administered to ensure that the assignment is progressing satisfactorily and payments claimed by the consultants are appropriate.

Again the Guidelines on fees for Consultants issued by the Department of Public Service and Administration should be used as a benchmark to establish the appropriate tariffs, or to determine the reasonableness of the tariffs.

4.3 Percentage Contract

These contracts are commonly used for architectural services. They may be also used for procurement and inspection agents.

Percentage contracts directly relate the fees paid to the consultant to the estimated or actual project construction cost, or the cost of the goods procured or inspected.

The contracts are negotiated on the basis of market norms for the services and / or estimated staff-month costs for the services, or competitive bid. It should be borne in mind that in the case of architectural or engineering services, percentage contracts implicitly lack incentive for economic design and are hence discouraged.

Therefore, the use of such a contract for architectural services is recommended only if it is based on a fixed target cost and covers precisely defined services (for example, not works supervision).

4.4 Indefinite Delivery Contract (Price Agreement)

These contracts are used when Accounting Officers / Authorities need to have "on call" specialized services to provide advice on a particular activity, the extent and timing of which cannot be defined in advance.

These are commonly used to retain "advisers" for implementation of complex projects (for example, dam panel), expert adjudicators for dispute resolution panels, Accounting Officer / Authority reforms, procurement advice, technical Trouble-shooting, and so forth, normally for a period of a year or more.

The Accounting Officer / Authority and the firm agree on the unit rates to be paid for the experts and payments are made on the basis of the time actually used.

5. CONTRACT CREATION

The contract is created through three key stages of tender namely: pre-tender, tendering and post tender / contract management. All of these must be governed by rigorous governance principles.

The pre-tender stage includes needs assessment, planning and budgeting, development of specifications and selection of the most suitable procurement strategy. The tendering stage includes the invitation to tender, evaluation and adjudication of bids. Post-tender includes contract management, ordering and payment. It is important that efficient governance principles be applied to all these stages of contract creation.

5.1 The Pre-Tender or Demand Management Stage

Demand planning, procurement planning, items and specification management, and supplier management are critical phases in the pre tendering stage. This stage ensures that goods, services, construction work and other purchases are properly planned and aligned to the procuring entity's strategy and resource plan. This alignment is critical to ensuring that goods are delivered at the right time, place and price, in the right quantity and of the right quality. It is at this stage that a comprehensive needs analysis is carried out in line with the strategic planning process.

Procurement plans indicate what purchases an institution will undertake in the short, medium and long-term. Proper planning should reduce delivery delays, eradicate recurring contracts and unnecessary extensions, and eliminate the need for emergency procurement. Further, procurement plans should inform suppliers about future opportunities.

5.2 The Tendering or Acquisition Management Stage

This stage includes the invitation to tender, and evaluation and adjudication of bids. To avoid lack of competition and conflict of interest, all potential bidders must have access to the same tender information. Information in the bid documents should include details of the product or service to be procured, specifications, quantities, the timeframe for delivery, realistic closing dates and times, where to obtain documentation, where to submit tenders and a clear, complete and non-discriminatory description of the selection and award criteria. These cannot be altered after the closing date.

Municipalities must have clear procedures for opening the tender box to avoid manipulation of the bids received, this must be done before a public audience and basic information disclosed and recorded in a register. They must also ensure that members of their bid evaluation committees and bid adjudication committees are familiar with and adhere to National Treasury norms and standards when evaluating and adjudicating bids.

6. CONTRACT MANAGEMENT LIFECYCLE

The lifecycle begins with setting direction; high-level objectives and policies for the Municipality This leads to the identification of needs of the Municipality that can be fulfilled by acquiring goods, works and / or services to fulfill the need. Once the service is acquired, Contract Management comes into effect. An ongoing

analysis of municipal needs is critical to ensure that goods, services and works provided are what the municipality and entity really need.

An effective Contract Management life cycle constitutes planning, contract arrangement, administration, performance management and close out.

6.1 Stage 1: Planning

This stage refers to consideration of contracts during the planning and budgeting processes. These processes will identify the need for contract creation and timeframes for implementation to ensure that delivery of goods and services occurs as approved in the budget.

During the strategic planning phase of the institution, goods, works and services required to execute the identified functions are determined and captured in the procurement plans.

Procurement plans containing all planned procurement for the financial year in respect of the procurement of goods, services and works which exceed R200 000.00 must be submitted by Accounting Officers to Gauteng Provincial Treasury by the 31 July of each year. Records of planned procurement below R200 000.00 may be kept for contract reporting and monitoring.

The Procurement Plan document provides detailed information about the description of goods, services and works, estimated value, envisaged date of advertisement, closing of bid and date of award including the responsible office.

Contract management unit / function will in consultation with the Acquisition unit be responsible for monitoring contracts in line with the projects listed in the procurement plans and approved budgets.

It is vital for Contract Management unit / function to monitor contracts accordingly with approved procurement plans after award as it can lead to significant improvement on service delivery.

Contract planning should also cover the entire Service Delivery Budget Implementation Plan (SDIBP) period and beyond where applicable.

6.2 Stage 2: Contract Arrangement

This stage refers to the arrangement of signing the contract, making it legally enforceable and formalising the terms and conditions concluded between parties.

The unit / function responsible for Contract Management will arrange for the signing of the contract as follows:

- Submit the tender document, which becomes the contract, to the Deputy Municipal Manager for signature;
- Issue an appointment letter, signed by the CFO and relevant head of department, to the successful bidder;
- Arrangement of a Service Level Agreement (SLA) and / or contract document with the end user, if applicable. The SLA must be legally sound and vetted by the Municipal Legal Service prior to signing of the parties;
- Capture contract award details in the Contract Management system of the Municipality and Contract Registration Application (CRA);
- Original signed contract resides with Contract Management unit, copy of which will be scanned and archived in supply chain filing system of the municipality;
- A copy of the signed contract is issued to the end-user to prepare requisition for creation of purchase order.

6.2.1 Service Level Agreement

Service level agreements are negotiated agreements for the delivery of specified services between the contractor and the Municipality. An SLA is not compulsory and is solely at the discretion of the user department, especially if the specifications in the tender document is not sufficient. The SLA specifies services or goods required. The level of quantities and quality of service to which both parties agree and designed to indicate and evaluate the quality of the service delivered. Agreement is negotiated at the commencement of a contract and involves the understanding of the needs and constraints of both parties.

The purpose of developing SLA's and setting service levels is to enable the municipality to monitor and control the performance of the service received from the contractor against agreed standards. Service levels should be agreed by both parties and these are:

- Established at a reasonable level in line with the TOR / Specifications which contain the scope of work.
- Prioritised by the municipality in order of importance and on an agreed scale for example: critical, major, urgent, important, minor, easily monitored, such as objectives, tangible and quantifiable;
- To conclude the SLA within the shortest possible timeframe after the award of a contract as best practice;
- The SLA may be included in the bid document to allow bidders to have ample time to review the SLA, or a draft SLA may be requested together with the bid document;

- Unambiguous and understandable by all parties;
- Open to re-negotiation if justifiable to do so;
- The contractor and the municipality jointly identify a statement of expectations and ability, the cost of receiving the service and the basis for the calculation of costs.

The contractor is accountable for the quality and performance levels of the services and the availability thereof. One of the principle objectives of a SLA is that both parties understand the basis and intent of the terms and conditions under which the services are to be delivered.

The definitions of terms should be an integral part of the negotiation and discussion process between the two parties. If there are other terms identified during discussions that are not in the list of defined terms, they should be added. Negotiations should include the following conditions:

- Not allow any preferred bidder a second or unfair opportunity;
- Not to the detriment of any other bidder;
- Not lead to a higher price than the bid as submitted.

It must be noted that a SLA is an agreement in its own and it should therefore not be used to change or refine the stipulations contained in the bid documents.

The list of common provisions is not exhaustive and other provisions will need to be drafted to suit the particular contractual arrangement; as a result, professional advice should be sought to assist with drafting specific SLA provisions.

6.2.2 Legal Vetting of Service Level Agreement / Formal contract

Prior to signing a formal contract or service level agreement with a contractor, Accounting Officers / Authorities must ensure that such contracts or agreements are legally sound to avoid potential litigation and to minimize possible fraud and corruption.

This must include legal vetting by at least the Legal Services of the municipality and such contracts or agreements must be actively managed in order to ensure that both the institution and the contractor meet their respective obligations.

The legal division provides expert advice to the Contract Management unit and must be consulted in the following circumstances:

- Vetting of contract documents and service level agreements;
- Dispute resolutions, implementation of contract terms and conditions;

- Contract change of ownership, breach of contract, penalties, terminations, enforcement of indemnities, guarantees and contractual claims.

6.3 Stage 3: Contract Administration

This stage is important in Contract Management and overlaps with monitoring and performance assessment. It encompasses various activities that need to be completed on a day to day basis, including among others:

6.3.1 Contract Register

All approved contracts are registered in the Contract Management System / Tool to enable easy retrieval and identification of all contractual arrangements.

Contracts that are partially executed, signed by one party, may be registered into the Contract Management System prior to forwarding to other parties for signature. The Contract Management unit / function should ensure that all signatures are obtained and contracts are updated in the system.

Contract registers should be used to monitor contract end dates in order to notify the end user to commence with the procurement strategy on time, at least 6 or 12 months prior to the expiry of the contract.

Effective contract register should have the following characteristics:

- Contract number, name of contractor, description, award date, type of contract, amount, contract period, department, project manager, contact details, expenditure, commitment;
- This will simplify the reconciliation or cross-check between the register and the Municipality's financial management information system;
- Expenditure against the contract and value of commitment.

Contract register report will be established detailing status of contracts and the reports to be provided by the 6th of every month to the Head of SCM on the following:

- Valid contracts in place;
- Contracts due to expire in six or twelve months;
- Contracts extended;
- All expired contracts;
- Contract variation;
- Cancelled contracts;
- Contracts captured on the system; (where applicable)

- Value of commitments;
- Value of accruals.

The Accounting Officer of a Municipality or Municipal Entity must annually report to the council of the Municipality on the management of the contract or agreement and the performance of the contractor.

6.3.2 Contract Payments

Payments should be made in accordance with the provisions of the contract after delivery and budget confirmation should be attached by the end user before effecting payments.

Evidence of delivery is required that the end user has certified that the work has been satisfactorily executed and met the required standards of performance, e.g. Goods Received Voucher (GRV), Payments certificates, etc.

Payments for satisfactory performance should not be delayed because this can undermine the relationship with the service provider. All payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment. This implies that amounts owing must be paid within 30 days from receipt of invoice if the goods, works or services were delivered to the satisfaction of the Accounting Officer or delegated authority.

In cases where a discount is not a contract condition and the contractor offers a discount on the invoice, the discount if possible must be utilized for instance by making the payment within the time limit specified on the invoice.

In the event that only part of the invoice is queried, arrangement should be made to pay that portion of the amount payable which is not subject to dispute, and separately take action to remedy the disputed amount.

Payment outside the prescribed period of 30 days from receipt of invoice is deemed to be a contravention and may be reported as such by the Auditor-General as part of its audit finding.

Interest incurred on late payments will be declared fruitless and wasteful and should also be disclosed as such in the Annual Financial Statements.

6.3.3 Contract Variation

It is recognized that, in exceptional cases, an Accounting Officer may deem it necessary to expand or vary orders against the original contract. The reasons for the variation should be clearly documented and should occur in defined circumstances.

A variation is mostly issued when extra work is added to the project after the contract has been signed. Deliverables and value for money should be assessed.

In order to mitigate against such practices, Accounting Officers / Authorities of Municipalities and Municipal Entities are directed that contracts may be expanded or varied by not more than 20% for construction related goods, services and / or infrastructure projects and 15% for all other goods and / or services of the original value of the contract. Furthermore, any variation beyond the abovementioned thresholds must be reported to Council or the Board of Directors.

An expansion or variation in excess of the threshold where the contract or agreement procured through the Supply Chain Management policy of the Municipality or Municipal Entity may be amended by the parties.

The reasons for the proposed amendment should be tabled in the Council of the Municipality or, in the case of a Municipal Entity the Council of its parent Municipality. The local community should be given reasonable notice of the intention to amend the contract or agreement; including an invite to submit representations to the Municipality or Municipal Entity as stated in Municipal SCM circular 62.

Such reports must include among others, the contract number, description, name of contractor, original contract amount, value and percentage of the variation and the reasons thereof.

End users also need to ensure that contract variations are not of such a level that they significantly change the contract requirement and / or substantial parts of the original transaction. If this is the case, it may be necessary to undertake another procurement process because the revised arrangements are substantially different to those selected through the original procurement. However, the Municipality should be aware of the following impacts associated with amendments, namely, financial resources and litigations.

No variation or modification of the terms of the contract may be made except by a written amendment signed by the contracted parties.

Municipalities should be aware of the impact that variation orders may have and should therefore endeavor to restrict the application to the absolute minimum

through proper planning, comprehensive scope of work / Terms of Reference when inviting bids or quotations.

The Contract Management unit / function will forward the submission to the relevant committee as per municipal delegation authority for approval if consultation with legal services is required.

Upon approval, the Contract Management unit / function will issue a letter of amendment / addendum to the contractor and also inform the end-user to prepare a purchase requisition to create an order.

A contract cannot be varied after the original contract has ceased to exist.

The Contract Management unit / function will update the contract register and applicable Contract Management system

6.3.4 Contract secured by other organs of state

The Municipality or Municipal Entity must obtain approval according to the municipal delegation of authority to procure goods, works and / or services under contracts secured by another organ of state. Accounting Officers should satisfy themselves that the applicable procurement processes were followed by obtaining any other information, including but not limited to, the following documents from the other organ of state:

- The bid advertisement;
- BSC, BEC and BAC appointment letters;
- Bid Evaluation report and minutes;
- Bid Adjudication report / minutes;
- Acceptance letter; and the Service Level Agreement / Contract document.

The Municipality or Municipal Entity must enter into a separate service level agreement (addendum) in line with the specification I Terms of Reference of the goods or services between the consenting service provider and the requesting municipality may not exceed the contract period concluded in the original contract of the organ of the state.

6.3.5 Contract Price Adjustment

Contractual conditions must stipulate circumstances under which the adjustments shall be considered and the process to be followed.

When prices are subjected to adjustment as a result of escalation in prices of labour and material, the contractor must indicate the various elements of the contract price that will escalate (e.g. labour, transport, fuel, protective etc.). The baseline date and relevant index and index numbers which were used in calculating the price.

Where a firm price is quoted, application for an adjustment of price will not be considered. However, if the increased price is as a result of unforeseen circumstances beyond the control of the contractor and could lead to his / her downfall such application may be considered. (Only statutory increases and cost factors). Such adjustments are to the disadvantage of the Municipality, thus it must be approved by the Accounting Officer or delegated authority.

The contractor will submit a letter to the end-user requesting price adjustments together with documentation substantiating or motivating for the adjustment. The application should be in line with signed terms and conditions of the contract and according to pricing schedule and costs.

The end-user will submit a request to Contract Management unit for consideration, and calculation should be prepared to justify the escalation or price adjustment thereof.

Approval of the price adjustment should be done within the municipal delegation authority by the Municipal Manager.

The amendment letter will be issued to the contractor and end user on acceptance of the price adjustment.

The contract register will be updated and the applicable Contract Management system.

6.3.6 Contract Expiry Notification

SCM unit in collaboration with Contract Management unit / function is responsible to ensure that timeous arrangement is made to notify end users when a contract is due for renewal within 6 months or 12 months prior to expiry. Communication with the end users must be in writing and documentation must be properly filed.

6.3.7 Extension of Contract

Extension of a contract is undesirable because it often leads to uncontrolled increases in the contract prices and it can also be a contributing factor to circumventing the procurement processes. Lack of proper planning does not constitute a justifiable reason for dispensing with prescribed bidding processes by extending contracts.

Where justifiable reasons are provided for extending a contract, the relevant application may be considered favourably and contractors may be approached by SCM unit with the request to indicate whether they are prepared to extend the contract period.

Approval to extend the contract should be requested before the expiry date of the contract taking into account the existing terms and conditions of the contract. It is advisable that when a contract is extended, terms and conditions remain the same.

The applicable Contract Management system must be updated.

6.3.8 Transversal Contracts

Transversal contracting enables the Municipality at all levels to purchase goods and services from a central list of approved suppliers who have been vetted for cost and quality.

Participating Municipalities will be responsible for Contract Management, placing purchase orders against transversal contracts, paying suppliers for goods / services rendered satisfactorily according to the terms and conditions of the contract, monitoring and reporting supplier performance.

6.3.9 Records Management

It is important that the updated version of the contract incorporates any variations and correspondence related to the contract document and should be appropriately stored. This provides the basis for effecting payments and the ongoing management of the contract.

All tender documents and contract documents relating to a specific tender must be stored at the Supply Chain Management unit.

6.4 Stage 4: Contract Performance Management

Performance management involves, performance monitoring, collecting data on performance, performance assessment, deciding whether performance meets the entity's needs, and taking appropriate action – such as understanding and extending features of good performance, correcting areas of under-performance; or amending contract requirements to meet changing needs.

A contract or agreement procured through the Supply Chain Management policy of a Municipality or Municipal Entity must stipulate the terms and conditions of the contract or agreement, which must include provisions for a periodic review of the contract or agreement once every three years in the case of a contract or agreement longer than three years to determine value for money.

The Accounting Officer / Authority or delegated authority of a Municipality or Municipal Entity must monitor on a monthly basis the performance of the contractor under the contract or agreement.

Performance management must be undertaken throughout the life of the contract and for all contracts, whether simple or complex. Along with performance indicators and standards, arrangements for monitoring and assessment should have been set out and agreed in the contract along with remedial action plans on non-performance.

The performance monitoring and assessment arrangements should also have been reviewed at the contract start up stage and any necessary plans, tools or systems developed. Systematic monitoring underpins performance assessment and these do not occur in isolation from one another.

Poor performance should be recorded appropriately after engagement with the contractor. It should be taken into account that if proper record is not kept, such non-performance cannot be deemed a sound reason for passing over such contractor when evaluating future bids. In addition to any contractual or other remedies that may be pursued, the municipality may commence action in terms of Municipal Supply Chain Management Regulation 15(2) (d), thus the Accounting Officer must:

- Inform the contractor or person(s) by registered mail or by delivery of the notice by hand of the intention to impose the restriction, provide the reasons for such decision and the envisaged period of restriction;
- Allow the contractor and / or person(s) fourteen (14) calendar days to provide reasons why the envisaged restriction should not be imposed;
- If requested, allow the contractor and / or person(s) the right to present evidence in person and consider reasons submitted by the contractor;

- Impose the restriction or amended restriction;
- Inform the contractor and! or person(s) of the decision; and
- Inform the National Treasury within five working days of such restriction, particulars of the person(s) to be restricted, (including, where applicable, names of the restricted persons, identity numbers, trade name of enterprises, company registration numbers, income tax reference numbers and vat registration numbers), the reason(s) for the restriction, the period of restriction and the date of commencement of the restriction.

In practice, performance will be assessed, feedback and reports provided throughout the monitoring process.

The following are the reports to monitor performance of contracts on monthly basis:

(a) Progress Reports

- The end-user will complete a progress report indicating the stage of contract; achievement of milestones as per contract agreement; response time and deliveries within the contract period; quality of work, payments; poor performance; and actions.
- The progress report will be regularly submitted to the unit / function responsible for Performance Management for deliberations; recording discrepancies and filing. (Submission of progress reports will be determined by the nature and timeline of the project)

(b) Performance Score Cards

- The score cards will be applicable to once off purchases for goods and services where the end-user completes a score card after receipt of goods and services rating the performance of the contractor against agreed milestones and ensuring that goods / services are received within the agreed timelines, acceptable quantity and quality. Furthermore, the score card will compel the end user to comment on the overall performance of the contractor;
- The completed score card will be submitted to the Performance Management unit for deliberations; recording and determining the aggregate performance of contractor and where applicable contractor database will be updated. (This implies that score performance cards will apply to once off purchases and progress reports will be used to assess performance of long term projects)

(c) Expenditure Report

- The Contract Management unit will on a regular basis extract the expenditure report where the contract value will be verified against the progress payments and validity of the contract;
- Discrepancies identified should be communicated timeously to the end-user and CFO to curb irregular expenditure.

6.4.1 Contract Relationship Management

It is important to establish and maintain a constructive relationship with the contractor and have regular communication. Providing positive and constructive feedback will assist in maintaining such a relationship.

Overall responsibility	•	Each party nominates one person with the appropriate skills and experience as its representative to be responsible for the co-ordination and management between the parties over the life of the contract.
Weekly performance	•	Nominated representatives, including the contractor's service delivery manager and the project management meet formally to review performance; aimed at discussing and resolving any minor issues relating to the performance of the contract.
Contract Management	•	At least quarterly, or regularly, a formal meeting is held. The meeting comprises senior representatives from the end user and the contractor. The purpose is to formally monitor performance of the contract, consider any ways in which services may be improved, amendments to service levels and resolve, where possible, any issues that remain unresolved from the weekly contract meetings.

Relationship management is focused on keeping the relationship between the two parties' open and constructive, resolving or easing tensions and identifying problems early.

Relationships should always be managed in a professional manner and be based on cooperation and mutual understanding taking into account the need for ethical behaviour.

Apart from formal monitoring, and in order to improve trust between the parties to the contract, it is important that the parties maintain regular contacts without waiting for the official reporting deadlines.

6.4.2 Contract Disputes Management

A contract or agreement procured through the Supply Chain Management system of a Municipality or Municipal Entity must stipulate the terms and conditions of the contract or agreement, which must include provisions providing for dispute resolution mechanisms to settle disputes between the parties.

During the Contract Management phase, a disagreement becomes a dispute when it is not possible for the parties to resolve it without resorting to a formal resolution mechanism. Generally, what a dispute is and when it is deemed to have occurred is defined in the contract, often in a dispute resolution clause.

Many disagreements and disputes arise when the parties cannot agree on issues related to the interpretation of contract provisions, the definition of deliverables, meeting performance standards and/or the effect of unexpected events.

It is important that any possibility of dispute or an actual dispute be recognised at an early stage and addressed as quickly as possible. Avoiding escalation of disagreements can impact on contract deliverables and reduce the costs to both parties.

Where a dispute arises, the Contract Management Unit / function will obtain evidence from both parties and refer the matter to the legal service for opinion. The outcome and recommendation of the dispute will be submitted to the BAC for review and final recommendation to Accounting Officer / Authority for approval.

In the case of non-performance, a letter informing the contractor that contract conditions have not been honoured should be issued affording the contractor at least 14 days to respond. If the contractor does not respond within the specified period, the Municipality shall without prejudice under the contract consider termination of the contract.

6.4.3 Forms of Dispute Resolution

The following forms of dispute resolution should be considered as options in the special condition of contracts:

Negotiation Negotiating between the Municipality and the contractor is the most common approach to resolving disagreements and disputes. The intention of the negotiation is to reach a mutually acceptable solution, where both sides consider they have gained the best possible result in the circumstances. It is important that one party does not consider they have been unduly pressured to agree to a particular solution as a result of the negotiation as this can lead to an escalation or reappearance of the dispute at a later stage.

Mediation Mediation involves the use of a neutral third party to assist in resolving the dispute. The mediator does not impose a decision on the parties in the way a court or arbitrator does, but instead seeks to help the parties resolve the dispute themselves. Mediation is usually regarded as a faster, less formal and less costly process than court proceedings or arbitration.

Arbitration The aim of arbitration is to obtain a final and enforceable result without the costs, delays and the formalities of litigation. Arbitration proceedings are private, can be held at a mutually convenient time and the actual proceedings are less complex than litigation.

Litigation Litigation is the act or process of contesting a lawsuit or seeking redress through the courts. It can be an expensive and time consuming procedure and is generally taken when other avenues of dispute resolution have not been successful or are not available. Other approaches to resolving disputes or Contractor defaults should therefore be considered prior to litigation

6.4.4 Risks Related to Contract Management

Contract risk must be appropriately managed such that:

- All contracts set out risk identification, monitoring and escalation procedures and mechanisms which are in line with the institutions enterprise risk management plan.
- All contracts identify contingency plans for supplier or buyer failure.

- For key suppliers and buyers, the contract manager monitors the financial health, tax compliance and overall performance of the supplier or buyer.
- Contract terms and potential ramifications around key issues including: termination; warranty; indemnity; security; confidentiality; and dispute resolution are understood by the contract manager.

6.4.5 Penalties

Penalties between the Municipality and the contractor may include:

- Penalties: In accordance with paragraph 22 of the General Conditions of Contract, the Municipality/Entity will have the right to enforce the penalty clause on goods, works and services where the contractor fails to perform in accordance with contractual obligations.
- These penalties usually vary according to several factors, including the type of breach and its severity, duration, frequency, and effect on customers.
- The benefit of this approach is that the penalties are clear, agreed on, and more easily enforceable than a general claim for damages.

Some of the risks involved with contracts and penalty clauses to be applied per nature of contract:

Risk	**Penalty clause**
Late delivery	• Where deliveries are made (after the agreed delivery date), the purchaser has the right to enforce the penalty clause by deducting from the contract price a sum calculated on the delivered price of delayed goods or unperformed services using the ruling prime interest rate calculated for each day of the delay until actual delivery of performance • In case of a delay in excess of 4 weeks, the Municipality is entitled to declare the order null and void without any cost being charged for this. The statutory cases of force majeure are considered to be reasons to suspend the agreement if they make the execution of the order impossible and in so far the supplier notifies the Municipality in writing within 5 days.
Non delivery	• Termination of the contract if delivery does not take place within 4 months or cancellation of the order. (To reduce open ended commitments)

	• In the event of non-delivery, and upon comprehensive justification that the contractor has been engaged to remedy the unsatisfactory performance, the Municipality may impose as a penalty, a sum calculated on the delayed goods or unperformed services using the current prime interest rate calculated for each day of the actual performance
Inferior quality	• Enforcement of contract conditions • Settlement of disputes
Inability of contractor to perform as required	• Performance securities should be applied. The contract should dictate what must happen with the security if the contract is not to be completed and the Municipality suffered losses, the performance security shall be utilized to compensate for any loss. The SCC must specify the performance security amount.
Buy out transactions from transversal contracts	• When the time provided for the contractor to respond to the claim of non- performance has lapsed, the Municipality can buy out and any difference in cost must be recovered from the contractor
Sub-contractors not performing	• Disputes must be resolved between the main contractor and his sub-contractors • Liability and obligations are under the contractor • Enforce Termination of default • Prohibit supplier from rendering any goods, service, and works in organ of state – Restrict supplier on the National Treasury 's Central Supplier Database
Skills not transferred in terms of consultants services	• The Municipality shall deduct from the contract price a percentage as a penalty for not transferring skills or for underperformed service.
Breach of contract	• Termination of default and recover any loss which the Municipality suffered as a result of arranging another contract
Contractor unfairly benefited using wrong preference	• Misrepresentation of preference points should constitute termination of contract if it is justifiable and will be defendable in the court of law

points	• Impose a penalty of a percentage of the monetary value of the contract
Prohibition of State employees doing business with state	• No contracts must be awarded to state employees

6.4.6 Transfer and Ceding of Contracts

The General Conditions of Contract section 19.1 dictate that the supplier shall not assign, in whole or in part, its obligations to perform under the contract except with the purchaser's prior written consent.

The Special Conditions of Contract should stipulate the conditions under which transfers / cessions shall be considered and the processes to be followed under such circumstances.

Applications for transfers / cession shall be completed and signed by both the transferor and the transferee and countersigned by two parties.

Full reasons for the transferring of the contract must be provided and the transferee's ability to carry out the contract must be established and reported to the Accounting Officer or delegate.

Unless it is otherwise in the best interest of the Municipality, it is unlikely that the transfer will be approved if the Municipality would suffer a loss as a result thereof or if there is an increased risk to the Municipality.

The principle of fairness dictates that should the contract be transferred to another provider it must be checked whether the number of preference points scored if at least the same or more than that scored by the original contractor. Thus it should be indicated if the transfer would have had an influence on the award. However the circumstances leading to the transfer must be pointed out and taken into consideration.

The contractor will raise the issue with the user division in writing where after the user division must comment on the viability of the transfer / cession and submit the request to the SCM unit / CSC.

If the transfer / cession is not viewed favourably for a justifiable reason, the SCM unit must inform the contractor of the decision in writing and

provide the user division with the copies of the correspondence for filing purposes.

If the transfer / cession is viewed favourably, the SCM unit must involve Legal Services for the purposes of drawing up the transfer / cession documentation.

The SCM unit must facilitate the signing of the transfer / cession by all parties, must forward a copy to the user division and the contractor and must file the original signed transfer / cession documentation appropriately.

If the transfer/cession is not approved the original contractor will still be accountable to execute the contract.

6.4.7 Termination of the Contract and Exit from the Relationship

Contract termination is the last resort to be sought by Municipality when dealing with disputes and non-performance. It should be taken into consideration that solving disputes through courts usually costs a lot of time and money.

Termination of a contract may be considered for a variety of reasons, such as non-compliance with contract conditions, delayed deliveries, bribery, death or sequestration/liquidation of the contractor.

If termination is considered, the following factors must be addressed to the Bid Adjudication Committee:

- The particular contract condition empowering the action for the purpose of resolving any dispute;
- What further arrangements will be made for completing the contract;
- Whether additional cost will be recovered from the contractor; and
- Payment of work already executed prior to cancellation of the contract.

The contract should contain detailed provisions on the mechanism to terminate all or part of the contract and exit from the relationship.

Under the following conditions, Municipalities may consider their rights to terminate the contracts through delegated authority if they are appropriately drafted:

- Failure to meet the service performance targets for critical services on a repeated basis;
- Failure to meet a certain number of service performance targets during a specified period or supplier has engaged in corrupt and fraudulent practices during the bidding process or the execution of the contract;

- Material breach of terms and conditions with the breach being either irreparable or not having been remedied within a specified period;
- Major financial difficulties being encountered by the contractors (e.g. under liquidation);
- Failure to meet mandatory requirements or failure to acquire certain accreditation or licence or approval during the life of the contract.

Exit provisions should be included in the contract to cover specific rights that will be required for termination, such as:

- The continued provision of the services following the notification of termination.
- The right of Municipalities or the new contractors, if necessary, to approach key members of the contractor's staff and to offer them jobs so as to retain the delivery capability;
- The right to perform inventory check of assets owned by Municipalities;
- The right to transfer ownership of assets and equipment upon termination and
- The migration of data and systems and the provision of relevant information to Municipalities or the new contractor.

Contracts must include the possibility to be terminated. This will normally include the details of timing including periods of notice (exit clause) and direction on the payment upon termination. The contract or agreement will have stated the initial term with specified period after which either party may terminate or renew the agreement, provided both parties agree to the terms and conditions.

Termination of a contract is usually detrimental to the municipality; therefore, serious thought must be given to the grounds for considering termination with legal assistance.

The Contract Management System must be updated by cancelling the contract on the system and contract register.

6.5 Stage 5: Close Out

This stage refers to the necessary actions to end or reconsider the contractor for future agreement and associated performance review. The activities associated with closing the project down, whether in accordance with the contract or as a result of early termination.

At the completion of the contract, the end-user will provide the contract close out report indicating overall performance of the contractor; stage of

contract; achievement of milestones against the original contract agreement and timelines, payments; poor performance; action and other observation.

The close out report will be submitted to Contract / Performance Management team for deliberation; filing purposes; recording discrepancies and where applicable a register and appropriate contract system will be updated. A close out report is applicable to contracts irrespective of contract period.

Different activities of course are associated with the different forms that contract termination can take. In the case of more complex, long-term or construction contracts ending in accordance with the original contract plan, best practice requires the need for evidence that the contract has been completed to the satisfaction of all parties. This is normally carried out in two stages;

- To ascertain internally that there are no outstanding matters and,
- To secure agreement from contractor(s) that, apart from agreed ongoing liabilities, the contract(s) has ended.

The aim of the closure procedure is to provide a mechanism for managing the closure of the contract following the end of any retention or guarantee periods and the resolution of all other outstanding matters. The procedure is designed (where and if applicable) to:

- Ensure completion of all administrative matters;
- Record that all technical issues have been completed;
- Determine the extent of any liquidated damages to be deducted from the contract price;
- Record the end of the retention and guarantee periods and the date of the final inspection carried out;
- Record the date of release of retention and / or bank guarantees;
- To agree a statement of specific limits on continuing contractual obligations after completion of work and any ongoing obligations following the end of guarantees or maintenance periods;
- Transfer any assets, including data and intellectual property, and any loan items;
- Transfer operational systems to the successful contractor;
- Record the process of final contract payments and a summary of the financial payments made and received;
- Summarise claims made against or received from the contractor;
- Ensure the retention of records relating to the contract to counter any subsequent claims that may be brought. The Limitation sets out the general periods for six years or twelve years according to the type of contract within which an action maybe brought.

On completion of this activity, agreement should have been reached on all technical and commercial aspects of the contract. The agreement should require the signature of the parties to a document which records the acceptance of the work or service, the obligations fulfilled and the price paid or to be paid.

Another important activity conducted at this stage, particularly in the case of high value, large contracts, is the preparation of a post-contract project report This may follow a formal post-contract review, undertaken to assess the business benefits or losses from carrying out the procurement, how those benefits may be further enhanced and / or costs and risks reduced and how the losses can be recouped and turned to benefits.

The review should also gather the lessons that can be learnt from the management processes and procedures followed during the contract and implemented in the future. The review should include the views of all stakeholders and the report should relate to the costs and benefits set out in the original business

DRIVER POLICY

2018/2019 FINANCIAL YEAR

1. Aim of the Policy

To reduce at-fault accident costs and injuries by promoting a safe driving culture within the organisation.

2. Objectives of the policy

2.1 To ensure that staff who drive vehicles in the course of their work demonstrate safe, efficient driving skills and other good road safety habits at all times.

2.2 To maintain all municipality vehicles in a safe, clean and roadworthy condition to ensure the maximum safety of the drivers, occupants and other road users, and reduce the impacts of municipality vehicles on the environment – this also applies to personal vehicles used for work purposes.

3. Code of conduct

3.1 While driving municipal vehicles or own vehicles for work purposes, staff must comply with traffic legislation, be conscious of road safety and demonstrate safe driving and other good road safety habits.

3.2 All drivers must adhere to all their responsibilities as a driver licence holder, i.e. the actions listed in this section are not exhaustive and all traffic laws and conditions of vehicle driver licences will apply.

3.3 The following actions in council vehicles will be viewed as serious breaches of conduct and dismissal may be a consequence:

3.3.1 being under the influence of drugs or alcohol while driving;

3.3.2 driving while disqualified or not correctly licensed;

3.3.3 reckless or dangerous driving causing death, injury or damage;

3.3.4 failing to stop after an accident; or

3.3.5 any actions that warrant the suspension of a licence.

4. Responsibilities as an employee

4.1 Every driver of a municipal vehicle must:

4.1.1 ensure they hold a current driver licence for the class of vehicle they are driving, including a PDP if required, and this licence is carried when driving a municipal vehicle;

4.1.2 Within 24 hours, notify their supervisor or manager if their driver licence has been suspended or cancelled, or has had limitations placed upon it;

4.1.3 be responsible and accountable for their actions when operating a municipal vehicle or driving for the purposes of work;

4.1.4 display the highest level of professional conduct when driving a municipal vehicle;

4.1.5 regularly check the oil, tyre pressures, radiator and battery levels of municipal vehicles they use;

4.1.6 comply with traffic legislation when driving;

4.1.7 assess hazards while driving and anticipate 'what if' scenarios;

4.1.8 drive within the legal speed limits, including driving according to the prevailing conditions (emergency vehicles to drive at the appropriate speed based on circumstances);

4.1.9 wear a safety belt at all times;

4.1.10 never drive under the influence of alcohol or drugs, including prescription and over the counter medication if they cause drowsiness;

4.1.11 avoid distraction when driving – the driver will adjust car stereos / mirrors etc. before setting off, or pull over safely in order to do so;

4.1.12 report any near-hits, crashes and scrapes to the vehicle to their manager, including those that do not result in injury, and follow the accident procedures outlined in this policy;

4.1.13 report infringements to a manager at the earliest opportunity; and

4.1.14 report vehicle defects to a manager before the next vehicle use.

4.2 In addition, it is required that all drivers:

4.2.1 take regular and adequate rest breaks;

4.2.2 stop when tired;

4.2.3 plan their journeys, taking into account pre-journey work duties, the length of the trip and post-journey commitments;

4.2.4 must adhere to these rules when driving their own vehicle for the purposes of work;

4.2.5 must seek the employer's agreement before using their private vehicle for work;

4.2.6 must ensure that the vehicle is legally registered, warranted and insured for the purposes of work – the employee must show evidence of this on request;

4.2.7 must not carry loads for which the vehicle is unsuited, nor may they carry more passengers than for which there are seat belts in the relevant vehicle; and

4.2.8 may not use the vehicle in conditions for which it was not designed (such as off-road).

4.2.9 may not transport any private person in council vehicles, unless authorised otherwise by the Municipal Manager or his / her delegated nominee and with an indemnity. Failure to adhere to this clause will result in disciplinary action being taken against the employee.

5. Responsibilities as an employer

5.1 The employer will take all steps to ensure council vehicles are as safe as possible and will not require staff to drive under conditions that are unsafe and / or likely to create an unsafe environment, physical distress, fatigue, etc. The employer will do this by undertaking the following tasks:

5.1.1 giving priority to safety features when selecting new vehicles;

5.1.2 giving authorisation to take Council vehicles home where appropriate - a yearly schedule must be prepared by the fleet co-ordinator which will include details of all vehicles and drivers authorised to take Council vehicles home - taking home of Council vehicles is subject to the following:

5.1.2.1 the vehicle must be behind locked gates; and

5.1.2.2 the schedule must be signed by the relevant Head of Department to acknowledge and authorise the fact that the vehicle will be on private premises.

5.1.3 Through the fleet co-co-ordinator ensuring all vehicles are well maintained and that the equipment promotes driver, operator and passenger safety by:

5.1.3.1 servicing the vehicles according to manufacturers'

recommendations;

5.1.3.2 setting up procedures where employees check vehicles' oil, water, tyre pressures and general cleanliness on a monthly basis, then record the inspections;

5.1.3.3 keeping maintenance schedules in the glove compartments of all vehicles, which are completed each time the vehicles are serviced ;

5.1.3.4 following the maintenance schedules in the vehicles' manuals; and

5.1.3.5 setting up a procedure to identify and rectify faults as soon as practicable.

5.1.4 Regular checking of tracking reports. Regular checking of tracking reports and consistent disciplinary action where non-compliance with policy is observed.

5.1.5 Collecting and collating statistics on incidents, accidents and their causes, including:

5.1.5.1 the number of accidents;

5.1.5.2 who was thought to be at fault;

5.1.5.3 the probable causes of the accidents and other;

5.1.5.4 contributors, such as unrealistic work schedules;

5.1.5.5 the financial cost of all accidents;

5.1.5.6 the number of prosecutions; and

5.1.5.7 the number of near-miss events

5.1.6 Taking into account individual drivers' needs by requiring staff to keep driving logs that are regularly checked by a supervisor / manager.

5.1.7 Identifying driver training needs and arranging appropriate training or retraining, including providing:

5.1.7.1 a thorough induction to the municipality's road safety policies and procedures;

5.1.7.2 driver training opportunities to all staff;

5.1.7.3 driver assessment and required training as part of all staff inductions requiring driving duties;

5.1.7.4 advanced driver training or specific practical training as required and identified;

5.1.7.5 regular staff seminars or refresher meetings on safety features, fatigue, driver responsibility, drink-driving and fuel-efficient driving; and

5.1.7.6 driver training log updates on personnel files.

5.1.8 Encouraging better fuel efficiency by:

5.1.8.1 promoting a car pool scheme for work car use;

5.1.8.2 promoting a workplace travel plan;

5.1.8.3 providing training on, and circulating information about, travel planning and efficient driving habits; and

5.1.8.4 encouraging the use of other transport and/or remote conferencing whenever practical.

6. What employees must do if there is an accident in a municipal vehicle

6.1 Immediately stop the vehicle at the scene or as close to it as possible, making sure the vehicle is not obstructing traffic. Ensure own safety first. Help any injured people and call for assistance if needed.

6.2 When in an accident with a third party, the vehicles are not permitted to be moved from the scene. A traffic Officer must be contacted to do the relevant measurements, accident sketch and accident report prior to moving the vehicles involved in the accident.

6.3 If there is not a third party involved in the accident, the driver must report the accident in writing, to the supervisor within 24 hours or the next working day if the 24 hours falls within a weekend or public holiday.

6.4 Try to obtain the following information:

6.4.1 details of the other vehicle(s) and registration number(s);

6.4.2 name(s) and address(es) of the other vehicle owner(s) and driver(s);

6.4.3 name(s) and address(es) of any witness(es); and

6.4.4 name(s) of insurer(s).

6.5 Provide the following information:

6.5.1 driver's name and address and municipality details.

6.6 If another vehicle that is unattended is damaged, leave a note on the vehicle with driver's contact details.

6.7 All accidents need to be reported ASAP to the South African Police Service and a case number must be obtained.

6.8 All accidents must within 24 hours be reported to the driver's supervisor / manager.

7. When an employee will be liable to pay the excess amount

7.1 An accident is an occurrence which produces loss, damage, death or injury, and which occurred unintentionally and unexpectedly.

7.2 An excess is the amount that must be paid by Midvaal to the Insurance before the Insurance will compensate Midvaal for the rest of the loss.

7.3 An employee involved in an accident who are found to have been negligent will be liable to pay the excess amount, subject to 7.5 below.

7.4 If Midvaal Local Municipality has paid the excess to the Insurance on the official's behalf, the official remains responsible for the amount which will be deducted from his / her salary at month end, subject to 7.5 below.

7.5 Special exclusions on excess: Where the percentage of the official's contributing negligence is less than 50% (fifty percent), the official shall not be liable to pay the excess amount. The contributing negligence shall be deemed to be less than 50% when the official can prove that:

7.5.1 he / she acted in the same way a reasonable person would have acted in the same / similar conditions;

7.5.2 she / he did not act negligently; and

7.5.3 provide adequate documented proof to substantiate the special exclusion, or to substantiate another party`s majority portion of contributory negligence.

COST CONTAINMENT POLICY

2018/2019 FINANCIAL YEAR

1. SCOPE

The object of this policy is to ensure that resources are used effectively, efficiently and economically by implementing cost containment measures in accordance with the provisions of the regulatory frameworks.

Each municipality must revise and implement a cost containment policy which is adopted by the municipal council as part of its budget related policies, and which is consistent with the Act and Regulations.

The cost containment policy must:

- Be in writing;
- Be reviewed annually, as may be appropriate;
- Be communicated on the website; and
- set out measures for ensuring implementation of the policy, procedures for the annual review of the policy; and consequences for non-adherence to the measures contained herein.

2. DEFINITIONS

A word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and

"**Act**" means the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

"**consultant**" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality to perform its functions to achieve the objects of local government in terms of section 152 of the Constitution

"**cost containment**" means measures implemented to curtail spending;

"**credit card"** means a card issued by a financial service provider, which creates a revolving account and grants a line of credit to the cardholder

3. USE OF CONSULTANTS

3.1 The following procedure have been implemented for the appointment of consultants:

- All appointments already made to date (i.e. procurement processes that have been completed) to continue as normal and no additional reporting / approval is required.

- All NEW appointments (including bids currently in process) must be motivated to the municipal manager with the following supporting documentation:

    - covering letter requesting appointment of consultant

- needs analysis as per the attached example.

- The municipal manager will use his discretion in either approving / rejecting the request, or alternatively referring the request to the Mayoral Committee for further consideration.

3.2 The definition of consultants includes the whole mSCOA category of outsourced services / business and advisory services as well as the consultants and professional services sections. Departments unbundled their budgets for into various line items showing the exact purpose of the consultants in line with the definitions shown below.

The first section (outsourced services // business and advisory) are defined as follows:

"The municipality should have the capacity and expertise to carry out certain services, but for some reasons not utilising their own staff. The reasons might include temporary incapacity or the outsourcing of services to save costs, for example cleaning, security and recruitment. In evaluating the classification of outsourced services it should be established whether the services being procured could have been provided by the municipality itself. It could also be that the municipality ordinarily has the expertise to provide the service but temporarily could not do so or to save costs."

The second section, being consultants and professional services, are defined as follows:

"Consulting services refer to specialist services and skills provided that are required for the achievement of a specific objective, with the aim of providing expert and professional advice on a time and material basis. It is unnecessary to maintain these skills in-house, since they are required on a once-off or temporary basis. Therefore, a consultant is a professional person appointed by the department to provide technical and specialist advise or to assist with the design and implementation of specific projects/programs. The legal status of this person can be an individual a partnership or a corporation. The fact that a consultant is defined as a professional person implies that the consultant is professionally qualified. The provision of advice or service is in line with a contractual arrangement. Remuneration is usually based on an hourly fee or a fixed fee for a product/deliverable. This category consists of groups for "Business and Advisory Services", "Infrastructure and Planning", "Laboratory" and "Legal Service".

The process of individual motivation of consultants and the detailed costing of consultants will lead to better decision making on insourcing / outsourcing or permanent appointment of staff where a recurring need to make of consultants are identified.

4. VEHICLES USED FOR POLITICAL OFFICE BEARERS

4.1 The threshold limit for vehicle purchases relating to official use by political office-bearers may not exceed R700 000 or 70% of the total annual remuneration package for different grades, whichever is greater.

4.2 The procurement of vehicles must be undertaken using the national government transversal contract mechanism.

4.3 Another procurement process may be followed provided the chief financial officer provides the council with information relating to the following:

a) Status of current vehicles:
b) Affordability;
c) Extent of service delivery backlogs;
d) Terrain for effective usage of vehicles; and
e) Any other policy of council.

4.4 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 km or less only where the vehicle experiences serious mechanical problems or is in a poor condition, subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

5. TRAVEL AND SUBSISTENCE

5.1 The travel and subsistence policy must be in compliance with the NT prescriptions on travel and subsistence.

5.2 The appointed travel agent must also be registered on National Treasury's Central Supplier Database and ensures compliance to the Circular.

5.3 All officials to travel economy class. The accounting officer and officials reporting directly to the accounting officer, may purchase business class tickets only if the flight exceeds 5 hours.

5.4 Only international travel to meetings or events that are considered critical will be allowed. The number of officials attending such meetings must be limited to those officials directly involved in the subject matter related to such meetings or events.

5.5 Officials must make use of the shuttle service if the cost of such service is lower than the cost of hiring a vehicle; the cost of kilometres claimable by the employee; and the cost of parking.

5.6 Vehicles may not be hired from a category higher than group B or an equivalent class. Where a different class is required, the written approval must be sort from the accounting officer before hiring the vehicle.

5.7 The municipal must utilise the negotiated rates for flights and accommodation, communicated by the National Treasury, from time to time, or any other cheaper available flight and accommodation.

6. CREDIT AND DEBIT CARDS

The municipality may not make use of credit or debit cards.

7. SPONSORSHIPS, EVENTS AND CATERING COST

7.1 Catering is minimised for meetings and only meetings held longer than 5 hours are considered for catering.

7.2 No year-end functions will be held at either Council's cost or time.

7.3 Gifts are managed by the marketing division and only low value token gifts are allowed where absolutely necessary.

7.4 All entertainment budgets are capped at R2 000 per financial year per person qualifying for entertainment expenses – any staff related functions such as farewell functions are funded from the entertainment budgets unless the employee had at least 10 years' service.

7.5 Expenditure may be incurred to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health, not exceeding the limits for petty cash usage.

7.6 No expenditure may be incurred on alcoholic beverages.

7.7 No expenditure may be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless costs related thereto are recovered from affected officials.

8. COMMUNICATION

8.1 Municipal events and public information must be listed on the website. Government Gazettes and local media must be used to ensure compliance with the Municipal Finance Management Act as well as the Municipal Systems Act. To further enhance communication, the local radio stations must be used.

8.2 Private telephone calls must be tracked and deducted from staff salaries.

8.3 Newspaper subscriptions must be reduced to the bare minimum.

8.4 The municipality must use the NT transversal contract on mobile communication services, if feasible.

9. DOMESTIC ACCOMMODATION / CONFERENCES, MEETINGS AND STUDY TOURS

9.1 Conferences must only be attended if hosted by the professional bodies of local government.

9.2 Delegations must be limited to no more than 3 officials per conference.

9.3 The accounting officer must ensure that meetings and planning sessions are, as far as may be practically possible, held in-house.

9.4 Municipal or provincial office facilities must be utilised for conferences, meetings, strategic planning sessions, inter alia, where an appropriate venue exists within the municipal jurisdiction.

9.5 The accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates as communicated by the National Treasury, from time to time.

10. OTHER RELATED EXPENDITURE ITEMS

10.1 Office furnishings – The budget for furniture must be approved by the Budget Steering Committee and only where new positions are created, or furniture are damaged will new furniture be procured. Old furniture must also be repaired and re-upholstered where possible to further reduce the cost of new furniture.

10.2 Staff study, perks and suspension costs – Staff are required to repay study cost where they do not pass their exams. Staff above the threshold set by the Department of Labour are not paid overtime but get time off in lieu of overtime worked.

10.3 NT transversal contracts are used insofar as practically possible.

10.4 Security to the Mayor must only be provided after security assessments have been done.

10.5 Printing are minimised and meeting agendas must be circulated electronically.

10.6 Energy saving measures must be applied in the municipality.

10.7 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during election periods.

11. ENFORCEMENT PROCEDURES

Failure to implement or comply with this policy may result in any official of the municipality or political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct as set out in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

12. DISCLOSURE OF COST CONTAINMENT MEASURES

12.1 The disclosure of cost containment measures applied by the municipality must be included in the municipal in-year budget reports and annual cost savings disclosed in the annual report.

12.2 The measures implemented, together with the regular reports on reprioritisation of cost savings, on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council may refer the reports to an appropriate Council Committee for further recommendations and actions.

12.3 Such reports must be copied to the National Treasury and relevant Provincial Treasuries within seven calendar days after the report is submitted to Municipal Council.

13. COMMENCEMENT

This policy will commence on 1 July 2018, and must be reviewed annually together with the budget related policies.

VIREMENT POLICY

2018/2019 FINANCIAL YEAR

1. INTRODUCTION

The compilation of a Virement Policy is based on the guidelines issued in Budget Circular 51 published by National Treasury.

Webster's New Millennium™ Dictionary of English defines "Virement" as "a regulated transfer or re-allocation of money from one account to another, especially public funds."

A virement represents a flexible mechanism to effect budgetary amendments within a Municipality's financial year.

Changing circumstances and priorities during a financial period may give rise to a need to virement (transfer) funds within or between approved " Votes" which relates to the six regulated segments in mSCOA. The treatment of such instances may, however, be dependent on whether an adjustments budget is required or not.

2. AIM OF THE VIREMENT POLICY

The aim is to give the heads of municipal departments' flexibility in managing their budgets.

The Virement policy aims to provide guidelines to senior management in the use of virements as a mechanism in their day-to-day management of their budgets.

The Virement policy must provide clear guidance to managers of when they may shift funds between the seven segments of mSCOA.

The Virement policy specifically aims to empower senior managers with an efficient financial – and budgetary system to ensure optimum service delivery within the current legislative framework of the MFMA and the municipality's system of delegations.

3. PURPOSE

(a) The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. A municipality's Virement policy and its underlying administrative process within the system of delegations is one of these controls.

(b) Section 81(1)(d) of the MFMA states inter alia that *"The chief financial officer of* a *municipality-. . .must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79;..."*

(c) It is the responsibility of each Head of Department of each department to which funds are allocated, to plan and conduct assigned operations so as to not expend more funds than budgeted and to ensure that funds are utilized effectively and efficiently.

(d) Section 78(1)(b) of the MFMA states inter alia that *"Each senior manager of* a *municipality and each official of* a *municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure- ...(b) that the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;..."*

4. DEFINITIONS

(a) Accounting Officer (MFMA)
"- (a) in relation to a municipality, means the municipal official referred to in section 60; or..."

(b) Approved Budget (MFMA) " - means an annual budget -

(i) approved by a municipal council; or
(ii) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;"

(c) Chief Financial Officer (MFMA)
"a person designated in terms of section 80(2)(a)"

(d) Cost Centre
Cost centre is a cost collector which represents a logical point at which cost (expenditure) is collected and managed by a responsible cost centre owner.

(e) Head of Department

Section 56 of the Systems Act states inter alia that: "Appointment of managers directly accountable to municipal managers - (a) a municipal council, after consultation with the municipal manager, appoints a manager directly accountable to the municipal manager..."

(f) Financial year

The 12-month period between 1 July and 30 June.

(g) Vote (MFMA)

(i) "(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

(ii) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned."

(h) Virement

The process of transferring an approved budgetary provision from one operating cost element or capital project to another within a vote during a municipal financial year and which results from changed circumstances from that which prevailed at the time of the previous budget adoption.

(i) Funding Segment

Is the various sources of funding available to municipalities for financing expenditure relating to the operation of the municipality both capital and operational spending.

(j) Function Segment

Is the location within mSCOA for creating the ‘’vote’’ structure for all municipalities.

(k) Item Segment

Is the distinction of what is being bought or money received for in the main categories being Revenue, Expenditure, Assets, liabilities and Net Assets.

(l) Project Segment

Is the nature of expense resulting in the classification of transactions linked to the IDP of the municipality.

(m) Costing Segment
Provides for the recording of full cost reflection.

5. BUDGET VERSUS EXPENDITURE

(a) The MFMA regulates as follows regarding the incurring of expenditure against budgetary provisions. Section 15 – Appropriation of funds for expenditure

"A municipality may, except where otherwise provided in this Act, incur expenditure only-

(i) in terms of an approved budget; and
(ii) within the limits of the amounts appropriated for the different votes in an approved budget."

(b) Unauthorized expenditure (MFMA Definition)
"in relation to a *municipality, means any expenditure incurred by* a *municipality otherwise than in accordance with section 15 or 11(3), and includes-*

(i) overspending of the total amount appropriated in the municipality's approved budget;

(ii) overspending of the total amount appropriated for a vote in the approved budget;

(iii) expenditure from a vote unrelated to the department or functional area covered by the vote;

(iv) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(v) spending of an allocation referred to in paragraph (ii), (iii) or (iv) of the definition of "a/location" otherwise than in accordance with any conditions of the allocation; or

(vi) a grant by the municipality otherwise than in accordance with the MFMA;"

(c) Overspending (MFMA Definition)

(i) "in relation to the budget of a *municipality, means causing the operational or capital expenditure incurred by the municipality during* a *financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;*

(ii) *in relation to* a *vote, means causing appropriation under that vote to exceed the amount budgeted for that vote; or*

(iii) in relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section;"

Section 71(1)(g)(iii) states inter alia *"(1) The accounting officer of* a *municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury* a *statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month: ...(g) when necessary, an explanation of-*
...(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget ...."

6. VIREMENT REQUIREMENTS

(a) The virement process represents the major mechanism to align and take corrective (financial / budgetary) action within a department / function during a financial year.

(b) In order for a "vote" (function) to transfer funds from one segment to another segment, a saving has to be identified within the monetary limitations of the approved "giving" segment allocations on the respective budgets.

(c) Sufficient, (non-committed) budgetary provision should be available within the "giving" segment concerned to give effect to the budgetary transfer (virement). In addition, the transferring function segment must clearly indicate to which segment the budget provision will be transferred to and provide a clear motivation for the transfer.

(d) Any budgetary amendment of which the net impact will be a change to the total approved annual budget allocation and any other amendments not covered in this policy are to be considered for budgetary adoption via an adjustments budget (per MFMA Section 28).

(e) In terms of Section 17 of the MFMA a municipality's budget is divided into an operating and capital budget and consequently no virements are permitted between Operating and Capital Budgets.

It should be noted that the virement of revenue is addressed in a specific resolution taken by Council.

7. VIREMENT PROCEDURE REQUIREMENTS AND RESTRICTIONS

(i) In order for a “vote” to transfer funds from one cost element, operating or capital project to another cost element, operating or capital project, a saving has to be identified within the monetary limitations of an identified cost element, operating or capital project allocations on the respective budgets.

(ii) Sufficient, budgetary provision should be available within the “giving” vote’s cost element or capital project concerned to give effect to the budgetary transfer (virement). In addition, the transferring function must clearly indicate to which cost element operating, or capital project the budget provision will be transferred to and provide a clear motivation for the transfer.

(iii) Any budgetary amendment of which the net impact will be a change to the total approved annual budget allocation and any other amendments not covered in this policy are to be considered for budgetary adoption via an Adjustments Budget (per MFMA Section 28).

(iv) In terms of Section 17 of the MFMA a Municipality’s budget is divided into an operating and capital budget and consequently no virements are permitted between Operating and Capital Budgets other than through an Adjustments Budget.

(v) A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years (MFMA Sections 19 and 21).

(vi) Virements resulting in adjustments to the approved SDBIP need to be submitted with an Adjustments Budget to the Council with revised targets and indicators for approval. (MFMA Circular 13).

(vii) No virement may be made to cover/ allow for unauthorised, irregular or fruitless and wasteful expenditure (MFMA Section 32).

(viii) All virements should be approved in line with the Council's System of delegations.

(ix) To facilitate the implementation of mSCOA, the Chief Financial Officer will be authorised to move budgets within "votes" as defined by the MFMA as a special delegation for the 2018/2019 – 2020/2021 financial year so as to not hamper service delivery.

(x) Virements may be done between the following mSCOAG segments:

Fund – no virements between funds will be allowed
Function – no virements between functions will be allowed
Municipal Standard Classification – no virements between municipal standard classification will be allowed (i.e. virements must be within departments / functions)
Project – virements between projects will be allowed
Costing – virements between costing will be allowed
Region – virements between regions will be allowed
Item – virements between items will be allowed, subject to non-cash items not being allowed as virements for cash items.

(a) The Executive Mayor must report on such expenditure to the Council at its next meeting and pass an adjustment budget within sixty (60) days after the expenditure was incurred.

8. PROCESS AND ACCOUNTIBILITY

(a) Accountability to ensure that virement application forms are completed in accordance with Council's Virement Policy and that these are not in conflict with a department's strategic objectives rests with the Head of Department. Specific virement forms will be prepared for each financial year to be used by departments.

(b) Completed virement documentation is to be effected by the Divisional Head: Budget and Financial Reporting after the necessary approvals have been consented to in signature.

(c) A monthly report, indicating all virements affected have to be compiled and submitted to Council for monitoring (as part of the section 71 report).

INDIGENT SCREENING POLICY

2018/2019 FINANCIAL YEAR

INDIGENT SCREENING POLICY

BACKGROUND

The Indigent Support Policy is a legal imperative, a tool designed to ensure that persons and households classified as indigent have access to basic services as defined in the Constitution of the Republic of South Africa, Act 108 of 1996. The policy is a tool of intervention to alleviate the plight and to encourage indigent households to live within affordable consumption levels. It is imperative to ensure that the policy is implemented efficiently and that only qualifying applicants are approved as indigents.

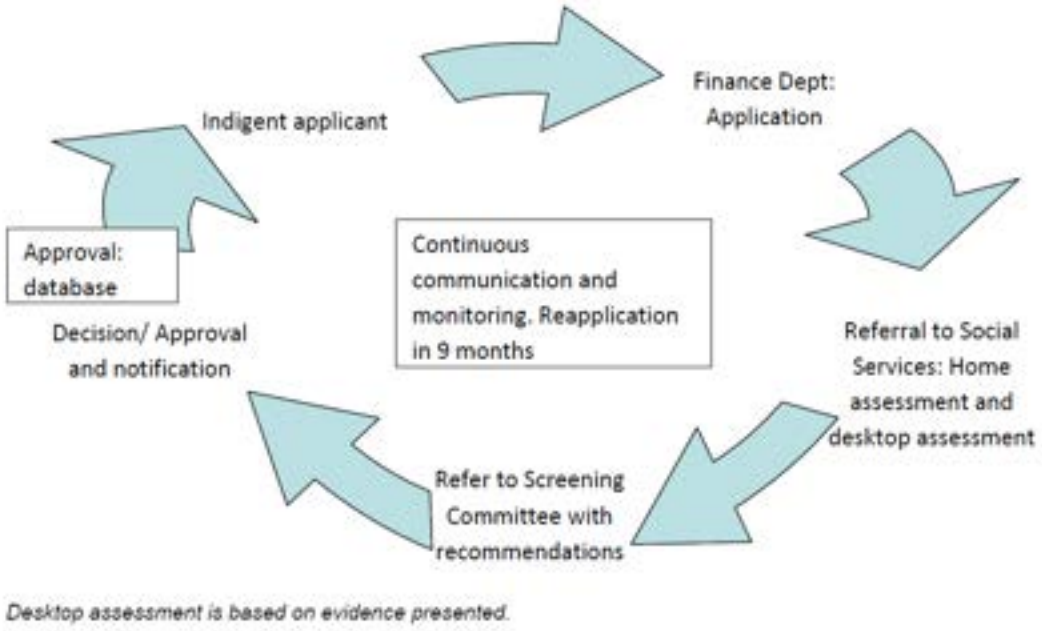
INDIGENT SCREENING PROCESS

The Finance Department of the Municipality has an Indigent Section that deals with the registration of Indigent households, which is supported by the indigent policy approved by council. The purpose of the indigent section is to administer the indigent's application forms and to ensure approved indigents receive their monthly subsidies.

The Community Services Department are responsible to evaluate the requests, to perform site visits as appropriate and to recommend on the approval / non-approval of the applications (to the Indigent Screening Committee).

The Indigent Screening Committee has the responsibility to finally consider the recommendations of the Community Services Department. The decisions of the committee are recorded administratively and the debt of the approved indigents are then written off and the subsidies are granted on a monthly basis for the approval period of one year.

The indigent application process are as follows:



INDIGENT SCREENING COMMITTEE TERMS OF REFERENCE

Name:

Midvaal Local Municipality Indigent Screening Committee

Members:

- MMC Finance (Chairperson)
- MMC Community Services
- MMC Engineering Services
- MMC Development Planning and Housing
- MMC Corporate Services
- 4 other Councillors as appointed by the Executive Mayor – for the 2018/2019 financial year, the Executive Mayor has appointed the following Councillors:

    - Cllr MM Mahlangu
    - Cllr MC Kruger
    - Cllr J Mazibuko
    - Cllr TC Skosana

In addition to the appointed members of the committee as listed above, the following role-players are required to attend meetings:

- ED Community Services, or designate
- Chief Financial Officer, or designate
- Social Worker/s
- Accountant responsible for indigent debt write-off and subsidies

Goals and Deliverables:

- To consider all indigent applications received for approval
- To approve the write-off of indigent debt as per the Indigent Policy and to ensure that all indigent debt administratively written off are reported to Council on a quarterly basis as required by the conditions of the System of Delegated Powers
- To withdraw any indigent approvals if additional / new information becomes available that shows the approved applicant did not qualify for indigency
- To keep the Executive Mayor informed on all matters related to the indigent policy and process

Compliance with the Indigent Policy

The Indigent Screening Committee must ensure that approved applicants comply with the policy (based on documentation presented to the committee). The following information must be available for scrutiny by the committee for each application to be considered:

- Proof of total household income (gross income);
- Bank Statements for 3 months with declarations from all banks that the applicant and all other adult members of the household do not have any other bank accounts. No affidavits in lieu of bank statements will be accepted;
- Ownership status;
- Unemployed applicants must attach an affidavit from the Police Station;
- Valid copy of SA identity document;

- Pension certificate or card in case of a pensioner;
- Letter of Authority and Death Certificate where applicable;
- Will and Death Certificate where applicable;
- Municipal account; and
- Duly completed application form with recommendations from the Social Worker and ED: Community Services

Governance

- The meetings will take place in the Finance Boardroom, ground floor, Civic Centre, 25 Mitchell Street Meyerton
- The quorum will be more than 50% of the appointed members, in other words, 5 members
- All apologies must be submitted to the Chairperson in writing
- Members will be required to declare any conflict of interest that they may have with regard to applications received at the beginning of each meeting and will be required to recuse themselves when the application is considered
- The Corporate Services Department will provide a committee support function to the Indigent Screening Committee

CAUCUS BUDGET POLICY

2018/2019 FINANCIAL YEAR

CAUCUS BUDGET POLICY

1. BACKGROUND

The various political parties of Council have a need to incur certain operational costs and should have access to the required resources as allowed for in the Remuneration of Public Office Bearers Act, 20 of 1998.

National Treasury has issued Draft Cost Containment Regulations in July 2017, and in anticipation of the promulgation, the Draft Regulations are being applied insofar as practically possible and as such these provisions have been included in the Caucus Budget Policy.

This policy must be read in conjunction with the Councillor Allowances Policy approved by Council per Item C1619/04/2017 dated 20 April 2017, as well as the Policy dealing with attending conferences, meetings, training and workshops: Bookings for Councillors and Officials per Item C1499/08/2016 dated 25 August 2016.

2. CATERING FOR CAUCUS MEETINGS

Catering will be allowed for the monthly caucus meetings at an amount per person as indicated in the annual budgetary provision as per paragraph 6 of this policy. The caucus must procure the catering services in compliance with the Supply Chain Management Policy of the municipality and preference must be given to township suppliers in line with the Township Economies Revitalisation Programme of the Gauteng Provincial Government. Meals eaten in or ordered from restaurants will be subject to the approval of the Speaker of Council and will only be allowable in cases where the total monthly expenditure is less than R2 000 as per the Supply Chain Management Policy.

3. STATIONERY AND RELATED OFFICE EXPENSES FOR CAUCUS's

Caucus's will be allowed a maximum amount for stationery and related office expenses as indicated in the annual budgetary provision as per paragraph 6 of this policy and must be procured by the Speaker's Office in compliance with the Supply Chain Management Policy of the municipality.

4. CAUCUS LEKGOTLA's

Each caucus will be allowed a Lekgotla once every financial year to a maximum amount as indicated in the annual budgetary provision as per paragraph 6 of this policy. This amount is all inclusive of transport, food and beverages, accommodation, venue, facilitator, Midvaal branded clothing etc. It must be noted that no party political branding can be funded from municipal resources. Approval must be obtained by the Speaker of Council for such

Lekgotla. In addition, the provisions of the Draft Cost Containment Regulations will be applicable, i.e.

- No subsistence allowances will be paid for Lekgotla's;
- No municipal funds may be used or incurred on alcoholic beverages;
- Lekgotla's must, as far as practically possible, be held in-house;
- Lekgotla's may not be financed by any suppliers or sponsors.

5. ATTENDANCE OF CONFERENCES

Each caucus will be allowed a maximum annual amount for the attendance of conferences as indicated in the annual budgetary provision as per paragraph 6 of this policy. This amount is all inclusive of transport, food and beverages, accommodation, and subsistence allowances. Attendance of all conferences must be approved by the Executive Mayor and the Policy dealing with attending conferences, meetings, training and workshops: Bookings for Councillors and Officials will apply.

6. CAUCUS BUDGET

The budget for the 2018/2019 financial year is reflected below:

Vote Number			Per person	Per person	
Caucus catering			**Per month**	**Per year**	**2018/2019**
01152260600F1P84ZZHO	DA	17	83,33	1 000,00	17 000,00
01152260600F1P83ZZHO	ANC	9	83,33	1 000,00	9 000,00
01152260600F1P85ZZHO	FF	1	83,33	1 000,00	1 000,00
01152260600F1P86ZZHO	EFF	2	83,33	1 000,00	2 000,00
		29			**29 000,00**
Caucus Stationery and related office expenses					
01152304510F1P84ZZHO	DA	17		1 000,00	17 000,00
01152304510F1P83ZZHO	ANC	9		1 000,00	9 000,00
01152304510F1P85ZZHO	FF	1		1 000,00	1 000,00
01152304510F1P86ZZHO	EFF	2		1 000,00	2 000,00
		29			**29 000,00**
Caucus Lekgotla					
01152305110F1P84ZZHO	DA	17		3 200,00	54 400,00
01152305110F1P83ZZHO	ANC	9		3 200,00	28 800,00
01152305110F1P85ZZHO	FF	1		3 200,00	3 200,00
01152305110F1P86ZZHO	EFF	2		3 200,00	6 400,00
		29			**92 800,00**
Conferences					
	DA	17		10 000,00	170 000,00
	ANC	9		10 000,00	90 000,00
	FF	1		10 000,00	10 000,00
	EFF	2		10 000,00	20 000,00
		29			**290 000,00**
01152305762F1MRCZZHO	OC: ACCOMMODATION: ANC				31 500,00
01152305761F1MRCZZHO	OC: ACCOMMODATION: DA				59 500,00
01152305763F1MRCZZHO	OC: ACCOMMODATION: EFF				3 500,00
01152305764F1MRCZZHO	OC: ACCOMMODATION: FF				7 000,00
01152305832F1MRCZZHO	OC: AIR TRANSPORT: ANC				31 500,00
01152305831F1MRCZZHO	OC: AIR TRANSPORT: DA				59 500,00
01152305833F1MRCZZHO	OC: AIR TRANSPORT: EFF				3 500,00
01152305834F1MRCZZHO	OC: AIR TRANSPORT: FF				7 000,00
01152305772F1MRCZZHO	OC: DAILY ALLOWANCE:ANC				9 000,00
01152305771F1MRCZZHO	OC: DAILY ALLOWANCE:DA				17 000,00
01152305773F1MRCZZHO	OC: DAILY ALLOWANCE:EFF				1 000,00
01152305774F1MRCZZHO	OC: DAILY ALLOWANCE:FF				2 000,00
01152305792F1MRCZZHO	OC: INCIDENTAL COST: ANC				1 800,00
01152305791F1MRCZZHO	OC: INCIDENTAL COST: DA				3 400,00
01152305793F1MRCZZHO	OC: INCIDENTAL COST: EFF				200,00
01152305794F1MRCZZHO	OC: INCIDENTAL COST: FF				400,00
01152305802F1MRCZZHO	OC: WITHOUT OPR CAR RENTAL: ANC				16 200,00
01152305801F1MRCZZHO	OC: WITHOUT OPR CAR RENTAL: DA				30 600,00
01152305803F1MRCZZHO	OC: WITHOUT OPR CAR RENTAL: EFF				1 800,00
01152305804F1MRCZZHO	OC: WITHOUT OPR CAR RENTAL: FF				3 600,00
					290 000,00

7. EFFECTIVE DATE

The Policy is effective from 1 July 2018.

8. ANNEXURES

- Councillor Allowances Policy approved by Council per Item C1619/04/2017 dated 20 April 2017.

- Policy dealing with attending conferences, meetings, training and workshops: Bookings for Councillors and Officials per Item C1499/08/2016 dated 25 August 2016.

- Draft Cost Containment Regulations, issued on 16 February 2018 per Government Gazette 41445.

MIDVAAL LOCAL MUNICIPALITY
MINUTES OF THE 4TH ORDINARY MEETING OF 2017 HELD ON THURSDAY, 20 APRIL 2017 AT 15:00 AT THE COUNCIL CHAMBERS

C1619/04/2017
SMC A/3402/04/2017

9.A.2 [CC:CS]: POLICY COUNCILLOR ALLOWANCES

5/12/1/1

COMPETENCY: COUNCIL

RESOLVED

That the policy relating to the benefits for Councillors, attached to the report as Annexure "A", be approved.

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MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 4TH ORDINARY MEETING OF 2017 TO BE HELD ON THURSDAY, 20 APRIL 2017 AT 15:00 AT THE COUNCIL CHAMBERS

C1619/04/2017
SMC A/3402/04/2017

9.A.2 [CC:CS]: POLICY COUNCILLOR ALLOWANCES

5/12/1/1

COMPETENCY: COUNCIL

PURPOSE

To submit the proposed policy relating to allowances flowing from the regulations on the remunerations of Councillors.

RECOMMENDATION

That the policy relating to the benefits for Councillors, attached to the report as Annexure "A", be approved.

REPORT

Pursuant to promulgation of the notice on the Determination of the Upper Limits of Councillors's Salaries, Allowances and Benefits, the auditors have requested clarity on the implementation of certain benefits for Councillors. The matters are indicated in the policy attached as Annexure "A" and it is suggested that it be approved as a policy for the Municipality.

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 10 APRIL 2017

Resolved to Recommend

That the item be referred to the Mayoral Committee.

MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 4TH ORDINARY MEETING OF 2017 TO BE HELD ON THURSDAY, 20 APRIL 2017 AT 15:00 AT THE COUNCIL CHAMBERS

ANNEXURE "A"

MIDVAAL
LOCAL MUNICIPALITY

POLICY

COUNCILLOR ALLOWANCES

3 April 2017

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MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 4TH ORDINARY MEETING OF 2017 TO BE HELD ON THURSDAY, 20 APRIL 2017 AT 15:00 AT THE COUNCIL CHAMBERS

POLICY: BENEFITS EMANATING FROM COUNCILLOR ALLOWANCES

Pursuant to promulgation of the notice on the Determination of the Upper Limits of the Salaries, Allowances and Benefits of Municipal Councillors the following policy relating to matters contained therein are approved:

1. Out of Pocket Expenses

   Reimbusement for such expenses will be limited to urgent and unforeseen expenditure items incurred whilst attending to Council business with the approval of the Executive Mayor and /or the Municipal Manager.

2. Use of Council-Owned Vehicles:

   The principle is that if a Councillor receives a travel allowance as per the stated promulgated notice, such Councillor may not make use of official Council-owned vehicles for official purposes, except in the following circumstances:

   - Two vehicles with Drivers/Protectors are made available to the Executive Mayor for official purposes.
   - A vehicle with a Driver is made available to the Speaker for official purposes.
   - Other office bearers or part-time Councillor's may only make use of Council-owned transport in special circumstances as may be approved by the Executive Mayor or the Speaker, such as joint site inspections, joint strategic events or where joint transport is more cost effective or practical than travelling separately.
   - Any claims for reimbursement of other qualifying travel costs incurred by Councillors will be dealt with in terms of Council's relevant travel policy.

3. Tools of Trade

- All Councillors are to be provided with a laptop, whether Council-owned or on a rental basis.
- Full time Office Bearers will be provided with the following resources:
  - An office
  - Official telephone
  - Access to a centralised printer
  - Support by a secretary, whether collectively or otherwise
  - Stationary for office use
  - No off-site printing facilities or printers will be provided, neither will such costs be reimbursed or provided for. However, a provisio to this limitation is in circumstances for example when an off-site strategic session / joint meeting is held and copying / printing facilities are required as approved by the Executive Mayor and /or the Municipal Manager.

MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 4TH ORDINARY MEETING OF 2017 TO BE HELD ON THURSDAY, 20 APRIL 2017 AT 15:00 AT THE COUNCIL CHAMBERS

4. Personal security – SAPS Risk Analysis

- An annual SAPS risk assessment will be conducted for the Executive Mayor. If circumstances so dictate, more frequent assessment of this nature may be requested for the Executive Mayor.
- If circumstances so require and as agreed to by the Executive Mayor and the Municipal Manager, a SAPS risk analysis or other approved similar assessment may be conducted for any other full-time Office Bearer or part-time Councillor.

5. Cost-Curtailment Measures

The cost-curtailment measures as per the National Treasury directives applicable to the administration apply equally to Councillors.

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MIDVAAL LOCAL MUNICIPALITY
MINUTES OF THE 6TH ORDINARY MEETING OF 2016 HELD ON THURSDAY, 25 AUGUST 2016 AT 14:00 AT THE COUNCIL CHAMBERS

C 1489/07/2016 (No quorum)
C 1499/08/2016
MC A/3286/06/2016

9.A.4 [CS]: POLICY DEALING WITH ATTENDING CONFERENCES, MEETINGS, TRAINING AND WORKSHOPS: BOOKINGS FOR COUNCILLORS AND OFFICIALS

4/5/2/P

COMPETENCY: COUNCIL

RESOLVED

1. That the current Policy dealing with attending conferences, meeting, training and workshop: bookings for Councillors and Officials approved on 26 June 2014 under item C 1138/06/2014, be repealed.

2. That the Policy dealing with attending conferences, meeting, training and workshop: bookings for Councillors and Officials, attached to the report as Annexure "A", be approved.

MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 6TH ORDINARY MEETING OF 2016 TO BE HELD ON THURSDAY, 25 AUGUST 2016 AT 14:00 AT THE COUNCIL CHAMBERS

C 1489/07/2016 (No quorum)
C 1499/08/2016
MC A/3286/06/2016

9.A.4 [CS]: POLICY DEALING WITH ATTENDING CONFERENCES, MEETINGS, TRAINING AND WORKSHOPS: BOOKINGS FOR COUNCILLORS AND OFFICIALS

4/5/2/P

COMPETENCY: COUNCIL

PURPOSE

To submit the amended Policy dealing with attending conferences, meeting, training and workshop: bookings for Councillors and Officials.

RECOMMENDATIONS

1. That the current Policy dealing with attending conferences, meeting, training and workshop: bookings for Councillors and Officials approved on 26 June 2014 under item C 1138/06/2014, be repealed.

2. That the Policy dealing with attending conferences, meeting, training and workshop: bookings for Councillors and Officials, attached to the report as Annexure "A", be approved.

REPORT

Attached to the report as Annexure "A", is the amended Policy dealing with attending conferences, meeting, training and workshop: bookings for Councillors and Officials.

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 31 MAY 2016

Resolved to Recommend

That the item be referred to the Section 80 Corporate Services Portfolio Committee.

COMMENTS: SECTION 80 CORPORATE SERVICES PORTFOLIO COMMITTEE: 07 JUNE 2016

The recommendations are supported.

4/5/2/P

ATTENDING CONFERENCES, MEETINGS, TRAINING AND WORKSHOPS POLICY

BOOKINGS FOR

COUNCILLORS AND OFFICIALS

Section 167 of The Municipal Finance Management Act inter alia states as follows:

"Councillors' Remuneration

167. (1) A municipality may remunerate its political office bearers and members of its political structures, but only –

(a) within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members; and

(b) in accordance with section 219(4) of the Constitution.

(2) Any remuneration paid or given in cash or in kind to a person as a political office-bearer or as a member of a political structure of a municipality otherwise than in accordance with subsection(1), including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and the municipality –

(a) must, and has the right to recover that remuneration from the political office-bearer or member, and

(b) may not write off any expenditure incurred by the municipality in paying or giving that remuneration.

The upper limits of the salaries, allowances and benefits for political office bearers and members is determined annually and nothing in this policy may be interpreted or implemented contrary to such determinations.

The salaries and benefits of officials are determined through a collective bargaining process in terms of the Labour Relations Act.

This policy seeks to address the payment of subsistence and travel allowances in appropriate circumstances for permissible events outside of the first mentioned processes.

POLICY:

Payments are based on the following principles:

i) To reimburse **actual expenditure**;

ii) When a choice is made, **Council will not be worse off to what the expenditure for Council would otherwise be**;

: H:Louisevs/Meyerton1/User/Policy conference arrangements/Revised 10/05/2016

iii) Existing remuneration is meant to include service delivery within the jurisdiction of Midvaal (Remuneration of Office Bearers Act) for which no additional allowances are to be paid.

1. **Attending conferences and training:**

For purposes of implementation of this policy, "training" shall mean:

Specific municipal short training courses (i.e. not bursary-type courses) where sleep-over is required at a venue beyond a 120km radius from the Midvaal Municipal Office precinct: EXCEPT within such radius if the practicalities dictate it differently and it has been approved in writing by the Executive Mayor in respect of Councillors and by the Municipal Manager in respect of all other staff.

The Authorisation Form (attached hereto as **Annexure "1** (Mayor)/ **1B"** (Speaker)) must be completed and signed off by the Executive Mayor in respect of Councillors and by the Municipal Manager in respect of all other staff **PRIOR** to attendance of meetings, workshops, training and conferences.

Training/conferences over a period of 5 days or longer will be considered on merit and on an ad hoc basis, subject to availability of the budget.

2. **ACCOMMODATION**

Accommodation for Councillors and officials attending conferences, training, workshops, etc. over 2 days and more will only be arranged if, based on a motivated request, approval by the Executive Mayor or Municipal Manager has been granted.

The following will apply:

- In view of the high population density and travel congestion in Gauteng, where the conference is within 120km radius of Midvaal (e.g. in Gauteng) no accommodation is applicable, **unless PRIOR APPROVED** in writing by the Executive Mayor and/or Municipal Manager who must consider all practicalities and safety factors.
- Where the conference is out of the 120km radius of Midvaal (e.g. Cape Town, KwaZulu-Natal, etc) accommodation is applicable as follows:
  - The allowances payable will be capped as per National Treasury rate levels grid for Band 2 for 4 and 5 star accommodation (**Annexure 2**), subject to the prerogative of the Executive Mayor and / or Municipal Manager in deserving circumstances given the considerations of practicalities, safety or other documented merit.
  - The hotel quotes are to be sourced from those included on the National Treasury hotel group list, if applicable, and others the travel agents may

source from hotels/guest houses, depending on availability, locality and rates which could be lower.

- One extra travel day is allowed to local destinations and two days maximum for international travel is allowed when the conference, meeting or training commencement requires this: Provided that if the last day of a conference, meeting or training session ends after 16h00, accommodation may be arranged for that evening only on **PRIOR APPROVAL** by the Executive Mayor and/or Municipal Manager as appropriate.
- Where the delegate makes his/her own accommodation arrangements, the following will apply:
    - The delegate may elect to being issued the cheapest rand value of a bed and breakfast per night rate at the standard of an approved hotel quoted at the time of registration.

- **It must be kept in mind that all expenses incurred must be in the best interest of Council.**

3. TRANSPORT

Transport to and from the venues will be as follows, keeping in mind of the high population density and travel congestion in Gauteng, as well as all practicalities and safety factors that may apply to such trips:

3.1 Where the conference is within 120km radius of Midvaal (e.g. in Gauteng) no travel arrangements are applicable. Official transport may be used by officials not in travel bearing positions where the Municipal Manager has approved it based on all practical factors involved. Where no official transport is available, prior approval by the HOD is required to claim transport costs for using a private vehicle.

Kilometres may be claimed on submission of a completed and signed Travel Claim Form (attached hereto as **Annexure "3"**) on return and will be reimbursed as follows:

- Officials who receive a travel allowance will be reimbursed in the next payroll at the AA running cost.
- Employees who do not receive a travel allowance will be reimbursed in the next payroll at the rates approved by the National Department of Transport as updated from time to time.
- Councillors will be reimbursed according to the rates as set out in the relevant Gazette under the Public Office Bearers Act.
- Councillors and officials should make use of a shuttle service at conferences and similar gatherings/meetings if the cost of such a service is

below the cost of hiring a vehicle and if practical.

- If a vehicle/s is/are hired, it should be done from a **Group B** or lower class/category, unless an upgrade is offered free of charge.
- Vehicle travel claims by Councillors and employees of the municipality must be restricted to the actual distance travelled in excess of the normal distance from the Councillor or employee's residence to his or her place of work if the latter distance would have been travelled in any event or if it makes the claimed distance shorter.

3.2 Where the conference is out of the 120km radius of Midvaal (e.g. Cape Town, Kwazulu-Natal, etc) the following travel arrangements are applicable:

4. AIR TRAVEL

- Only economy class air tickets may be purchased for flights.
- The air ticket quotes are to be sourced from the National Treasury "full service carriers" discounted list, if applicable, and others as may be sourced from other carriers, depending seat availability and rates which may be lower.
- Please note that business class is not encouraged, however where a single flight exceeds 5 hours, consideration may be applied.
- For car rental the same provisions as under Transport above will apply.
- One extra travel day is allowed for local destinations and two days maximum for international travel are allowed when the conference, meeting or training commencement requires this: Provided that if the last day of a conference, meeting or training session ends after 16h00, accommodation may be arranged for that evening only on **PRIOR APPROVAL** by the Executive Mayor and/or Municipal Manager.

4.1 Where the delegate makes his/her own transport arrangements, the following will apply:

* The delegate may elect to being issued the rand value of the cheapest plane ticket (Economy class) quoted at the time of registration.
* On discretion of the Municipal Manager the total rand value for the car hire may be equally divided amongst the delegates attending a conference should the car hire not be utilised and delegates arrange

own travel.

OR

* The delegate may drive/travel at own cost and claim the kilometres on submission of a completed and signed Travel Claim Form on return and officials will be reimbursed at the stipulated AA running or full cost (where applicable), whichever option is in the best interest of Council given all practicalities, cost and any other applicable factors as approved by the Municipal Manager in the case of officials or the Executive Mayor in the case of Councillors.

* Councillors will be reimbursed according to the rates as set out in the Gazette under the Public Office Bearers Act. Reimbursement will be on the next payroll. All toll fees and parking fees may be claimed as well. (Refer to payment principles.)

4.2 If official transport is approved by the HOD or Municipal Manager in circumstances where practicalities so dictate, no other transport payments may be made.

5. SUBSISTENCE ALLOWANCE

Allowances are payable as per Annexure 2.

6. GENERAL

- Expenditure in general will be reimbursed to Councillors and Officials on proof of actual costs subject to the approval of the Executive Mayor and/or Municipal Manager within the parameters of the remuneration of the Gazette under the Public Office Bearers Act and/or this or other Council policy.

- Councillors attending meetings arranged through SALGA, Sedibeng and Provincial Government as indicated in the approved Section 80 Committees, Mayoral Committees and Council Year Planner do not require prior approval.

A.S.A. DE KLERK
MUNICIPAL MANAGER

DATE

MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 6TH ORDINARY MEETING OF 2016 TO BE HELD ON THURSDAY, 25 AUGUST 2016 AT 14:00 AT THE COUNCIL CHAMBERS

AUTHORISATION FOR ATTENDING A CONFERENCE/TRAINING (ANNEXURE "1")

1 DESCRIPTION OF CONFERENCE OR TRAINING AND MOTIVATION FOR ATTENDANCE

NB!! Please complete the registration form and attach to this form together with a COPY OF YOUR ID (as well as your companion's, if applicable).

2 CONFERENCE WILL BE HELD AT:

3 DATE OF CONFERENCE/TRAINING

SUPPORTED / NOT SUPPORTED

SIGNATURE: HEAD OF DEPARTMENT

4 RECOMMENDATION:

COUNCILLORS TO ATTEND : Please include your pay number for payment of your subsistence

OFFICIALS TO ATTEND : Please include your pay number for payment of your subsistence

5 VOTE NUMBER TO BE USED:

APPROVED / NOT APPROVED

CLLR B. BALOYI
EXECUTIVE MAYOR

APPROVED / NOT APPROVED

MR A.S.A. DE KLERK
MUNICIPAL MANAGER

6 PREFERENCES:
HOTEL

FLIGHT (and preferred times):

Departure date and time

Return date and time

INDICATES MANDATORY FIELD

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MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 6TH ORDINARY MEETING OF 2016 TO BE HELD ON THURSDAY, 25 AUGUST 2016 AT 14:00 AT THE COUNCIL CHAMBERS

AUTHORISATION FOR ATTENDING A CONFERENCE/TRAINING (ANNEXURE "1B")

1 DESCRIPTION OF CONFERENCE OR TRAINING AND MOTIVATION FOR ATTENDANCE
* Please complete the registration form and attach to this form together with a COPY OF YOUR ID (as well as your companion's, if applicable).

2 CONFERENCE WILL BE HELD AT:
*

3 DATE OF CONFERENCE/TRAINING
*

SUPPORTED / NOT SUPPORTED

SIGNATURE: HEAD OF DEPARTMENT

4 RECOMMENDATION:
*

COUNCILLORS TO ATTEND : Please include your pay number for payment of your subsistence	OFFICIALS TO ATTEND : Please include your pay number for payment of your subsistence

5 VOTE NUMBER TO BE USED:
*

APPROVED / NOT APPROVED	APPROVED / NOT APPROVED
CLLR F.W. PETERS OFFICE OF THE SPEAKER	MR A.S.A. DE KLERK MUNICIPAL MANAGER

6 PREFERENCES:
HOTEL

FLIGHT: (SAA, BA, Kulula, 1Time, Mango)

Departure date and time
*

Return date and time
*

* INDICATES MANDATORY FIELD

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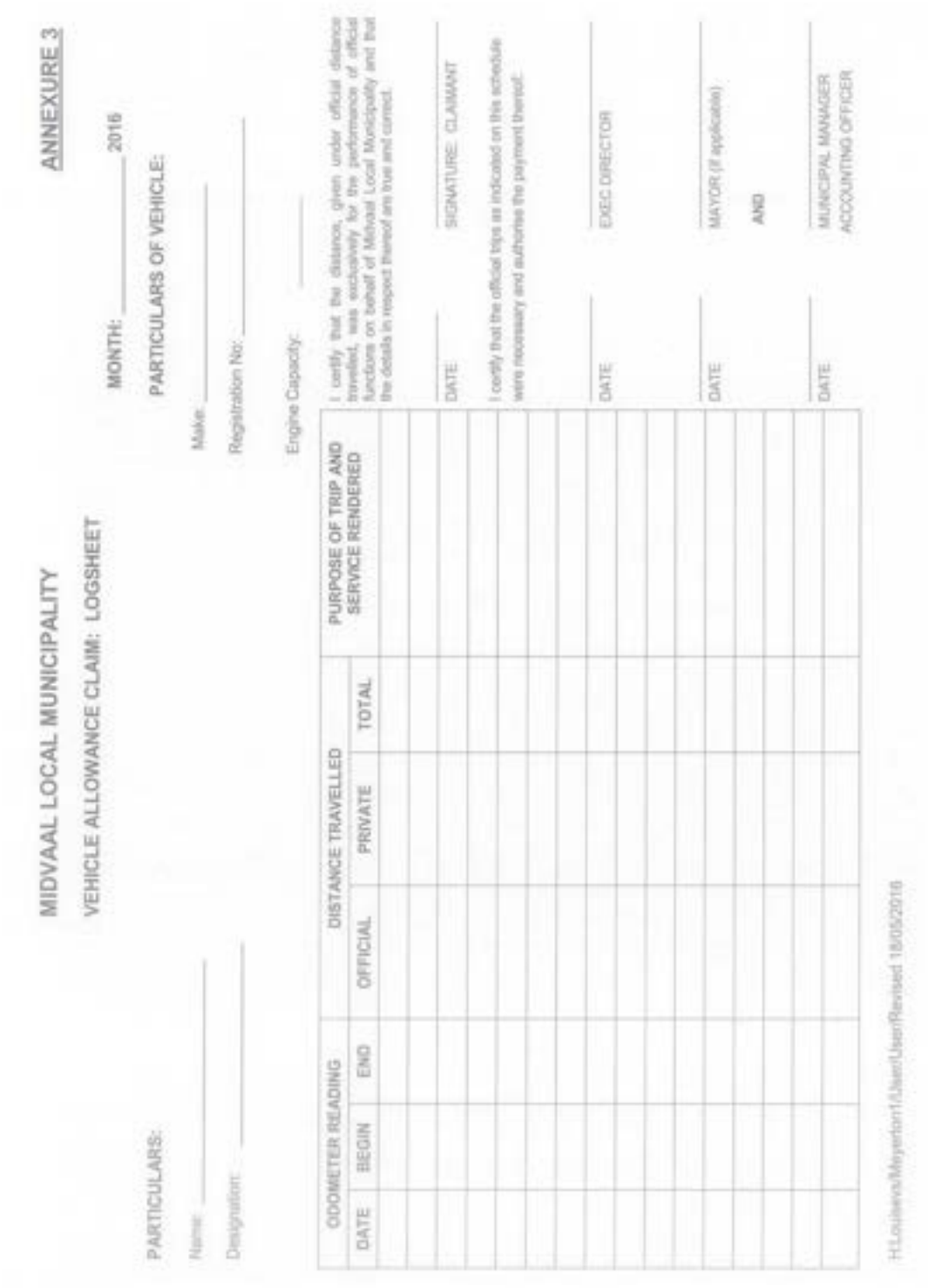
MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 6TH ORDINARY MEETING OF 2016 TO BE HELD ON THURSDAY, 25 AUGUST 2016 AT 14:00 AT THE COUNCIL CHAMBERS

Table 1: Rates set for Domestic Hotel Accommodation ANNEXURE "2"

Accommodation Grid			
Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drink at Dinner
Graded Hotel	BAND 1	BAND 2	BAND 3
1 Star property	R 580.00	R 710.00	R 855.00
2 Star property	R 900.00	R 1 030.00	R 1 230.00
3 Star property	R 1 100.00	R 1 200.00	R 1 400.00
4 Star property	R 1 250.00	R 1 350.00	R 1 550.00
5 Star property	R 2 100.00	R 2 200.00	R 2 500.00
Bed & Breakfast or Guest house	BAND 1	BAND 2	BAND 3
1 Star property	-	R 180.00	R 270.00
2 Star property	-	R 250.00	R 350.00
3 Star property	-	R 400.00	R 520.00
4 Star property	-	R 600.00	R 750.00
5 Star property	-	R 800.00	R 975.00
S & T Allowance	BAND 1	BAND 2	BAND 3
Breakfast	R 120.00	-	-
Lunch	R 120.00	R 150.00	-
Dinner	R 150.00	R 150.00	-
Total as per TP	R 390.00	R 300.00	-
S&T Claims accepted based on Travel Policy, detail include Parking and Wi Fi **Important Note**: All other costs incurred are for the individuals account. **Note**: Consideration should be given to include such a table in policies.			

MIDVAAL LOCAL MUNICIPALITY
AGENDA OF THE 6TH ORDINARY MEETING OF 2016 TO BE HELD ON THURSDAY, 25 AUGUST 2016 AT 14:00 AT THE COUNCIL CHAMBERS



ANNEXURE 3

MIDVAAL LOCAL MUNICIPALITY

VEHICLE ALLOWANCE CLAIM: LOGSHEET

MONTH: _____ 2016

PARTICULARS:

Name: _____

Designation: _____

PARTICULARS OF VEHICLE:

Make: _____

Registration No: _____

Engine Capacity: _____

DATE	ODOMETER READING BEGIN	ODOMETER READING END	DISTANCE TRAVELLED OFFICIAL	DISTANCE TRAVELLED PRIVATE	DISTANCE TRAVELLED TOTAL	PURPOSE OF TRIP AND SERVICE RENDERED

I certify that the distance, given under official distance travelled, was exclusively for the performance of official functions on behalf of Midvaal Local Municipality and that the details in respect thereof are true and correct.

_____ SIGNATURE: CLAIMANT

_____ DATE

I certify that the official trips as indicated on this schedule were necessary and authorise the payment thereof:

_____ EXEC DIRECTOR

_____ DATE

_____ MAYOR (If applicable)

AND

_____ DATE

_____ MUNICIPAL MANAGER
ACCOUNTING OFFICER

_____ DATE

H:Louiewa/Meyerton1/User/User/Revised 18/05/2016

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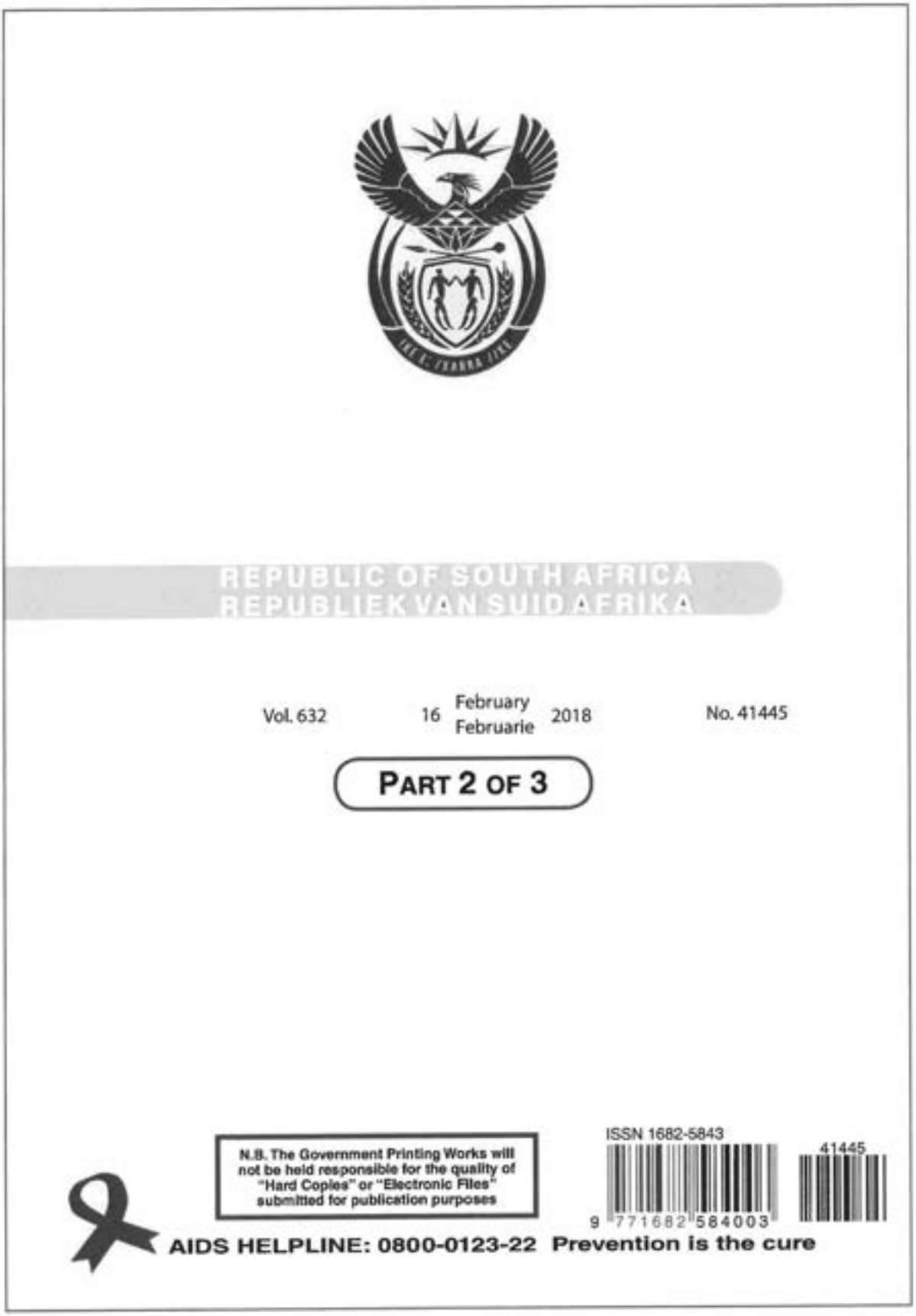
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LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 - MUNICIPAL COST CONTAINMENT REGULATIONS

In terms of section 169(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), draft regulations intended to be made in terms of section 168(1)(b) and (p) of that Act, as set out in Part A of the Schedule, are hereby publish for public comment.

An explanatory memorandum regarding the draft regulations is in Part B of the Schedule.

All comment received by 30 March 2018 will be considered and should be emailed to MFMA@treasury.gov.za or faxed to 012 315 5230.

SCHEDULE

PART A
DRAFT MUNICIPAL COST CONTAINMENT REGULATIONS
TABLE OF CONTENTS

1. Definitions
2. Object of Regulations
3. Application of Regulations
4. Cost containment policies
5. Use of consultants
6. Vehicles used for political office-bearers
7. Travel and subsistence
8. Domestic accommodation
9. Credit cards
10. Sponsorships, events and catering
11. Communication
12. Conferences, meetings and study tours
13. Other related expenditure items
14. Enforcement procedures
15. Disclosures of cost containment measures
16. Short title and commencement

Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and–

"**Act**" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
"**consultant**" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;
"**cost containment**" means measures implemented to curtail spending in terms of these regulations; and
"**credit card**" means a card issued by a financial service provider, which creates a revolving account and grants a line of credit to the cardholder.

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Object of Regulations

2. The object of these Regulations, in line with section 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

Application of Regulations

3. These Regulations apply to all municipalities and municipal entities.

Cost containment policies

4. (1) Each municipality and municipal entity must revise or develop and implement a cost containment policy which must–
   (a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies; and
   (b) be consistent with the Act and these Regulations.
(2) The cost containment policy of a municipality or a municipal entity contemplated in sub-regulation (1) must–
   (a) be in writing;
   (b) give effect to these Regulations;
   (c) be reviewed annually, as may be appropriate;
   (d) be communicated on the municipality's or municipal entity's website; and
   (e) set out–
      (i) measures for ensuring implementation of the policy;
      (ii) procedures for the annual review of the policy; and
      (iii) consequences for non-adherence to the measures contained therein.

Use of consultants

5. (1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full time employ to perform the function.
   (2) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates–
      (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
      (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration;
      (c) as prescribed by the body regulating the profession of the consultant.
   (3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).
   (4) When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.
   (5) When consultants are appointed, an accounting officer must–
      (a) appoint consultants on a time and cost basis with specific start and end dates;
      (b) where practical, appoint consultants on an output-specified basis, subject to a clear specification of deliverables and associated remuneration;
      (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
      (d) develop consultancy reduction plans; and
      (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations and the municipality's Supply Chain Management policy.

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(6) All contracts with consultants must include fee retention or penalty clause for poor performance.
(7) A municipality or municipal entity must ensure that the specifications and performance, are used as a monitoring tool for the work to be undertaken and is appropriately recorded and monitored.
(8) The travel and subsistence costs of consultants must be in accordance with the travel policy issued by the National Department of Transport, as updated from time to time.
(9) The contract price must specify all travel and subsistence cost and, if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the abovementioned travel policy of the National Department of Transport.

Vehicles used for political office-bearers

6. (1) The threshold limit for vehicle purchases relating to official use by political office-bearers may not exceed R700 000 or 70% of the total annual remuneration package for different grades, whichever is greater.
(2) The procurement of vehicles must be undertaken using the national government transversal contract mechanism.
(3) If any other procurement process is used, the cost may not exceed the threshold set out in sub-regulation (1).
(4) Before deciding on another procurement process as contemplated in sub-regulation (3), the chief financial officer must provide the council with information relating to the following criteria which must be considered:
(a) status of current vehicles;
(b) affordability;
(c) extent of service delivery backlogs;
(d) terrain for effective usage of vehicle; and
(e) any other policy of council.
(5) Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.
(6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace vehicles for official use by public office bearers before completion of one hundred and twenty thousand kilometres only in instances where the vehicle experiences serious mechanical problem and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

Travel and subsistence

7. (1) An accounting officer–
(a) may only approve purchase of economy class tickets for officials where the flying time for the flights is five hours or less; and
(b) for flights exceeding five hours, may purchase business class tickets only for accounting officers, and persons reporting directly to accounting officers.
(2) Notwithstanding sub-regulation (1), an accounting officer may approve the purchase of business class tickets for officials with disabilities.
(3) The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials attending such meetings or events must be limited to those officials directly involved in the subject matter related to such meetings or events.
(4) An accounting officer may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury only–
(a) during peak holiday periods; or
(b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area.
(5) Officials of a municipality or municipal entity must–
(a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;

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(b) make use of shuttle service if the cost of such a service is lower than-
  (i) the cost of hiring a vehicle;
  (ii) the cost of kilometres claimable by the employee; and
  (iii) the cost of parking.
(c) not hire vehicles from a category higher than Group B or an equivalent class; and
(d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

(6) Municipalities and municipal entities must utilise the negotiated rates for flights and accommodation, communicated by the National Treasury, from time to time, or any other available cheaper flight and accommodation.

Domestic accommodation

8. An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by the National Treasury, from time to time.

Credit cards

9. (1) An accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality or a municipal entity is issued to any official or public office bearer, including members of the board of directors of municipal entities.

(2) Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials or public officer bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement from the municipality or municipal entity in accordance with the relevant municipality or municipal entity's policy and processes.

Sponsorships, events and catering

10. (1) A Municipality or municipal entity may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality or municipal entity, unless the prior written approval of the accounting officer is obtained.

(2) An accounting officer may incur catering expenses for hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.

(3) Entertainment allowances of officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.

(4) An accounting officer may not incur expenses on alcoholic beverages.

(5) An accounting officer must ensure that social functions, team building exercises, year-end functions, sporting events, budget vote dinners and other functions that have a social element are not financed from the municipality or municipal entity's budgets or by any suppliers or sponsors.

(6) A municipality or municipal entity may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless costs related thereto are recovered from affected officials.

(7) An accounting officer may incur expenditure to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health, not exceeding the limits for petty cash usage.

Communication

11. (1) A Municipality or municipal entity must, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.

(2) An accounting officer must ensure that allowances to officials for private calls are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.

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(3) Newspapers and other related publication for the use of officials must be discontinued on expiry of existing contracts or supply orders.
(4) A municipality or municipal entity must participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

Conferences, meetings and study tours

12. (1) An accounting officer must establish policies and procedures to manage application by officials to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
(2) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
(3) Such benchmark costs may not exceed an amount as determined by the National Treasury.
(4) When considering applications from officials to attend conferences or events within and outside the borders of South Africa, an accounting officer must take the following into account–
(a) the official's role and responsibilities and the anticipated benefits of the conference or event;
(b) whether the conference or event addresses relevant concerns of the institution;
(c) the appropriate number of officials, not exceeding three officials, attending the conference or event; and
(d) availability of funds to meet expenses related to the conference or event.
(5) The amount referred to in sub-regulation (3) above excludes costs related to travel, accommodation and related expenses, but includes–
(a) conference or event registration expenses; and
(b) any other expense incurred in relation to the conference or event.
(6) When considering costs for conferences or events these may not include items, such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
(7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail use of municipal funds are, as far as may be practically possible, held in-house.
(8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, inter alia, where an appropriate venue exists within the municipal jurisdiction.
(9) An accounting officer may consider granting approval, as contemplated in sub-regulation (4), for officials, and in the case of Councillors, the Mayor.
(10) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

Other related expenditure items

13. (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be procured through that transversal contract before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
(2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during election periods.

Enforcement Procedures

14. Failure to implement or comply with these Regulations may result in any official of the municipality or municipal entity, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct

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as set out in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Disclosures of cost containment measures

15. (1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.
(2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings, on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.
(3) Such reports must be copied to the National Treasury and relevant Provincial Treasuries within seven calendar days after the report is submitted to Municipal Council.

Short title and commencement

16. These Regulations are called the Municipal Cost Containment Regulations, 2018 and take effect on 01 July 2018.

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PART B

EXPLANATORY MEMORANDUM ON DRAFT COST CONTAINMENT REGULATIONS INTENDED TO BE MADE IN TERMS OF LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The wider implementation of the Local Government: Municipal Finance Management Act, 2003 (MFMA) in all municipalities and entities is an important element in the roll out strategy to modernise and improve financial management in local government. Linked to this strategy are the fundamental principles of effective and efficient utilisation of public resources in a transparent and accountable manner.

Despite the provisions in the MFMA and the reforms developed over the last 13 years to support the implementation of the MFMA, municipalities and municipal entities continue to spend public funds and municipal resources on non-priority items. More often than not this results in a diversion of public funds from core service delivery to other expenditures resulting in dissatisfaction by communities and delays in service delivery.

Government has therefore committed in the Medium Term Strategic Framework for 2014 – 2019 to urgently implement cost saving measures across all three spheres of government to assist in re-prioritizing expenditure and free up resources that can be targeted towards service delivery. These measures introduced are also intended to eliminate wastage of public resources on non-service delivery items. This will be undertaken through advocacy, strengthening the legal and policy prescripts and frameworks aimed at cost containment and ensuring the implementation thereof by municipalities and municipal entities.

The Minister of Finance has also pronounced during the February 2016 Budget Speech and the October 2016 Medium Term Budget Policy Statement that the National Treasury will issue regulations on cost containment measures for local government. The initial cost containment measures were introduced through MFMA Circular. Additional measures will also be taken to ensure a transparent tendering system by ensuring that value for money is attained through the revised procurement process. Similar measures have also been introduced in national and provincial government in terms of the Public Finance Management Act 1 of 1999.

Over the last 4 to 5 years, the Auditor-General's General Report on Local Government Audit Outcomes highlighted the extent of wastage of public resources. This was also observed through various publications in the print media and other government publications. Weak governance as well as the significant increase in the number of municipalities incurring unauthorised, irregular as well as fruitless and wasteful expenditure, were also highlighted as areas of concern.

Building on the MFMA Circular, the National Treasury in association with other stakeholders, have drafted regulations that will promote the cost containment measures introduced in a number of spending areas.

Section 168(1)(b) and (p) of the MFMA provides that the Minister may regulate financial management and internal control and generally, any other matter that may facilitate the enforcement and administration of the Act, respectively. The object of the draft Regulations is to ensure that the resources of municipalities and municipal entities are used effectively, efficiently and economically (regulation 2). The Regulations will apply to all municipalities and municipal entities (regulation 3).

Regulation 1 contains the definition of terms that are used in the regulations. Regulation 4 deals with the establishment of cost containment policies including the principles applicable to such policies.

Regulations 4 to 13 contain the actual cost containment measures to be implemented by municipalities and municipal entities. These measures include:

- Principles around appointment of consultants to perform municipal functions and assessment to be undertaken by municipalities and municipal entities before appointing consultants;

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- Procurement of mayoral vehicles. The regulations introduce a ceiling in terms of the value of the vehicles to be procured and principles in terms of management of such vehicle by the municipalities and municipal entities;

- Travel and subsistence allowance. This section of the regulations provides the thresholds for purchasing air tickets and hiring of vehicles. The intention with this specific measure is to ensure that institutions actually realise the discounts which have been negotiated at National Government level. These thresholds will contribute towards institutions achieving cost savings on their travel and accommodation budgets;

- Prohibition on issuance of credit or debit cards linked to municipal bank accounts to officials or public office bearers;

- Prohibition on using municipal funds for specific functions which include, amongst others, spending on catering for internal meetings only attended by officials, and social, farewell or team building activities. This section also prohibits the utilisation of municipal funds on alcoholic beverages;

- The regulations also make it mandatory for institutions to procure vehicles, cell phone and other related assets via the transversal contract negotiated at National Government level. This will ensure that there are cost savings and benefits passed to municipalities on all such items;

- The regulations also introduce a monetary threshold for conference fees which include the attendance of both local and international conferences;

- The regulations are intended to reduce excessive spending on office furniture and equipment;

- Municipalities and municipal entities are also encouraged to ensure that proper processes are followed when dismissing and suspending officials, this minimise unnecessary legal costs. Institutions are also encouraged to manage their expenditure on leave and overtime benefits; and

- The regulations make it mandatory for municipalities to conduct threat assessments before approving any security measures for councillors or officials.

Regulation 4 introduces consequence management aspects for non-adherence to the regulations. Non-compliance with these measures must be investigated for financial misconduct in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Regulation 5 provides the framework for disclosure of actual cost savings achieved by institutions in their annual reports, this improve transparency.

Regulation 6 contains the short title and the commencement date of the regulations.

These draft regulations therefore propose to provide a framework that is consistent with the provisions of the MFMA. The effective implementation of the regulations is intended to ensure that municipalities and municipal entities achieve value for money in utilising public resources to deliver municipal services. It is the intention that the Regulations would become effective on 01 July 2018.

Comments received during the consultation process will be considered and processed with a view to addressing any shortcomings.

8

ANNEXURE AR – SDBIP

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1960

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SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN

2018/ 2019

-- FINAL --

"TO INCLUSIVELY SERVE THE NEEDS OF OUR COMMUNITIES"

91%

83%

79%

78%

Source: StatsSA 2016

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2018 / 2019

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1. THE SDBIP CONCEPT & DEFINITION

Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

SDBIP CONCEPT

This diagram explains the Service Delivery & Budget Implementation Plan (SDBIP) Concept. The SDBIP serves as a contract between Council and the Administration.

The SDBIP provides the vital link between the Executive Mayor, Council (Executive) and the administration, and facilitates the process for holding management accountable for its performance.

The SDBIP is a management, implementation and monitoring tool that will assist the Executive Mayor, Councillors, Municipal Manager, Senior Managers and Community.

A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by Council;

It enables the Municipal Manager to monitor the performance of Senior Managers, the Executive Mayor to monitor the performance of the Municipal Manager, and for the community to monitor the performance of the municipality.

DEFINITION

The definition of the Service Delivery & Budget Implementation Plan (SDBIP), explained in the Municipal Finance Management Act, Act 56 of 2003 (MFMA), reads as follows:

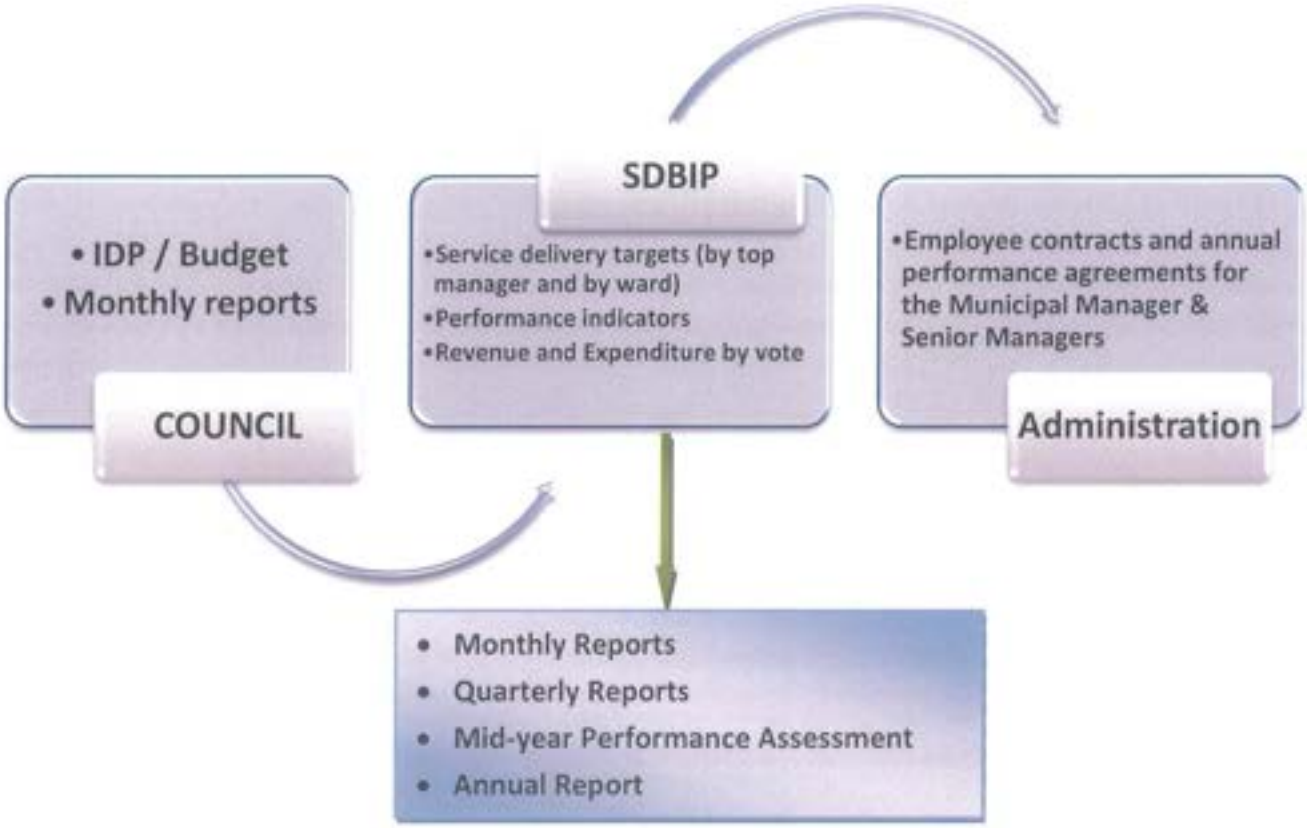
"service delivery and budget implementation plan"

A detailed plan approved by the Executive Mayor in terms of Section 53(l)(c)(ii) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) for implementing the municipality's delivery of municipal services and its annual budget.

The following components must be indicated in the SDBIP:

Projections for each month of:

1. Revenue to be collected by Source
2. Operational and Capital Expenditure by Vote
3. Service delivery targets and performance indicators for each quarter
4. Capital budget broken down per ward
5. Any other matters that may be prescribed, and includes any revisions of such plan by the Executive Mayor in terms of Section 54(l) of the MFMA



In terms of Section 54(1) of the Municipal Finance Management Act (MFMA, Act 56 of 2003

(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of Section 71 or 72, the mayor must –

(a) consider the statement or report;
(b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
(d) issue any appropriate instructions to the accounting officer to ensure –

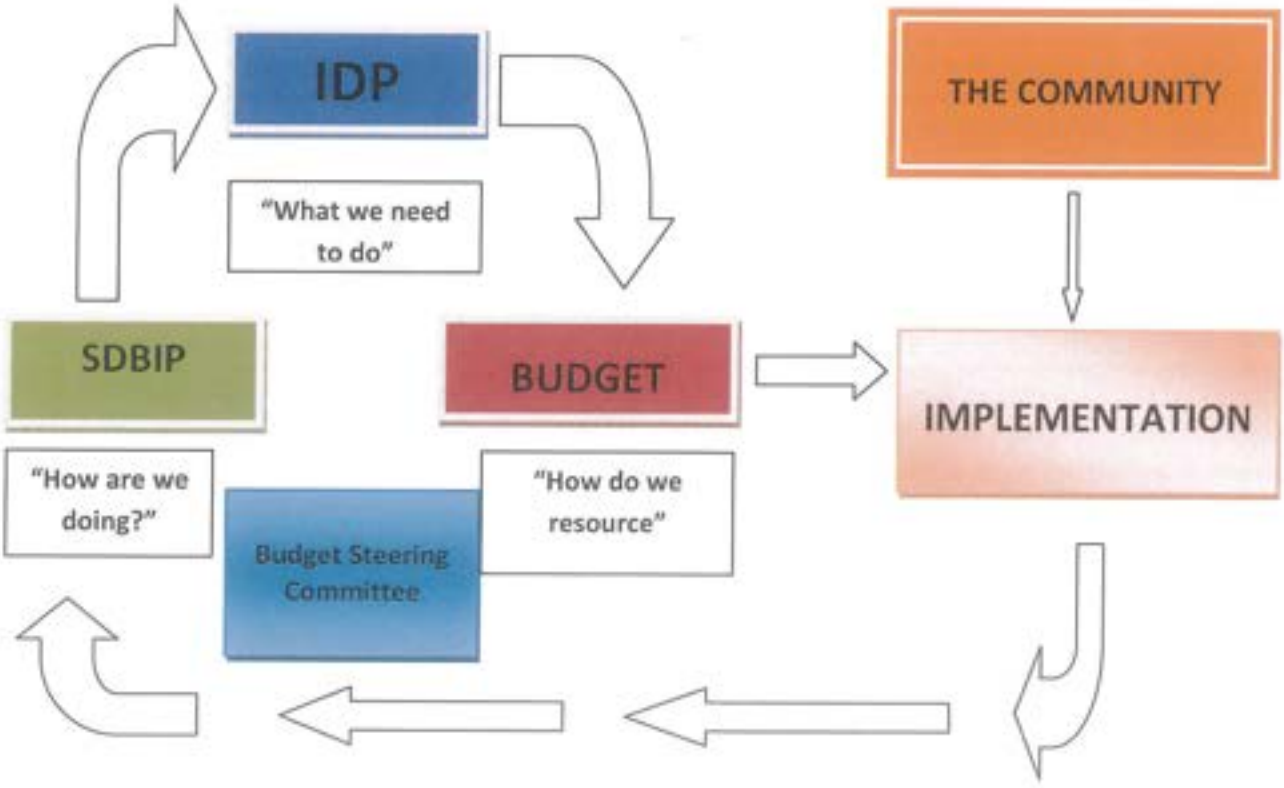
(i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
(ii) that spending of funds and revenue collection proceed in accordance with the budget;

According to the above-mentioned legislative requirements, the Service Delivery and Budget Implementation Plan (Par C), has been compiled and approved by Council.

The SDBIP concept is explained in the following sequence:

- Top Management sets the targets
- Top Management develops the detail on the operational level
- SDBIP tabled in Council and made public
- Municipal Manager is responsible for submitting the SDBIP to the Executive Mayor
- Executive Mayor to approve SDBIP within 28 days after the budget approval
- Performance Agreements reviewed by the Executive Mayor to ensure compliance
- Monthly monitoring by Executive Mayor – any revisions to the top layer must be approved by Council
- Council should reserve over-sight role over performance end of year – Annual Report tabled by the Executive Mayor

Linking the IDP, Budget & SDBIP



2.1 The National Development Plan

Strategies of the NDP

(Adopted from Council's IDP)

The South African Government through the Presidency has published a National Development Plan. The Plan aims to eliminate poverty and reduce inequality by 2030. The Plan has the target of developing people's capabilities to improve their lives through education and skills development, health care, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety. It proposes to the following strategies to address the above goals:

1. Creating jobs and improving livelihoods;
2. Expanding infrastructure;
3. Transition to a low-carbon economy;
4. Transforming urban and rural spaces;
5. Improving education and training;
6. Providing quality health care;
7. Fighting corruption and enhancing accountability;
8. Transforming society and uniting the nation.

As the core of the Plan is to eliminate poverty and reduce inequality and the special focus on the promotion of gender equity and addressing the pressing needs of youth. More importantly for efficiency in local government the NDP proposes 8 targeted actions listed below:

1. Stabilise the political-administrative interface;
2. Make public service and local government careers of choice;
3. Develop technical and specialist professional skills;
4. Strengthen delegation, accountability and oversight;
5. Improve interdepartmental co-ordination;
6. Take pro-active approach in improving national, provincial and local government relations
7. Strengthen local government;
8. Clarify the governance of SOEs.

The National Development Plan 2030 has been adopted by the National Cabinet in August 2012 and this place an injunction on the state and its agencies (including municipalities) to implement the Plan.

The Plan makes the following policy pronouncements and proposes performance targets that intersect with developmental mandates assigned to local government. Importantly, municipalities are expected to respond to these developmental imperatives when reviewing their Integrated Development Plan and developing the corresponding three-year Medium Term Revenue and Expenditure Frameworks.

1. Youthful population presents opportunities to boost economic growth, employment and reduce poverty;
2. Strengthen youth service programmes – community based programmes to offer young people life skills training, entrepreneurship training;
3. Increase employment from 13 million in 2010 to 24 million in 2030;
4. Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup;
5. Establish effective, safe and affordable public transport;
6. Produce sufficient energy to support industry at competitive prices;
7. Ensure that all South African have access to clean running water in their homes;
8. Make high - speed broadband internet universally accessible at competitive prices.

2.2 Gauteng Provincial Government's Ten Pillars

(Adopted from Council's IDP)

Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

The Gauteng Provincial Government administration has adopted ten pillars aimed at radical socio-economic and political transformation towards the modernisation and re-industrialisation of the province's economy. The ten pillars are as follows:

1. Radical economic transformation
2. Decisive spatial transformation
3. Accelerated social transformation
4. Transformation of the state and governance
5. Modernisation of public service
6. Modernisation of the economy
7. Modernisation of human settlements and urban development
8. Modernisation of public transport infrastructure
9. Re-industrialisation of Gauteng Province
10. Taking the Lead in Africa's new industrial revolution

Through the National Growth Path, the National Government expects that all spheres of government must develop programmes which enhance sustainable economic growth to overcome the triple axis of poverty, unemployment and inequality through job creation and sustained through skills development targeting young people and women.

The Key Performance Areas (KPAs) of the Sedibeng District Municipality are aligned to the national and provincial strategic priorities and are the following:

R1: Sedibeng KPA 1: Reinventing the Economy from an old to a new by consolidating existing sectors and exploring new sectors of growth and in this way, build local economies to create more employment and sustainable livelihoods.

R2: Sedibeng KPA2: Renewing our communities from low to high quality through the provision of basic services, improving local public services and broadening access to them, and regenerating and property development to improve the quality of living.

R3: Sedibeng KPA 3: Reviving a Sustainable Environment from waste dumps to a green region, by increasing the focus on improving air, water, and soil quality and moving from being a producer and receiver of waste to a green city.

R4: Sedibeng KPA 4: Reintegrating the region with the rest of Gauteng, South and Southern African to move from an edge to a frontier region, through improving connectivity and transport links.

R5: Sedibeng KPA 5: Releasing Human Potential; from low to high skills and build social capital through building united, non-racial, integrated and safer communities.

G1: Sedibeng KPA 6: Good and Financially Sustainable Governance; through building accountable, effective and clean government, with sound financial management, functional and effective Councils, and strong, visionary leadership. It is about compliance and competence.

D1: Sedibeng KPA 7: Vibrant Democracy; through enabling all South Africans to progressively exercise their constitutional rights and enjoy the full dignity of freedom. To promote more active community participation in local government, including further strengthening the voice of communities and making sure that community based structures such as ward committees, police forums, school governing bodies are legislatively supported to function effectively.

The SDBIP must comprise of the following five necessary components:

3.1 Monthly projections of revenue to be collected for each source;

3.2 Monthly projections of expenditure (Operating, Capital & Revenue) for each vote;

3.3 Quarterly projections of service delivery targets and performance indicators for each vote;

3.4 Ward information for expenditure and service delivery;

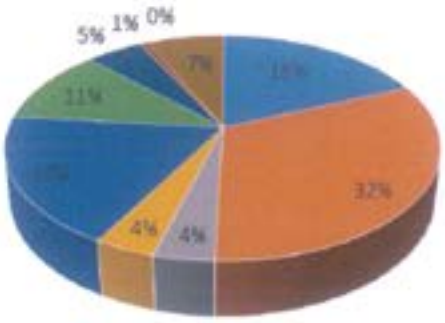
3.5 Detailed Capital Works Plan broken down by Ward over three years.

3.1 MONTHLY PROJECTIONS OF REVENUE TO BE COLLECTED FOR EACH SOURCE

Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

Monthly Projections Collected Per Source	F01 2017/2018 BUDGET	2017/2018 ADJUSTMENT BUDGET	FULL YEAR JUL - JUN PROJECTION
REVENUE SOURCE			
Property Rates	183 107 018	188 107 019	206 624 544
Electricity Revenue	332 453 148	330 253 148	353 704 196
Water Revenue	166 513 709	185 513 709	205 140 023
Sanitation Revenue	37 411 899	37 411 899	41 969 987
Solid Waste Revenue	39 958 477	38 958 477	42 428 977
Operating Grants	109 061 655	105 551 198	125 951 442
Capital Grants	53 577 000	63 727 000	49 073 000
Developer Contributions and Public Donations	6 634 000	13 447 605	10 001 017
Other Revenue	74 430 419	95 389 898	75 408 631
Departmental Charges (Internal Consumption)		-	-
TOTAL OPERATING REVENUE BILLED	1 003 147 325	1 058 359 953	1 110 301 817

Operating Revenue per Funding Source - 2018/2019



- Property Rates
- Service Charges Electricity
- Service Charges Waste Management
- Service Charges WasteWater Management
- Service Charges Water
- Operational Transfers Monetary
- Capital Transfers Monetary (Govt)
- Capital Transfers Monetary (Developers)
- Capital Transfers In Kind
- Other Revenue

Component 1: Monthly projections for revenue for each source

Monthly Projections Collected Per Source	FY1 2017/2018 BUDGET	2017/2018 ADJUSTMENT BUDGET	M01 JUL 2017 PROJECTION	M02 AUG 2017 PROJECTION	M03 SEPT 2017 PROJECTION	M04 OCT 2017 PROJECTION	M05 NOV 2017 PROJECTION	M06 DEC 2017 PROJECTION	M07 JAN 2018 PROJECTION	M08 FEB 2018 PROJECTION	M09 MAR 2018 PROJECTION	M10 APR 2018 PROJECTION	M11 MAY 2018 PROJECTION	M12 JUN 2018 PROJECTION	FULL YEAR JUL - JUN PROJECTION
REVENUE SOURCE															
Property Rates	183 107 018	188 107 019	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	206 624 544
Electricity Revenue	332 453 148	330 253 148	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	353 704 196
Water Revenue	166 513 709	165 513 709	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	205 140 023
Sanitation Revenue	37 411 899	37 411 899	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	41 969 887
Solid Waste Revenue	39 958 477	39 958 477	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	42 428 977
Operating Grants	109 081 656	105 551 188	41 112 339	290 492	290 492	290 492	41 112 339	290 492	290 492	290 492	41 112 338	290 492	290 492	290 492	125 951 442
Capital Grants	63 577 000	63 727 000	16 357 667	-	-	-	16 357 667	-	-	-	16 357 667	-	-	-	49 073 000
Developer Contributions and Public Donations	6 634 000	13 447 606	3 333 672	-	-	-	3 333 672	-	-	-	3 333 672	-	-	-	10 001 017
Other Revenue	74 430 419	95 369 868	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	75 408 631
Departmental Charges (Internal Consumption)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUE BILLED	1 063 147 326	1 059 359 952	137 910 041	77 396 855	77 396 855	77 396 855	137 910 041	77 396 855	77 396 855	77 396 855	137 910 041	77 396 855	77 396 855	77 396 855	1 119 301 617

3.2 MONTHLY PROJECTIONS OF EXPENDITURE (OPERATING, CAPITAL & REVENUE) FOR EACH VOTE

Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

Monthly Projections for Revenue, Operating Expenditure and Capital Expenditure for Each Vote	2017/2018 BUDGET	2017/2018 ADJUSTMENT BUDGET	FULL YEAR JUL - JUN PROJECTION
PROJECTED MONTHLY CASH BALANCE			
Opening Cash Balance	**134 965 547**	**130 090 874**	**134 965 547**
Plus: Revenue Collected for the Month	**698 833 362**	**908 210 182**	**1 015 364 674**
Amounts billed	1 003 147 325	1 003 147 325	1 110 301 817
Council	5 724 000	5 724 000	5 754 000
Savannah City	29 157 860	39 111 007	35 782 090
Municipal Manager	-	-	-
Corporate Services	2 313 336	2 313 336	1 806 371
Development and Planning	2 890 932	2 900 329	3 788 657
Financial Services	204 034 331	210 034 332	262 395 201
Community Services	134 191 325	132 221 326	122 619 965
Engineering Services	624 835 541	666 055 623	678 155 533
Less Provision for bad debt	-82 358 966	-81 827 143	-81 827 143
Less Public donations (infrastructure, i.e. non cash)			-
Less Internal consumption (non cash)	-208 844 997		-
Plus: New External Borrowings	-13 110 000	-13 110 000	-13 110 000
Less: Operating Expenditure	-1 012 202 778	-1 053 354 331	-1 108 759 260
Council	-30 825 990	-29 607 791	-31 600 784
Municipal Manager	-26 571 860	-26 184 011	-5 753 606
Savannah City	-7 168 896	-9 521 636	-31 861 727
Corporate Services	-47 803 838	-50 706 829	-52 601 730
Development and Planning	-30 102 316	-29 692 223	-32 199 714
Financial Services	-93 354 042	-95 355 269	-71 368 678
Community Services	-192 295 545	-192 555 086	-208 365 471
Engineering Services	-584 140 291	-619 731 486	-676 007 549
Plus Non Cash Expenditure Items	**436 072 963**	**199 071 243**	**199 570 122**
Provision for Bad Debt	82 358 966	81 827 143	82 326 022
Depreciation	144 869 000	117 244 100	117 244 100
Internal Consumption	208 844 997		-
Less: Capital Expenditure	-143 993 000	-160 834 356	-110 162 000
Council	-663 000	-632 280	-
Savannah City	-2 984 000	-13 447 605	-4 400 000
Corporate Services	-7 049 000	-1 566 839	-890 000
Development and Planning	-60 000	-260 000	-20 000
Financial Services	-25 000	-25 000	-129 000
Community Services	-19 058 000	-20 780 929	-18 782 480
Engineering Services	-114 154 000	-124 121 703	-85 940 520
Less: Redemption of External Loans	**-24 440 024**	**-24 440 024**	-24 440 024
Other Working Capital Adjustments	**41 147 322**	**127 066 606**	**29 019 115**
Closing Cash	130 323 392	125 810 194	134 558 174

Component 2: Monthly projections for revenue and operating expenditure for each vote

and

Component 3: Monthly projections for capital expenditure for each vote

Monthly Projections for Revenue, Operating Expenditure and Capital Expenditure for Each Vote	2017/2018 BUDGET	2017/2018 ADJUSTMENT BUDGET	M01 JUL 2017 ACTUAL	M02 AUG 2017 ACTUAL	M03 SEPT 2017 ACTUAL	M04 OCT 2017 ACTUAL	M05 NOV 2017 ACTUAL	M06 DEC 2017 ACTUAL	M07 JAN 2018 ACTUAL	M08 FEB 2018 PROJECTION	M09 MAR 2018 PROJECTION	M10 APR 2018 PROJECTION	M11 MAY 2018 PROJECTION	M12 JUN 2018 PROJECTION	FULL YEAR JUL - JUN PROJECTION
PROJECTED MONTHLY CASH BALANCE															
Opening Cash Balance	134 965 547	130 090 874	125 810 194	131 548 771	137 287 349	143 025 927	148 764 504	141 393 082	147 131 659	152 870 237	158 608 815	164 347 392	170 085 970	175 824 548	134 965 547
Plus: Revenue Collected for the Month	658 833 362	908 210 182	131 091 112	70 577 926	70 577 926	70 577 926	117 981 112	70 577 926	70 577 926	70 577 926	131 091 112	70 577 926	70 577 926	70 577 926	1 015 364 674
Amounts billed	1 003 147 325	1 003 147 325	137 910 041	77 396 855	77 396 855	77 396 855	137 910 041	77 396 855	77 396 855	77 396 855	137 910 041	77 396 855	77 396 855	77 396 855	1 110 385 817
Council	5 724 000	5 724 000	1 918 000	-	-	-	1 918 000	-	-	-	1 918 000	-	-	-	5 754 000
Savannah City	29 157 660	39 111 007	4 544 595	2 460 923	2 460 923	2 460 923	4 544 595	2 460 923	2 460 923	2 460 923	4 544 595	2 460 923	2 460 923	2 460 923	35 782 090
Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Services	2 313 336	2 313 336	150 531	150 531	150 531	150 531	150 531	150 531	150 531	150 531	150 531	150 531	150 531	150 531	1 806 371
Development and Planning	2 890 932	2 900 329	315 721	315 721	315 721	315 721	315 721	315 721	315 721	315 721	315 721	315 721	315 721	315 721	3 788 657
Financial Services	204 034 331	210 034 332	32 262 612	18 400 818	18 400 818	18 400 818	32 262 612	18 400 818	18 400 818	18 400 818	32 262 612	18 400 818	18 400 818	18 400 818	262 395 201
Community Services	134 191 325	132 221 326	17 458 342	7 804 993	7 804 993	7 804 993	17 458 342	7 804 993	7 804 993	7 804 993	17 458 342	7 804 993	7 804 993	7 804 993	122 619 965
Engineering Services	624 835 541	666 055 623	81 260 239	48 263 868	48 263 868	48 263 868	81 260 239	48 263 868	48 263 868	48 263 868	81 260 239	48 263 868	48 263 868	48 263 868	679 155 533
Less Provision for bad debt	-62 358 966	-81 827 143	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-6 818 929	-81 827 143
Less Public donations (infrastructure, i.e. non cash)															-
Less Internal consumption (non cash)	-208 844 997														-
Plus: New External Borrowings	-13 110 000	-13 110 000					-13 110 000								-13 110 000
Less Operating Expenditure	-1 012 262 778	-1 053 364 331	-75 770 801	-96 815 823	-106 365 187	-96 243 728	-88 952 117	-97 343 896	-86 740 868	-86 148 842	-86 124 136	-86 218 053	-80 069 392	-122 906 415	-1 026 555 632
Council	-30 825 990	-29 607 791	-2 616 484	-2 616 484	-2 616 484	-2 616 484	-2 616 484	-2 616 484	-2 616 484	-2 616 484	-2 616 484	-2 616 484	-2 616 484	-2 819 456	-31 600 784
Municipal Manager	-26 571 860	-26 184 011	-479 467	-479 467	-479 467	-479 467	-479 467	-479 467	-479 467	-479 467	-479 467	-479 467	-479 467	-479 468	-5 753 606
Savannah City	-7 188 896	-9 521 636	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-2 655 144	-31 861 727
Corporate Services	-47 803 838	-50 706 829	-4 323 682	-4 323 682	-4 323 682	-4 323 682	-4 323 682	-4 682 454	-4 323 682	-4 323 682	-4 323 682	-4 323 682	-4 323 682	-4 682 457	-52 601 730
Development and Planning	-30 102 318	-29 682 223	-2 631 675	-2 631 675	-2 631 675	-2 631 675	-2 631 675	-2 941 481	-2 631 675	-2 631 675	-2 631 675	-2 631 675	-2 631 675	-2 941 480	-32 199 714
Financial Services	-93 354 042	-95 355 269	-5 796 596	-5 796 596	-5 796 596	-5 796 596	-5 796 596	-6 699 344	-5 796 596	-5 796 596	-5 796 596	-5 796 596	-5 796 596	-6 703 377	-71 368 678
Community Services	-192 295 545	-192 555 099	-17 331 497	-17 331 497	-17 331 497	-17 331 497	-17 331 497	-17 331 497	-17 331 497	-17 331 497	-17 331 497	-17 331 497	-17 331 497	-17 719 004	-208 365 471
Engineering Services	-584 140 291	-619 731 486	-39 936 256	-60 981 277	-70 530 642	-60 409 182	-53 117 571	-59 938 025	-50 906 322	-50 314 297	-50 289 593	-50 383 508	-44 234 846	-84 066 029	-676 007 549
Plus Non Cash Expenditure Items	436 072 963	199 071 243	16 630 844	16 630 844	16 630 844	16 630 844	16 630 844	16 630 844	16 630 844	16 630 844	16 630 844	16 630 844	16 630 844	16 630 844	199 570 122
Provision for Bad Debt	62 358 966	81 827 143	6 860 502	6 860 502	6 860 502	6 860 502	6 860 502	6 860 502	6 860 502	6 860 502	6 860 502	6 860 502	6 860 502	6 860 502	82 326 022
Depreciation	144 869 000	117 244 100	9 770 342	9 770 342	9 770 342	9 770 342	9 770 342	9 770 342	9 770 342	9 770 342	9 770 342	9 770 342	9 770 342	9 770 342	117 244 100
Internal Consumption	208 844 997	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Capital Expenditure	-143 993 000	-169 834 356	-3 180 000	-1 930 000	-4 730 000	-7 140 000	-10 059 000	-15 477 000	-6 774 000	-8 609 520	-12 725 000	-12 085 000	-3 465 000	-22 987 480	-109 162 000
Council	-663 000	-632 280	-	-	-	-	-	-	-	-	-	-	-	-	-
Savannah City	-2 984 000	-13 447 605	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Services	-7 949 000	-1 586 839	-	-	-	-	-	-	-	-	-	-	-	-4 400 000	-4 400 000
Development and Planning	-60 000	-260 000	-	-	-30 000	-	-	-700 000	-	-150 000	-	-	-10 000	-	-890 000
Financial Services	-25 000	-25 000	-	-	-	-5 000	-5 000	-	-	-	-	-5 000	-5 000	-	-20 000
Community Services	-19 056 000	-20 760 929	-3 100 000	-300 000	-510 000	-1 125 000	-1 430 000	-1 020 000	-400 000	-815 000	-3 665 000	-1 050 000	-50 000	-5 267 480	-18 782 480
Engineering Services	-114 156 000	-124 121 703	-80 000	-1 630 000	-4 190 000	-6 010 000	-8 585 000	-8 757 000	-6 324 000	-7 594 520	-9 060 000	-11 030 000	-9 370 000	-13 320 000	-85 940 520
Less: Redemption of External Loans	-24 440 024	-24 440 024	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-2 036 669	-24 440 024
Other Working Capital Adjustments	41 147 322	127 066 606	-69 995 908	19 312 299	31 661 664	23 559 304	-40 935 593	38 367 373	14 081 344	10 324 838	-41 097 571	18 869 530	10 100 868	10 360 067	29 019 119
Closing Cash	139 323 392	125 810 194	131 548 771	137 287 349	143 025 927	148 764 504	141 393 082	147 131 659	152 870 237	158 608 815	164 347 392	170 085 970	175 824 548	125 402 821	134 568 174

Component 1: Monthly projections for revenue for each source

Monthly Projections Collected Per Source	F01 2017/2018 BUDGET	2017/2018 ADJUSTMENT BUDGET	M01 JUL 2017 PROJECTION	M02 AUG 2017 PROJECTION	M03 SEPT 2017 PROJECTION	M04 OCT 2017 PROJECTION	M05 NOV 2017 PROJECTION	M06 DEC 2017 PROJECTION	M07 JAN 2018 PROJECTION	M08 FEB 2018 PROJECTION	M09 MAR 2018 PROJECTION	M10 APR 2018 PROJECTION	M11 MAY 2018 PROJECTION	M12 JUN 2018 PROJECTION	FULL YEAR JUL - JUN PROJECTION
REVENUE SOURCE															
Property Rates	183 107 018	188 107 018	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	17 218 712	206 624 544
Electricity Revenue	332 453 148	330 253 148	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	29 475 350	353 704 198
Water Revenue	166 513 709	185 513 709	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	17 095 002	205 140 023
Sanitation Revenue	37 411 899	37 411 899	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	3 497 499	41 969 987
Solid Waste Revenue	39 958 477	38 958 477	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	3 535 748	42 428 977
Operating Grants	109 061 655	105 551 198	41 112 339	290 492	290 492	290 492	41 112 339	290 492	290 492	290 492	41 112 339	290 492	290 492	290 492	125 951 442
Capital Grants	53 577 000	63 727 000	16 357 667	-	-	-	16 357 667	-	-	-	16 357 667	-	-	-	49 073 000
Developer Contributions and Public Donations	6 634 000	13 447 605	3 333 672	-	-	-	3 333 672	-	-	-	3 333 672	-	-	-	10 001 017
Other Revenue	74 430 419	95 389 898	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	6 284 053	75 408 631
Departmental Charges (Internal Consumption)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUE BILLED	1 003 147 325	1 058 399 953	137 910 041	77 396 855	77 396 855	77 396 855	137 910 041	77 396 855	77 396 855	77 396 855	137 910 041	77 396 855	77 396 855	77 396 855	1 119 381 917

3.3 QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

INDEX	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI)	DEFINITION	DETAILED DESCRIPTION OF INDICATOR (PURPOSE/OBJECTIVE)	BASELINE 2017/2018 (3rd Q -ACTUAL)	BUDGET & VOTE	ANNUAL TARGET	OUTER YEARS				SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN - 2018/2019			
										2018/2019	2019/2020	2020/2021	2021/2022	2022/2023				
1	CORP	KPI 018	KPA 1	KFA 02	Number of external stakeholder events arranged per year planner	Annual PR + Marketing funded Events Plan executed per quarter	Council hosts events as a medium to enhance a positive relationship with external stakeholders and portray a positive image of Council	3	Opex	3	3	3	3	3	4	4	4	4
2	CORP	KPI 019	KPA 1	KFA 03	Number of Mayoral Committee reports on formalised Inter-governmental Relations IGR Fora meetings attended, per quarter	(1) Report submitted to Mayoral Committee to reflect (1.1) Type of meeting (1.2) Purpose of the Meeting (1.3) Department (1.4) Delegate attended. (2) Report submitted into reporting cycle within one month after the end of the quarter. (3) Proof of submission into reporting cycle = signature and date receipt by Committees Clerk's	IGR Fora Report as per Section 10 of the IGR Policy (Policy approved per Item C067/10/2013 dated 31 Oct 2013). Creating opportunity for Council to share information and networking. Promoting inter-governmental relations	3	Opex	4	4	4	4	4	1	1	1	1
3	CORP	KPI 020	KPA 1	KFA 04	Implementation Plan of Communication & Marketing Strategy considered by Mayoral Committee	Implementation Plan of Communication & Marketing Strategy considered by Mayoral Committee to reflect (1) Partnering with Leading Brands Strategy (2) Communication with Community (3) Intra-Department Communication submitted to the Mayoral Committee by 30 March 2018 for consideration	The strategic objective to promote proper governance and public participation is supported by the Communications Strategy	1 x Strategy	Opex	1 x Implementation Plan	0	0	0	0	0	0	1	0
4	CORP	KPI 021	KPA 4	KFA 11	Percentage uptime on WAN/LAN interruptions reported to DMM quarterly	(1) WAN / LAN Daily Check Register (20 working days) checked & DUDE Monitoring System reports (2) Signed off by DMM before the 10th working day monthly	Measurement of communication interruptions via availability imparted upon by power outages and Telkom ADSL	94.2%	Opex	92.00%	93%	93%	93%	93%	92.5%	92.5%	92.5%	92.5%
5	CORP	KPI 022	KPA 8	KFA 28	Implementation Plan on the strategy developed to reflect a bias towards appointing youth younger than 35 years, within the Midvaal area	Implementation plan on strategy developed and approved by HOD for submission into reporting cycle by 28 Sep 2018	To develop an implementation plan of the strategy to promote the appointment of youth within the Midvaal Local Municipality	1 x Draft Strategy developed	Opex / Capex	1 x Implementation Plan developed	0	0	0	0	1	0	0	0
6	CORP	KPI 023	KPA 4	KFA 13	Number of average working days legal actions are assessed	Legal & Property Actions Register reflecting turn-around time to be within 8 working days = Date of receipt by Legal Section vs date assessed (determination of legal process to be followed)	To ensure timeous response to legal claims / actions and/or summonses served on Council to minimise delays and avoid punitive orders due to non-attendance of legal actions	8	Opex	8	8	8	8	8	8	8	8	8
7	CORP	KPI 024	KPA 4	KFA 15	Number of Section 52(d) - performance report (SDBIP) submitted to the Mayoral Committee quarterly	(1) MFMA Section 52(d)-performance reports submitted into the reporting cycle before the 25th quarterly (2) Signature and date of Committee Clerk as proof of submission into reporting cycle	To comply with the requirements of Section 52(d) of the MFMA	5	Opex	4	4	4	4	4	1	1	1	1
8	CORP	KPI 025	KPA 1	KFA 04	Number of customer satisfaction outcome survey reports distributed to Mayoral Committee members and HOD's quarterly	Survey report to reflect: (1) The 5 most common complaints (2) The 5 most common affected areas (3) % Level of satisfaction per department (4) Report e-mailed to all stakeholders quarterly before the 10th working day	To monitor customer satisfaction and ensure feedback on public complaints received via the outsourced Complaints Hotline	5	Opex	4	4	4	4	4	1	1	1	1
9	CORP	KPI 026	KPA 1	KFA 04	Compliance to Section 75 (MFMA) requirements in terms of the Website updating monthly	(1) Website updating + Monthly Section 75 MFMA compliance checklist signed-off by Deputy Municipal Manager within 5 working days, at most, after end of the month	To monitor compliance to Section 75 of the MFMA in order to create community awareness, transparency and consistency	100%	Opex	100%	100%	100%	100%	100%	100%	100%	100%	100%

10	COSP	KPI 027	KPA 1	KFA 01	Number of Ward Committee meetings arranged annually	Meetings arranged according to Council approved Annual Year Planner	To monitor and report on the functioning of Ward Committees and also to monitor attendance by Ward Committee Members	40	Opex	80	80	80	60	80	10	10	10	10
11	FIN	KPI 007	KPA 3	KFA 13	(MSPI - Tc) - Annual Cost Coverage	Available cash + investments/ Monthly fixed operating expenditure (cash expenditure)	To monitor Council's financial viability and sustainability	4.28	Opex	1.5	1.6	1.7	1.8	2	1.5	1.5	1.5	1.5
12	FIN	KPI 006	KPA 3	KFA 13	Annual Liquidity Ratio	Current Assets: Current Liabilities (as per the Statement of Financial Position) annually reported	To monitor Council's financial viability and sustainability	3.81	Opex	1.1	1.2	1.3	1.4	1.5	1.1	1.1	1.1	1.1
13	FIN	KPI 008	KPA 3	KFA 13	Unqualified audit opinion issued by the Auditor-General	Auditor-General opinion expressed on Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance	To maintain Council's current Clean Audit Opinion	Clean	Opex	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	0	Unqualified	0	0
14	FIN	KPI 010	KPA 3	KFA 13	(MSPI - Tz) - Annual Debt Coverage	Total operating revenue - operating grants received/ debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget. Operating revenue will exclude capital revenue.	To monitor Council's financial viability and sustainability	18.19%	Opex	17	17	17	17	17	0	0	0	17
15	FIN	KPI 011	KPA 3	KFA 14	(MSPI - Tb) - Annual percentage of outstanding service debtors to revenue	Total outstanding service debtors/ revenue received for services (allocated per annum (all consumer debtors included)	To monitor Council's financial viability and sustainability	26.37%	Opex	33%	33%	32%	31%	30%	0	0	0	33%
16	FIN	KPI 012	KPA 3	KFA 14	Annual percentage of Collection Rate	Actual amount collected (cash)/ amount billed for the period (per billing cycle - excluding any debt write-offs)	To monitor revenue collection/payment levels	87.26%	Opex	94%	94%	95%	95%	95%	94%	94%	94%	94%
17	FIN	KPI 013	KPA 3	KFA 14	(MSPI - 3) - Percentage of households earning less than R1100 per month with access to free basic services	Percentage of number of households registered as formal indigent households who receive basic services (Total household income: R3 500 pm in our supply area)	To assist indigent households with access to free basic services	100% of 4208	Opex	100%	100%	100%	100%	100%	100%	100%	100%	100%
18	FIN	KPI 014	KPA 3	KFA 15	(MSPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget)	To monitor the implementation of Council's approved Capital Budget	93%	Capex	94%	95%	95%	95%	95%	7%	39%	68%	95%
19	FIN	KPI 015	KPA 5	KFA 15	Percentage of annual procurement spend awarded to Township Economies	Percentage of the value of the annual procurement through the formal bidding process that was awarded to businesses that have their registered addresses in previously disadvantaged areas	To support the upliftment of local business and youth	3%	Opex	5%	5%	5%	7%	8.5%	4%	5%	6%	6%
20	FIN	KPI 016	KPA 5	KFA 15	Percentage of annual procurement spend awarded to Youth-owned enterprises	Percentage of the value of the annual procurement through the formal bidding process that was awarded to businesses with owners that are 35 years of age or younger	To support youth owned enterprises	1.5%	Opex	3%	3%	4%	5%	5%	3%	3%	5%	3%
21	FIN	KPI 017	KPA 5	KFA 16	Percentage of annual operational budget allocated to repairs and maintenance	Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of internal charges & salaries)	To allocate sufficient budget towards repairs and maintenance	5.8%	Opex	8%	8%	8%	8%	8%	8%	8%	8%	8%

22	DP	KPI 001	KPA 6	KFA 28	Implementation Plan on policy to improve Green Buildings with respect to building plan approvals developed, considered by Mayoral Committee	Implementation Plan on policy to include alternative building methods, electricity and rain harvesting, in support of "Green Buildings" as part of NBR SANS, when considering building plans considered by Mayoral Committee by 30 Jun 2019	Policy on green buildings is formulated in order to benefit the built environment and to guide developers on alternative building methods.	1 x Policy	Opex	1 x Implementation Plan	Approved Council Policy	Approved Council Policy	Implementation	Implementation	0	1	0	1
23	DP	KPI 002	KPA 4	KFA 13	Percentage compliance in terms of turn-around time maintained to consider building plan applications per quarter	Percentage compliance in terms of the National Building Regulations and Building Standards Act of 1977 (Date of application received versus date considered)	To monitor and to improve the turn around times for building plan applications in order to ensure faster development on the ground and to benefit the economy.	94%	Opex	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
24	DP	KPI 003	KPA 6	KFA 26	Percentage compliance in terms of turn-around time maintained to consider land use applications per quarter	(1) Percentage compliance in terms of timeframes (applications submitted in terms of) SPLUMA (2) Date of Legally Compliant Application received versus Date Considered	To monitor and to improve the turn-around times for land use applications, in order to ensure faster development and to benefit the economy. Also to ensure new income revenue generation to the municipality.	88%	Opex	100% within 14 months	100% within 14 months	100% within 13 months	100% within 12 months	100% within 11 months	100%	100%	100%	100%	100%
25	DP	KPI 004	KPA 6	KFA 26	Implement Single Land Use Scheme in line with current legislation: (1) Vosl Marine Resorts; (2) Informal Economy; (3) Re-industrialisation	(1) Quarterly report to Mayoral Committee on the implementation progress = Report signed off by Head of Department quarterly before the 10th working day (2) Proof of receipt by Committee Clerk	The single land use scheme is developed to guide development into one uniform and spatially aligned development.	1 x Draft Single Land Use Scheme developed	Opex	4 x Implementation Reports	Considered by Council	Promulgated	Final SLUMS implemented	Maintained	1	1	1	1	1
26	DP	KPI 005	KPA 6	KFA 23	(SDIT - 4) Number of jobs created through municipality's local economic development initiatives including capital projects	Report to the format of the Department of Labour submitted into reporting cycle = Proof of receipt by Committee Clerk by 30 Jun 2019	To ensure that Mohokare Local Municipality's vision of growing the economy and creation of jobs be realised.	1 274	Opex/Capex	1 200	1 200	1 300	1 400	1 500	0	0	0	1 200	
27	ENG	KPI 030	KPA 9	KFA 17	Percentage of electricity losses not to exceed target annually	Loss electricity kW purchase/kW accounted for due to loss	To ensure by-law enforcement to benefit quality built environment and to ensure clean and transparent development through compliance	11.94%	Opex / Capex	11.69%	11.50%	11.50%	11.50%	11.50%	0	0	0	11.50%	
28	ENG	KPI 031	KPA 6	KFA 17	For the proposed PPP on the electricity function in terms of the Section 78 Council resolution, identify preferred bidder (Private Partner) in terms of identification/non-award by 30 Jun 2019	Feasibility Study conducted according to Section 78(3) requirements of the MSA as per Council Resolution. Preferred bidder identified/non-award as per BAC Resolution by 30 Jun 2019. 1 = BAC Resolution	To ensure the implementation in terms of procurement for the proposed PPP mechanism for Electricity function in Mohokare	1 x Council Resolution	Opex	1	1	1	1	1	0	0	0	1	
29	ENG	KPI 032	KPA 6	KFA 19	Number of square meters of tarred roads resurfaced annually	Accumulative square meters of tar roads resurfaced	Number of square meters of tar roads	41 797 m²	Opex / Capex	45 000 m²	45 000 m²	45 000 m²	45 000 m²	45 000 m²	16 666	33 666	49 666	45 000	
30	ENG	KPI 033	KPA 6	KFA 19	Percentage of water losses in line with WCWI Plan reduced per annum	kL water purchased divided by kL of water accounted for	To ensure by-law enforcement to benefit quality built environment and to ensure clean and transparent development through compliance	27.94%	Opex / Capex	36.50%	34.50%	32.50%	30.50%	20%	0	0	0	26.94%	
31	ENG	KPI 034	KPA 6	KFA 20	Appointment of an expert to develop an implementation plan on landfill sites by 30 Oct 2019	Letter of appointment by 30 Oct 2019	To appoint an expert to develop an implementation plan on landfill sites for the whole of Mohokare	1 x Status quo capacity assessment	Opex	1	1	0	0	0	0	1	0	0	
32	ENG	KPI 035	KPA 6	KFA 18	(SDIT - 10) - Percentage of households with access to basic sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Res 1 - 4". "Access to basic level" = billed account (Zastron/Matlakeng only)	To increase the percentage of households with access to basic sanitation	49.8%	Opex / Capex	69%	67%	69%	71%	73%	0	0	0	69%	

33	ENG	KPI 636	KPA 6	KFA 19	Number of additional formal households with access to basic level of sanitation per annum	Number of additional formal houses connected to basic sanitation (Monthly Solar Billing Report)	To increase the access to basic sanitation to formal households	991	Capex	1 500	1 500	1 500	1 500	1 500	0	0	0	1 500
34	ENG	KPI 637	KPA 7	KFA 22	(WKPI - 1d) - Percentage of households with access to basic water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Res 1 - 4" "Access to basic level" = billed account	To increase the percentage of households with access to basic water	64,27%	Opex / Capex	70%	71%	74%	75%	79%	0	0	0	79%
35	ENG	KPI 638	KPA 7	KFA 22	Number of additional formal households with access to basic level of water per annum	Number of additional formal houses connected to basic water (Monthly Solar Billing Report)	To increase the access to basic water to formal households	193	Opex / Capex	1 500	1 500	1 500	1 500	1 500	0	0	0	1 500
36	ENG	KPI 639	KPA 8	KFA 23	(WKPI - 1e) - Percentage of households with access to basic electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Res 1 - 4" "Access to basic level" = billed account (Severna City included)	To increase the percentage of households with access to basic electricity	42,40%	Opex / Capex	54%	55,50%	56,00%	56,50%	57,00%	0	0	0	57%
37	ENG	KPI 640	KPA 8	KFA 17	Number of additional formal households with access to basic level of electricity per annum	Number of additional formal houses connected to basic electricity (Monthly Solar Billing Report) (Severna City included)	To increase the access to basic electricity to formal households	129	Opex / Capex	500	500	500	500	500	0	0	0	500
38	COMM	KPI 643	KPA 2	KFA 65	Number of actions implemented of the Crime Prevention Collaboration Plan	Implementation = Number of activities completed	T	4th quarterly target	Opex	4	4	4	4	4	0	0	0	4
39	COMM	KPI 644	KPA 2	KFA 67	Completion of Phase 4 (Construction of the Ablution Facility) at the Lakeside Sport Centre	Phase 4 (Completion of Ablution Facility) completed. Completion Certificate signed off by Quantity Surveyor	T	Phase 3 (Construction of Soccer Field)	R 2,8	Phase 4 completed	0	0	0	0	0	0	0	1
40	COMM	KPI 646	KPA 6	KFA 20	Number of youth internship programmes implemented	Completion Certificate issued to qualified youth (Engineering Services & Community Services)	T	188	Opex	2	2	2	2	2	0	0	0	2
41	COMM	KPI 648	KPA 2	KFA 68	Number of Gender, Elderly, Youth and Disabled Groups (GEYODI) programmes implemented per annum	Gender, Elderly, Youth or Disabled Groups (GEYODI) implemented according to approved Annual Year Planner	T	3	Opex	4	4	4	4	4	1	1	1	1
42	COMM	KPI 647	KPA 3	KFA 68	Number of Early Childhood Development Centres formalised	Early Childhood Development Programme Monitoring Tool (MRT) signed off by the Executive Director: Community Services (Certificate signed off by the Executive Director: Community Services)	T	2	Opex	2	2	2	2	2	0	0	0	2
43	COMM	KPI 648	KPA 3	KFA 68	Number of Day Mothers established	Signed contract per Day Mother, with implementing Non-Profit Organisation	T	1	Opex	5	0	0	0	5	0	0	0	5
44	COMM	KPI 650	KPA 7	KFA 24	(WKPI - 1d) - Percentage of households with access to basic level of solid waste removal	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Res 1 - 4" "Access to basic level" = billed account	T	83,99%	Opex	86%	86%	86%	87%	87%	0%	0%	0%	86%
45	COMM	KPI 651	KPA 8	KFA 19	Number of additional formal households with access to basic level of solid waste removal per annum	Number of additional formal houses serviced in terms of basic solid waste removal	T	828	Opex	1 500	350	350	350	350	0	0	0	1 500

46	COMM	KPI 053	KPA 6	KFA 28	Phase 1 of 5 phases of the Savanna City Transfer Station completed	Phase 1 - Planning & Design for Savanna City Transfer Station completed, signed off by Executive Director: Community Services	?	Phase 1	Capex	Phase 1	Phase 2	Phase 3	Phase 4	Functional	0	0	0	1
47	COMM	KPI 054	KPA 2	KFA 03	Review the Disaster Management Plan annually	Reviewed Disaster Management Plan by Executive Director: Community Services, approved with IDP for forth-coming year	?	1	Opex	1	1	1	1	1	0	0	0	1
48	DP	KPI 055	KPA 6	KFA 28	Number of reports on compliance through law enforcement processes conducted quarterly	(1) Report submitted into reporting cycle within 10 working days after the end of the quarter (2) Signature and date of Committee Clerk as proof of submission into reporting cycle (3) Addressing compliance to illegal building, structures, land use and informal trading inspections	To ensure by-law enforcement to benefit quality built environment and to ensure clean and transparent development through compliance	3	Opex	4	4	4	4	4	1	1	1	1
49	COMM	KPI 056	KPA 2	KFA 06	Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly	Actions against the 3 identified high-risk environmental contraveners, i.e.: (1) Inspection, (2) Follow-up audits and (3) Compliance inspections	?	12	Opex	3	3	3	3	3	0	3	3	3
50	CORP	KPI 026	KPA 4	KFA 09	(WKPI - 6) - Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP)	Accumulative percentage of municipal budget allocated for training viz % spent reported monthly (Section 71 Financial report) and quarterly (Section 52(d) financial report) to the Mayoral Committee	To monitor the implementation of Council's approved and funded Workplace Skills Plan (WSP)	78.91%	Opex	93.8%	91%	92%	93%	95%	18%	44%	69%	93.8%
51	CORP	KPI 029	KPA 4	KFA 09	(WKPI - 5) - Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	Report submitted into reporting cycle, signature and date of Committee Clerk, to Mayoral Committee, on verified number of appointed staff on the 3 highest levels (MM, HOD and Directors) as per the municipality's Annual Employment Equity Plan	To monitor new appointments in terms of Council's Annual Employment Equity Plan	4th quarterly target	Opex	09-Jun-18	1	1	1	1	0	0	0	1
52	DP	New KPI	KPA 6	KFA 28	Percentage of Certificate of Occupancy's (COO) issued per quarter	Register + Number of COO's Applications vs number issued within the 35 working days timeframe signed off by Director (Average % calculated according to applications versus issued per quarter)	Direct financial impact, contributing to the local economy, stimulate business growth and encourage development in a clean, healthy and safe environment	New	Opex	90%	93%	93%	95%	97%	90%	90%	90%	90%
53	DP	New KPI	KPA 6	KFA 28	Percentage of Map 3's (SPLUMA equivalent) signed off by DD: LUM within an average of 10 working days of receipt of legally and technically compliant Map 3's, quarterly maintained.	Register + Number of Map 3's (SPLUMA equivalent) received vs considered within an average of 10 working days, signed off by Deputy Director: Land Use Management (Average % calculated according to received vs considered	Growing the local economy by promoting densification and encouraging development by fast tracking implementation of rights processes, thereby ensuring the expansion of the commencement of constructions	New	Opex	90%	93%	93%	95%	95%	90%	90%	90%	90%
54	DP	New KPI	KPA 6	KFA 28	Percentage of Land Use Applications promulgated after consideration, quarterly	Register + Date of considered versus Promulgation date	Ensuring economical growth, densification and development by unlocking high density, business and commercial rights, thereby having a direct financial impact in the form of bulk contributions payable	New	Opex	90%	93%	93%	93%	93%	90%	90%	90%	90%
55	DP	New KPI	KPA 6	KFA 28	Formulation of the Draft Meyerton CBD: Urban Design Framework (Subject to budget provision)	Q1 = Terms of Reference Q2 = Finalise procurement process Q3 = Situational Analysis submitted to HOD Q4 = Draft UDF submitted into reporting cycle	CBD revitalisation which will in turn attract densification within the Meyerton CBD in terms of offices, high rise buildings and mixed uses, resulting in economic growth and improved development and provide opportunities for youth development	New	Opex	1	0	0	0	0	0	1	1	0

56	CP	New KPI	KPA 6	KFA 25	Percentage of land invasion complaints responded to within 48 hours, quarterly	(1) Register + Calculation of average percentage of complaints responded to (Date complaint lodged through Digi Call) versus date of responded (site inspection report signed off within 48 hours) (2) Verification signed off by Director quarterly within 10 working days after the end of the quarter	Prevention of illegal occupation of land, prompt response will assist in saving cost for legal fees and avoid MLM from having to provide alternative accommodation for land invaders	New	Open	95%	95%	95%	95%	95%	95%	95%	95%	95%
57	CORP	New KPI	KPA 6	KFA 25	Report submitted on the promotion of learnerships to trades through a partnership to stimulate growth and employability	(1) Report drafted to be submitted to Mayoral Committee to reflect (1.1) 1 (1.2) 1 (1.3) 1, signed off by HOD by 1 (2) Report submitted into reporting cycle by 1 (3) Signature and date of Committee Clerk as proof of submission into reporting cycle	Intention is to partner with Samancor Training Academy or other to sponsor local qualifying learners using local Mayoral funds and/or Council allocation to upskill youth in much-needed trades and thereby increase their employability	New	Open	Feb-19	0	0	0	0	0	0	1	0
58	CORP	New KPI	KPA 1	KFA 02	Plan drafted on targeted stakeholders engagements per sector / Grouping of sectors with specific messaging in respect of each to enhance image of the municipality and understanding of local government affairs	(1) Report drafted to be submitted to Mayoral Committee to reflect (1.1) 1 (1.2) 1 (1.3) 1, signed off by HOD by 1 (2) Report submitted into reporting cycle by 1 (3) Signature and date of Committee Clerk as proof of submission into reporting cycle	The objective is to arrange specific engagement with opinion-formers in the community to pursue mutually beneficial interaction and better mutual understanding in order to improve communication and governance	New	Open	Dec-18	0	0	0	0	0	1	0	0
59	CORP	New KPI	KPA 1	KFA 04	Procurement of a web-based application system to enhance communication-communicate with residents	System procured - BAC resolution	The intention is to make public engagements on IDP/Budget more meaningfull. Current sessions are dominated by confrontational persons merely repeating their agendas and diverting attention on their issues, not necessarily in interest of the community as a whole.	New	Open	Mar-19	0	0	0	0	0	0	1	0
60	COMM	New KPI	KPA 2	KFA60	Report to the Mayoral Committee on the alternative Law Enforcement Mechanisms	Report to Mayoral Committee + submitted into reporting cycle by 30 Oct 2018 (Proof of receipt by Committee Clerk)	1	New	Open	1	0	0	0	0	0	1	0	0

3.5 DETAILED CAPITAL WORKS PLAN BROKEN DOWN BY WARD OVER THREE YEARS

Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

MIDVAAL's APPROVED KEY PERFORMANCE AREAS (KPAs)

- **KPA 1:** Good Governance & Public Participation: To promote increased participation and improved communication with all key internal and external stakeholders.
- **KPA 2:** Safety & Environment: To create a sustainable environment safe from harm.
- **KPA 3:** Social & Community Development: To create an environment focusing on uplifting the youth, the poor and the most vulnerable.
- **KPA 4:** Institutional Transformation: To transform and align the people, processes and systems of the municipality to achieve its objectives.
- **KPA 5:** Financial Sustainability: To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements.
- **KPA 6:** Physical Infrastructure & Energy Efficiency: To ensure efficient infrastructure and energy supply that will improve the quality of life of the community.
- **KPA 7:** Services & Customer Care: To deliver inclusive and excellent services to the community.
- **KPA 8:** Economic Growth & Development: Increasing the GDP of the local municipality and improving the economic and social well-being of its people.

WARD	DEPARTMENT	VOTE	DESCRIPTION	SECTION	2018/2019	2019/2020	2020/2021
01	COMM	07056600420F4R29ZZ01	Vaal Marina - Land Cruiser	TRAFFI	800 000.00	-	-
01	COMM	07106473520FGC45ZZ01	Vaal Marina - Fire Station (MIG)	FIRE	277 480.00	1 000 000.00	-
01	COMM	07106600420FPR33ZZ01	Fire Engine Refurbishment	FIRE	1 500 000.00	-	-
01	COMM	05356475020LBR43ZZ01	Bantu Bonke Library - books (DAC)	LB	300 000.00	300 000.00	200 000.00
01	ENG	10056449420FGR46ZZ01	Mamello Sewage Scheme Augmentation	MS	2 640 000.00	-	-
01	ENG	10106449420FSD48ZZ01	Mamelo Sewerage - Servitude	PURIFI	700 000.00	-	-
01	ENG	12056446020FNR69ZZ01	Vaal Marina Ringfeed in Mamelo - Relocation	WSA	150 000.00	-	-
01	ENG	12056446020FGR32ZZ01	Mamello Bulk Water (MIG)	WSA	430 000.00	-	-
01 Total					**6 797 480.00**	**1 300 000.00**	**200 000.00**
02	ENG	13056433020FPR51ZZ02	Risiville Sub-Ripple Injection Equip	ELECTRA	1 900 000.00	-	-
02	ENG	13056600420FQR59ZZ02	Cable feeders-cons Emfuleni connections	ELECTRA	2 000 000.00	-	-
02 Total					**3 900 000.00**	-	-
04	COMM	05206475020FKD14ZZ04	Randvaal Library Books (DAC)	LR	150 000.00	150 000.00	200 000.00
04	ENG	10056449420FGR30ZZ04	Daleside Sewer - Extension	MS	-	3 000 000.00	5 000 000.00
04 Total					**150 000.00**	**3 150 000.00**	**5 200 000.00**
06	COMM	05306460020LBG41ZZ06	Lakeside Library Children Section furniture	LL	100 000.00	-	-
06	COMM	05306475020FKC67ZZ06	Lakeside Library - Books (DAC)	LL	250 000.00	250 000.00	300 000.00
06	COMM	08156473520FGC68ZZ06	Lakeside Sport Centre	SRA	2 600 000.00	2 500 000.00	-
06	ENG	12056446020FNR70ZZ06	Lakeside - Installation domestic W/meters	WSA	2 000 000.00	-	-
06 Total					**4 950 000.00**	**2 750 000.00**	**300 000.00**
08	ENG	10056449420FGR34ZZ08	Sicelo North Outfall Sewer	MS	4 400 000.00	6 000 000.00	-
08	ENG	13056433020FPR54ZZ08	Sicelo Reticulation Network (Erf 204)	ELECTRA	500 000.00	-	-
08	ENG	13056433020FTR41ZZ08	Sicelo Electrification Network	ELECTRA	8 000 000.00	20 082 000.00	25 600 000.00
08 Total					**12 900 000.00**	**26 082 000.00**	**25 600 000.00**
10	COMM	05256475020FKD55ZZ10	Sicelo Library Books (DAC)	LS	250 000.00	250 000.00	300 000.00
10	COMM	05406473520FGR58ZZ10	Sicelo ECD - Park fencing & jungle gym	SSA	200 000.00	-	-
10	ENG	13056433020FPD57ZZ10	Sicelo Bulk Network (Erf 78-204)	ELECTRA	500 000.00	-	-
10 Total					**950 000.00**	**250 000.00**	**300 000.00**
11	COMM	05156475020FKC30ZZ11	De Deur Library Books (DAC)	LW	150 000.00	150 000.00	200 000.00
11	SAV CITY	16056460020FQC51ZZ11	Office Furniture and Equipment	SCA	25 000.00	45 000.00	50 000.00
11	SAV CITY	16056473520FQR36ZZ11	Informal trading facilities	SCA	500 000.00	500 000.00	500 000.00
11	SAV CITY	16056456020FQR62ZZ11	DEV-WALKWAYS AND BOULEVARDS (SPINEROAD)	SCA	1 000 000.00	1 200 000.00	1 200 000.00
11	SAV CITY	16056600420FQD86ZZ11	Vehicles / Trailers	SCA	1 350 000.00	1 200 000.00	1 000 000.00

11	SAV CITY	16056473520FQD64ZZ11	Sports Facilities	SCA	-	3 000 000.00	3 000 000.00
11	SAV CITY	16056456420FQR12ZZ11	Savanna City - Development of Parks	SCA	1 500 000.00	2 000 000.00	2 000 000.00
11 Total					**4 525 000.00**	**8 095 000.00**	**7 950 000.00**
12	ENG	10056449420FPR71ZZ12	Pipe rising main rep (Klipriver Business Park)	MS	500 000.00	-	-
12 Total					**500 000.00**	-	-
14	COMM	05056460020LBG19ZZ14	Meyerton Library Furniture	LM	100 000.00	-	-
14	COMM	05056475020FKC81ZZ14	Meyerton Library Books (DAC)	LM	450 000.00	250 000.00	300 000.00
14	COMM	05056460020LBG30ZZ14	Meyerton - RFID security system	LM	1 400 000.00	1 000 000.00	1 000 000.00
14 Total					**1 950 000.00**	**1 250 000.00**	**1 300 000.00**
15	COMM	05106475020FKC56ZZ15	Henley on Klip - Library Books (DAC)	LHOK	150 000.00	150 000.00	200 000.00
15	COMM	05106473520LBG55ZZ15	Henley on Klip Library - Refurbishment	LHOK	400 000.00	-	-
15 Total					**550 000.00**	**150 000.00**	**200 000.00**
HO	CORP	01106460020F5C12ZZHO	Records - Air Conditioners	CSA	-	15 000.00	-
HO	CORP	01106460020F5G04ZZHO	Records - Disaster recovery equipment	CSA	10 000.00	-	-
HO	CORP	01106460020F5G28ZZHO	Recording equipment	CSA	50 000.00	-	-
HO	CORP	01106460020F5G08ZZHO	Furniture & Equipment	CSA	30 000.00	30 000.00	30 000.00
HO	CORP	01106400320FPG53ZZHO	Ophir - Acquisition of Land / Servitudes	CSA	-	1 500 000.00	1 500 000.00
HO	COUNCIL	01206460020F5C11ZZHO	Air conditioners	SO	-	15 000.00	15 000.00
HO	COUNCIL	01206600420F4D22ZZHO	Replacement of a Speaker's vehicle	SO	-	400 000.00	-
HO	COUNCIL	01456600420F4D07ZZHO	Pool vehicle	OOTM	-	-	350 000.00
HO	COUNCIL	01456600420F4D32ZZHO	Replacement of vehicle	OOTM	-	700 000.00	-
HO	COMM	05406460020F5C84ZZHO	Minor capital items (previously non-capital)	SSA	20 000.00	20 000.00	20 000.00
HO	COMM	05406474020F5G05ZZHO	De Deur - Steel Carports	SSA	-	100 000.00	-
HO	COMM	05406460020F5C47ZZHO	Furniture & Equipment	SSA	30 000.00	30 000.00	30 000.00
HO	COMM	05406600420F4G10ZZHO	LDV	SSA	-	350 000.00	-
HO	COMM	05406600420F4G06ZZHO	16 Seater Kombi	SSA	-	-	400 000.00
HO	SAV CITY	16056474020FQC88ZZHO	Municipal Depot	SCA	-	5 000 000.00	5 000 000.00
HO	CORP	01356460020F5C89ZZHO	Network switches	IS	-	120 000.00	120 000.00
HO	CORP	01356460020F5C63ZZHO	ICT Networks and Servers - must be detailed	IS	800 000.00	1 350 000.00	1 350 000.00
HO	CORP	02206460020F5C90ZZHO	New aircons (Copy room, open office and reception)	HR	-	15 000.00	15 000.00
HO	FIN	02156460020F5G36ZZHO	Shelves for stores	FS-BT2	39 000.00	-	-
HO	FIN	02156456020F5G42ZZHO	Cable stand	FS-BT2	50 000.00	-	-
HO	FIN	02056460020F5C49ZZHO	Furniture & Equipment	FS-BTO	30 000.00	30 000.00	30 000.00
HO	FIN	02106460020F5C84ZZHO	Minor capital items (previously non-capital)	FS-BT1	10 000.00	10 000.00	10 000.00

HO	ENG	15056460020F5C48ZZHO	Furniture and Equipment	EAA	30 000.00	30 000.00	30 000.00
HO	ENG	15056460020F5R27ZZHO	Minor Capital Items	EAA	30 000.00	30 000.00	30 000.00
HO	DP	03056460020F5C50ZZHO	Furniture and Equipment new	DPO	10 000.00	10 000.00	10 000.00
HO	DP	03056460020F5C84ZZHO	Minor capital items (previously non-capital)	DPO	10 000.00	10 000.00	10 000.00
HO Total					**1 149 000.00**	**9 765 000.00**	**8 950 000.00**
WM	CORP	01106600420F4D84ZZWM	Vehicle replacement	CSA	-	200 000.00	200 000.00
WM	COMM	07056600420F4G10ZZWM	LDV	TRAFFI	-	300 000.00	300 000.00
WM	COMM	07056600420F4G11ZZWM	Vehicle Replacements	TRAFFI	300 000.00	300 000.00	300 000.00
WM	COMM	07106461020F5D90ZZWM	Radios and repeaters	FIRE	100 000.00	100 000.00	100 000.00
WM	COMM	07106460020F5G56ZZWM	Replacement of CCTV Cameras	FIRE	150 000.00	150 000.00	150 000.00
WM	COMM	07106461020F5D91ZZWM	Thermal and Night Vision cameras	FIRE	200 000.00	200 000.00	200 000.00
WM	COMM	07106461020F5D92ZZWM	CCTV Cameras and monitors and DVR's	FIRE	480 000.00	480 000.00	480 000.00
WM	COMM	05056460020FKD46ZZWM	Meyerton Library - Server	LM	150 000.00	-	-
WM	COMM	05056600420LBG14ZZWM	Vehicle	LM	450 000.00	-	-
WM	COMM	08056456020F5G49ZZWM	Compressor	PARKS	5 000.00	-	-
WM	COMM	08056420420F5C70ZZWM	Large Chainsaws	PARKS	-	40 000.00	-
WM	COMM	08056460020F5C10ZZWM	Air Conditioners	PARKS	10 000.00	10 000.00	10 000.00
WM	COMM	08056420420F5C87ZZWM	Chain Powered Roller Shutter door Tractor Storeroo	PARKS	-	100 000.00	-
WM	COMM	08056420420F5D74ZZWM	Tandem High Trailer	PARKS	-	100 000.00	-
WM	COMM	08056420420F5D76ZZWM	Telescopic Pole Pruners	PARKS	25 000.00	25 000.00	25 000.00
WM	COMM	08056460020F5C19ZZWM	Depot - Carport Roof Renovations	PARKS	-	100 000.00	-
WM	COMM	08056474020F5G15ZZWM	Depot - 2 x Store rooms for flameable materials	PARKS	-	100 000.00	-
WM	COMM	08056460020F5C43ZZWM	Extension Tractor Garage 100 m²	PARKS	-	-	250 000.00
WM	COMM	08056420420F5C14ZZWM	Brush Cutters	PARKS	60 000.00	65 000.00	70 000.00
WM	COMM	08056420420F5D73ZZWM	Swing Axle Water cart	PARKS	100 000.00	100 000.00	-
WM	COMM	08056420420F5C66ZZWM	Kudus	PARKS	100 000.00	100 000.00	100 000.00
WM	COMM	08056420420F5C86ZZWM	Motor Elevating Work Platform	PARKS	250 000.00	-	-
WM	COMM	08056600420F4C32ZZWM	Double Cab Tipper Truck (Replacement)	PARKS	-	500 000.00	-
WM	COMM	08056600420F4C74ZZWM	LDV's (Replacement)	PARKS	-	400 000.00	400 000.00
WM	COMM	08056600420F4G13ZZWM	LDV's (new)	PARKS	-	-	840 000.00
WM	COMM	08056420420F4D79ZZWM	Tractors (Replacement)	PARKS	-	550 000.00	550 000.00
WM	COMM	08156420420F5D35ZZWM	Ride on lawnmowers with trailers	SRA	220 000.00	240 000.00	260 000.00
WM	COMM	08156473520FGC99ZZWM	Other Sports Projects	SRA	-	500 000.00	2 500 000.00
WM	COMM	17056456020F5G49ZZWM	Compressor	SWMA	5 000.00	-	-

WM	COMM	17056460020F5G48ZZWM	Kliprivier Transfer Station - Carport	SWMA	-	-	50 000.00
WM	COMM	17056460020F5G44ZZWM	Furniture for transfer station	SWMA	-	-	60 000.00
WM	COMM	17056456420F5D67ZZWM	Street Litter Bins	SWMA	100 000.00	120 000.00	140 000.00
WM	COMM	17056456020F4G51ZZWM	Bob Cat Waste Transfer Station	SWMA	-	-	500 000.00
WM	COMM	17056474020FGD81ZZWM	Vaal Marina - Landfill Site Upgrade (GS/SA/83)	SWMA	-	1 000 000.00	-
WM	COMM	17056600420F4D59ZZWM	LDV	SWMA	-	300 000.00	900 000.00
WM	COMM	17056449420FGG47ZZWM	Refurbishment of Blackwood Transfer Station	SWMA	-	1 000 000.00	500 000.00
WM	COMM	17056474020F5D60ZZWM	Skip Bins 6 Cubic Meters	SWMA	450 000.00	450 000.00	450 000.00
WM	COMM	17056600420F4C72ZZWM	Skip Bin Loader With Trailer	SWMA	-	2 100 000.00	-
WM	COMM	17056456020F4G50ZZWM	Backhoe loader (TLB) for illegal dumping	SWMA	1 300 000.00	-	-
WM	COMM	17056474020FGD80ZZWM	Vaal Marina Transfer Station Phase 2 Upgrading(Cs/Ga/70E	SWMA	-	1 000 000.00	3 000 000.00
WM	COMM	17056600420F4G45ZZWM	1 x 30 m3 Tipper trucks for transfer station	SWMA	2 200 000.00	-	-
WM	COMM	17056474020F5C07ZZWM	Adjustment to Provision for landfill site rehab as	SWMA	3 000 000.00	3 000 000.00	3 000 000.00
WM	SAV CITY	16056460020FQC15ZZWM	Machinery and Equipment, including small tools	SCA	25 000.00	25 000.00	30 000.00
WM	SAV CITY	16056450020FQD88ZZWM	Waste Transfer Stations	SCA	-	2 000 000.00	1 000 000.00
WM	SAV CITY	16056475020FKC75ZZWM	Library	SCA	-	1 880 000.00	1 830 000.00
WM	SAV CITY	16056474020FQC85ZZWM	Modal Transport Facilities	SCA	-	2 000 000.00	2 000 000.00
WM	SAV CITY	16056473520FQC24ZZWM	Community Hall	SCA	-	1 000 000.00	4 000 000.00
WM	ENG	10056456420F5D65ZZWM	Standby Generator	MS	-	400 000.00	-
WM	ENG	10056449420F5D01ZZWM	Palisade Security Fence (Depot)	MS	-	400 000.00	400 000.00
WM	ENG	10056449420FGD33ZZWM	Replacement Pumps	MS	-	800 000.00	-
WM	ENG	10056449420FPD33ZZWM	Replacement Pumps	MS	-	800 000.00	-
WM	ENG	10056449420FNG18ZZWM	Refurbishment of Pump-stations	MS	-	1 300 000.00	1 300 000.00
WM	ENG	10056449420FQC39ZZWM	Extend Sewer Network	MS	750 000.00	750 000.00	750 000.00
WM	ENG	10056600420F4C34ZZWM	Double Cab trucks (Replacement)	MS	800 000.00	850 000.00	900 000.00
WM	ENG	10056473520FPD30ZZWM	Replacement Of Pumps in networks / pumpstations	MS	1 000 000.00	1 000 000.00	1 000 000.00
WM	ENG	10056449420FGD82ZZWM	Upgrade Sewage Network	MS	-	-	6 000 000.00
WM	ENG	10106449420F5R52ZZWM	Servitute - Rothdene to Meyerton WWTW	PURIFI	200 000.00	-	-
WM	ENG	10106449420F5C46ZZWM	Flow Meters	PURIFI	200 000.00	-	200 000.00
WM	ENG	10106449420F5D12ZZWM	PST - Meyerton WWTW platform construction and hold	PURIFI	-	700 000.00	-
WM	ENG	10106449420FPD13ZZWM	Pumpstation Refurbishment and Upgrade	PURIFI	1 500 000.00	500 000.00	500 000.00
WM	ENG	11056600420F4C01ZZWM	2 x Half Ton LDV (Roads foreman)	RS	320 000.00	-	-
WM	ENG	11056472420F5D04ZZWM	Pedestrian rollers with trailers	RS	-	350 000.00	350 000.00
WM	ENG	11056474020F5R53ZZWM	Road Servitudes - Hill Road / Anchovy	RS	-	500 000.00	500 000.00

WM	ENG	11056600420F4C33ZZWM	Water Tanker	RS	-	-	1 000 000.00
WM	ENG	11056600420F4R21ZZWM		RS	-	1 400 000.00	-
WM	ENG	11056472420F5R35ZZWM	Establishment of borrow pit	RS	-	500 000.00	1 000 000.00
WM	ENG	11056600420F4C04ZZWM	4 Ton Truck	RS	800 000.00	-	-
WM	ENG	11056472420FPD20ZZWM	Remedial work to Iffley Road Bridge - HOK (Kidson)	RS	-	1 000 000.00	1 000 000.00
WM	ENG	11056600420F4C52ZZWM	Grader	RS	-	-	3 300 000.00
WM	ENG	11056472420FPG20ZZWM	Infrastructure-Existing-Renewal-Electrical Infrast	RS	-	-	7 000 000.00
WM	ENG	11056472420FPG23ZZWM	Construction of gravel roads	RS	2 000 000.00	2 000 000.00	2 000 000.00
WM	ENG	11056472420FGC53ZZWM	Gravel To Tar	RS	4 225 520.00	466 000.00	2 500 000.00
WM	ENG	11056472420FPG21ZZWM	Major arterials rebuilding	RS	4 000 000.00	4 000 000.00	4 000 000.00
WM	ENG	11056472420FPG22ZZWM	Road resurfacing	RS	8 000 000.00	8 000 000.00	8 000 000.00
WM	ENG	11106474020FPG24ZZWM	Galloway depot external parking area	TMW	-	1 500 000.00	-
WM	ENG	12056460020F5D40ZZWM	Plate Compactor	WSA	45 000.00	-	-
WM	ENG	12056420420F5C25ZZWM	Compressor	WSA	-	400 000.00	-
WM	ENG	12056420420F5C35ZZWM	Drilling Machine	WSA	-	550 000.00	-
WM	ENG	12056600420F4D87ZZWM	Vehicles Water Demand Management (Additional vehic	WSA	400 000.00	-	-
WM	ENG	12056448020F5D75ZZWM	Telemetry of Water Supply and Distribution System	WSA	600 000.00	-	-
WM	ENG	12056446020F5R37ZZWM	PRV's - Water loss programme	WSA	500 000.00	500 000.00	-
WM	ENG	12056446020F5R57ZZWM	Water pipe installation - Water loss programme	WSA	500 000.00	500 000.00	-
WM	ENG	12056446020F5R66ZZWM	Bulk water meters - Water loss programme	WSA	500 000.00	500 000.00	-
WM	ENG	12056600420F4G27ZZWM	1 Ton Double-cabs	WSA	400 000.00	450 000.00	500 000.00
WM	ENG	12056446020F5R56ZZWM	Reservior Refurbishment - Water loss programme	WSA	730 000.00	730 000.00	-
WM	ENG	12056446020FPG25ZZWM	Pre-paid water meters (new and replacement of conv	WSA	500 000.00	1 000 000.00	1 000 000.00
WM	ENG	12056446020F5D89ZZWM	Water Meter Replacement Programme	WSA	1 150 000.00	1 150 000.00	1 150 000.00
WM	ENG	12056446020FNG26ZZWM	Refurbishment and Replacement of Water Supply Valv	WSA	1 500 000.00	1 500 000.00	1 500 000.00
WM	ENG	12056446020FNR25ZZWM	Bulk Water Meters	WSA	2 000 000.00	2 000 000.00	2 000 000.00
WM	ENG	12056446020FNR47ZZWM	Pressure Management Infrastructure	WSA	2 500 000.00	2 500 000.00	2 500 000.00
WM	ENG	12056446020FNC08ZZWM	Aged Bulk Water Pipe Replacement	WSA	6 850 000.00	7 700 000.00	8 525 000.00
WM	ENG	12056448020FGD58ZZWM	Sicelo/Highbury (Valley Settlements) Reservoir	WSA	15 000 000.00	13 020 000.00	12 302 000.00
WM	ENG	13056437020F5G34ZZWM	Marthinus Oosthuizen Street: Remove LT line insta	ELECTRA	-	-	70 000.00
WM	ENG	13056437020F5G35ZZWM	Rabie Avenue: Remove LT line install cables pilla	ELECTRA	-	-	70 000.00
WM	ENG	13056433020F5D31ZZWM	Replacement of tools for mechanics	ELECTRA	20 000.00	20 000.00	20 000.00
WM	ENG	13056437020F5G37ZZWM	Glen Donald: Replace wood cross arms with steel.	ELECTRA	-	-	150 000.00
WM	ENG	13056437020F5G39ZZWM	Rose Avenue: Remove LT line install cables pillar	ELECTRA	-	-	300 000.00

WM	ENG	13056437020F5G40ZZWM	Van Riebeeck Street: Remove LT line install cables	ELECTRA	-	-	300 000.00
WM	ENG	13056600420F4G31ZZWM	Half Ton LDV (Metering)	ELECTRA	160 000.00	-	-
WM	ENG	13056600420F4G32ZZWM	1 Ton LDV	ELECTRA	220 000.00	-	-
WM	ENG	13056433020F5R60ZZWM	H/Mast&Street Lights:Un-Serviced Areas	ELECTRA	250 000.00	250 000.00	250 000.00
WM	ENG	13056433020FPR64ZZWM		ELECTRA	-	1 200 000.00	-
WM	ENG	13056460020F5C26ZZWM	Computer program for load control	ELECTRA	-	-	1 500 000.00
WM	ENG	13056433020FQC38ZZWM	New Connections	ELECTRA	500 000.00	500 000.00	500 000.00
WM	ENG	13056433020FQC93ZZWM	Electricity Metering	ELECTRA	500 000.00	500 000.00	500 000.00
WM	ENG	13056449420F5R55ZZWM	Land Acquisitions & Services 59 Development	ELECTRA	490 000.00	445 000.00	1 000 000.00
WM	ENG	13056600420F4D77ZZWM	TLB	ELECTRA	1 300 000.00	-	-
WM	ENG	13056433020F4R23ZZWM	Land Cruisers	ELECTRA	1 000 000.00	1 000 000.00	-
WM	ENG	13056433020FPD21ZZWM	Replace Redundant Switchgear	ELECTRA	750 000.00	1 000 000.00	1 000 000.00
WM	ENG	14056456020F4G38ZZWM	Landfill Compactor	LAND	-	-	2 500 000.00
WM Total					71 840 520.00	85 166 000.00	103 532 000.00
Grand Total					110 162 000.00	137 958 000.00	153 532 000.00

WARD	DEPARTMENT	VOTE	DESCRIPTION	SECTION	2018/2019	2019/2020	2020/2021
WM	COMM	08056456020F5G49ZZWM	Compressor	PARKS	5 000.00	-	-
WM	COMM	17056456020F5G49ZZWM	Compressor	SWMA	5 000.00	-	-
HO	CORP	01106460020F5G04ZZHO	Records - Disaster recovery equipment	CSA	10 000.00	-	-
HO	FIN	02106460020F5C84ZZHO	Minor capital items (previously non-capital)	FS-BT1	10 000.00	10 000.00	10 000.00
HO	DP	03056460020F5C50ZZHO	Furniture and Equipment new	DPO	10 000.00	10 000.00	10 000.00
HO	DP	03056460020F5C84ZZHO	Minor capital items (previously non-capital)	DPO	10 000.00	10 000.00	10 000.00
WM	COMM	08056460020F5C10ZZWM	Air Conditioners	PARKS	10 000.00	10 000.00	10 000.00
HO	COMM	05406460020F5C84ZZHO	Minor capital items (previously non-capital)	SSA	20 000.00	20 000.00	20 000.00
WM	ENG	13056433020F5D31ZZWM	Replacement of tools for mechanics	ELECTRA	20 000.00	20 000.00	20 000.00
11	SAV CITY	16056460020FQC51ZZ11	Office Furniture and Equipment	SCA	25 000.00	45 000.00	50 000.00
WM	COMM	08056420420F5D76ZZWM	Telescopic Pole Pruners	PARKS	25 000.00	25 000.00	25 000.00
WM	SAV CITY	16056460020FQC15ZZWM	Machinery and Equipment, including small tools	SCA	25 000.00	25 000.00	30 000.00
HO	CORP	01106460020F5G08ZZHO	Furniture & Equipment	CSA	30 000.00	30 000.00	30 000.00
HO	COMM	05406460020F5C47ZZHO	Furniture & Equipment	SSA	30 000.00	30 000.00	30 000.00
HO	FIN	02056460020F5C49ZZHO	Furniture & Equipment	FS-BTO	30 000.00	30 000.00	30 000.00
HO	ENG	15056460020F5C48ZZHO	Furniture and Equipment	EAA	30 000.00	30 000.00	30 000.00
HO	ENG	15056460020F5R27ZZHO	Minor Capital Items	EAA	30 000.00	30 000.00	30 000.00
HO	FIN	02156460020F5G36ZZHO	Shelves for stores	FS-BT2	39 000.00	-	-
WM	ENG	12056460020F5D40ZZWM	Plate Compactor	WSA	45 000.00	-	-
HO	CORP	01106460020F5G28ZZHO	Recording equipment	CSA	50 000.00	-	-
HO	FIN	02156456020F5G42ZZHO	Cable stand	FS-BT2	50 000.00	-	-
WM	COMM	08056420420F5C14ZZWM	Brush Cutters	PARKS	60 000.00	65 000.00	70 000.00
06	COMM	05306460020L8G41ZZ06	Lakeside Library Children Section furniture	LL	100 000.00	-	-
14	COMM	05056460020L8G19ZZ14	Meyerton Library Furniture	LM	100 000.00	-	-
WM	COMM	07106461020F5D90ZZWM	Radios and repeaters	FIRE	100 000.00	100 000.00	100 000.00
WM	COMM	08056420420F5D73ZZWM	Swing Axle Water cart	PARKS	100 000.00	100 000.00	-
WM	COMM	08056420420F5C66ZZWM	Kudus	PARKS	100 000.00	100 000.00	100 000.00
WM	COMM	17056456420F5D67ZZWM	Street Litter Bins	SWMA	100 000.00	120 000.00	140 000.00
01	ENG	12056446020FNR69ZZ01	Vaal Marina Ringfeed in Mamelo - Relocation	WSA	150 000.00	-	-
04	COMM	05206475020FKD14ZZ04	Randvaal Library Books (DAC)	LR	150 000.00	150 000.00	200 000.00
11	COMM	05156475020FKC30ZZ11	De Deur Library Books (DAC)	LW	150 000.00	150 000.00	200 000.00
15	COMM	05106475020FKC56ZZ15	Henley on Klip - Library Books (DAC)	LHOK	150 000.00	150 000.00	200 000.00
WM	COMM	07106460020F5G56ZZWM	Replacement of CCTV Cameras	FIRE	150 000.00	150 000.00	150 000.00
WM	COMM	05056460020FKD46ZZWM	Meyerton Library - Server	LM	150 000.00	-	-
WM	ENG	13056600420F4G31ZZWM	Half Ton LDV (Metering)	ELECTRA	160 000.00	-	-
10	COMM	05406473520FGR58ZZ10	Sicelo ECD - Park fencing & jungle gym	SSA	200 000.00	-	-
WM	COMM	07106461020F5D91ZZWM	Thermal and Night Vision cameras	FIRE	200 000.00	200 000.00	200 000.00
WM	ENG	10106449420F5R52ZZWM	Servitute - Rothdene to Meyerton WWTW	PURIFI	200 000.00	-	-
WM	ENG	10106449420F5C46ZZWM	Flow Meters	PURIFI	200 000.00	-	200 000.00
WM	COMM	08156420420F5D35ZZWM	Ride on lawnmowers with trailers	SRA	220 000.00	240 000.00	260 000.00

WM	ENG	13056600420F4G32ZZWM	1 Ton LDV	ELECTRA	220 000.00	-	-
06	COMM	05306475020FKC67ZZ06	Lakeside Library - Books (DAC)	LL	250 000.00	250 000.00	300 000.00
10	COMM	05256475020FKD55ZZ10	Sicelo Library Books (DAC)	LS	250 000.00	250 000.00	300 000.00
WM	COMM	08056420420F5C86ZZWM	Motor Elevating Work Platform	PARKS	250 000.00	-	-
WM	ENG	13056433020F5R60ZZWM	H/Mast&Street Lights:Un-Serviced Areas	ELECTRA	250 000.00	250 000.00	250 000.00
01	COMM	07106473520FGC45ZZ01	Vaal Marina - Fire Station (MIG)	FIRE	277 480.00	1 000 000.00	-
01	COMM	05356475020LBR43ZZ01	Bantu Bonke Library - books (DAC)	LB	300 000.00	300 000.00	200 000.00
WM	COMM	07056600420F4G11ZZWM	Vehicle Replacements	TRAFFI	300 000.00	300 000.00	300 000.00
WM	ENG	11056600420F4C01ZZWM	2 x Half Ton LDV (Roads foreman)	RS	320 000.00	-	-
15	COMM	05106473520LBG55ZZ15	Henley on Klip Library - Refurbishment	LHOK	400 000.00	-	-
WM	ENG	12056600420F4D87ZZWM	Vehicles Water Demand Management (Additional vehic	WSA	400 000.00	-	-
WM	ENG	12056600420F4G27ZZWM	1 Ton Double-cabs	WSA	400 000.00	450 000.00	500 000.00
01	ENG	12056446020FGR32ZZ01	Mamello Bulk Water (MIG)	WSA	430 000.00	-	-
14	COMM	05056475020FKC81ZZ14	Meyerton Library Books (DAC)	LM	450 000.00	250 000.00	300 000.00
WM	COMM	05056600420LBG14ZZWM	Vehicle	LM	450 000.00	-	-
WM	COMM	17056474020F5D60ZZWM	Skip Bins 6 Cubic Meters	SWMA	450 000.00	450 000.00	450 000.00
WM	COMM	07106461020F5D92ZZWM	CCTV Cameras and monitors and DVR's	FIRE	480 000.00	480 000.00	480 000.00
WM	ENG	13056449420F5R55ZZWM	Land Acquisitions & Services 59 Development	ELECTRA	490 000.00	445 000.00	1 000 000.00
08	ENG	13056433020FPR54ZZ08	Sicelo Reticulation Network (Erf 204)	ELECTRA	500 000.00	-	-
10	ENG	13056433020FPD57ZZ10	Sicelo Bulk Network (Erf 78-204)	ELECTRA	500 000.00	-	-
11	SAV CITY	16056473520FQR36ZZ11	Informal trading facilities	SCA	500 000.00	500 000.00	500 000.00
12	ENG	10056449420FPR71ZZ12	Pipe rising main rep (Klipriver Business Park)	MS	500 000.00	-	-
WM	ENG	12056446020F5R37ZZWM	PRV's - Water loss programme	WSA	500 000.00	500 000.00	-
WM	ENG	12056446020F5R57ZZWM	Water pipe installation - Water loss programme	WSA	500 000.00	500 000.00	-
WM	ENG	12056446020F5R66ZZWM	Bulk water meters - Water loss programme	WSA	500 000.00	500 000.00	-
WM	ENG	12056446020FPG25ZZWM	Pre-paid water meters (new and replacement of conv	WSA	500 000.00	1 000 000.00	1 000 000.00
WM	ENG	13056433020FQC38ZZWM	New Connections	ELECTRA	500 000.00	500 000.00	500 000.00
WM	ENG	13056433020FQC93ZZWM	Electricity Metering	ELECTRA	500 000.00	500 000.00	500 000.00
WM	ENG	12056448020F5D75ZZWM	Telemetry of Water Supply and Distribution System	WSA	600 000.00	-	-
01	ENG	10106449420F5D48ZZ01	Mamelo Sewerage - Servitude	PURIFI	700 000.00	-	-
WM	ENG	12056446020F5R56ZZWM	Reservior Refurbishment - Water loss programme	WSA	730 000.00	730 000.00	-
WM	ENG	10056449420FQC39ZZWM	Extend Sewer Network	MS	750 000.00	750 000.00	750 000.00
WM	ENG	13056433020FPD21ZZWM	Replace Redundant Switchgear	ELECTRA	750 000.00	1 000 000.00	1 000 000.00
01	COMM	07056600420F4R29ZZ01	Vaal Marina - Land Cruiser	TRAFFI	800 000.00	-	-
HO	CORP	01356460020F5C63ZZHO	ICT Networks and Servers - must be detailed	IS	800 000.00	1 350 000.00	1 350 000.00
WM	ENG	10056600420F4C34ZZWM	Double Cab trucks (Replacement)	MS	800 000.00	850 000.00	900 000.00
WM	ENG	11056600420F4C04ZZWM	4 Ton Truck	RS	800 000.00	-	-
11	SAV CITY	16056456020FQR62ZZ11	DEV-WALKWAYS AND BOULEVARDS (SPINEROAD)	SCA	1 000 000.00	1 200 000.00	1 200 000.00
WM	ENG	10056473520FPD30ZZWM	Replacement Of Pumps in networks / pumpstations	MS	1 000 000.00	1 000 000.00	1 000 000.00
WM	ENG	13056433020F4R23ZZWM	Land Cruisers	ELECTRA	1 000 000.00	1 000 000.00	-
WM	ENG	12056446020F5D89ZZWM	Water Meter Replacement Programme	WSA	1 150 000.00	1 150 000.00	1 150 000.00

WM	COMM	17056456020F4G50ZZWM	Backhoe loader (TLB) for illegal dumping	SWMA	1 300 000.00	-	-
WM	ENG	13056600420F4D77ZZWM	TLB	ELECTRA	1 300 000.00	-	-
11	SAV CITY	16056600420FQD86ZZ11	Vehicles / Trailers	SCA	1 350 000.00	1 200 000.00	1 000 000.00
14	COMM	05056460020LBG30ZZ14	Meyerton - RFID security system	LM	1 400 000.00	1 000 000.00	1 000 000.00
01	COMM	07106600420FPR33ZZ01	Fire Engine Refurbishment	FIRE	1 500 000.00	-	-
11	SAV CITY	16056456420FQR12ZZ11	Savanna City - Development of Parks	SCA	1 500 000.00	2 000 000.00	2 000 000.00
WM	ENG	10106449420FPD13ZZWM	Pumpstation Refurbishment and Upgrade	PURIFI	1 500 000.00	500 000.00	500 000.00
WM	ENG	12056446020FNG26ZZWM	Refurbishment and Replacement of Water Supply Valv	WSA	1 500 000.00	1 500 000.00	1 500 000.00
02	ENG	13056433020FPR51ZZ02	Risiville Sub-Ripple Injection Equip	ELECTRA	1 900 000.00	-	-
02	ENG	13056600420FQR59ZZ02	Cable feeders-cons Emfuleni connections	ELECTRA	2 000 000.00	-	-
06	ENG	12056446020FNR70ZZ06	Lakeside - Installation domestic W/meters	WSA	2 000 000.00	-	-
WM	ENG	11056472420FPG23ZZWM	Construction of gravel roads	RS	2 000 000.00	2 000 000.00	2 000 000.00
WM	ENG	12056446020FNR25ZZWM	Bulk Water Meters	WSA	2 000 000.00	2 000 000.00	2 000 000.00
WM	COMM	17056600420F4G45ZZWM	1 x 30 m3 Tipper trucks for transfer station	SWMA	2 200 000.00	-	-
WM	ENG	12056446020FNR47ZZWM	Pressure Management Infrastructure	WSA	2 500 000.00	2 500 000.00	2 500 000.00
06	COMM	08156473520FGC68ZZ06	Lakeside Sport Centre	SRA	2 600 000.00	2 500 000.00	-
01	ENG	10056449420FGR46ZZ01	Mamello Sewage Scheme Augmentation	MS	2 640 000.00	-	-
WM	COMM	17056474020F5C07ZZWM	Adjustment to Provision for landfill site rehab as	SWMA	3 000 000.00	3 000 000.00	3 000 000.00
WM	ENG	11056472420FPG21ZZWM	Major arterials rebuilding	RS	4 000 000.00	4 000 000.00	4 000 000.00
WM	ENG	11056472420FGC53ZZWM	Gravel To Tar	RS	4 225 520.00	466 000.00	2 500 000.00
08	ENG	10056449420FGR34ZZ08	Sicelo North Outfall Sewer	MS	4 400 000.00	6 000 000.00	-
WM	ENG	12056446020FNC08ZZWM	Aged Bulk Water Pipe Replacement	WSA	6 850 000.00	7 700 000.00	8 525 000.00
08	ENG	13056433020FTR41ZZ08	Sicelo Electrification Network	ELECTRA	8 000 000.00	20 082 000.00	25 600 000.00
WM	ENG	11056472420FPG22ZZWM	Road resurfacing	RS	8 000 000.00	8 000 000.00	8 000 000.00
WM	ENG	12056448020FGD58ZZWM	Sicelo/Highbury (Valley Settlements) Reservoir	WSA	15 000 000.00	13 020 000.00	12 302 000.00
Grand Total					110 162 000.00	137 958 000.00	153 532 000.00

These targets and indicators must be:

1. **Approved in the budget as an annual indicator with projections for at least two outer years based on the strategic priorities:**

   "The budget resolution must approve measurable performance objectives for each vote (and for key sub-functions as may be prescribed) including service delivery targets and other performance indicators so that council can be judged on service delivery as well as revenue and expenditure"

2. **Split into quarterly projections for the forthcoming budget in the SDBIP:**

   "The SDBIP would then break the annual targets and indicators into quarterly projections to assist with implementation. Quarterly reviews would compare targets with actual and revise future targets as necessary"

3. **Contained in Annual Performance Agreements of the Municipal Manager and Senior Managers:**

   "The quarterly projections in the SDBIP must be consistent with the annual performance agreements of the Municipal Manager and Senior Managers so that they can be held accountable for performance in line with the SDBIP, Budget & IDP"

4. **Reported on for in-year reporting (quarterly and mid-year) and the annual report:**

   "The Annual Report must include an assessment by the Accounting Officer of performance against the measurable performance objectives approved in the budget (and contained) in the SDBIP and annual performance agreements) including service delivery targets and other performance indicators."

The next section of the SDBIP must be read with the afore-mentioned requirements to be able to give effective implementation of the full process, linked to the Performance Management System.

4. PERFORMANCE MANAGEMENT FRAMEWORK

The Performance Management System (PMS) entails a framework that describes and represents how the municipality's process of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining the different role players.

The policy document guides the development of a PMS. It also forms the basis of aligning the IDP with the operational SDBIPs, performance areas and performance indicators of the various departments.

The Performance Management Framework is the way the Municipality collects, presents and uses its performance information. It is a practical plan, made up of mechanisms and processes, to collect, process, arrange and classify, examine and evaluate, audit, reflect on and report performance information. These mechanisms and processes work in a cycle which must be linked to the normal planning (IDP and otherwise) and the annual budgeting cycle.

The annual process of managing performance at organisational level involves the steps as set out in the diagram below:

The purpose of performance monitoring is to ensure:

1. Performance is monitored against the information available;
2. The MFMA requires the Accounting Officer to regularly monitor and report on performances;
3. The Act stresses the need for regular monitoring reports to be submitted to National Treasury, so serve as early warning;
4. Performance against the budget and service delivery plans;
5. That Council is alerted and managers are able to take appropriate remedial actions.

It is important to understand the duties, roles and responsibilities of the different stakeholders and role-players in the various processes that together constitute the framework of the PMS. It is important that the accountabilities and relationships and priorities of the various stakeholders are set to ensure that there is a complete understanding of the participation, consultation and involvement of all stakeholders for maximum inputs into, and success of the PMS.

Performance monitoring and reporting are very important. It ensures that timeous identification of non-performance can be identified.

The PMS is a component of municipal governance and management systems that is aimed at ensuring that the performance of the Municipality is developmental, while complementing the planning and budgeting processes as an integral part of organisational and individual management. It involves a wide variety of stake-holders, all of whom play a vital and integral part in the overall success of the PMS. There are a variety of tasks that have been identified as being an integral part of the PMS. The appropriate stakeholders/role-players, are the following:

1. **Mayoral Committee**
2. **Officials**
3. **Councillors**
4. **Local Community & Stakeholders**
5. **Municipal Manager**
6. **Executive Mayor**
7. **Performance Management Manager**
8. **Performance & Audit Committee**
9. **Internal Audit**

Performance monitoring is an ongoing process by which a Manager accountable for a specific indicator and target as set out in the SDBIP continuously monitors current performance against predetermined objectives (PDOs). The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due.

6. ROLES & RESPONSIBILITIES

Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

STAKEHOLDERS / ROLE-PLAYERS	ROLES AND RESPONSIBILITIES
1. Developing and sanctioning the performance management process	
Mayoral Committee	Ratify and adopt the PMS Policy
2. Developing measures / Indicators	
Officials	1. Provide the IDP documentation and (when appropriate) the PMS documentation of the previous reporting period
	2. Provide inputs into the process with reference to the available resources within their respective departments
	3. Document the measures/indicators
	4. Provide the schedule of measures/indicators to relevant stakeholders
Councillors	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities
	Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations
Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements
3. Setting targets	
Officials	1. Provide inputs into the process with reference to the available resources within their respective departments
	2. Document the targets
	3. Provide and publicise the schedule of targets to the relevant stakeholders
Councillors	1. Provide inputs into the process with reference to the needs and requirements of their constituents and the communities
	2. Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations
Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements
4. Linking measures/indicators and targets to performance commitments of staff	
Municipal Manager	1. Prepare performance agreements with agreed and approved measures/indicators and targets
	2. Ensure that the measures/indicators and targets in the performance agreements of senior managers are linked with his/her agreement
	3. Ensure that all senior managers performance agreements are published
	4. Provide inputs into senior managers performance agreements
	5. Ensure that the measures/indicators and targets of the departments and sub-ordinates are linked with the senior managers agreements
Mayoral Committee	Ratify and adopt the performance agreements

5. Monitoring and Evaluation	
Executive Mayor	Monitor and evaluate (according to agreed schedule) the measures/indicators and targets of the Municipal Manager
Municipal Manager	1. Monitor and evaluate (according to the agreed schedule) the measures/indicators and targets of senior managers
	2. Ensure that the results are documented and publicised to the relevant stakeholders
6. Information collection, processing and analysis	
Councillors	1. Provide inputs into the process with reference to the needs and requirements of their constituents and the communities
	2. Ensure with the council officials that all information is made available
	3. Examination, scrutiny and critical analysis of measures/indicators, targets, outputs and outcomes
Officials	Collect, process and provide the relevant and appropriate information from their respective departments/sections
Local community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements
7. Auditing of information	
Performance Management Manager	1. Collect and process relevant and appropriate information from departments
	2. Examination, scrutiny and critical analysis of information from departments
Performance & Audit Committee	Examination, scrutiny and critical analysis of information from departments
Auditor-General	1. Collect and process the relevant and appropriate information from the Municipality
	2. Examination, scrutiny and critical analysis of information from the Municipality
8. Audit reporting	
Internal Auditor	Provide an independent audit report to the Performance & Audit Committee
Performance & Audit Committee	Provide an independent audit report to the Municipal Manager and Mayoral Committee
9. Reporting	
Municipal Manager	Provide approved, relevant and appropriate information and reports to National- and Provincial Government; and the Auditor-General.
10. Report to Community	
Municipal Manager	Ensure that the results are documented and publicised to the relevant stakeholders
11. Review of performance management and setting of new measures/indicators and targets	
Officials	1. Provide inputs into the process with reference to the available resources within their respective departments
	2. Document the measures/indicators and targets
	3. Provide and publicise the schedule of revised measures/indicators and targets to relevant stakeholders
Councillors	1. Provide inputs into the process with reference to the needs and requirements of their constituents and the communities
	2. Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations in the light of the revised **measures/indicators** and targets
Local community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements in the light of the revised measures/indicators and targets

7. PERFORMANCE REPORTING

The purpose of performance reporting is to:

1. Monitor the financial position, performance and cash flows;
2. Review ongoing progress towards achieving performance objectives;
3. Early Warning System for budget overspending;
4. Highlight performance shortcomings: Under expenditure;
5. Integral part of on-going management;
6. Budget holders accountable through regular reporting;
7. Integrated financial and performance management determine cost effectiveness.

Performance reporting is done according to the following sections regulated by the MFMA:

Section 71

- The Municipal Manager must by no later than 10 working days after the end of the month submit to the Executive Mayor and the relevant Provincial Treasury a statement in the prescribed format on the state of the budget reflecting the required particulars

Section 52(d)

- The Executive Mayor must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs

Section 72

- The Municipal Manager must by 25 Jan of each year assess the performance during the first half of the financial year, according to the required considerations

Section 46 - MSA

- A municipality must prepare for each year a performance report, which must form part of the Annual Report in terms of Chapter 12 of the MFMA

8. PROCESS PLAN

Section 28 of the Municipal Systems Act states that: - Each Municipal Council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.

The Process Plan will amongst other, include the following:

- ❑ Institutional arrangements (internal and external role players);
- ❑ Mechanisms and procedures for public participation;
- ❑ The IDP year planner;
- ❑ Alignment of the IDP;
- ❑ Conclusion.

The complete process plan is contained in the IDP.

9. BUDGET ALLOCATION

Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

The following is an indication of the Operational and Expenditure budget allocation per KPA:

Revenue:

		2018/2019	2019/2020	2020/2021
	KPA 1 Total	-5 760 371.04	-6 306 753.00	-6 307 124.00
	KPA 2 Total	-51 102 611.04	-54 168 767.00	-57 148 048.00
	KPA 3 Total	-93 797 487.96	-97 828 691.00	-108 399 638.00
	KPA 4 Total	-500 000.04	-530 000.00	-559 150.00
	KPA 5 Total	-262 395 201.33	-284 905 930.00	-303 031 682.00
	KPA 6 Total	-625 872 532.68	-675 360 094.00	-721 185 708.00
	KPA 8 Total	-5 650 612.92	-5 950 632.00	-6 279 518.00
1 Total		-1 045 078 817.01	-1 125 050 867.00	-1 202 910 868.00
	KPA 2 Total	-	-1 000 000.00	-
	KPA 3 Total	-11 639 999.97	-28 350 000.00	-30 310 000.00
	KPA 6 Total	-53 583 000.00	-60 118 000.00	-68 977 000.00
2 Total		-65 222 999.97	-89 468 000.00	-99 287 000.00
		-1 110 301 816.98	-1 214 518 867.00	-1 302 197 868.00
	Grand Total	-1 110 301 816.98	-1 214 518 867.00	-1 302 197 868.00

Expenditure:

	2018/2019	2019/2020	2020/2021
KPA 1 Total	39 406 649.28	41 033 668.00	43 116 366.00
KPA 2 Total	60 146 903.78	63 029 450.00	66 173 400.00
KPA 3 Total	64 775 612.73	67 453 115.00	71 166 867.00
KPA 4 Total	294 514 761.45	311 819 932.00	330 435 305.00
KPA 5 Total	81 460 643.29	87 180 832.00	94 610 384.00
KPA 6 Total	556 937 435.91	593 427 739.00	633 369 670.00
KPA 7 Total	5 205.00	5 387.00	5 683.00
KPA 8 Total	12 512 048.39	12 855 365.00	13 419 447.00
Grand Total	1 109 759 259.83	1 176 805 488.00	1 252 297 122.00

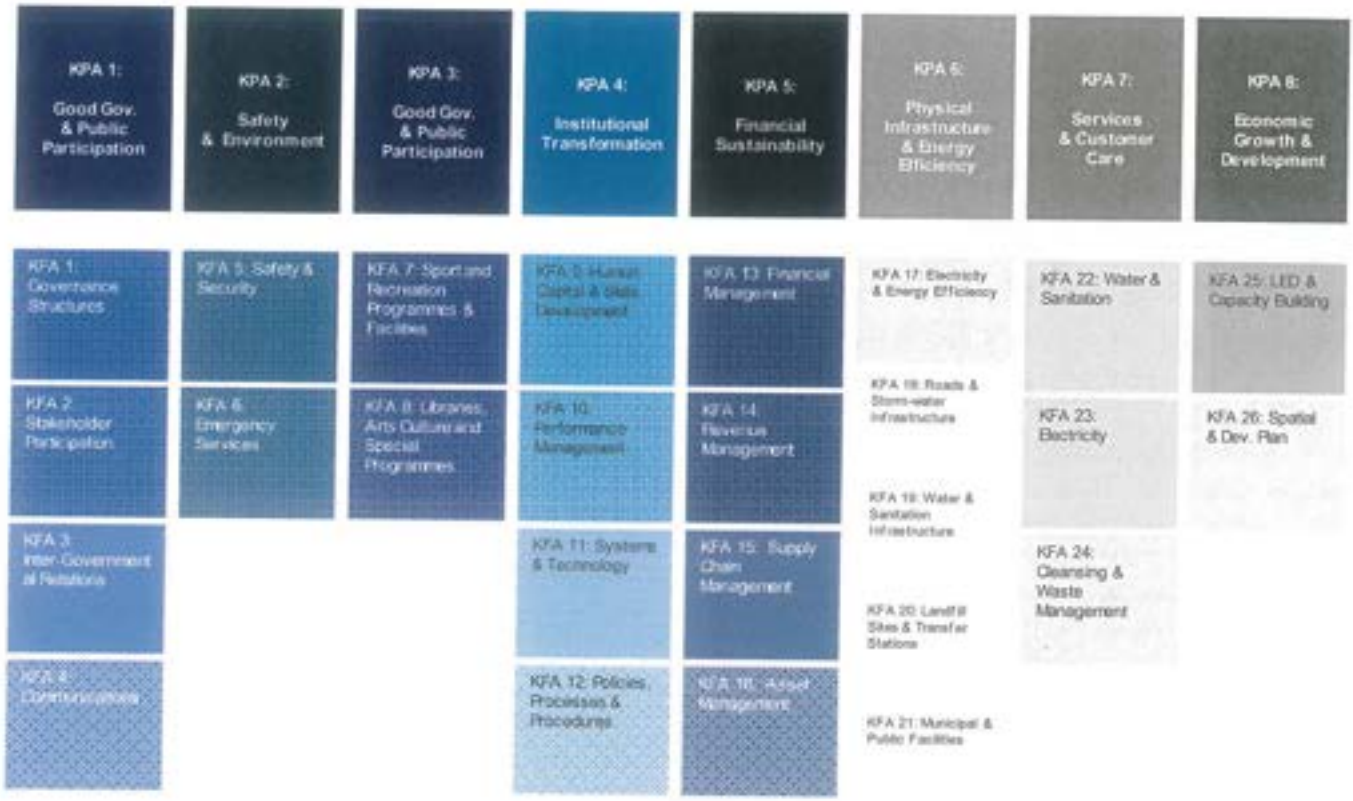
Capital:

WARD TOTALS	2018/2019	2019/2020	2020/2021
01 Total	6 797 480.00	1 300 000.00	200 000.00
02 Total	3 900 000.00	-	-
04 Total	150 000.00	3 150 000.00	5 200 000.00
06 Total	4 950 000.00	2 750 000.00	300 000.00
08 Total	12 900 000.00	26 082 000.00	25 600 000.00
10 Total	950 000.00	250 000.00	300 000.00
11 Total	4 525 000.00	8 095 000.00	7 950 000.00
12 Total	500 000.00	-	-
14 Total	1 950 000.00	1 250 000.00	1 300 000.00
15 Total	550 000.00	150 000.00	200 000.00
Head Office (HO) Total	1 149 000.00	9 765 000.00	8 950 000.00
Whole Municipality (WM) Total	71 840 520.00	85 166 000.00	103 532 000.00
Grand Total	110 162 000.00	137 958 000.00	153 532 000.00

10. KEY PERFORMANCE AREAS (KPAs) / KEY FOCUS AREAS (KFAs) (Measurable Performance Objectives)

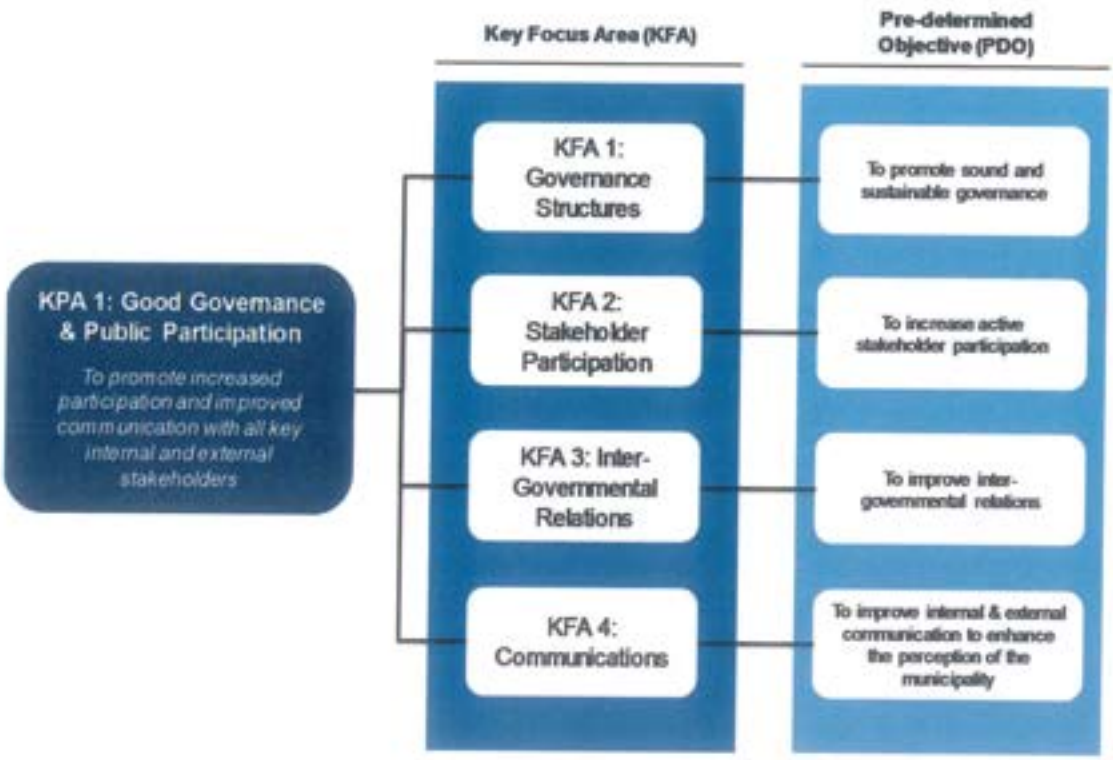
Service Delivery & Budget Implementation Plan (SDBIP)
2018 / 2019

The Key Performance Areas (KFAs) and Key Focus Areas (KFAs) identified for Council, in other words the Objectives and Measurable Performance Objectives are listed as follows:



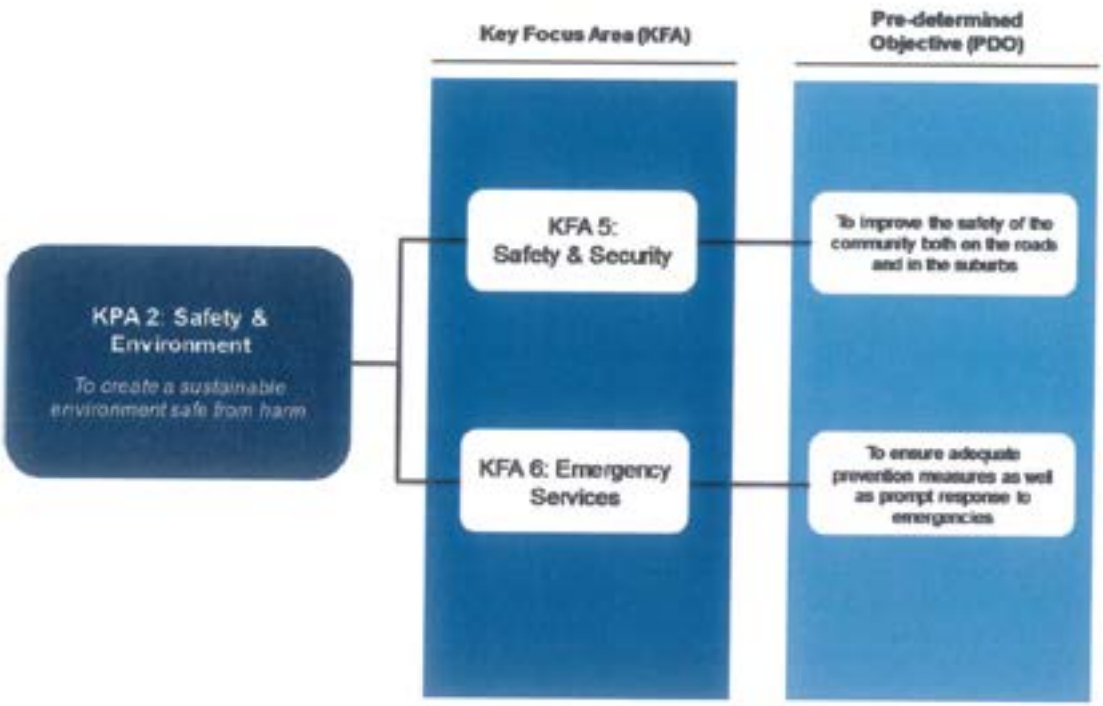
National KPAs	Gauteng Ten Pillars	Sedibeng KPAs	Midvaal Political Vision	MLM Performance Framework
NKPA 5: Good Governance & Public Participation	GC Pillar 4: Transformation of the state and governance	KPA 6 (G1): Vibrant Democracy	Promise 2: Be an open, transparent, honest and responsive government	KPA 1: Governance and Stakeholder Participation
NKPA 2: Basic Service Delivery *All people in SA are and feel safe*		KPA 6 (G1): Vibrant Democracy	Promise 5: Safe communities and environment	KPA 2: Safety & Environment
NKPA 3: Local Economic Development *Sustainable Human Settlements and improved quality of HH Life*	GC Pillar 3 Accelerated social transformation	KPA 2 (R2): Renewing our communities	Promise 5: Quality and standardised service delivery	KPA 3: Social and Community Development
NKPA 1: Municipal Transformation & Development *A responsive, accountable effective and efficient local government*	GC Pillar 4: Transformation of the state and governance	KPA 5 (R5): Releasing Human Potential	Promise 2: Be an open, transparent, honest and responsive government	KPA 4: Institutional Transformation
NKPA 4: Municipal Financial Viability & Management *A responsive, accountable, effective and efficient local government*	GC Pillar 1: Radical economic transformation	KPA 6 (G1): Good and financial sustainable governance	Promise 2: Be an open, transparent, honest and responsive government	KPA 5: Financial Sustainability
NKPA 2: Basic Service Delivery *Sustainable human settlements and improved quality of HH life*	GC Pillar 8: Modernisation of public transport infrastructure	KPA 2 (R2): Vibrant Democracy	Promise 5: Quality and standardised service delivery	KPA 6: Physical Infrastructure and Energy Efficiency
NKPA 2: Basic Service Delivery *Sustainable human settlements and improved quality of HH life*	GC Pillar 7: Modernisation of human settlements and urban development	KPA 3 (R3): Reviving a sustainable environment	Promise 5: Quality and standardised service delivery	KPA 7: Services and Customer Care
NKPA 3: Local Economic Development *Sustainable human settlements and improved quality of HH life*	GC Pillar 6: Modernisation of the economy	KPA 1 (R1) & KPA 4 Reinventing the economy and region	Promise 6: Grow the economy	KPA 8: Economic Growth and Development

KPA 1: GOOD GOVERNANCE & PUBLIC PARTICIPATION



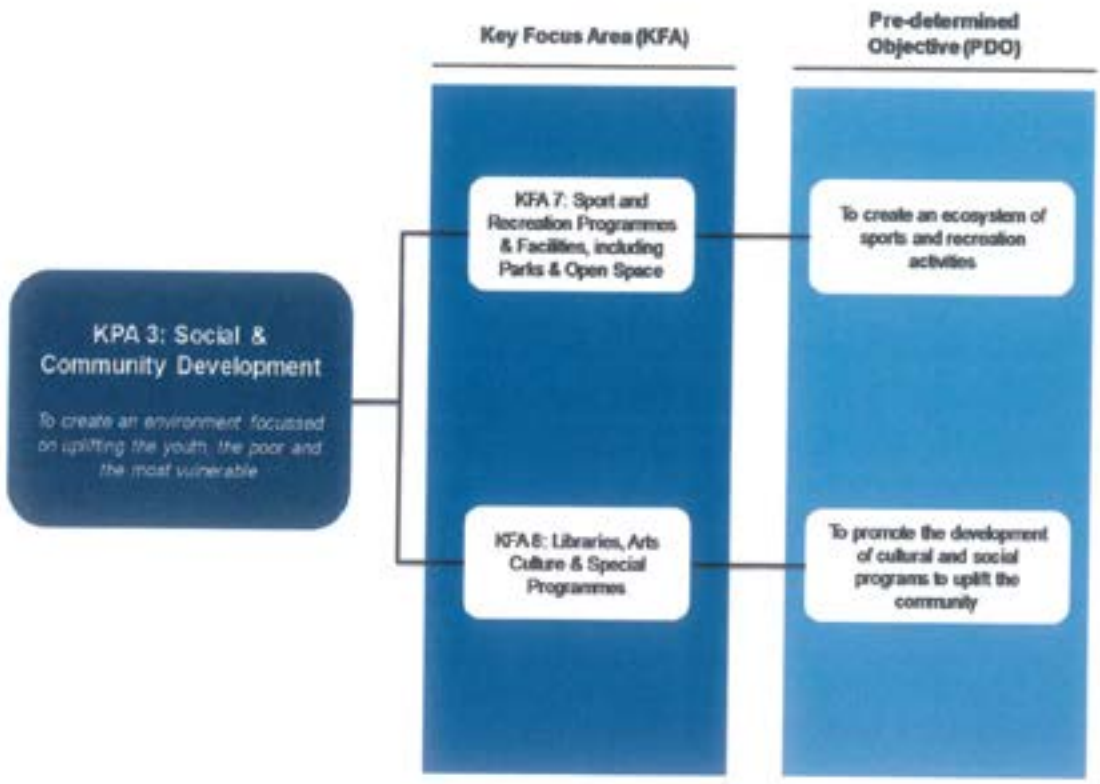
INDEX	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI)	DEFINITION	DETAILED DESCRIPTION OF INDICATOR (PURPOSE/OBJECTIVE)	Capital Projects (CP), Programmes (P), Activities (A)	Type of Indicator (Input = I, Output = O, (OUTCOME = OC), (IMPACT = IM)	BASELINE 2017/2018 (3rd Q -ACTUAL)	BUDGET & VOTE	ANNUAL TARGET	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN - 2018/2019			
1	CORP	KPI 018	KPA 1	KFA 02	Number of external stakeholder events arranged per year planner	Annual PR + Marketing funded Events Plan executed per quarter	Council hosts events as a medium to enhance a positive relationship with external stakeholders and portray a positive image of Council	A	I	3	Opex	3	1	1	1	0
2	CORP	KPI 019	KPA 1	KFA 03	Number of Mayoral Committee reports on formalised Inter-governmental Relations IGR Fora meetings attended, per quarter	(1) Report submitted to Mayoral Committee to reflect (1.1) Type of meeting (1.2) Purpose of the Meeting (1.3) Department (1.4) Delegate attended. (2) Report submitted into reporting cycle within one month after the end of the quarter. (3) Proof of submission into reporting cycle = signature and date receipt by Committees Clerk's	IGR Fora Report as per Section 16 of the IGR Policy (Policy approved per Item C80/10/2013 dated 31 Oct 2013). Creating opportunity for Council to share information and networking. Promoting inter-governmental relations	A	I	3	Opex	4	1	1	1	1
3	CORP	KPI 020	KPA 1	KFA 04	Implementation Plan of Communication & Marketing Strategy considered by Mayoral Committee	Implementation Plan of Communication & Marketing Strategy considered by Mayoral Committee to reflect (1) Partnering with Leading Brands Strategy (2) Communication with Community (3) Intra-Department Communication submitted to the Mayoral Committee by 30 March 2019 for consideration	The strategic objective to promote proper governance and public participation is supported by the Communications Strategy	A	I	1 x Strategy	Opex	1 x Implementation Plan	0	0	1	0
4	CORP	KPI 025	KPA 1	KFA 04	Number of customer satisfaction outcome survey reports distributed to Mayoral Committee members and HOD's quarterly	Survey report to reflect: (1) The 5 most common complaints (2) The 5 most common affected areas (3) % Level of satisfaction per department (4) Report e-mailed to all stakeholders quarterly before the 10th working day	To monitor customer satisfaction and ensure feedback on public complaints received via the outsourced Complaints Hotline	A	I	5	Opex	4	1	1	1	1
5	CORP	KPI 026	KPA 1	KFA 04	Compliance to Section 75 (MFMA) requirements in terms of the Website updating monthly	(1) Website updating = Monthly Section 75 MFMA compliance checklist signed-off by Deputy Municipal Manager within 5 working days, at most, after end of the month	To monitor compliance to Section 75 of the MFMA in order to create community awareness, transparency and consistency	A	OC	100%	Opex	100%	100%	100%	100%	100%
6	CORP	KPI 027	KPA 1	KFA 01	Number of Ward Committee meetings arranged annually	Meetings arranged according to Council approved Annual Year Planner	To monitor and report on the functioning of Ward Committees and also to monitor attendance by Ward Committee Members	P	OC	48	Opex	60	15	15	15	15
7	CORP	New KPI	KPA 1	KFA 02	Plan drafted on targeted stakeholders engagements per sector / Grouping of sectors with specific messaging in respect of each to enhance image of the municipality and understanding of local government affairs	Report drafted to be submitted to Mayoral Committee to reflect stakeholder sector and messaging signed off by HOD by 31 Dec 2018 and submitted into reporting cycle by 31 Dec 2018. Signature and date of Committee Clerk as proof of submission into reporting cycle	The objective is to arrange specific engagement with opinion-formers in the community to pursue mutually beneficial interaction and better mutual understanding in order to improve communication and governance	A	I	New	Opex	Dec-18	0	1	0	0
8	CORP	New KPI	KPA 1	KFA 04	Procurement of a web-based application system to enhance communication communicate with residents	Procurement per BAC resolution	The intention is to make public engagements on IDP/Budget more meaningfull. Current sessions are dominated by confrontational persons merely repeating their agendas and diverting attention on their issues, not necessarily in interest of the community as a whole.	A	OC	New	Opex	Mar-19	0	0	1	0

KPA 2: SAFETY & ENVIRONMENT



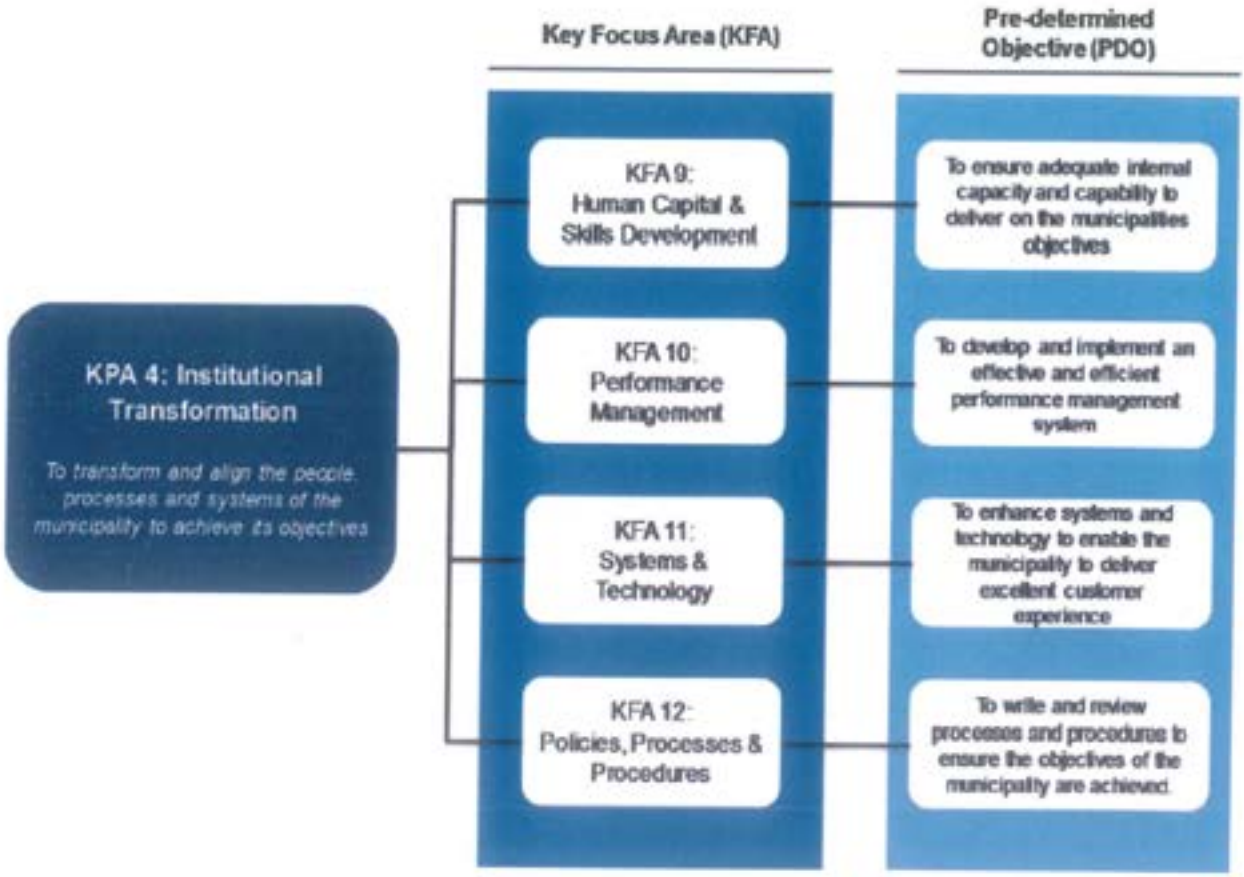
INDEX	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI)	DEFINITION	BASELINE 2017/2018 (3rd Q -ACTUAL)	BUDGET & VOTE	ANNUAL TARGET	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN - 2018/2019			
1	COMM	KPI 043	KPA 2	KFA 05	Number of actions implemented of the Crime Prevention Collaboration Plan	Implementation = Number of activities completed	4th quarterly target	Opex	6	0	0	0	6
2	COMM	KPI 054	KPA 2	KFA 05	Review the Disaster Management Plan annually	Reviewed Disaster Management Plan by Executive Director: Community Services, approved with IDP for forth-coming year	1	Opex	1	0	0	0	1
3	COMM	KPI 056	KPA 2	KFA 06	Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly	Actions against the 3 identified high risk environmental contraveners, i.e.: (1) Inspection, (2) Follow-up audits and (3) Compliance Inspections	12	Opex	9	0	3	3	3
4	COMM	New KPI	KPA 2	KFA05	Report to the Mayoral Committee on the alternative Law Enforcement Mechanisms	Report to Mayoral Committee = submitted into reporting cycle by 30 Oct 2018 (Proof of receipt by Committee Clerk)	New	Opex	1	0	1	0	0

KPA 3: SOCIAL & COMMUNITY DEVELOPMENT



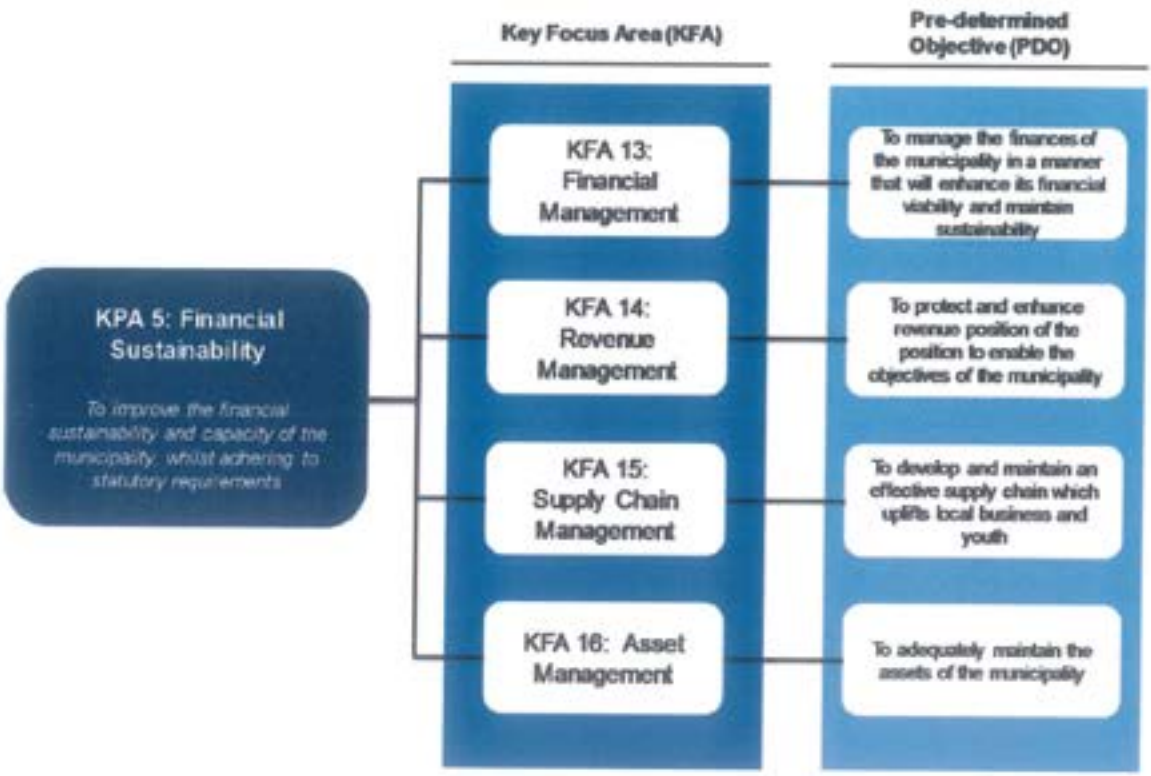
INDEX	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI)	DEFINITION	BASELINE 2017/2018 (3rd Q -ACTUAL)	BUDGET & VOTE	ANNUAL TARGET	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN - 2018/2019			
1	COMM	KPI 044	KPA 3	KFA 07	Completion of Phase 4 (Construction of the Ablution Facility) at the Lakeside Sport Centre	Phase 4 (Completion of Ablution Facility) completed. Completion Certificate signed off by Quantity Surveyor	Phase 3 (Construction of Soccer Field)	R 2.8	Phase 4 completed	0	0	0	1
2	COMM	KPI 046	KPA 3	KFA 08	Number of Gender, Elderly, Youth and Disabled Groups (GEYODI) programmes implemented per annum	Gender, Elderly, Youth or Disabled Groups (GEYODI) implemented according to approved Annual Year Planner	3	Opex	4	1	1	1	1
3	COMM	KPI 047	KPA 3	KFA 08	Number of Early Childhood Development Centres formalised	Early Childhood Development Programme Monitoring Tool (MRR) signed off by the Executive Director: Community Services (Certificate signed off by the Executive Director: Community Services)	2	Opex	2	0	0	0	2
4	COMM	KPI 048	KPA 3	KFA 08	Number of Day Mothers established	Signed contract per Day Mother, with implementing Non-Profit Organisation	1	Opex	5	0	0	2	3

KPA 4: INSTITUTIONAL TRANSFORMATION



INDEX	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI)	DEFINITION	DETAILED DESCRIPTION OF INDICATOR (PURPOSE/OBJECTIVE)	Capital Projects (CP), Programmed (P), Subsidies (S)	Type of Indicator Target = 0, (Output = 1), (Outcome = 2), (Impact = 3)	WARD	5-YEAR TARGET	BASELINE 2017/2018	BASELINE 2017/2018 (1st Q ACTUAL)	BUDGET & VOTE	ANNUAL TARGET	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN - 2018/2019			
1	CORP	KPI 021	KPA 4	KFA 11	Percentage uptime on WAN/LAN interruptions reported to DMM quarterly	(1) WAN / LAN Daily Check Register (20 working days) checked & DUDE Monitoring System reports (2) Signed off by DMM before the 15th working day monthly	Measurement of communication interruptions via availability impacted upon by power outages and Telkom ADSL	A	OC	All	90%	99.89%	98.2%	Opex	92.89%	92.8%	92.8%	92.8%	92.8%
2	CORP	KPI 022	KPA 4	KFA 12	Number of average working days legal actions are assessed	Legal & Property Actions Register reflecting turn-around time to be within 8 working days = Date of receipt by Legal Section vs date assessed (determination of legal process to be followed)	To ensure timeous response to legal claims / actions and/or summonses served on Council to minimise delays and avoid punitive orders due to non-attendance of legal actions	A	O	All	10	2.6	8	Opex	8	8	8	8	8
3	CORP	KPI 024	KPA 4	KFA 10	Number of Section 52(d) - performance report (SDBIP) submitted to the Mayoral Committee quarterly	(1) MFMA Section 52(d)-performance reports submitted into the reporting cycle before the 25th quarterly (2) Signature and date of Committee Clerk as proof of submission into reporting cycle	To comply with the requirements of Section 52(d) of the MFMA	A	I	All	20	4	3	Opex	4	1	1	1	1
4	DP	KPI 002	KPA 4	KFA 12	Percentage compliance in terms of turn-around time maintained to consider building plan applications per quarter	Percentage compliance in terms of the National Building Regulations and Building Standards Act of 1977 (Date of application received versus date considered)	To monitor and to improve the turn around times for building plan applications in order to ensure faster development on the ground and to benefit the economy.	A	OC	All	Average of 10 working days	98.00%	99%	Opex	100%	100%	100%	100%	100%
5	CORP	KPI 026	KPA 4	KFA 09	(WKPI - 6) - Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP)	Accumulative percentage of municipal budget allocated for training via %, spent reported monthly (Section 71-Financial report) and quarterly (Section 52(d)-financial report) to the Mayoral Committee	To monitor the implementation of Council's approved and funded Workplace Skills Plan (WSP)	P	OC	All	95%	57.00%	78.91%	Opex	82.5%	10%	40%	80%	82.5%
6	CORP	KPI 029	KPA 4	KFA 09	(WKPI - 5) - Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	Report submitted into reporting cycle, signature and date of Committee Clerk, to Mayoral Committee, on verified number of appointed staff on the 3 highest levels (MM, HOD and Directors) as per the municipality's Annual Employment Equity Plan	To monitor new appointments in terms of Council's Annual Employment Equity Plan	A	OC	All	5	10	4th quarterly target	Opex	5th-Jun-18	0	0	0	1

KPA 5: FINANCIAL SUSTAINABILITY



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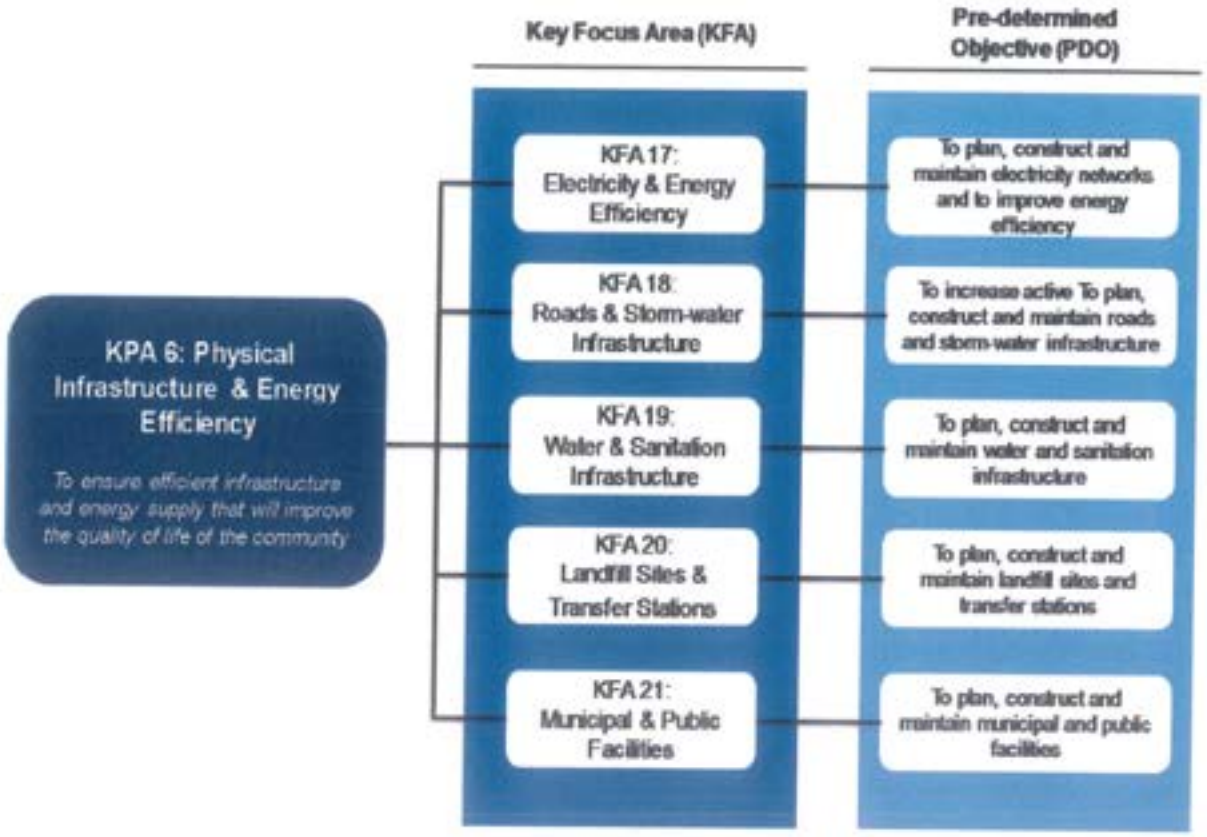
1	FIN	KPI 007	KPA 5	KFA 13	(NKPI - 1a) - Annual Cost Coverage	Available cash + investments/ Monthly fixed operating expenditure (cash expenditure)	To monitor Council's financial viability and sustainability	A	OC	All	2	4.29	Opex	1.8	1.8	1.8	1.8	1.8
2	FIN	KPI 008	KPA 5	KFA 13	Annual Liquidity Ratio	Current Assets: Current Liabilities (as per the Statement of Financial Position) annually reported	To monitor Council's financial viability and sustainability	A	OC	All	1.0	3.81	Opex	1.1	1.1	1.1	1.1	1.1
3	FIN	KPI 009	KPA 5	KFA 13	Unqualified audit opinion issued by the Auditor-General	Auditor-General opinion expressed on Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance	To maintain Council's current Clean Audit Opinion	A	OC	All	Unqualified	Clean	Opex	Unqualified	0	Unqualified	0	0
4	FIN	KPI 010	KPA 5	KFA 13	(NKPI - 1a) - Annual Debt Coverage	Total operating revenue - operating grants received/ debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget. Operating revenue will exclude capital revenue.	To monitor Council's financial viability and sustainability	A	OC	All	15	18.19%	Opex	17	0	0	0	17
5	FIN	KPI 011	KPA 5	KFA 14	(NKPI - 7b) - Annual percentage of outstanding service debtors to revenue	Total outstanding service debtors/ revenue received for services calculated per annum (all consumer debtors included)	To monitor Council's financial viability and sustainability	A	OC	All	30%	26.37%	Opex	33%	0	0	0	33%
6	FIN	KPI 012	KPA 5	KFA 14	Annual percentage of Collection Rate	Actual amount collected (cash)/ amount billed for the period (per billing cycle - excluding any debt write-offs)	To monitor revenue collection/payment levels	A	OC	All	94%	87.39%	Opex	94%	94%	94%	94%	94%
7	FIN	KPI 013	KPA 3	KFA 14	(NKPI - 3) - Percentage of households earning less than R1100 per month with access to free basic services	Percentage of number of households registered as formal indigent households who receive basic services (Total household income: R3 300 pm in our supply area)	To assist indigent households with access to free basic services	A	OC	All	100%	100% of 4268	Opex	100%	100%	100%	100%	100%
8	FIN	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget)	To monitor the implementation of Council's approved Capital Budget	A	OC	All	90%	83%	Capex	88%	7%	30%	88%	90%
9	FIN	KPI 015	KPA 3	KFA 15	Percentage of annual procurement spend awarded to Township Economics	Percentage of the value of the annual procurement through the formal bidding process that was awarded to businesses that have their registered addresses in previously disadvantaged areas	To support the upliftment of local business and youth	A	OC	All	10%	5%	Opex	5%	5%	5%	5%	5%
10	FIN	KPI 016	KPA 3	KFA 15	Percentage of annual procurement spend awarded to Youth owned enterprises	Percentage of the value of the annual procurement through the formal bidding process that was awarded to businesses with owners that are 35 years of age or younger	To support youth owned enterprises	A	OC	All	10%	1.8%	Opex	3%	3%	3%	3%	3%
11	FIN	KPI 017	KPA 5	KFA 16	Percentage of annual operational budget allocated to repairs and maintenance	Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of internal charges & salaries)	To allocate sufficient budget towards repairs and maintenance	A	OC	All	5.5%	6.8%	Opex	8%	8%	8%	8%	8%

KPA 6: PHYSICAL INFRASTRUCTURE & ENERGY EFFICIENCY



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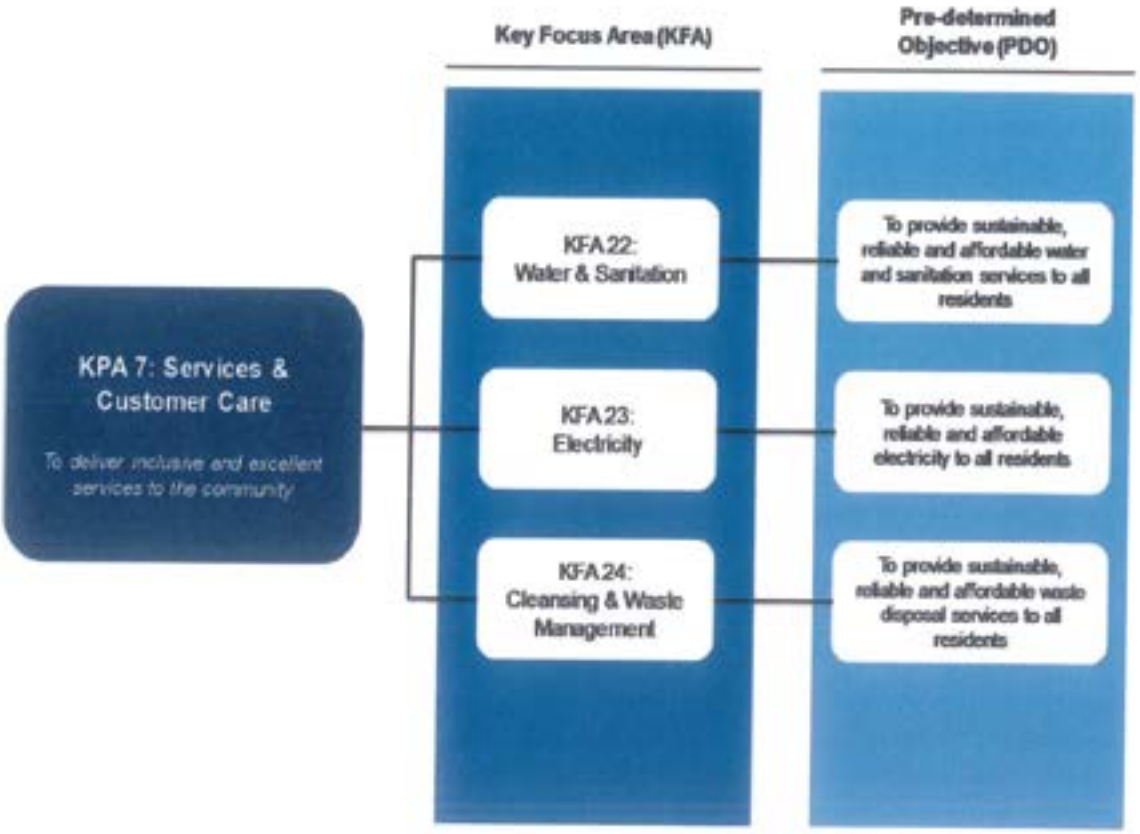
1	ENG	KPI 030	KPA 6	KFA 17	Percentage of electricity losses not to exceed target annually	Loss electricity kW purchased/kW accounted for due to loss	To ensure by-law enforcement to benefit quality built environment and to ensure clean and transparent development through compliance	A	OC	All	11.00%	11.88%	Opex / Capex	11.88%	0	0	0	11.00%
2	ENG	KPI 031	KPA 6	KFA 17	For the proposed PPP on the electricity function in terms of the Section 78 Council resolution, identify preferred bidder (Private Partner) in terms of identification/non-award by 30 Jun 2019	Feasibility Study conducted according to Section 78(3) requirements of the MSA as per Council Resolution. Preferred bidder identified/non-award as per BAC Resolution by 30 Jun 2018. 1 = BAC Resolution	To ensure the implementation in terms of procurement for the proposed PPP mechanism for Electricity function in Midvaal	A	OC	All	78(3) PPP Process considered by Council = 1	1 x Council Resolution	Opex	1	0	0	0	1
3	ENG	KPI 032	KPA 6	KFA 18	Number of square meters of tarred roads resurfaced annually	Accumulative square meters of tar roads resurfaced	Number of square meters of tar roads	A	OC	All	45 000 m^2 per annum	41 767 m^2	Opex / Capex	45 000 m^2	10 000	25 000	40 000	45 000
4	ENG	KPI 033	KPA 6	KFA 19	Percentage of water losses in line with WDM Plan reduced per annum	kL water purchased divided by kL of water accounted for	To ensure by-law enforcement to benefit quality built environment and to ensure clean and transparent development through compliance	A	OC	All	20%	27.98%	Opex / Capex	28.50%	0	0	0	28.50%
5	ENG	KPI 034	KPA 6	KFA 20	Appointment of an expert to develop an implementation plan on landfill sites by 30 Oct 2018	Letter of appointment by 30 Oct 2018	To appoint an expert to develop an implementation plan on landfill sites for the whole of Midvaal	A	I	All	Status quo capacity survey = 1 & explore alternatives = 2 - Report to Council	1 x Status quo capacity assessment	Opex	1	0	1	0	0
6	ENG	KPI 035	KPA 6	KFA 18	[(HKPI - 1b)] - Percentage of households with access to basic sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Res 1 - 4". "Access to basic level" = billed account (Sevenna City included)	To increase the percentage of households with access to basic sanitation	A	OC	All	84.10%	46.5%	Opex / Capex	60%	0	0	0	60%
7	ENG	KPI 036	KPA 6	KFA 18	Number of additional formal households with access to basic level of sanitation per annum	Number of additional formal houses connected to basic sanitation (Monthly Solar Billing Report)	To increase the access to basic sanitation to formal households	A	OC	All	1 750	891	Capex	1 500	0	0	0	1 500
8	ENG	KPI 039	KPA 6	KFA 23	[(HKPI - 1c)] - Percentage of households with access to basic electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Res 1 - 4". "Access to basic level" = billed account (Sevenna City included)	To increase the percentage of households with access to basic electricity	A	OC	All	79.30%	42.63%	Opex / Capex	55%	0	0	0	55%
9	ENG	KPI 040	KPA 6	KFA 17	Number of additional formal households with access to basic level of electricity per annum	Number of additional formal houses connected to basic electricity (Monthly Solar Billing Report) (Sevenna City included)	To increase the access to basic electricity to formal households	A	OC	All	750	120	Opex / Capex	500	0	0	0	500
10	COMM	KPI 051	KPA 6	KFA 19	Number of additional formal households with access to basic level of solid waste removal per annum	Number of additional formal houses serviced in terms of basic solid waste removal		A	OC	All	1 750	828	Opex	1 500	0	0	0	1 500
11	COMM	KPI 053	KPA 6	KFA 20	Phase 1 of 5 phases of the Savenna City Transfer Station completed	Phase 1 - Planning & Design for Savenna City Transfer Station completed, signed off by Executive Director: Community Services		EP	OC	11	1	Phase 1	Capex	Phase 1	0	0	0	1

KPA 7: SERVICES & CUSTOMER CARE



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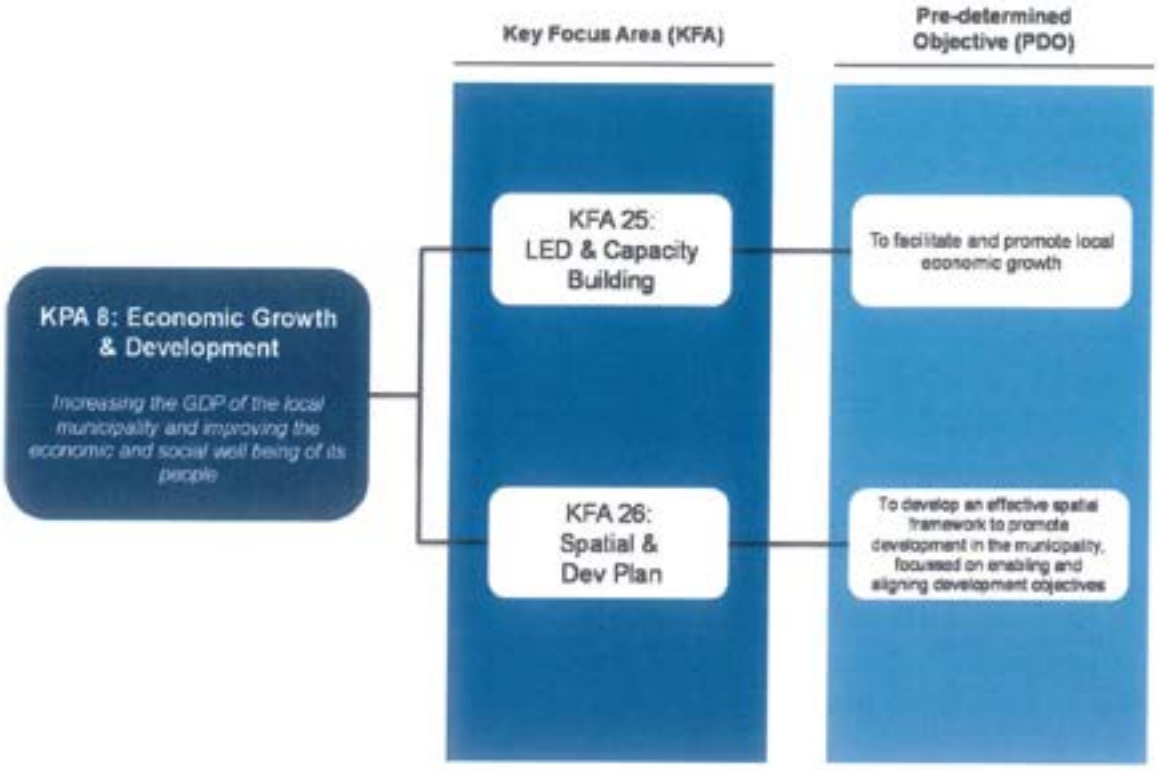
1	ENG	KPI 031	KPA 7	KFA 23	(NKPI - 1a) - Percentage of households with access to basic water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Res 1 - 4", "Access to basic level" = billed account	To increase the percentage of households with access to basic water	A	OC	All	90%	54.27%	Opex / Capex	70%				
2	ENG	KPI 038	KPA 7	KFA 22	Number of additional formal households with access to basic level of water per annum	Number of additional formal houses connected to basic water (Monthly Solar Billing Report)	To increase the access to basic water to formal households	A	OC	All	1 750	183	Opex / Capex	1 500				
3	COMM	KPI 058	KPA 7	KFA 24	(NKPI - 1d) - Percentage of households with access to basic level of solid waste removal	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Res 1 - 4", "Access to basic level" = billed account		A	OC	All	90%	83.09%	Opex	84%				

KPA 8: ECONOMIC GROWTH & DEVELOPMENT



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1	CORP	KPI 022	KPA 6	KFA 25	Implementation Plan on the strategy developed to reflect a bias towards appointing youth younger than 35 years, within the Midvaal area	Implementation plan on strategy developed and approved by HOD for submission into reporting cycle by 30 Sep 2018	To develop an implementation plan of the strategy to promote the appointment of youth within the Midvaal Local Municipality	A	I	1 x Draft Strategy developed	Opex / Capex	1 x Implementation Plan developed	1	0	0	0
2	DP	KPI 001	KPA 6	KFA 25	Implementation Plan on policy to improve Green Buildings with respect to building plan approvals developed, considered by Mayoral Committee	Implementation Plan on policy to include alternative building methods, electricity and rain harvesting, in support of "Green Buildings" as part of NBR SANS, when considering building plans considered by Mayoral Committee by 30 Jun 2019	Policy on green buildings is formulated in order to benefit the built environment and to guide developers on alternative building methods.	A	OC	1 x Policy	Opex	1 x Implementation Plan	0	0	0	1
3	DP	KPI 003	KPA 6	KFA 26	Percentage compliance in terms of turn-around time maintained to consider land use applications per quarter	(1) Percentage compliance in terms of timeframes (applications submitted in terms of) SPLUMA (2) Date of Legally Compliant Application received versus Date Considered	To monitor and to improve the turn-around times for land use applications, in order to ensure faster development and to benefit the economy. Also to ensure new income revenue generation to the municipality.	A	OC	98%	Opex	100% within 14 months	100%	100%	100%	100%
4	DP	KPI 004	KPA 6	KFA 26	Implement Single Land Use Scheme in line with current legislation: (1) Vaal Marine Resorts; (2) Informal Economy; (3) Re-Industrialisation	(1) Quarterly report to Mayoral Committee on the implementation progress = Report signed off by Head of Department quarterly before the 15th working day (2) Proof of receipt by Committee Clerk	The single land use scheme is developed to guide development into one uniform and spatially aligned development.	A	OC	1 x Draft Single Land Use Scheme developed	Opex	4 x Implementation Reports	1	1	1	1
5	DP	KPI 005	KPA 6	KFA 25	(NKPI - 4) Number of jobs created through municipality's local economic development initiatives including capital projects	Report in the format of the Department of Labour submitted into reporting cycle = Proof of receipt by Committee Clerk by 30 Jun 2019	To ensure that Midvaal Local Municipality's vision of growing the economy and creation of jobs be realised.	A	OC	1 274	Opex/Capex	1 200	0	0	0	1 200
6	COMM	KPI 045	KPA 6	KFA 25	Number of youth internship programmes implemented	Completion Certificate issued to qualified youth (Engineering Services & Community Services)		A	OC	188	Opex	2	0	0	0	2
7	DP	KPI 008	KPA 6	KFA 25	Number of reports on compliance through law enforcement processes conducted quarterly	(1) Report submitted into reporting cycle within 10 working days after the end of the quarter (2) Signature and date of Committee Clerk as proof of submission into reporting cycle (3) Addressing compliance to illegal building, structures, land use and informal trading inspections	To ensure by-law enforcement to benefit quality built environment and to ensure clean and transparent development through compliance	A	OC	3	Opex	4	1	1	1	1
8	DP	New KPI	KPA 6	KFA 26	Percentage of Certificate of Occupancy's (COO) issued per quarter	Register = Number of COO's Applications vs number issued within the 20 working days timeframe signed off by Director (Average % calculated according to applications versus issued per quarter)	Direct financial impact, contributing to the local economy, stimulate business growth and encourage development in a clean, healthy and safe environment	A	OC	New	Opex	90%	90%	90%	90%	90%

9	DP	New KPI	KPA 6	KPA 28	Percentage of Map 3's (SPLUMA equivalent) signed off by DD: LUM within an average of 10 working days of receipt of legally and technically compliant Map 3's, quarterly maintained	Register = Number of Map 3's (SPLUMA equivalent) received vs considered within an average of 10 working days, signed off by Deputy Director: Land Use Management (Average % calculated according to received vs considered	Growing the local economy by promoting densification and encouraging development by fast tracking implementation of rights processes, thereby ensuring the expansion of the commencement of construction	A	OC	New	Opex	90%	90%	90%	90%	90%	
10	DP	New KPI	KPA 6	KPA 28	Percentage of Land Use Applications promulgated after consideration, quarterly	Register = Date of considered verses Promulgation date	Ensuring economical growth, densification and development by unlocking high density, business and commercial rights, thereby having a direct financial impact in the form of bulk contributions payable	A	OC	New	Opex	90%	90%	90%	90%	90%	
11	DP	New KPI	KPA 6	KPA 28	Formulation of the Draft Meyerton CBD Urban Design Framework (subject to budget provision)	Q1 = Terms of Reference Q2 = Finalise procurement process Q3 = Situational Analysis submitted to HOD Q4 = Draft UDF submitted into reporting cycle	CBD revitalisation which will in turn attract densification within the Meyerton CBD in terms of offices, high rise buildings and mixed uses, resulting in economic growth and improved development and provide opportunities for youth development	A	OC	New	Opex	1	0	1	1	0	
12	DP	New KPI	KPA 6	KPA 25	Percentage of land invasion complaints responded to within 48 hours, quarterly	(1) Register = Calculation of average percentage of complaints responded to (Date complaint lodged through Digi Call) versus date of responded (site inspection report signed off within 48 hours) (2) Verification signed off by Director quarterly within 10 working days after the end of the quarter	Prevention of illegal occupation of land, prompt response will assist in saving cost for legal fees and avoid MLM from having to provide alternative accommodation for land invaders	A	OC	New	Opex	90%	90%	90%	90%	90%	
13	COSP	New KPI	KPA 6	KPA 25	Report submitted on the promotion of learnerships in trades through a partnership to stimulate growth and employability	Report drafted to be submitted to Mayoral Committee to reflect training partner and trade learnership conditions by 28 Feb 2019 and submitted into reporting cycle by 28 Feb 2019. Signature and date of Committee Clerk as proof of submission into reporting cycle	Intention is to partner with Seimencor Training Academy or other to sponsor local qualifying learners using local Mayoral funds and/or Council allocation to upskill youth in much - needed trades and thereby increase their employability	A	OC	New	Opex	Feb-19	0	0	1	0	

11. COUNCIL RESOLUTION

APPROVAL OF THE SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2018/2019

SECTION 53(1)(c)(ii) OF THE MFMA

The above-mentioned legislation stipulates per Section 53(1)(c)(ii) that:

> *"the municipality's service delivery and budget implementation plan is approved by the mayor* ***within 28 days after the approval of the budget"***

Council, at its meeting held on ..... per item ....., approved the annual budget 2018/2019. In order to give effect to the above-mentioned legislation, the Service Delivery & Budget Implementation Plan 2018/2019 is attached for approval.

Approved for submission to the Executive Mayor.

MR. A.S.A. DE KLERK
MUNICIPAL MANAGER

DATE

Submitted to the Executive Mayor on _____ for approval.

COUNCILLOR B. BALOYI
EXECUTIVE MAYOR

DATE

Final SDBIP approved on .....

Approved	☐	NOT APPROVED	☐

COUNCILLOR B. BALOYI
EXECUTIVE MAYOR

DATE

Approved SDBIP to be made public within 10 working days after approval by the Executive Mayor, i.e. .....

COUNCILLOR B. BALOYI
EXECUTIVE MAYOR

DATE

ANNEXURE AS – DEPARTMENTAL ORGANISATIONAL STRUCTURES cover

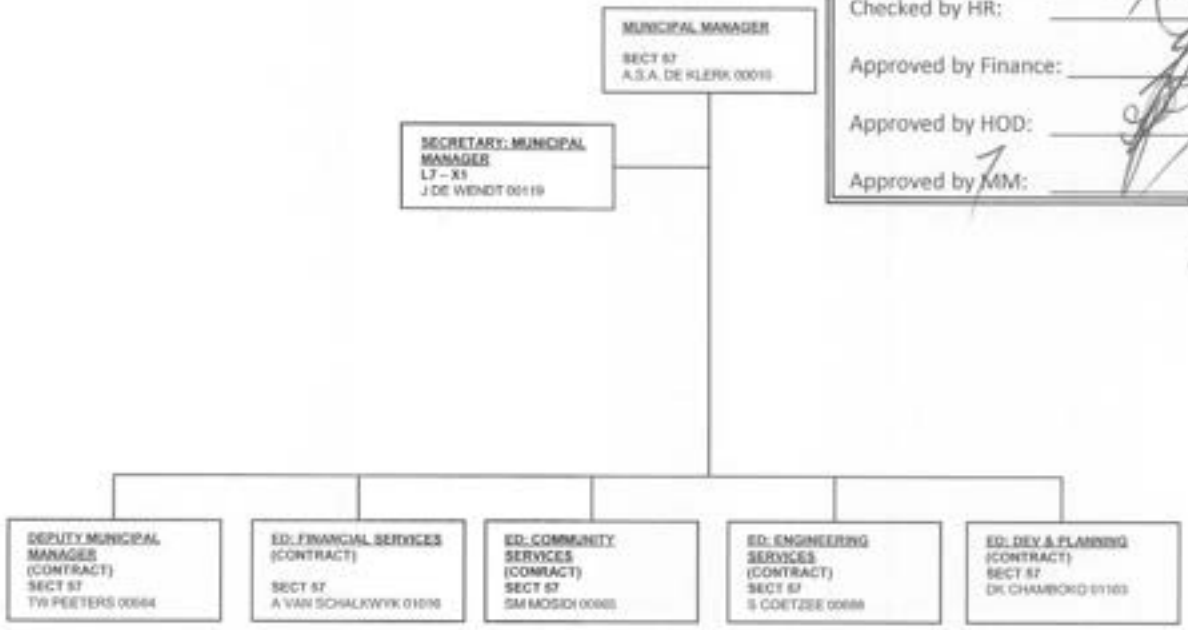
ORGANISATIONAL STRUCTURE – OFFICE OF THE MUNICIPAL MANAGER (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 09/05/2018



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – CORPORATE CLUSTER (2018-2019)

Checked by HR: _____ Date: 29/05/18

Approved by Finance: _____ Date: 29/5/18

Approved by HOD: _____ Date: 29/05/2018

Approved by MM: _____ Date: 29/5/2018

DEPUTY MUNICIPAL MANAGER
(CONTRACT)
SECT 57
TW PEETERS 00564

SECRETARY: CORPORATE SERVICES
L7B – X1
S NEETHLING 00179

DIRECTOR: IT
L1 – X1
UNFUNDED

DIRECTOR: LEGAL
L1 – X1
N AMEER VAN WYK 01062

CHIEF OF STAFF
(CONTRACT)
VACANT

DIRECTOR: HR
L1 – X1
VACANT (16/17 BUDGET)

DEPUTY DIRECTOR: AUXILIARY SERVICES
L3/2 – X1
TJ MAKGOBA 01008

DEPUTY DIRECTOR OFFICE OF THE SPEAKER
L3/2 – X1
N MITCHELL 00550

ASSISTANT DIRECTOR: PR & MARKETING
L4 – X1
VACANT

ASSISTANT DIRECTOR: ADMINISTRATION
L4 – X1
A WELMAN 00108

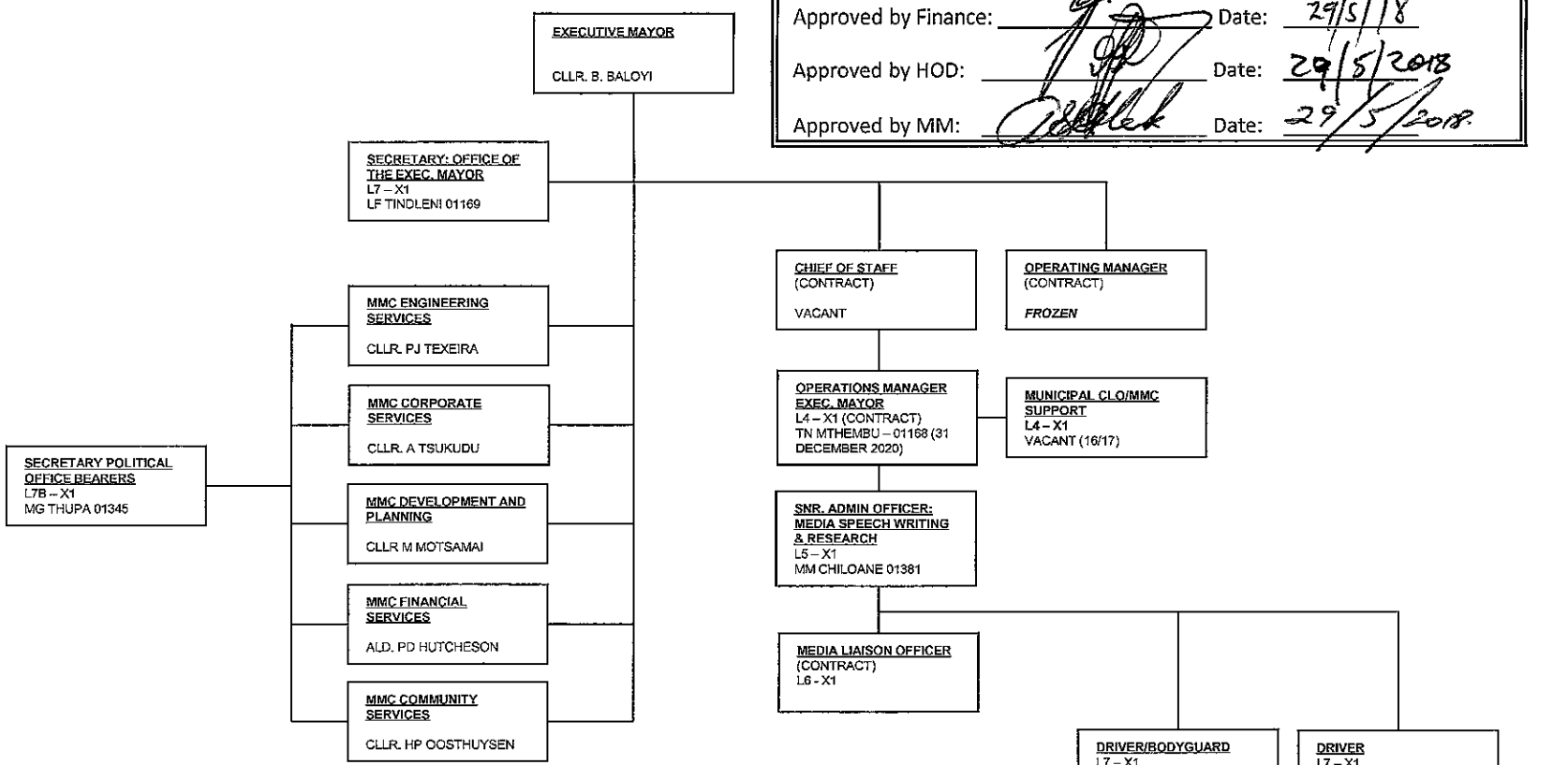
ORGANISATIONAL STRUCTURE – OFFICE OF THE EXECUTIVE MAYOR (2018-2019)

Checked by HR: _____ Date: 29/05/2018

Approved by Finance: _____ Date: 29/5/18

Approved by HOD: _____ Date: 29/5/2018

Approved by MM: _____ Date: 29/5/2018



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

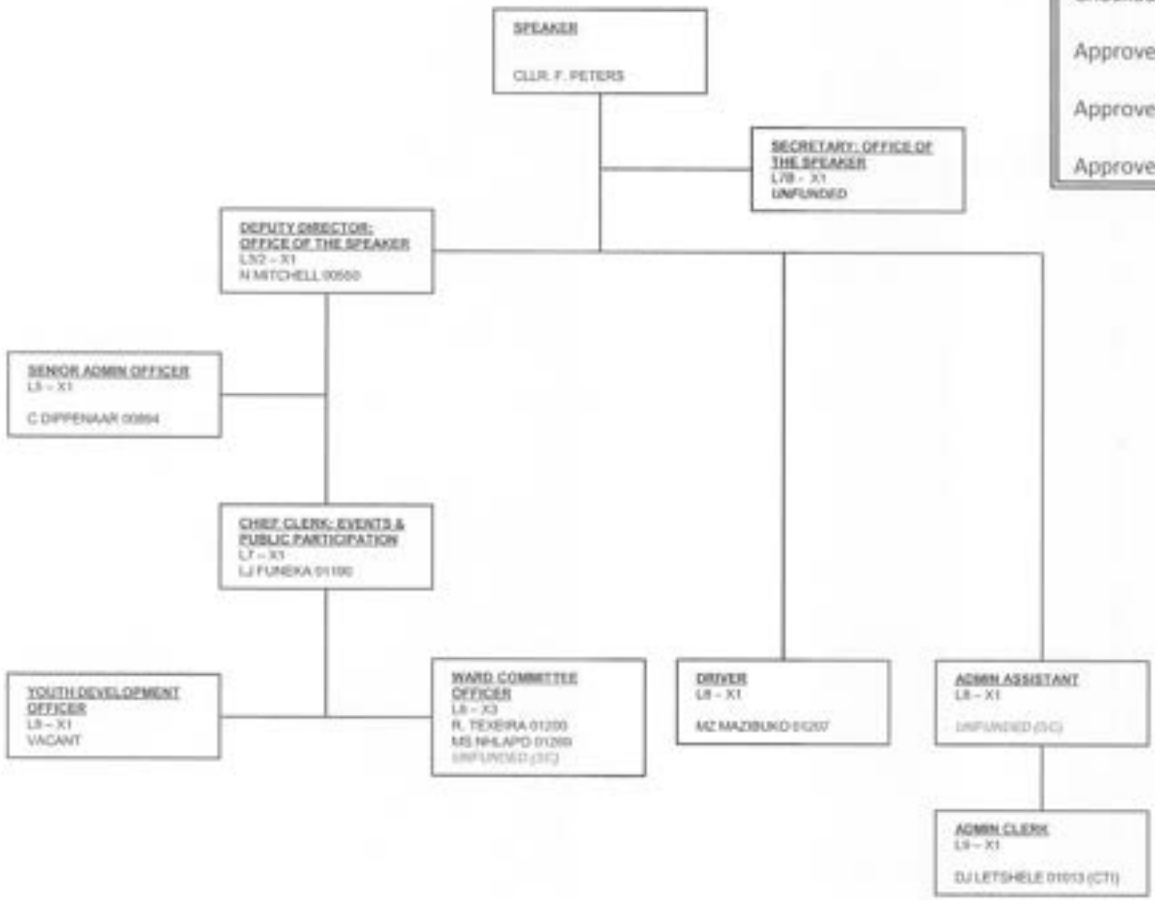
ORGANISATIONAL STRUCTURE – OFFICE OF THE SPEAKER (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/2018

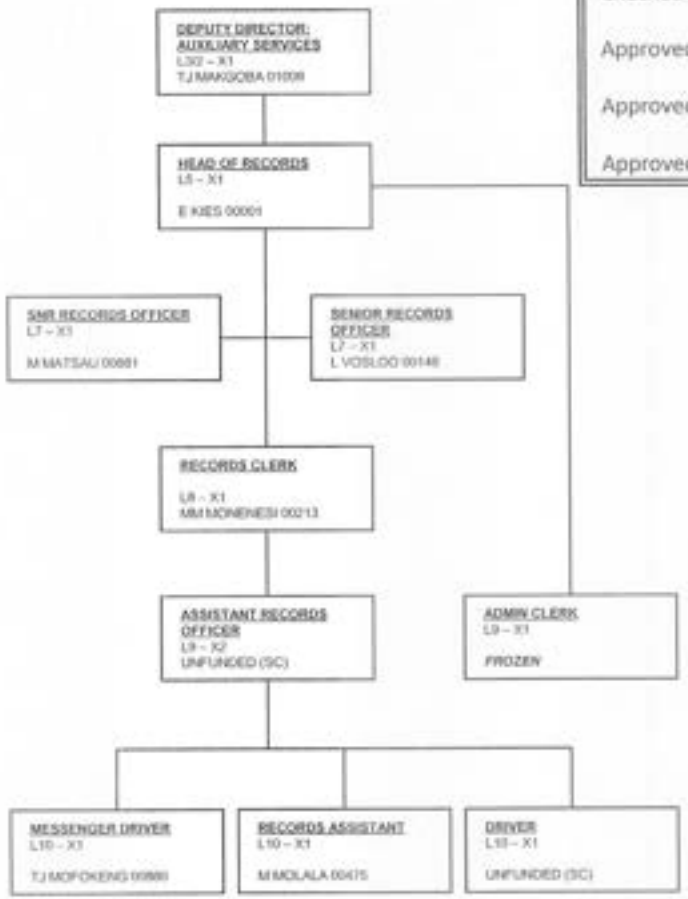
Approved by MM: _____ Date: 09/05/2018



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE –RECORDS (2018-2019)

Checked by HR:		Date:	4/5/18
Approved by Finance:		Date:	7/5/18
Approved by HOD:		Date:	30/04/2018
Approved by MM:		Date:	09/05/2018



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – AUXILIARY SERVICES(2018-2019)

Checked by HR:		Date:	2018/04/30
Approved by Finance:		Date:	9/5/18
Approved by HOD:		Date:	30/04/2018
Approved by MM:		Date:	09/05/2018

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMITTEES (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 09/05/2018

ASSISTANT DIRECTOR: ADMINISTRATION
L4 – X1
A WELMAN 00108

SNR ADMIN OFFICER COMMITTEES (SC)
L5 – X1
LT MOHAKA 00050

SNR ADMIN OFFICER COMMITTEES
L5 – X2
VACANT X1
UNFUNDED X1

ADMIN OFFICER COMMITTEES: SAVANNA CITY
L7 – X1
VACANT X1

ADMIN OFFICER COMMITTEES
L7 – X2
VACANT X2

ADMIN OFFICER COMMITTEES
L7 – X1
M LOMBARD 00036

ADMIN OFFICER COMMITTEES
L7 – X1
E GAYEBBA 00729

SNR ADMIN CLERK
L8 – X1
UNFUNDED (SC)

SNR TYPIST
L8 – X1
TP TWALA 00061

ADMIN CLERK
L9 – X1
UNFUNDED

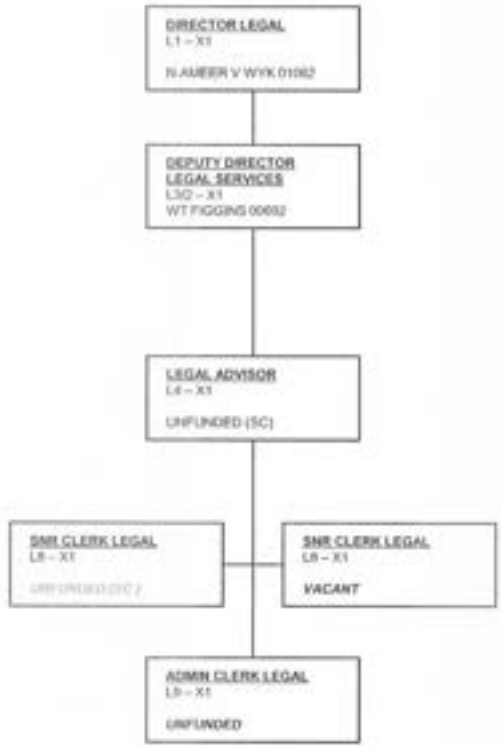
COMMITTEE CLERK
L9 – X1
UNFUNDED

TYPIST
L9 – X1
UNFUNDED

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – LEGAL (2018-2019)

Checked by HR:		Date:	2018/04/30
Approved by Finance:		Date:	9/5/18
Approved by HOD:		Date:	30/04/2018
Approved by MM:		Date:	09/05/2018



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

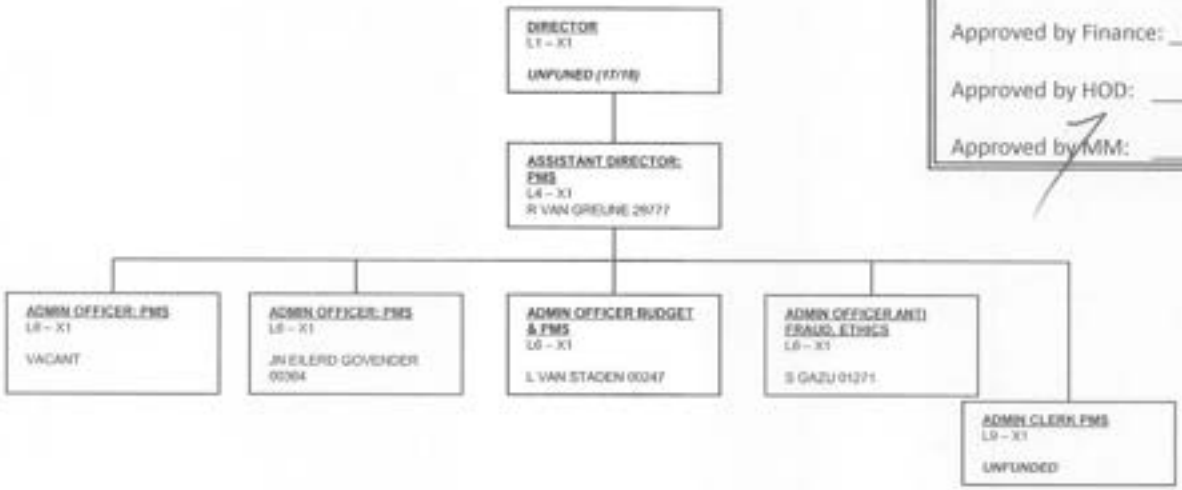
ORGANISATIONAL STRUCTURE – RISK, ETHICS, PMS & BUDGET (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 04/05/2018



MIDVAAL
Local Municipality
Mmasepala Wa Selehae
Plaaslike Munisipaliteit

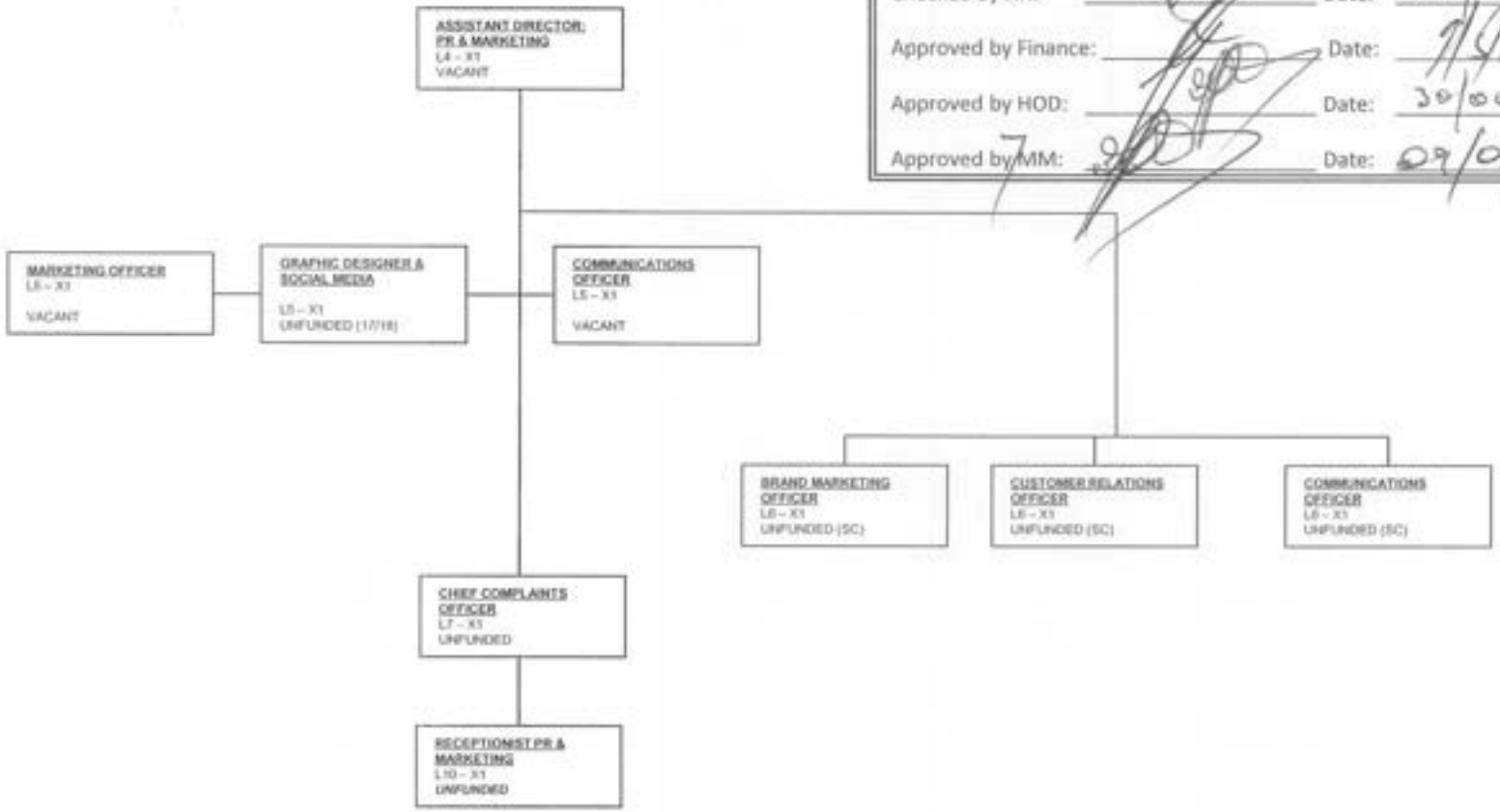
ORGANISATIONAL STRUCTURE – PR & MARKETING (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 7/4/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 09/05/2018



MIDVAAL Local Municipality
Mmasepala Wa Selehae
Plaaslike Munisipaliteit

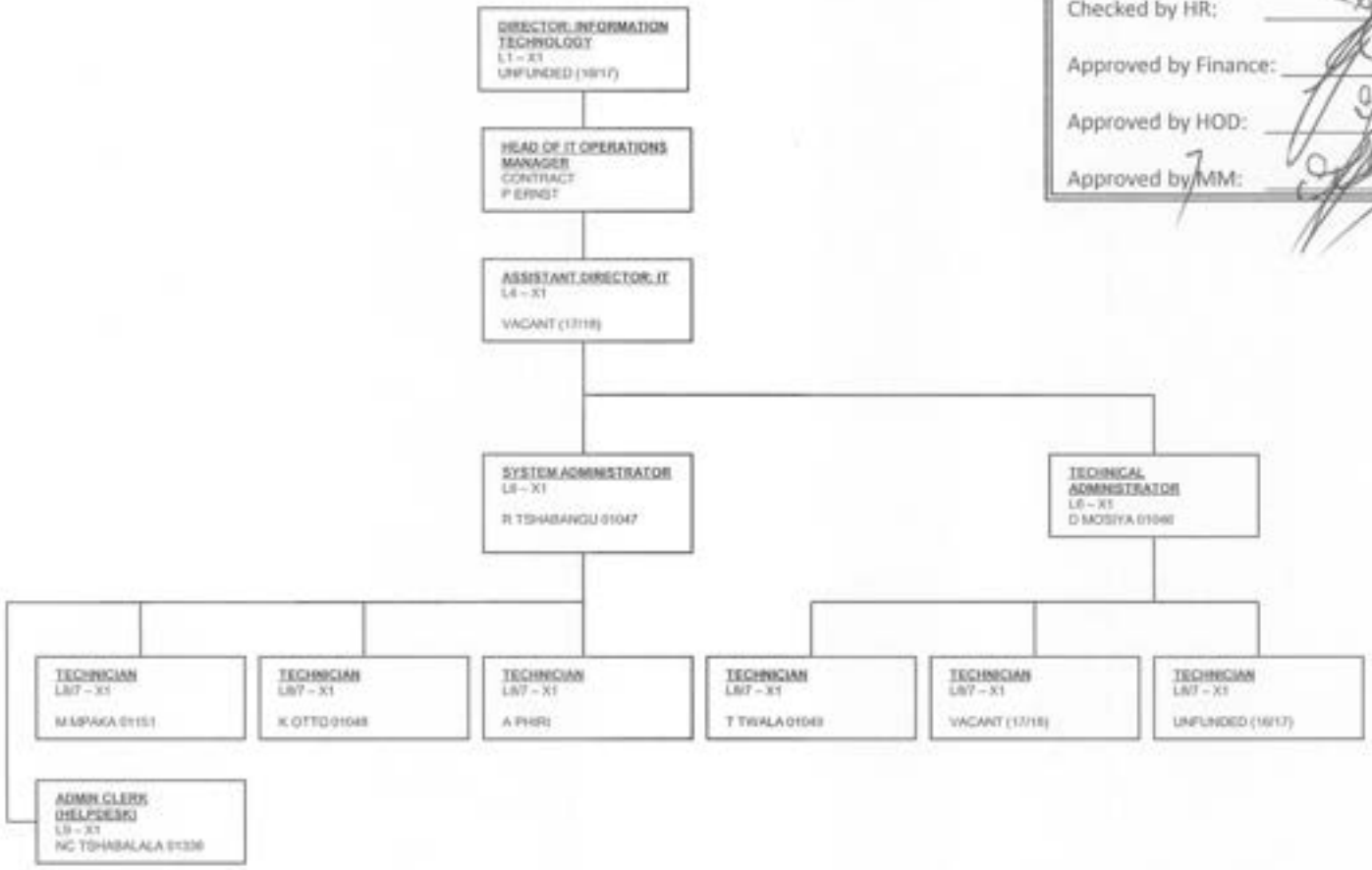
ORGANISATIONAL STRUCTURE – INFORMATION TECHNOLOGY (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 09/05/2018



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

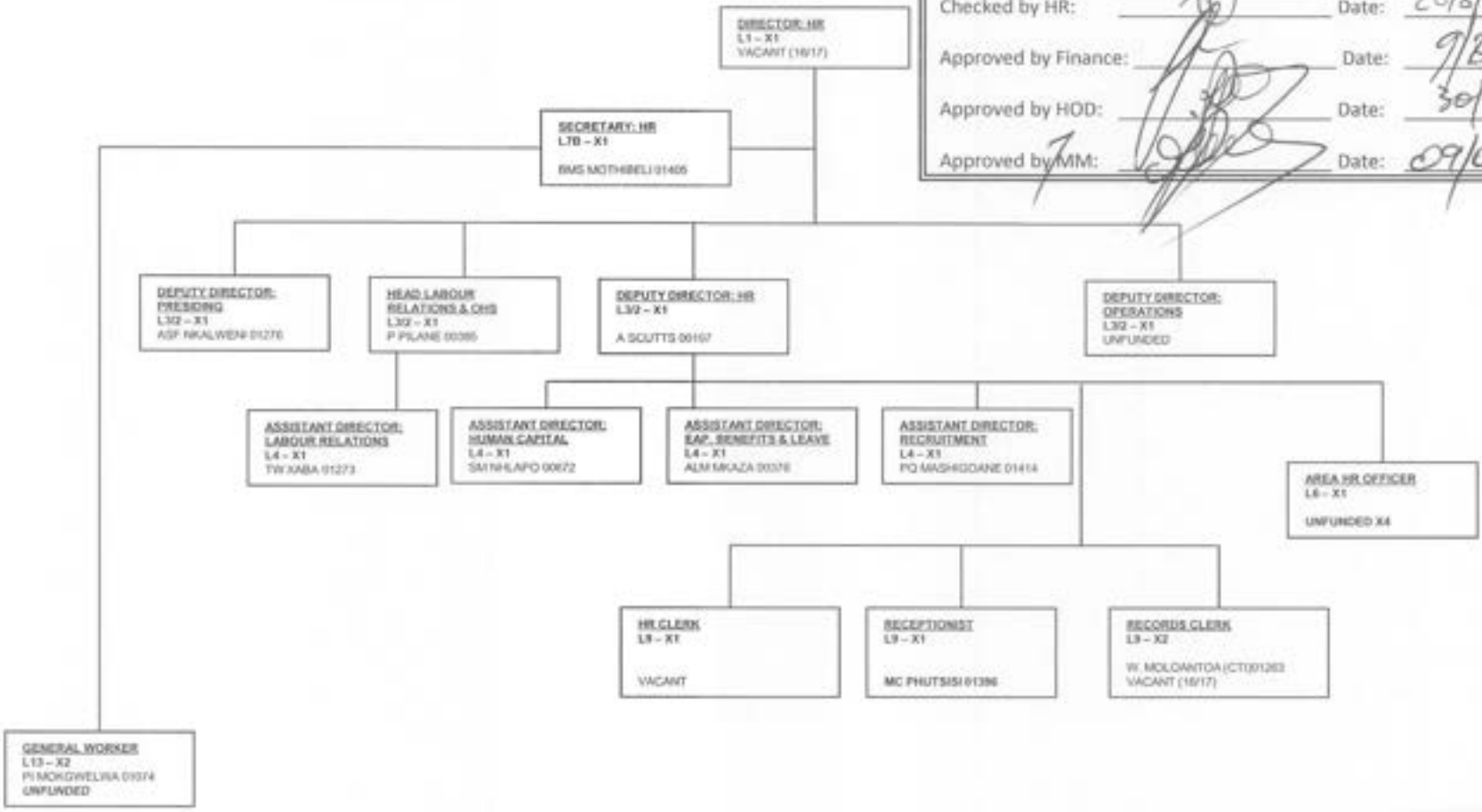
ORGANISATIONAL STRUCTURE – HUMAN RESOURCES DIRECTORATE (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 09/05/2018



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

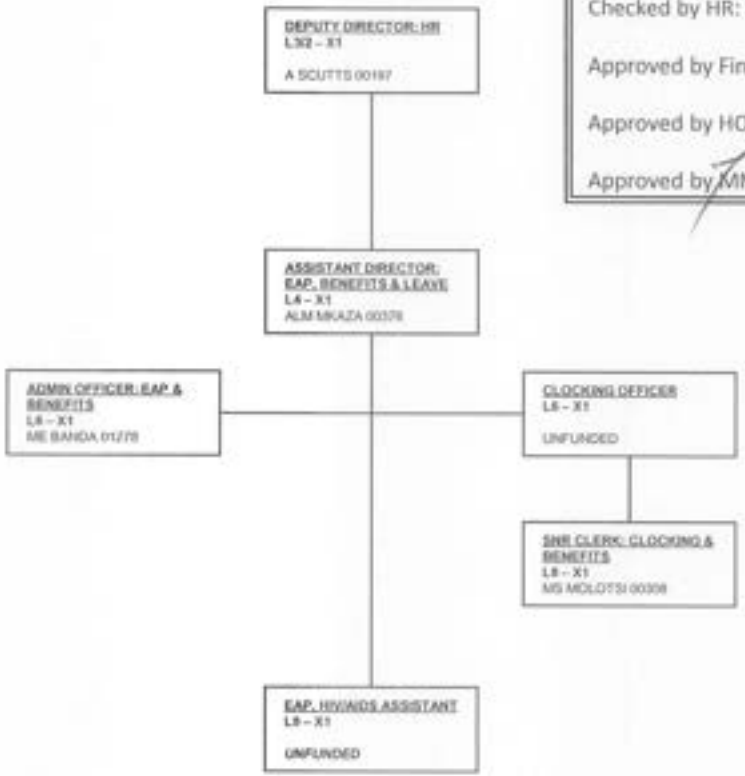
ORGANISATIONAL STRUCTURE – EAP, BENEFITS, TIME & ATTENDANCE & LEAVE (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 09/05/2018



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

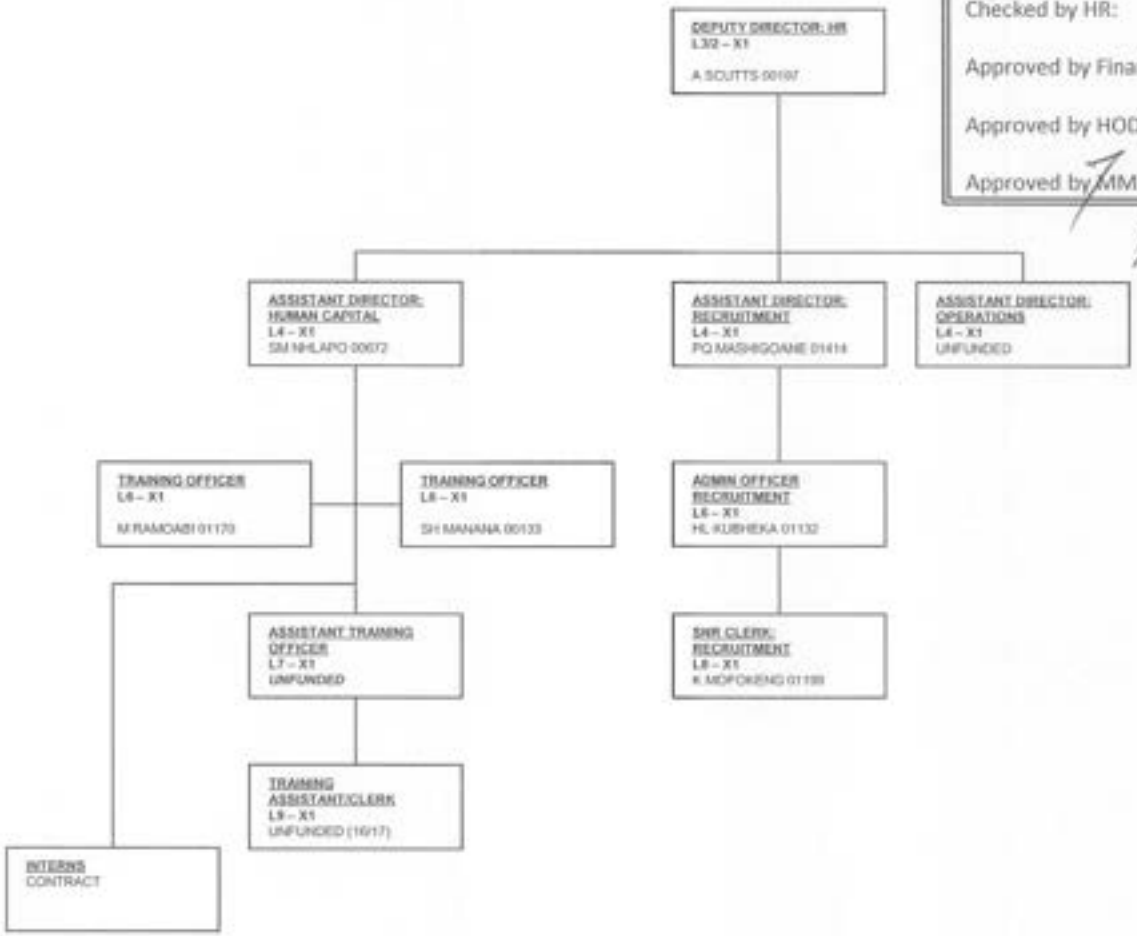
ORGANISATIONAL STRUCTURE – OPERATIONS, RECRUITMENT & TRAINING (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 09/05/2018



MIDVAAL Local Municipality Masipala Wa Taleheo Plaaslike Munisipaliteit

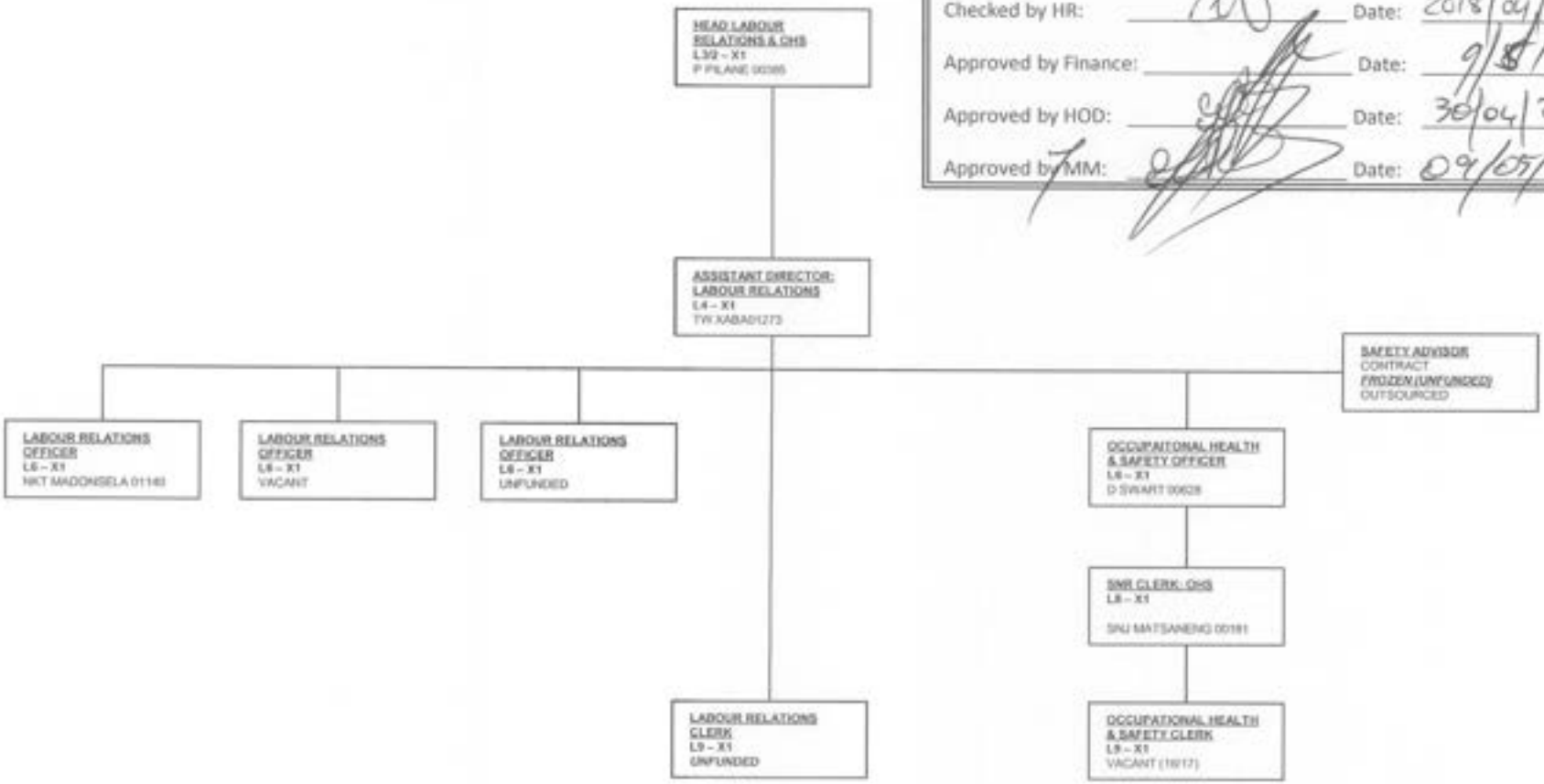
ORGANISATIONAL STRUCTURE – LABOUR RELATIONS & OHS (2018-2019)

Checked by HR: _____ Date: 2018/04/30

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/2018

Approved by MM: _____ Date: 09/05/2018



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES - ADMIN (2018-2019)

Checked by HR: _____ Date: 4/5/18

Approved by Finance: _____ Date: 8/5/18

Approved by HOD: _____ Date: 30/04/18

Approved by MM: _____ Date: 09/05/2018

EXECUTIVE DIRECTOR: ENGINEERING SERVICES
SECT 57
S COETZEE 09688

SECRETARY ENGINEERING SERVICES
L7B – X1
E VILJOEN 00044

COMPLIANCE OFFICER
L8 – X1
UNFUNDED

PROJECT MANAGER: SAVANNA CITY
CONTRACT – X1
J VORSTER 01128

DIRECTOR TECHNICAL SUPPORT
CONTRACT – X1
D MKHONTO 01222
(30/06/2020)

DIRECTOR WATER & SANITATION
CONTRACT – X1
NA MASHELE 01114
(30/04/2019)

DIRECTOR ROADS, STORMWATER & LANDFILL
L1 – X1
VACANT (17/18)

DIRECTOR PROJECT MANAGEMENT
CONTRACT – X1
SI RAMAREMELA 01406

DIRECTOR: ELECTRICAL & MECHANICAL ENG.
CONTRACT – X1
J DREYER 01127
(30/06/2019)

DIRECTOR: PLANNING
L1 – X1
VACANT (18/19)

DIRECTOR SAVANNA CITY
L1 – X1
H HUMAN

SECRETARY ENG DIRECTORS
L7 - X1
ID NTLHAILE 01216

DEPUTY DIRECTOR: SAVANNA CITY
L3/2 – X1
VACANT (17/18)

DEPUTY DIRECTOR WATER & SANITATION
L3/2 – X1
UNFUNDED (17/18)

DEPUTY DIRECTOR: LANDFILL, ROADS & STORMWATER
L3/2 – X1
UNFUNDED

DEPUTY DIRECTOR: PMU & PLANNING
L3/2 – X1
NMT MASEKWAMENG 01329

DEPUTY DIRECTOR: EPWP
L3/2 – X1
UNFUNDED

ASSISTANT DIRECTOR: SAVANNA CITY
L4 – X1
UNFUNDED

SNR ADMIN CLERK PMU
L8 – X1
VM MASEHE 01134

HANGYMAN
L8 – X1
C KHOZA 01221

ADMIN OFFICER COMMITTEES (SC)
L6 – X1
UNFUNDED

ASSISTANT HANGYMAN
L8 – X1
UNFUNDED

MIDVAAL
Local Municipality

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – TECHNICAL SUPPORT (2018-2019)

Checked by HR:		Date: 4/5/18
Approved by Finance:		Date: 9/5/18
Approved by HOD:		Date: 30/04/18
Approved by MM:		Date: 09/04/2018

DIRECTOR TECHNICAL SUPPORT
CONTRACT – X1
D MKHONTO 01222
(30/06/2020)

ASSISTANT DIRECTOR: TECHNICAL SUPPORT
L4 – X1
TW NCUBE 01412

TECHNICIAN – WATER DEMAND MANAGEMENT
L5 – X1
D MUKWEVHO 1387

ASSISTANT DIRECTOR LAND USE
L4 – X1
W SCHIRGE 00781

ASSISTANT DIRECTOR: REVENUE PROTECTION
L4 – X1
W HARTKAMP 00121

ADMIN OFFICER – PREPAID WATER
L7 – X1
VACANT 19/19

CHIEF CLERK REVENUE PROTECTION
L7 – X1
MM PRETORIUS 00920

ASSISTANT DIRECTOR: ADMINISTRATION
L4 – X1
KR MOLOI 01351

SNR ADMIN CLERK ENGINEERING SERVICES
L7 – X2
E AUGUST 00942
NE NGOASE 01069

ADMIN ASSISTANT ENGINEERING SERVICES
L8 – X1
S MOSTERT 00812

CHIEF CLERK ENGINEERING DATA
L5 – X1
UNFUNDED

SNR CLERK INFORMATION/ COMPLAINTS
L8 – X2
VACANT
S MPHAGO 00173

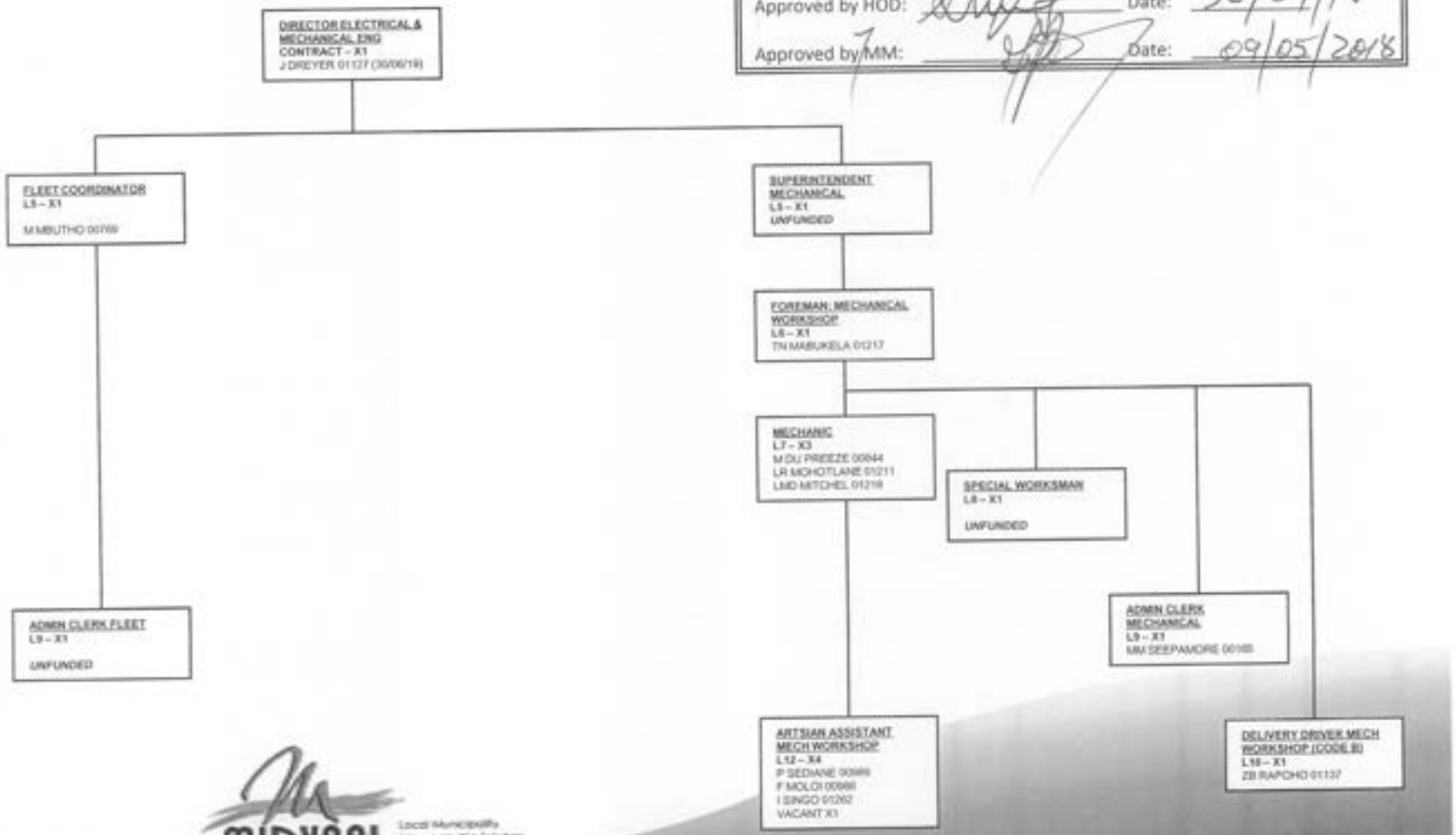
GENERAL ADMIN OFFICER
L6 – X1
UNFUNDED

GENERAL WORKER
L13 – X2
TC KHANYILE 00658
K JACOBS 01018

MIDVAAL
Local Municipality
Masepala wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – MECHANICAL WORKSHOP (2018-2019)

Checked by HR:	Date:	6/5/18
Approved by Finance:	Date:	9/5/18
Approved by HOD:	Date:	30/04/18
Approved by MM:	Date:	09/05/2018



MIDVAAL
Local Municipality
Mogale Wa Selehoe
Phoshe Municipality

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – CIVIL SERVICES – ROADS & STORM WATER & LANDFILL - (2018-2019)

Checked by HR: _____ Date: 4/5/18

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/18.

Approved by MM: _____ Date: 09/05/2018

DIRECTOR ROADS, STORMWATER & LANDFILL
L1 – X1
VACANT (17/18)

DEPUTY DIRECTOR: LANDFILL, ROADS & STORMWATER
L.3/2 – X1
UNFUNDED

ASSISTANT DIRECTOR: LANDFILL, ROADS & STORMWATER
L4 – X1
A MITHETHO 01381

ADMIN CLERK: ROADS & STORMWATER
L9 – X1
P NDLELENI 01126

GENERAL WORKER / CLEANER
L13 – X1
ME MFENGUZA 01088

SUPERINTENDENT ROADS & STORMWATER
L8 – X1
LA MOKHASI 00160

FOREMAN ROADS & STORMWATER
L6 – X1
MF MATSOSO 00496

FOREMAN ROADS & STORMWATER
L6 – X1
UNFUNDED

FOREMAN ROAD MARKINGS
L6 – X1
OS MAINE 00300

FOREMAN LANDFILL SITE
L6 – X1
P KONA

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
JM LOMBAARD 00356

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
L OLIFANT 00277

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
BS NOBOZA 00360

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
MB TAU 00767

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
VACANT X1

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
BM MBAMBATHO 00752

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
RT BOLOANG 00352

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
MJ TAU 01095

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
UNFUNDED

GRADER OPERATOR
L8 – X1
VACANT (17/18)

WATER CART DRIVER
L10 – X2
VACANT X2 (17/18)

FRONT END TLB OPERATOR
L8 – X1
J KAMBULE 00112

GRADER OPERATOR
L8 – X4
HJ MOKOENA 32090
UNFUNDED X3

TRUCK DRIVER (CODE C1)
L10 – X4
BE PRINGANE 28718
JF MSIMANGA 00488
VACANT X2 (17/18)

TEAM LEADER
L12 – X3
VACANT X2
MC MAKANGE 00650

TEAM LEADER
L12 – X3
VACANT X1
UNFUNDED X1

GENERAL WORKER
L13 – X33
UNFUNDED X0

LJ MAKUMO 00227 | ZP TLOU 00281 | MA KAMBULA 00353 | NA TSOTETSI 00362
IMAE TEMA 01072 | BA BOYI-00878 | SME MAMATELA-00903 | MW SEFUTHI 00526
F TSHABALALA 00932 | M MONGWE MTI 01023 | AM KWINDA 00364 | KA GUGUSA 00904
NE MALUSHE JONGA 01071 | MD RADEBE 32098 | HP RIVOMBO 01199 | NA MGUBE 01070 | ZM MITHEMBU 12000
ML MOKOENA 01099 | NS MDAKUZA 01198 | JF LE ROUX 01191 | L NYOKANA 01195
IA MBHONDWANE 01098 | P THUTHU 01348 | MR MBWANAZI 01369 | ML MOTSOENENG 01394 | VACANT X2

GENERAL WORKERS MAY BE RE-ASSIGNED AT THE DISCRETION OF THE ENGINEERING TECHNICIAN

MIDVAAL
Local Municipality
Masepala wa Selemoe
Plaaslike Munisipaliteit

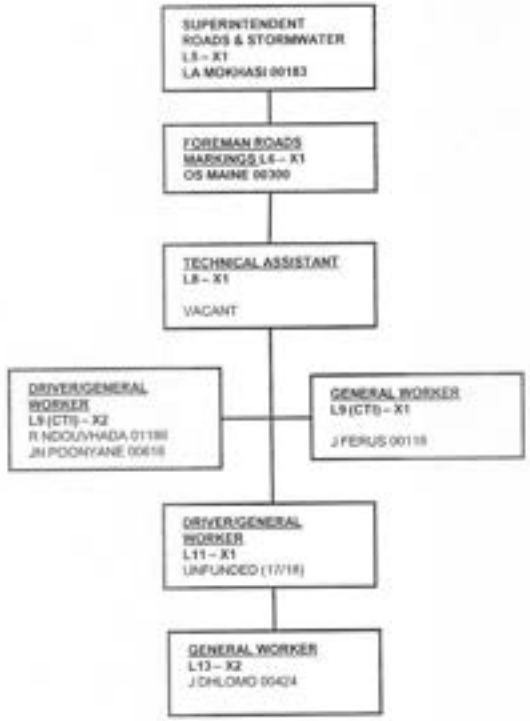
ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – CIVIL SERVICES – ROADS & STORM WATER – ROAD MARKING (2018-2019)

Checked by HR: _____ Date: 4/5/18

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/18

Approved by MM: _____ Date: 09/05/2018



MIDVAAL
Local Municipality

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – LANDFILL SITES (2018-2019)

Checked by HR: _____ Date: 4/5/18

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/18

Approved by MM: _____ Date: 09/05/2018

ASSISTANT DIRECTOR: LANDFILL, ROADS & STORMWATER
L4 – X1
A MTHETHO 01301

FOREMAN LANDFILL SITE MANAGEMENT
L6 – X1
P KONA

LANDFILL SITE SUPERVISOR
L8 X1
RS MOTATI 00445

TRUCK DRIVER (CODE EC) SOLID WASTE
L10 X1
MJ KELE 32102

HEAVY MACHINE OPERATOR
L8 – X1
JM MOKOENA 00921

TRACTOR DRIVER LANDFILL SITE
L11 – X1
LM SEPHULA 00127

LANDFILL SITE SUPERVISOR
L8 – X
SR MOTATI

GENERAL WORKER LANDFILL SITE
L13 – X 4
S MASELEA 00125
MI MOLEFI 00582
M MOTSOENENG

Unfunded X1

HEAVY MACHINE OPERATOR
L8 – X1
M MOTLOUNG 00586

TRACTOR DRIVER LANDFILL SITE
L11 – X1
UNFUNDED

SPECIAL WORKSMAN
L8 – X1
MA PAPALI 00278

GENERAL WORKER LANDFILL SITE
L13 – X 5
MM MOKGOLOANE 00322
PM SEPHULA 00559OP
MPHASA 00587

UNFUNDED X2

MIDVAAL
Local Municipality
Mmasepala Wa Selemoe
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – PURIFICATION (2018-2019)

Checked by HR: _____ Date: 4/5/18

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/18

Approved by MM: _____ Date: 07/05/2018

ASSISTANT DIRECTOR: SANITATION
L4 – X1
JM KHOSA 01357

TECHNICIAN PURIFICATION & EFFLUENT
L5 – X1
VACANT (17/18)

MILLWRTIGHT
L6 – X2
VACANT X2

PROCESS CONTROLLER IV
L8 – X2
VACANT X2 (17/18)

PROCESS CONTROLLER IV
L8 – X2
VACANT X2 (18/19)

PROCESS CONTROLLER
L8 – X1
S.P. LETLHAKE 00810

PROCESS CONTROLLER III
L8 – X2
VACANT X2

PROCESS CONTROLLER III
L8 – X2
VACANT X2

TRAINEE PROCESS CONTROLLER (INTERNS)
L8 – X3
UNFUNDED X0

SPECIAL WORKSMAN PUMP OPERATIONS
L8 – X1
GPJ PRETORIUS 01845

SPECIAL WORKSMAN DHENKMURI
L8 – X1
TS SEFULA 00596

GENERAL WORKSMAN
L9 X2
VACANT (2017/2018)

PROCESS CONTROLLER II
L11 – X3
VACANT X3 (17/18)

PROCESS CONTROLLER II
L11 – X3
VACANT X3 (17/18)

PUMP OPERATOR ROTHDENE
L11 – X6
MJ MONCHO 28720
DJ BOGIBO 10819
BV MOHAPI 01212
N. NXALA 01203
S MABELANE 00616

PUMP OPERATOR PURIFICATION
L11 – X5
Z MDLISHULU 28909
MM NHLAPO 28725
KA MAHLABA 00607
GD SELAI 00861
BA MOTUANG 00947

TRACTOR DRIVER
L11 – X2
UNFUNDED X2

ARTISAN ASSISTANT PURIFICATION
L12 – X2
UNFUNDED X2

PROCESS CONTROLLER I
L12 – X4
VACANT X4 (17/18)

PROCESS CONTROLLER I
L12 – X4
VACANT X4 (17/18)

GENERAL WORKER
L13 – X 10

S MOSALA 00822
MV THAJANE 32038
F SEKELE 01146
AB BEKEMYA 00581
MA MOKULUBETE 00074
L ZULU 00060
UNFUNDED X2

GENERAL WORKER
L13 – X 1
JJ. NGOZO 01202

MIDVAAL
Local Municipality
Masepala wa Selehoe
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – SANITATION (2018-2019)

Checked by HR: _____ Date: 4/5/18

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 30/04/18

Approved by MM: _____ Date: 09/05/2018

ASSISTANT DIRECTOR: SANITATION
L4 – X1
JM KHOSA 01357

SUPERINTENDENT SANITATION
L5 – X1
D MAKOENA 00816

GENERAL WORKER / CLEANER
L13 – X1
ST LETSOKA 00668

MILLWRITIGHT
L6 – X1
CW MNISI 01362

GENERAL WORKSMAN
L9 X3
MJ NDLOVU 00884
ND SENAKGOMO 00927

ARTISAN ASSISTANT
L12 – X2
S MFENE 00919
MZ MZUNGA 00082

PLUMBER (SC)
L7 X1
VACANT (18/19)

GENERAL WORKER
L13 X3
NEW VACANT 18/19

ADMIN CLERK
L9 X1
E K. MONDEMA 01295

FOREMAN
L6 – X1
MS HLAKOTSA 00168

DRIVER(CODE EC)
L10 – X4
J.M. NGUBENI 00925
C. MOHUNU 01019
VACANT X2

BOBCAT OPERATOR
L8 – X1
VACANT

TLB OPERATOR
L8 – X1
M MYATAZA 00534

SPECIAL WORKSMAN
L8 – X3
UP DUMEZWENI 26717
VACANT X1
TP KHOALI 00915

GENERAL WORKER
L13 – X 11

KO MOKOENA 00434
P STATU 00926
MP TSOTETSI 00929
TC SHOTO 01343
D KHWEZI 01326
LD MADUNA 00917
TA MAYA 00916
SL MPUNGOSE 00500
NE MPEMPE 00923
VACANT X3 (18/19 - SC)
NM KUNENE 01377
JJ NGOZO 01202
TK TSOTETSI 26722
T. TSHABALALA 01213
PM TSOTETSI 01354
LS RAMAISA 01379

MIDVAAL
Local Municipality
Masepala wa Selemoe
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – WATER (2018-2019)

Checked by HR: _____ Date: 4/5/18

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/18

Approved by MM: _____ Date: 09/05/2018

DEPUTY DIRECTOR: WATER & SANITATION
L3/2 – X1
UNFUNDED

ASSISTANT DIRECTOR: WATER SERVICES
L4 – X1
MI THOLO 01329

SUPERINTENDENT WATER
L5 – X1
VACANT

FOREMAN WATER
L6 – X2
D.S. MATSILISO 00532
T.P. MOETI 32019

GENERAL WORKER / CLEANER
L13 – X2
MF MOKOENA 00547
LP MASEKO 32039

MILLWRIGHT WATER
L6 – X1
MRJ FURUMELE 01342

PLUMBER WATER
L7 – X7
VACANT 18/19 /X1 (SC)

MA SEOIYANE 00523
M.B. MCELU 00418
VACANT
A. MHLONGO 00580
UNFUNDED X2

SPECIAL WORKSMAN WATER
L8 – X1
TJ SHABALALA 00222)

SPECIAL WORKSMAN WATER
L8 – X3
H. NNETE 00501
VACANT X3

CHIEF CLERK: WATER
L7 – X1

NEW VACANT18/19

ADMIN CLERK: WATER
L09 – X1
M.P. MOFOKENG 01193

MACHINE OPERATOR TLB / BOBCAT - WATER
L8 – X1
VE MNGOMEZULU 28668

MACHINE / BOBCAT - WATER
L8 – X1
VACANT (17/18)

DRIVER CODE (EC) WATER
L10 – X3
R VENTER 00089
AV TSHABALALA 00139
NS BIKA 00574

GENERAL WORKSMAN: WATER
L9 – X4
VACANT X3 (17/18)
VACANT X1 (SC)

GENERAL WORKSMAN: WATER
L9 – X1
MP DITHAKONG 00290

GENERAL WORKSMAN: WATER
L9 – X1
TV TAAIBOSCH 00642

GENERAL WORKSMAN: WATER
L9 – X1
K.S. MADUNA 00038

ARTISAN ASSISTANT
L12 – X2
KD MASHAVA 01287
SA MOKONE 01393

ARTISAN ASSISTANT
L12 – X2
UNFUNDED X2

TEAM LEADER COMPACTION
L12 – X1
D MBONA 00095

GENERAL WORKER WATER SUPPLY
L13 – x29
UNFUNDED X1

T.C. SEIPEI 00097
R.E. KOLOTI 32024
N.J. MITHUNZI 00497
M. MOLEKO 00777
MADUNA 00772
VACANT X1

M.W. MASHININI 01192
H.R. CHAKANE 00498
S. NHLAPO 00590
S.D. SITHUKUZA 00581
VACANT X3

M.L. TSHANGELA 00776
I.P. LENKA 00417
S.M. KOPUNG 00555
M.O. MAGWAZA 00653
RI MOHLABAI 01368

A.E. SMITH 00940
S.P. MOKOENA 01194
P.F. MASELOA 01110
E.M. MOFOKENG 32020
T MATLOU 01370

F. GOLIAT 01038
B.S. NHLAPO 00494
T.A. RABORIFI 32021
J.S. MASHILOANE 01288
PL MAKESO 32039

T.N. NTEMA 01291
M.D. MASEKO 00495
K.G. KAMTE 00774
S.S. MOTLOUNG 01298TJ
VACANT X3 (SC)

General Workers may be re-assigned at the discretion of the Engineering Technician

MIDVAAL
Local Municipality
Masepala wa Selehae
Plaatselike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – ELECTRICAL (2017-2018)

Checked by HR: _____ Date: 4/5/18

Approved by Finance: _____ Date: 9/5/18

Approved by HOD: _____ Date: 30/04/18

Approved by MM: _____ Date: 09/05/2018

DIRECTOR ELECTRICAL & MECH. ENGINEERING
L2 – X1 (CONTRACT 30 JUNE 2019)
J DREYER 01127

SUPERINTENDENT ELECTRICAL SUPPLY
L5 – X1
A DU TOIT 00058

SNR. ADMIN CLERK
L8– X1
NN KILI 00702

GENERAL WORKER CLEANER
L13 – X1
NM CEKISO 00437

FOREMAN: NETWORK CONTROL
L6 – X4
UNFUNDED X4

FOREMAN
L6 – X1
J ROSSOUW 0008

ELECTRICIAN
L7 – X4
DP SIMELANE 01142
B RATHABE 01355
TO LEHABA 00439

Vacant X1
UNFUNDED X1

SPECIAL WORKSMAN ELECTRICAL SUPPLY (streetlight attendance)
L8- X1 A RADEBE 00591

SPECIAL WORKSMAN / TLB TRUCK OPERATOR ELECTRICAL SUPPLY
L8 – X1
K.T. KHANYE 00416

SPECIAL WORKSMAN / TLB TRUCK OPERATOR
L8 – X1
MA PHAHLANE 00710

GENERAL WORKSMAN: ELECTRICAL
L9 – X4
MJ HLOMOKA 00415
VACANT X2(2017/2018)

ARTISAN ASSISTANT
L12 – X2
UNFUNDED X2

ARTISAN ASSISTANT
L12 – X4
M MKUNDLU 00140
TR MOKOAKOE 00936
VACANT X1

GENERAL WORKER ELECTRICAL SUPPLY
L13 – X11
UNFUNDED X2
VACANT X1

P MOFOKENG 00254
DT MAKATHENG 00251
BL SIWELA 00258
A. GAZO 01302

PJ THELETSANE 00259
B LATAKGOMO 00930
AEB RODOLO 01057
S.A. MOKHOMONG 1363
MG MOTSUPI F 1373

FOREMAN
L8 – X1
L BOTHA 00199

ELECTRICIAN
L7 – X3
W BOTHA 00193
Silhole 13620
Unfunded x 1
VACANT X 2

SPECIAL WORKSMAN CRANE OPERATOR
L8 – X1
KP MOFOKENG 12009

SPECIAL WORKSMAN Boilermaker/Welder
L8 – X
Vacant x 1

SPECIAL WORKSMAN ELECTRICAL (streetlights)
L8 – X1
OS MOKOENA 00443

SPECIAL WORKSMAN TLB TRUCK OPERATOR
L8 – X1
EM SIBIYA 00249

GENERAL WORKSMAN: ELECTRICAL
L9 – X4
TO MBONANI 00441
VACANT X1 (2017/2018)

ARTISAN ASSISTANT
L12 – X6
FS MOFOKENG 13382
M MHLEKWA 00664
S MODIBA 00031

UNFUNDED X1

GENERAL WORKER TEAM LEADER
L13 – X1
VACANT X1

GENERAL WORKER ELECTRICAL SUPPLY
L13 – X 10
UNFUNDED X2
VACANT X1

M. MBELE 01270
TS MOFOKENG 00255
DT MOFOKENG 00444
TRJ Mokoenbua 01364

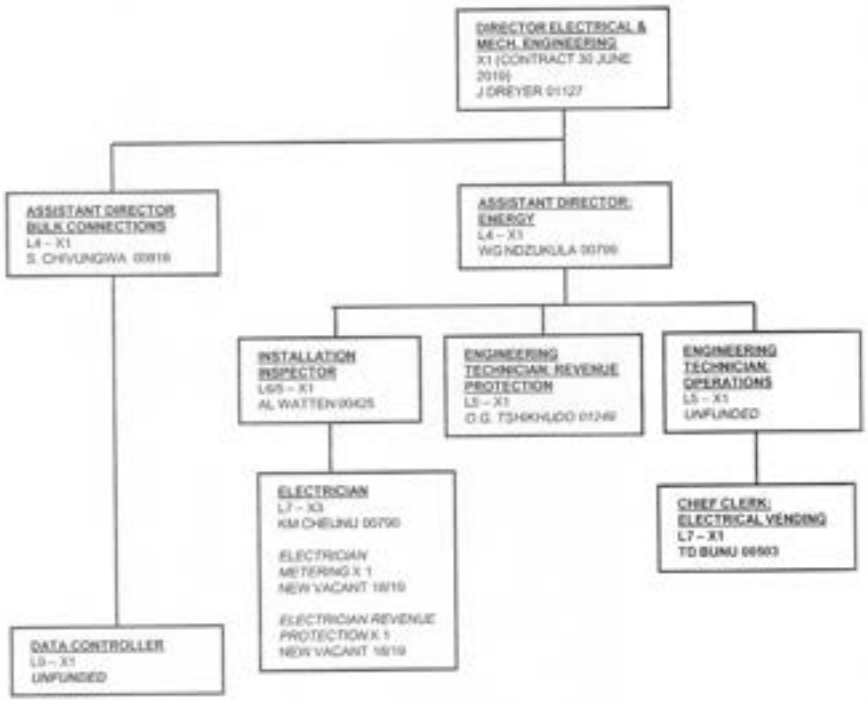
J.M. MOFOKENG 01269
PA MNGUNI 00652
DS NZUNGA 00448
PP Taolo 01365

D. Tshagale 01356

General Workers may be re-assigned at the discretion of the Engineering Technician

MIDVAAL
Local Municipality
Masepala Wa Selemoe
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – ELECTRICAL (2018-2019)



Checked by HR:		Date:	4/5/18
Approved by Finance:		Date:	9/5/18
Approved by HOD:		Date:	30/04/18
Approved by MM:		Date:	09/05/2018

MIDVAAL
Local Municipality
Integrated Area Services
Flexible Municipalities

ORGANISATIONAL STRUCTURE – FINANCIAL SERVICES (2018-2019)

Checked by HR:		Date: 4/5/7
Approved by Finance:		Date: 7/5/18
Approved by HOD:		Date: 7/5/18
Approved by MM:		Date: 09/05/2018

EXECUTIVE DIRECTOR: FINANCIAL SERVICES
SECT 57
A VAN SCHALKWYK 01018

DIRECTOR: INCOME
L1 – X1
AWC MEIRING 00671

DIRECTOR FINANCIAL REPORTING
L1 – X1
GS HERHOLDT 00867

DIRECTOR: EXPENDITURE
L1 – X1
K DESAI 01183

DIRECTOR: RISK & COMPLIANCE
L1 – X1
JC TAIT 01333

SECRETARY: FINANCIAL SERICES
LTB – X1
EC SMIT 00225

ASSISTANT DIRECTOR: RISK MANAGEMENT
L4 – X1
UNFUNDED (16/17)

CLERK: RISK & COMPLIANCE
L9 – X1
VACANT (17/18)

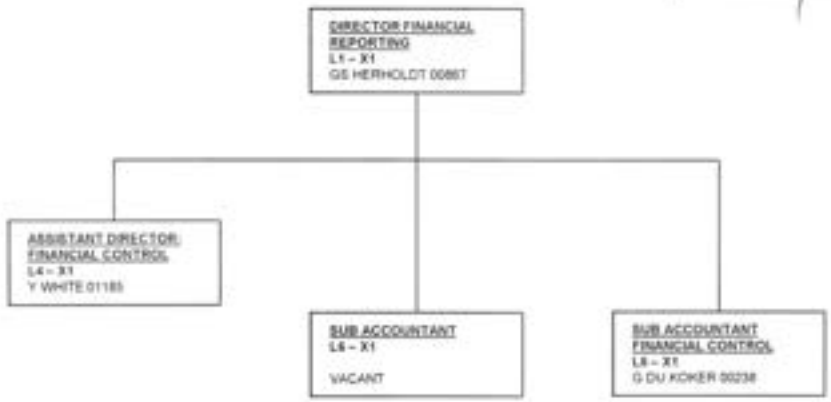
GENERAL WORKER
L13 – X2
NA NALE 00760
SE OLIFANT 00047

FINANCIAL MANAGEMENT INTERNS
CONTRACT X7
Z DABULA 01296
R NEETHLING 01322
Pa PAPANE 01337
MK MOLOI 01338
MP MOŠALA 01353
VACANT X2

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – FINANCIAL REPORTING (2018-2019)

Checked by HR:		Date: 18/5/7
Approved by Finance:		Date: 7/5/18
Approved by HOD:		Date: 7/5/18
Approved by MM:		Date: 09/05/2018



MIDVAAL Local Municipality
Masepala wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – INCOME SERVICES (2018-2019)

Checked by HR: _____ Date: 18/5/7

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 7/5/18

Approved by MM: _____ Date: 09/05/2018

DIRECTOR: INCOME
L1 – X1
AWC MEIRING 00671

ASSISTANT DIRECTOR: INCOME (WATER & ELECTRICITY)
L4 – X1
J RAMAKOLOI 00511

ASSISTANT DIRECTOR: RATES & CREDIT CONTROL
L4 – X1
JM RAMODIKE 01184

SUB ACCOUNTANT INCOME SERVICES
L6 – X1
MM SEPHIRI 00732

ACCOUNTANT PROPERTY VALUATION ADMIN
L5 – X1
BL FRANCIS 00229

SUB ACCOUNTANT RATES & SUNDRY DEBT
L6 – X1
MM TSOAELI 00696

ACCOUNTANT DEBT COLLECTION & RECON
L5 – X1
A VENTER 21265

CHIEF CLERK RATES INCOME
L7 – X2
CJ FOURIE 28662
NM MOLEDI 00071

CHIEF CLERK INCOME BILLING
L7 – X2
M RASENTSOERE 01026
NT MAZIBUKO 01035

SNR CLERK INCOME CASHIERS
L8 – X1
AM DU PLESSIS 00697

SNR CLERK ENQUIRIES
L8 – X1
RN MOKOENA 00998

CASHIERS
L9 – X3
MM FOKANE 01111
LM TLADI 01223
PM MAZIBUKO 01314
RELIEF CASHIERS X2

INFORMATION DESK OFFICER
L9 – X1
LG MOTSAMAI 01215

CLERK: WATER & ELECTRICITY
L9 – X1
H WARD 00667

SNR CLERK SUNDRY
L8 – X1
VACANT

SNR CLERK CLEARANCE CERTIFICATE (INCOME)
L8 – X2
ZY MAZINGELA 01165
LV MOTAUNG 00748
TP RADEBE 01025

CLERK INCOME STATISTICS
L9 – X1
MA MAFAESA 01148

CLERK INCOME STATISTICS
L9 – X1
NS RADEBE 01010

CHIEF CLERK DEBT COLLECTION
L7 – X2
E BRONKHORST 00622
L FUNEKA 00533

SNR CLERK FINANCIAL CONTROL
L8 – X1
M FILMALTER 00378

SNR CLERK DEBT COLLECTION
L8 – X1
DP MTHEMBU 01297

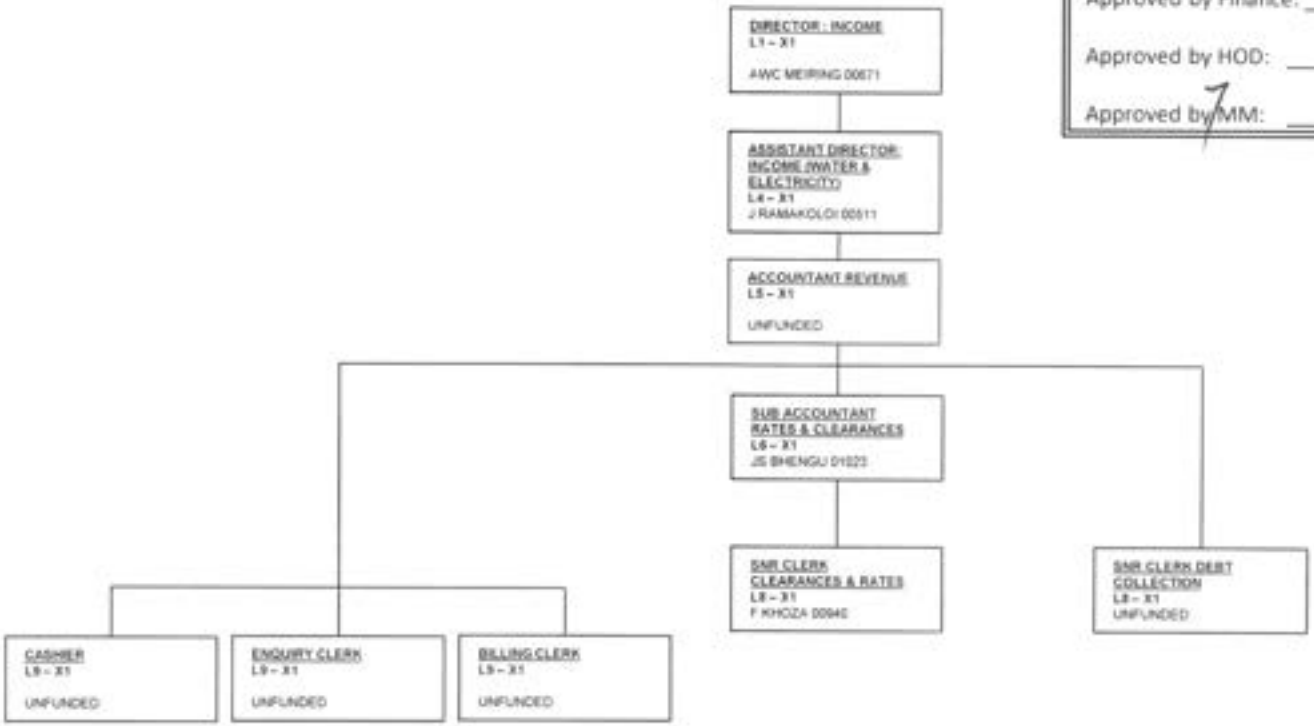
CLERK INDIGENT ADMINISTRATION
L9 – X2
L BIKITSHA 00477
UNFUNDED

CLERK DEBT COLLECTION
L9 – X2
SB THOBANE 01348
VACANT

MIDVAAL
Local Municipality
Masepala wa Seehoe
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – INCOME (SAVANNA CITY) (2018-2019)

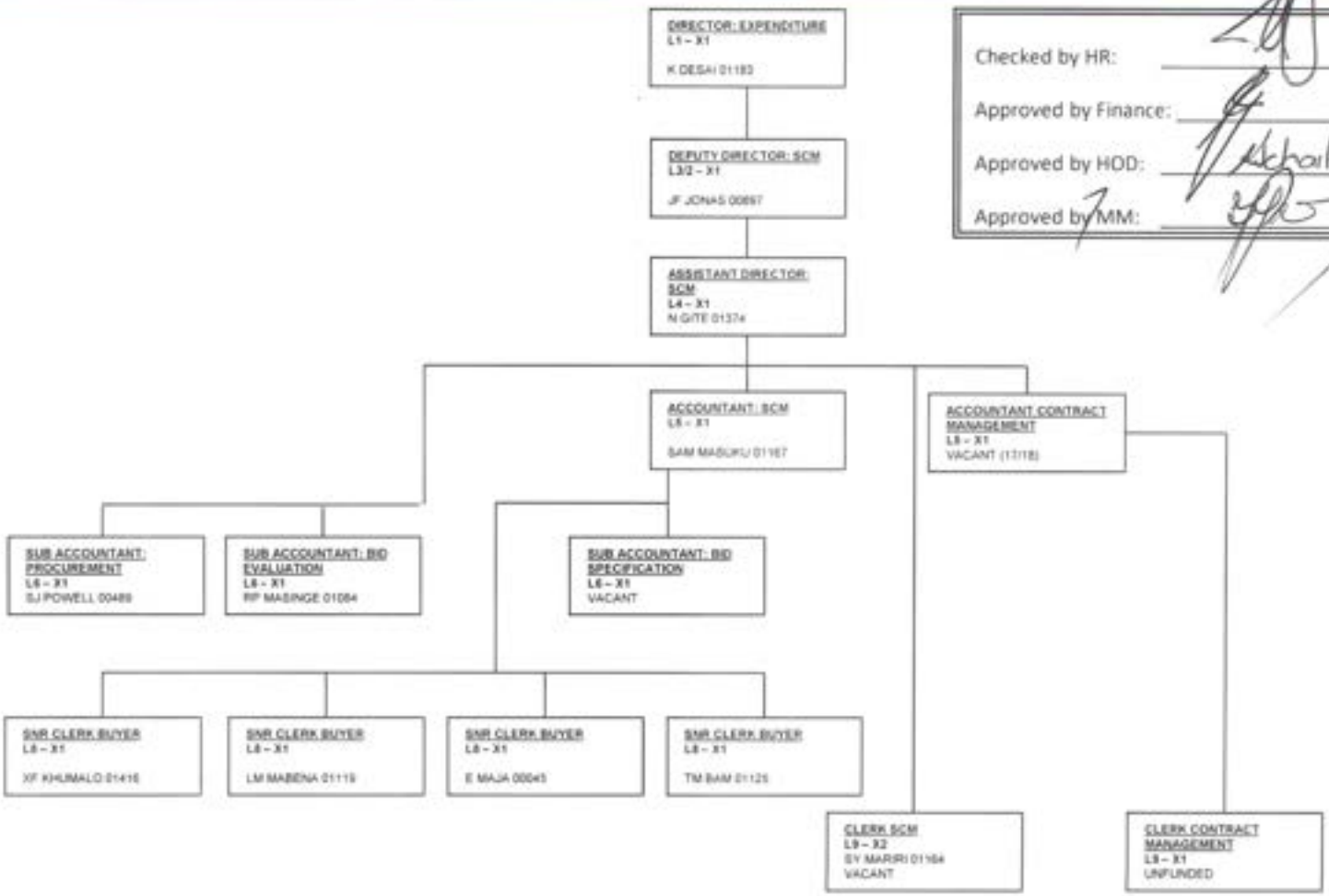
Checked by HR:		Date: 10/5/17
Approved by Finance:		Date: 7/5/18
Approved by HOD:		Date: 7/5/18
Approved by MM:		Date: 09/05/2018



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

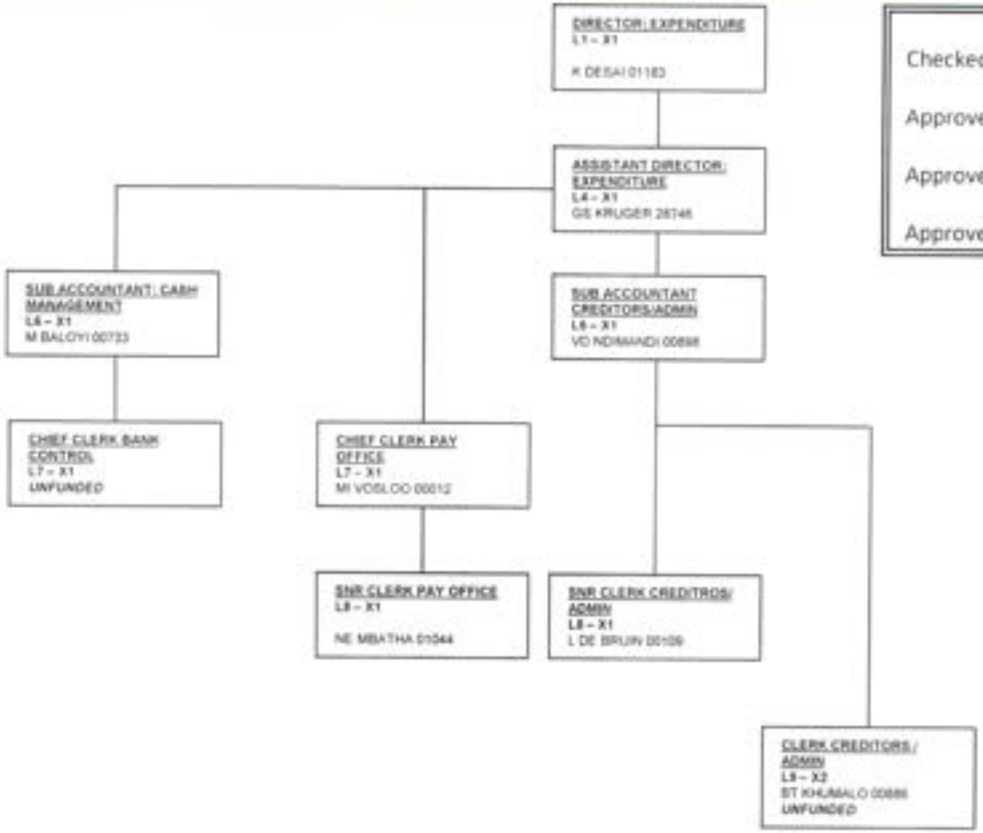
ORGANISATIONAL STRUCTURE – EXPENDITURE – SUPPLY CHAIN MANAGEMENT (2018-2019)

Checked by HR:		Date: 18/5/7
Approved by Finance:		Date: 7/5/18
Approved by HOD:		Date: 7/5/18
Approved by MM:		Date: 09/05/2018



MIDVAAL
Local Municipality
Masepala wa Selehae
Plaaslike Munisipaliteit

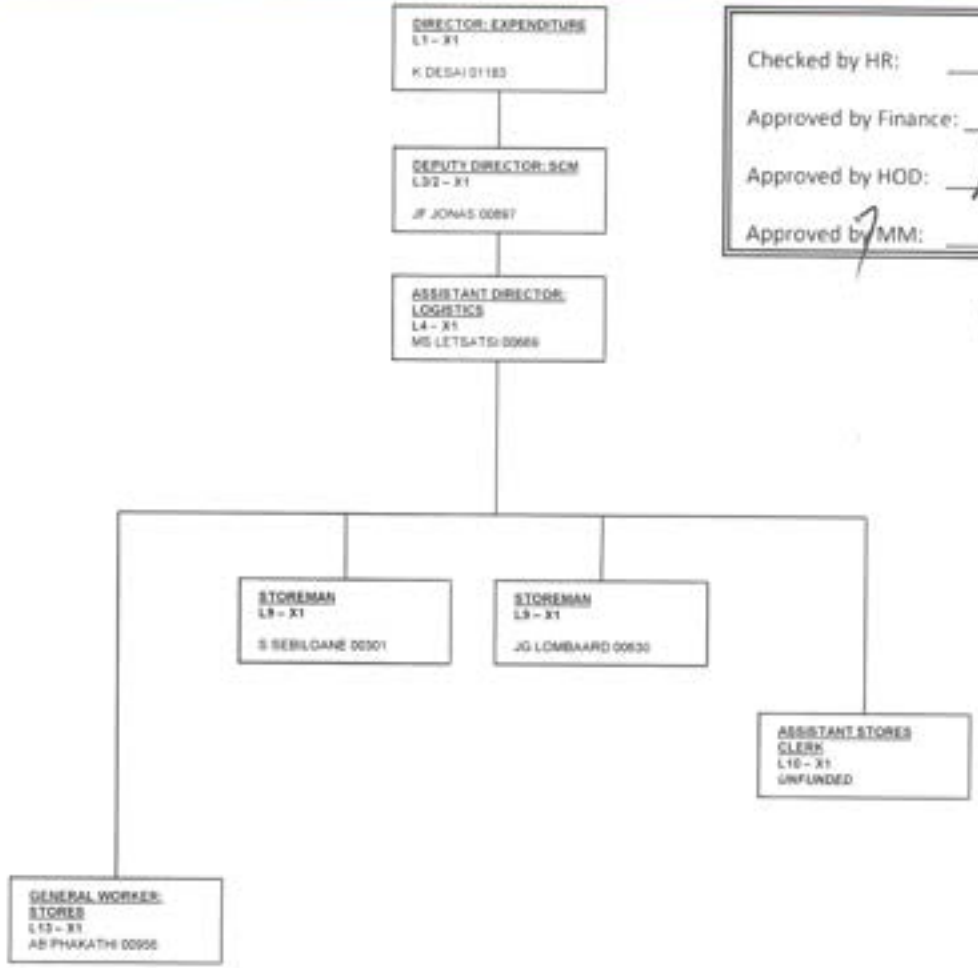
ORGANISATIONAL STRUCTURE – EXPENDITURE – PAY OFFICE & CASH MANAGEMENT (2018-2019)



Checked by HR:		Date:	13/5/7
Approved by Finance:		Date:	7/5/18
Approved by HOD:	Mchaluga	Date:	7/5/18
Approved by MM:		Date:	09/05/2018

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – EXPENDITURE – LOGISTICS/STORES (2018-2019)



Checked by HR:		Date: 18/5/7
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Approved by HOD:		Date: 7/5/18
Approved by MM:		Date: 09/05/2018

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

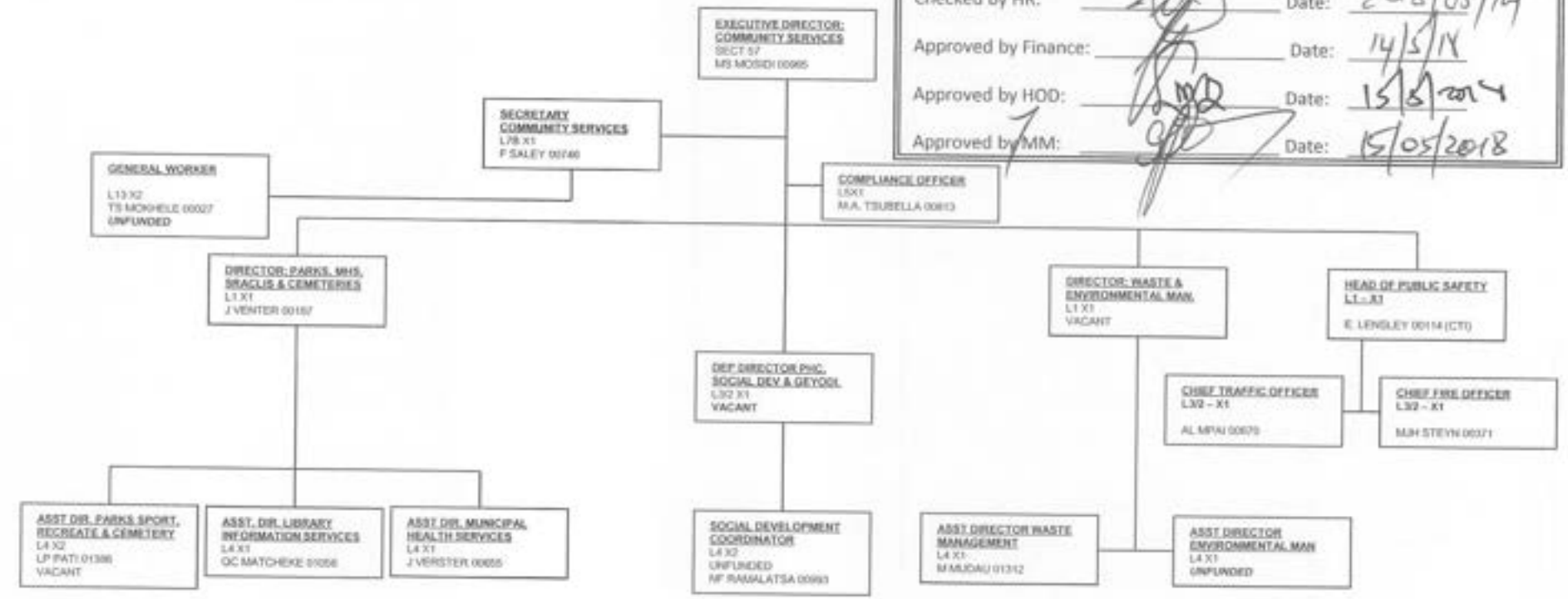
ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - ADMIN (2018-2019)

Checked by HR: _____ Date: 2018/05/14

Approved by Finance: _____ Date: 14/5/18

Approved by HOD: _____ Date: 15/5/2018

Approved by MM: _____ Date: 15/05/2018



MIDVAAL Local Municipality
Masepala Wa Selehge
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2018-2019) [TRANSFER STATIONS]

Checked by HR: _____ Date: 2018/05/14

Approved by Finance: _____ Date: 14/5/18

Approved by HOD: _____ Date: 15/5/2018

Approved by MM: _____ Date: 15/05/2018

FOREMAN SOLID WASTE REMOVAL
L6 X1
C NYALUNGU 01208

HEAVYDUTY OPERATOR
L8 X1
VACANT (19/19)

SPECIAL WORKSMAN CLEANSING
L8 X1
VACANT

SPECIAL WORKSMAN CLEANSING
L8 X1
L MASANGANE 00486

TEAM LEADER: STREET CLEANSING
L9 X4
UNFUNDED

ACCOUNTS CLERK
L9 X1
UNFUNDED

GATE CONTROLLER
L10 X4
PD MAFOKOANE 00821
U LESEMELA 01335
AP MAPHALA 00485
(UNFUNDED)

GATE/ACCESS CONTROLLER
L10 – X4
TS GUBEVU 00414
SL PLAATJIE 00491
MOFOKENG 00128
VACANT X1

COMPACTOR DRIVER
L10 X3
VACANT X2
UNFUNDED X1

SKIP TRUCK DRIVER
L10 X1
VACANT X1

SKIP TRUCK DRIVER
L10 X1
VACANT X1

TRACTOR DRIVER (CODE EC) CLEANSING
L11 X2
UNFUNDED

GENERAL WORKER CLEANSING
L13 X0
S MOKERETLA 00320
J MAGWAZA 00321
J RADEBE 00421
UNFUNDED X3

GENERAL WORKER CLEANSING
L13 X3
UNFUNDED

GENERAL WORKER CLEANSING
L13 X1
S MOKUBUNG 00419

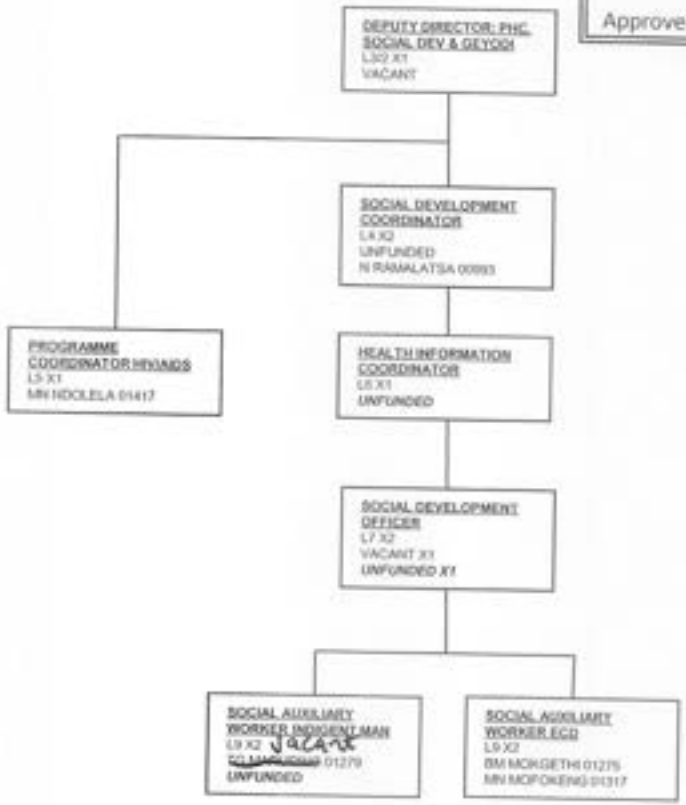
GENERAL WORKER CLEANSING
L13 X1
N RAKWATLA 01188

GENERAL WORKER CLEANSING
L13 X1
T MOKHELE 01107

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – SOCIAL DEVELOPMENT (2018-2019)

Checked by HR:	Date:	2018/05/14
Approved by Finance:	Date:	14/5/18
Approved by HOD:	Date:	15/5/2018
Approved by MM:	Date:	15/05/2018



MIDVAAL Local Municipality
Mmasepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PARKS (2018-2019)

Checked by HR: _____ Date: 2018/05/08

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 7/5/2018

Approved by MM: _____ Date: 09/05/2018

ASST DIR: PARKS & CEMETERY
L6 X1
LP PATI 01388

FOREMAN GRASS CUTTING & TRACTORS
L6 X1
POSITION CANCELLED

FOREMAN GRASS CUTTING & TRACTORS
L6 X1
K GWEBU 26994

FOREMAN TREE CUTTING & EPWP
L6 X1
VACANT

ADMIN CLERK/TYPIST PARKS & CEMETERIES
L6 X1
TV KUBEKA 01304

SPECIAL WORKSMAN GROUNDSMAN
L6 X1
UNFUNDED (2018/2019)

SPECIAL WORKSMAN GROUNDSMAN
L6 X1
VACANT (2018/2019)

SPECIAL WORKSMAN IRRIGATION
L6 X2
M MATLA 00617
VACANT X1

GENERAL WORKSMAN PARKS
L6 X1
L SEHANKA 00231

GENERAL WORKSMAN PARKS
L6 X1
VM TYESI 00671

LOGISTICS WORKSMAN
L10 X1
NFB FANTSI 00464

TRUCK DRIVER (CODE EC1) PARKS
L10 X1
PJ MOTAUNG 01123

TRUCK DRIVER (CODE EC1) TREE TEAM
L10 X1
MD MOLOSE 00875

TRUCK DRIVER (CODE EC)
L10 X1
TE MOKHASI 01087

TRUCK DRIVER (CODE EC) TREE TEAM
L10 X1
MJ TLALI 01173

TRACTOR DRIVER PARKS
L11 X 13

KJ TSUMO 28663
BD LETEBELE 01122
A KWINDA 00825
A MATOMA 00005
RT KGARITSI 01319
S KHONKOTHA 00595
T SEOBI 00632
V MAPHOSA 01105
SM TSUBELLA 01366
VACANT X2
UNFUNDED X3

MACHINE OPERATOR PARKS
L12 X11

LJ MADIEHE 01073
A MOFOKENG 28680
S MATJAMA 00838
EN MATOMANE 32049
PM MAZIBUKO 00824
A MABOTE 00411
UNFUNDED X2
VACANT X2

MACHINE OPERATOR PARKS
L12 X0

J MOKOETLA 32081
PM MOTAUNG 01108
MM BEBEZA 32073
D MOTAUNG 32084

CHAINSAW OPERATOR
L12 X2
M MAPHULANYANE 01101
J SABA 00054

CHAINSAW OPERATOR
L12 X2
LS MPHUTHI 01204
TS NDABA 00675

GENERAL WORKER
L13 X 3
N MAPUDIRIANA 01267
MA SEKHOTO 01332
UNFUNDED

GENERAL WORKER NURSERY
L13 X 2
A MOTLOUNG 01320
V NTUSI 01305

GENERAL WORKER PARKS
L13 X2
S GOUNGGA 01303
LC MHLAMBI 01321

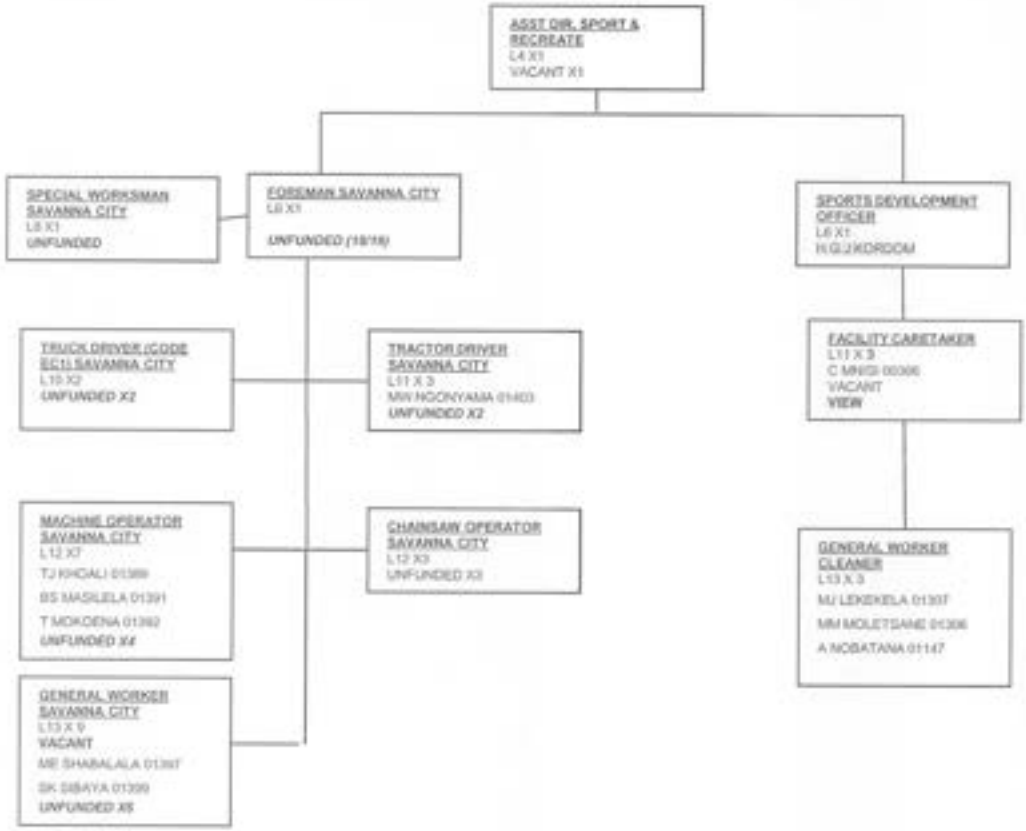
GENERAL WORKER PARKS
L13 X 2
TP MASOPA 00672
VACANT X2
UNFUNDED

GENERAL WORKER PARKS IRRIGATION
L13 X 2
A RALEOHEKA 32081
RT MOKHEMISA 01334

MIDVAAL
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PARKS (2018-2019)

Checked by HR:		Date:	2018/05/08
Approved by Finance:		Date:	7/5/18
Approved by HOD:		Date:	7/5/2018
Approved by MM:		Date:	09/05/2018



ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PARKS (2018-2019)

Checked by HR:		Date:	2018/05/08
Approved by Finance:		Date:	7/5/18
Approved by HOD:		Date:	7/5/2018
Approved by MM:		Date:	09/05/2018

ASST DIR. PARKS SPORT, RECREATE & CEMETERY
L4 X1
VACANT

SWIMMING POOL SUPERVISOR
L8 X1
L HOOD 10032

TEMP CASHIER
CONTRACT/SEASONAL WORKER

TEMP LIFE SAVER
CONTRACT/SEASONAL WORKER X2

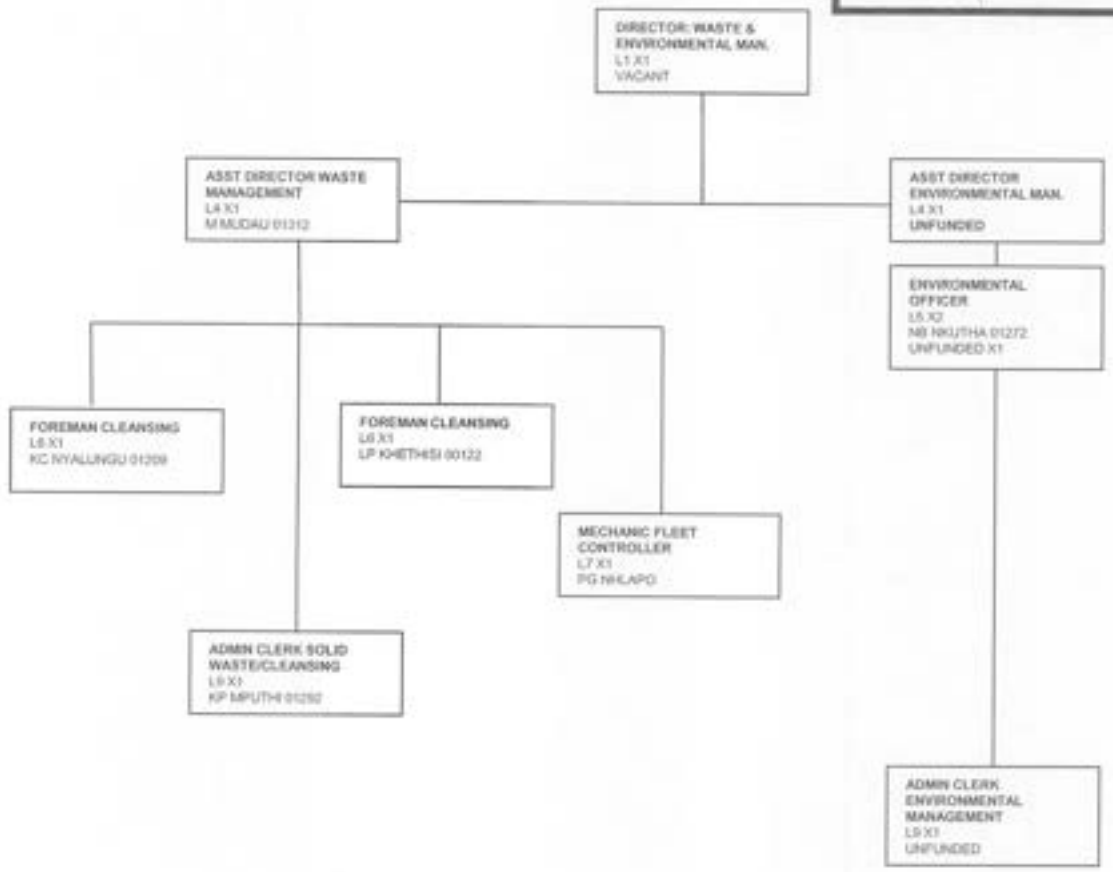
GENERAL WORKER CLEANER
L13 X 1
P MASINA 10823

GENERAL WORKER SWIMMING POOL
L13 X 2
TJ BUTHELEZI 01083

MIDVAAL
Local Municipality
Mmasepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2018-2019)

Checked by HR: _____ Date: 2018/05/09
Approved by Finance: _____ Date: 7/5/2018
Approved by HOD: _____ Date: 7/5/2018
Approved by MM: _____ Date: 09/05/2018



MIDVAAL
Local Municipality
Mzelepalo Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2018-2019)

Checked by HR: _____ Date: 20/05/18
Approved by Finance: _____ Date: 21/5/18
Approved by HOD: _____ Date: 21/5/2018
Approved by MM: _____ Date: 09/05/2018

FOREMAN CLEANSING
L8 X1
LP KHETHISI 00122

SPECIAL WORKSMAN CLEANSING
L8 X1
J MARAIS 00104

GENERAL WORKSMAN WASTE MANAGEMENT
L9 X1
WG BONKOLO 66226

GENERAL WORKSMAN WASTE MANAGEMENT
L9 X1
UNFUNDED

LOGISTICS WORKSMAN WASTE
L10 X1
NK MOGASHOA 01331

TRUCK DRIVER (CODE EC) CLEANSING
L10 X1
B. TAELO 00583

TRUCK DRIVER (CODE EC) CLEANSING
L10 X1
MM THABE 00402

GENERAL WORKER CLEANSING
L13 X19
VACANT X2

GENERAL WORKER CLEANSING
L13 X1
DG MOHAPI 01274

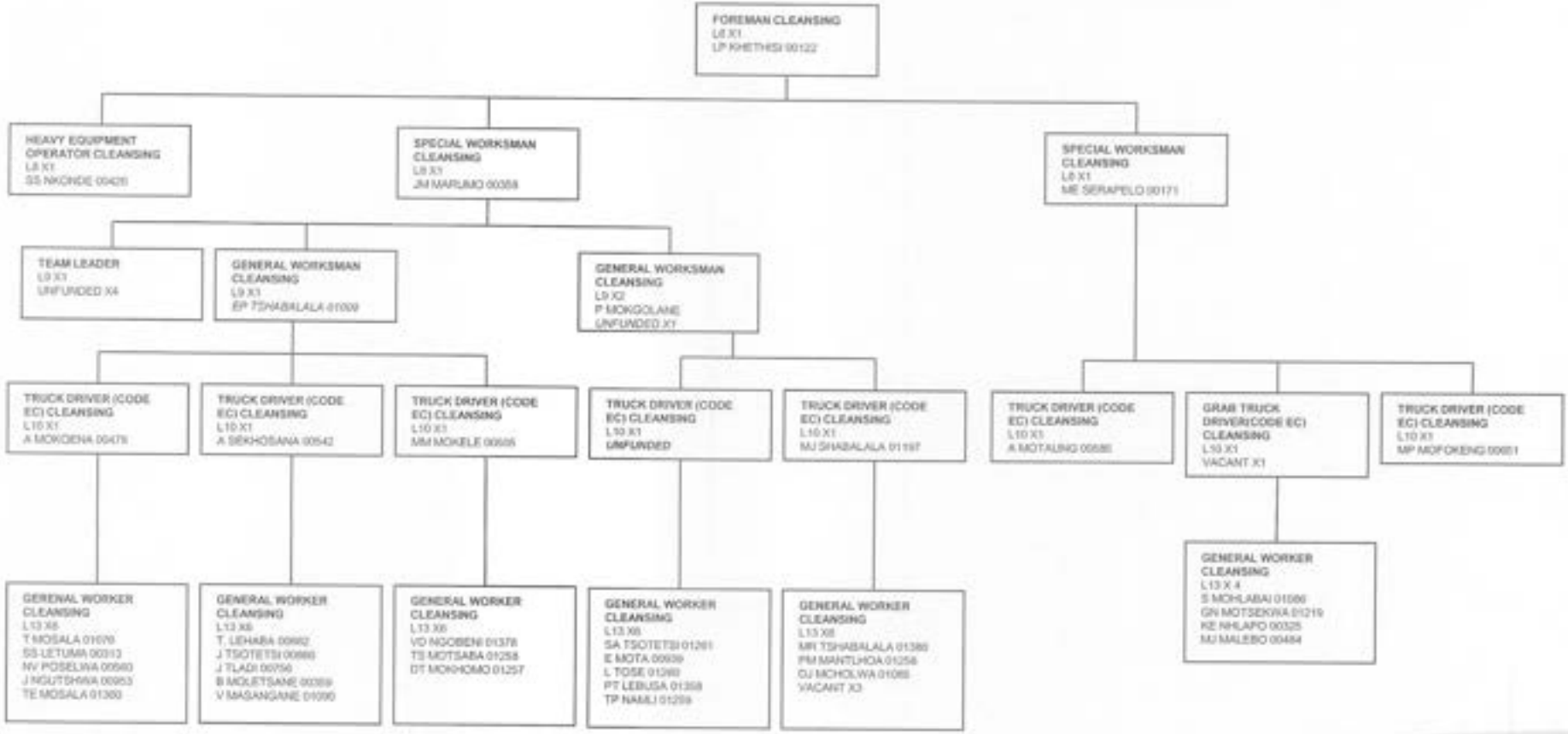
GEMERAL WORKER CLEANSING
L13 X1
TS LEEU 00128

AZ MAYEKISO 00315
K LESOALO 00755
MOKGOMONG 00467
MP MPHOLO 00324
TS SINDO 00490
NE LEMPHANE 0048
R MKHIZE 00317
MP MCHUNU 00316
MM MOKOENA 00323
VA MPHUTI 01326
PA MAHLATSANE 32041
TE MOSOTHO 00309
NM MOETI 00481
TP LENKA 01277SM
T MONYANE 00563
J MKHUMA 00976
NA JWILI 00462

MIDVAAL
Local Municipality
Mmepalo Wa Selehoe
Plaatilike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2018-2019)

Checked by HR: _____ Date: 2018/05/08
Approved by Finance: _____ Date: 15/5/2018
Approved by HOD: _____ Date: 09/05/2018
Approved by MM: _____ Date:



MIDVAAL
Local Municipality
Merepaso Wa Selehoe
Plaaslike Munisipaliteit

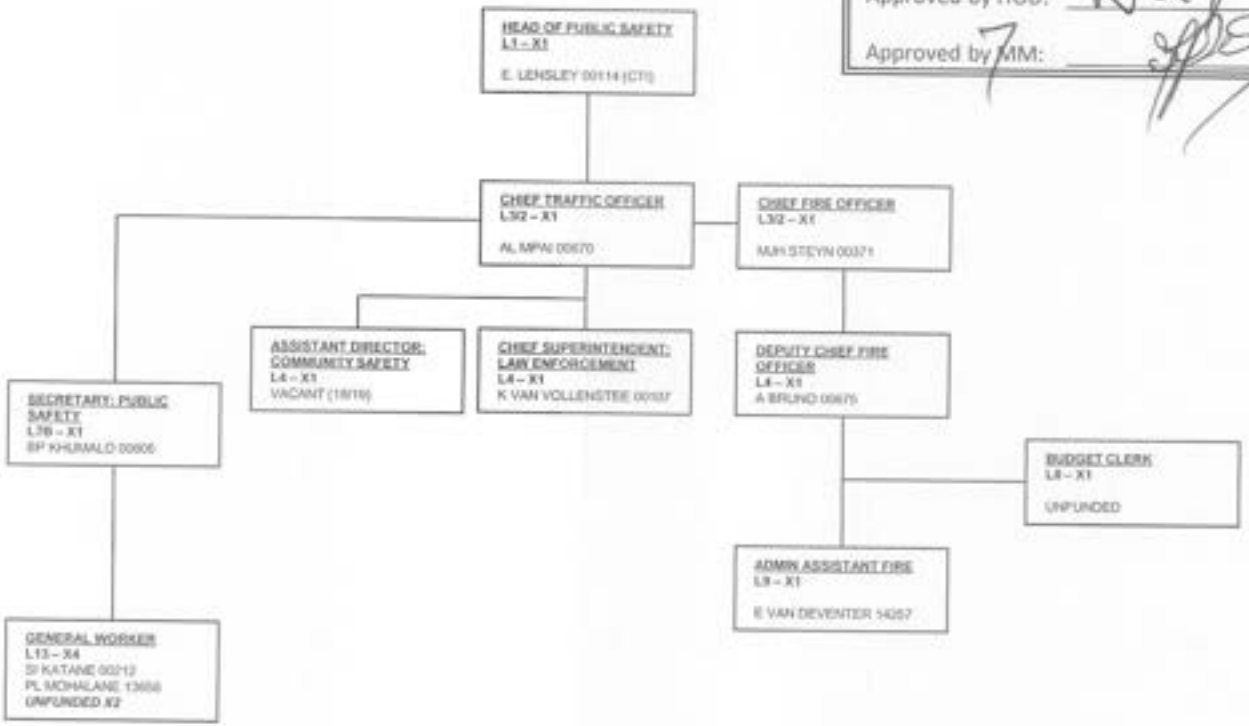
ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (SC) (2018-2019)

Checked by HR: _____ Date: 29/05/18
Approved by Finance: _____ Date: 31/5/2018
Approved by HOD: _____ Date:
Approved by MM: _____ Date: 09/05/2018

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PUBLIC SAFETY (2018-2019)

Checked by HR:		Date: 2018/05/08
Approved by Finance:		Date: 7/5/18
Approved by HOD:		Date: 7/5/2019
Approved by MM:		Date: 09/05/2018



MIDVAAL Local Municipality Masepala Wa Selehae Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - TRAFFIC (2018-2019)

Checked by HR: _____ Date: 2018/05/09

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 7/5/2018

Approved by MM: _____ Date: 09/05/2018

CHIEF TRAFFIC OFFICER
L3/2 – X1
A MPAI 00670

CHIEF SUPERINTENDENT: LAW ENFORCEMENT
L4 – X1
K VAN VOLLENSTEE 00107

SUPERINTENDENT SPEED
L6/5 – X1
B SMIT 00042

ASSISTANT SUPERINTENDENT
L6 – X1
UNFUNDED

TRAFFIC OFFICER
L8/7 – X5
S MACINTOSH 00563
M PHULE 00530
MJ LOURENS 00058
VACANT (17/18)
UNFUNDED

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
AG BOTHA 14342

ASSISTANT SUPERINTENDENT
L6 – X1
D SIBELANE 00543

TRAFFIC OFFICER
L8/7 – X5
KJ BALOYI 00249
ME THAMAI 00648
VACANT x3 (16/17)
UNFUNDED

CONTROL ROOM ATTENDANT
L8 – X1
UNFUNDED

TRAFFIC OFFICER GR2
L9 – X4
MR MAZIBUKO 01030
NM GODOLE 01027
TA NKEKI 01031
UNFUNDED

TRAFFIC WARDEN OFFICER (INTERNS)
L14 – X1(CONTRACT)
UNFUNDED

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
P NKWINIKA 00540

TRAFFIC OFFICER
L8/7 – X5
UNFUNDED X1
M LE ROUX 00178
NA MAHODE 00375
DG LABUSCHAGNE 00822

CONTROL ROOM ATTENDANT
L8 – X1
UNFUNDED

TRAFFIC OFFICER GR2
L9 – X4
JT SOLDAT 01034
BE RADEBE 01033
XD MADINGELA 01040
JP LENKA 01039

TRAFFIC WARDEN OFFICER (INTERNS)
L14 – X5 (CONTRACT)
UNFUNDED

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
UNFUNDED

WARDEN CBD OFFICER
L8 – X2
UNFUNDED X1
VACANT X1

WARDEN CBD OFFICER
L9 – X1
VACANT (17/18)

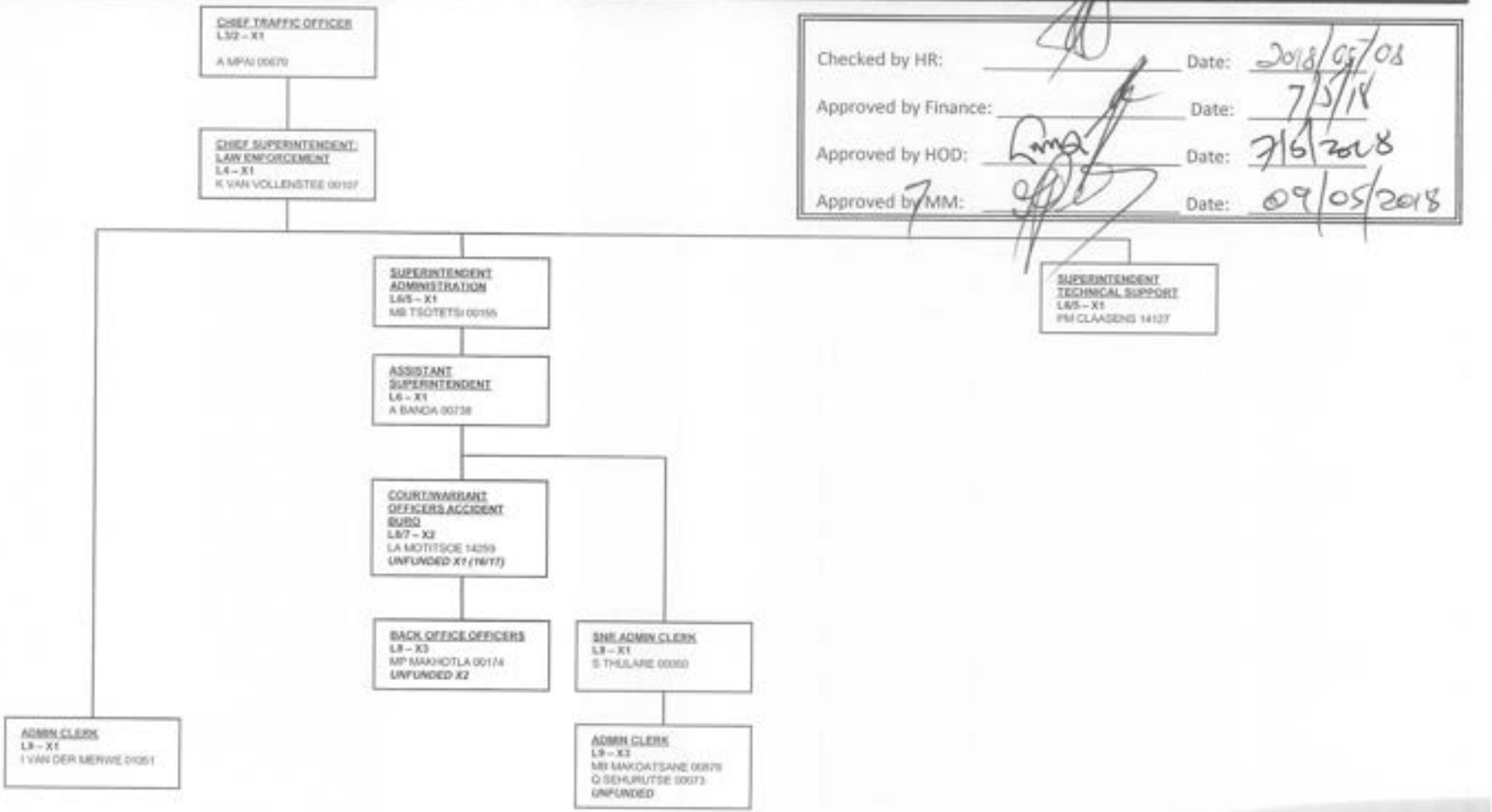
TRAFFIC WARDEN OFFICER (INTERNS)
L14 – X1 (CONTRACT)
UNFUNDED

HELPDESK OFFICER
L8/7 – X1
UNFUNDED

POINT DUTY OFFICER
X13 (TEMP CONTRACT)
NE MOJOLA 00075
TJ LUTA 00214
KJ DHLAMINI 00241
MA PAPALI 00504
M MATHONKHA 00568
DR MASENYA 00694
PV HOYANE 01265
B VILAKAZI 01266
XK ZWANE 01267
MW MPEMBE 01318
VACANT X4
UNFUNDED X1 (16/17)

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - TRAFFIC (2018-2019)



Checked by HR: _____ Date: 2018/05/08

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 7/5/2018

Approved by MM: _____ Date: 09/05/2018

MIDVAAL
Local Municipality
Munepalo Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - FIRE (2018-2019)

Checked by HR: _____ Date: 2018/05/08

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 7/5/2018

Approved by MM: _____ Date: 09/05/2018

CHIEF FIRE OFFICER
L3/2 – X1
MJH STEYN 00371

DEPUTY CHIEF FIRE OFFICER
L4 – X1
A BRUNO 00675

REGIONAL DIVISIONAL OFFICER OPERATIONS
L6/5 – X1
CJ HEYMANS 14146

STATION OFFICER
L7 – X1
THA ENGELBRECHT 00180

SNR FIRE FIGHTER
L8 – X4
P. HANYANE 00173
KNJ MTAMBO 00608
L NGOEPE 00012
(SLIDING SCALE)

FIRE FIGHTER
L9 X2
SL MBAMBO 01158
NE TSHABALALA 01178
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X4
DK THUBI 01180
ME RADEBE 01176
RMM MOKGATLE 01237
C MASHISHI 01097

STATION OFFICER
L7 – X1
G VAN STADEN 00166

SNR FIRE FIGHTER
L8 – X3
RJ MAMATELA 00609
MD PHEKO 00701
C VERMEULEN 00914
(SLIDING SCALE)

FIRE FIGHTER
L9 X 3
M MAKOLA 00606
PX ZWANE 01161
JD MOREBA 01169
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X1
TS TSOARI 01197

STATION OFFICER
L7 – X1
NMJ GOUWS 00697

SNR FIRE FIGHTER
L8 – X4
E PIENAAR 00617
MJ MOTLOUNG 80468
PA LEPUTU 00614
KB PLAATJIES 7004
(SLIDING SCALE)

FIRE FIGHTER
L9
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X3
TA NTSANE 00700
A ZULU 80456
NM NOBUNGA 00699

STATION OFFICER
L7 – X1
S MAMATELA 80015

SNR FIRE FIGHTER
L8 – X4
TJ RAMODIBE 13068
A PRINSLOO 00909
PJ MOFOKENG 00183
A MONTLE 00620
(SLIDING SCALE)

FIRE FIGHTER
L9
A HERBST 00907
T MUDZULI 01043
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X1
RM MOTLHATLHEDI 01239

CONTROL ROOM OPERATOR
L8 – X4
AKA LUBBE 00964
HD MODISE 13016
PW LOMBARD 00143
SJ PHADI 80464

TEMP FIRE FIGHTERS
CONTRACT – X 24
C JAMILE 01224
KC LUVHIMBI 01226
EN MAHLANGU 01227
VI MAHLANGU 01228
PJ MANELE 01230
MM MAPHOSA 01231
PT MARUMA 01232
A MATEE 01234
S MAWELELA 01236
CT MOKOATSI 01238
AM MOTSHEGWE 01240
P MTHIMONYI 01241
W NGUBE 01242
LD RAGAI 01243
DM RANTSIE 01244
MD SEDIOSA 01246
U VAN WYK 01248
VACANT X4

MIDVAAL
Local Municipality
Masepala Wa Selehoe
Plaaslike Munisipaliteit

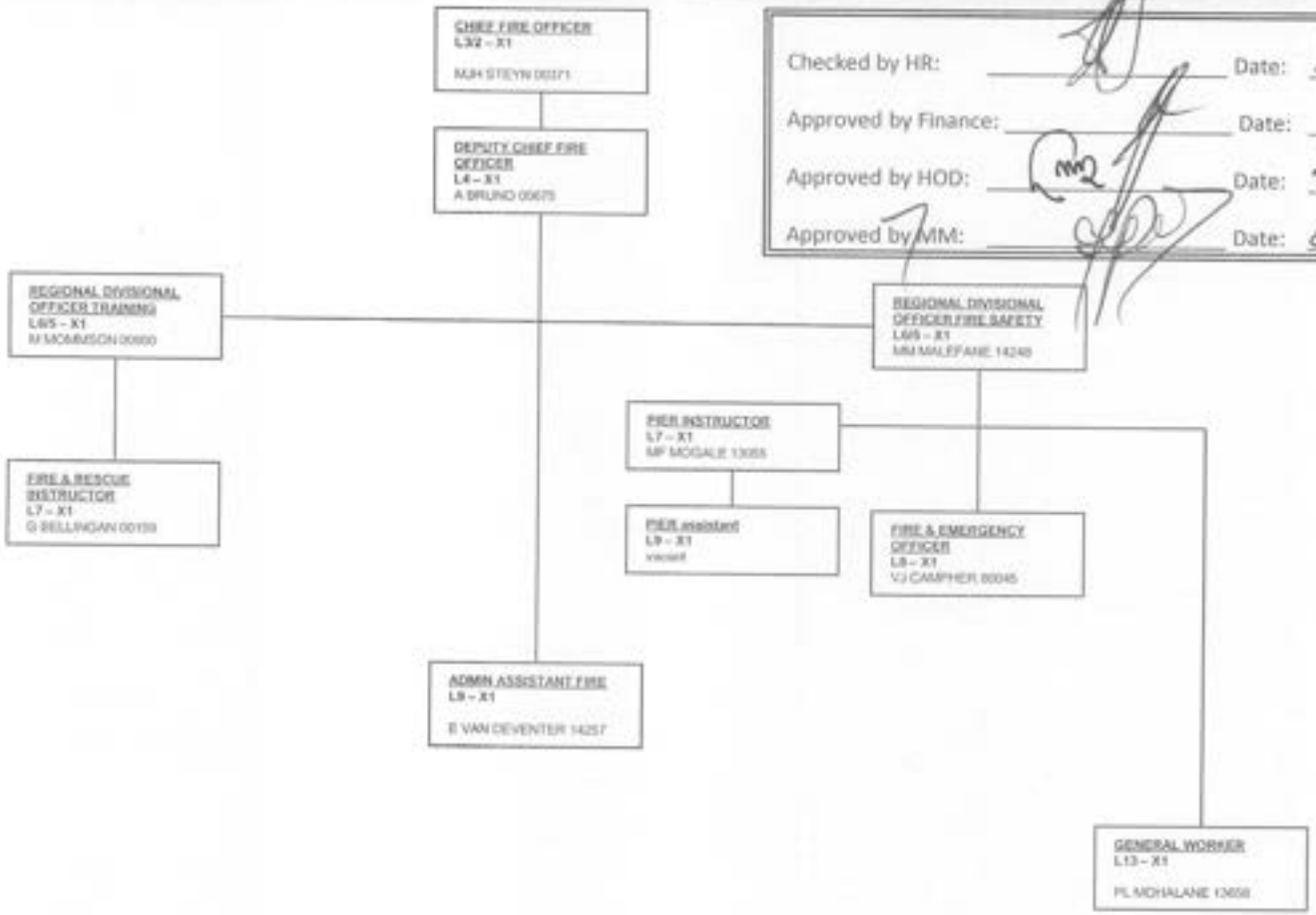
ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - FIRE (2018-2019)

Checked by HR: _____ Date: 2018/05/08

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 7/5/2018

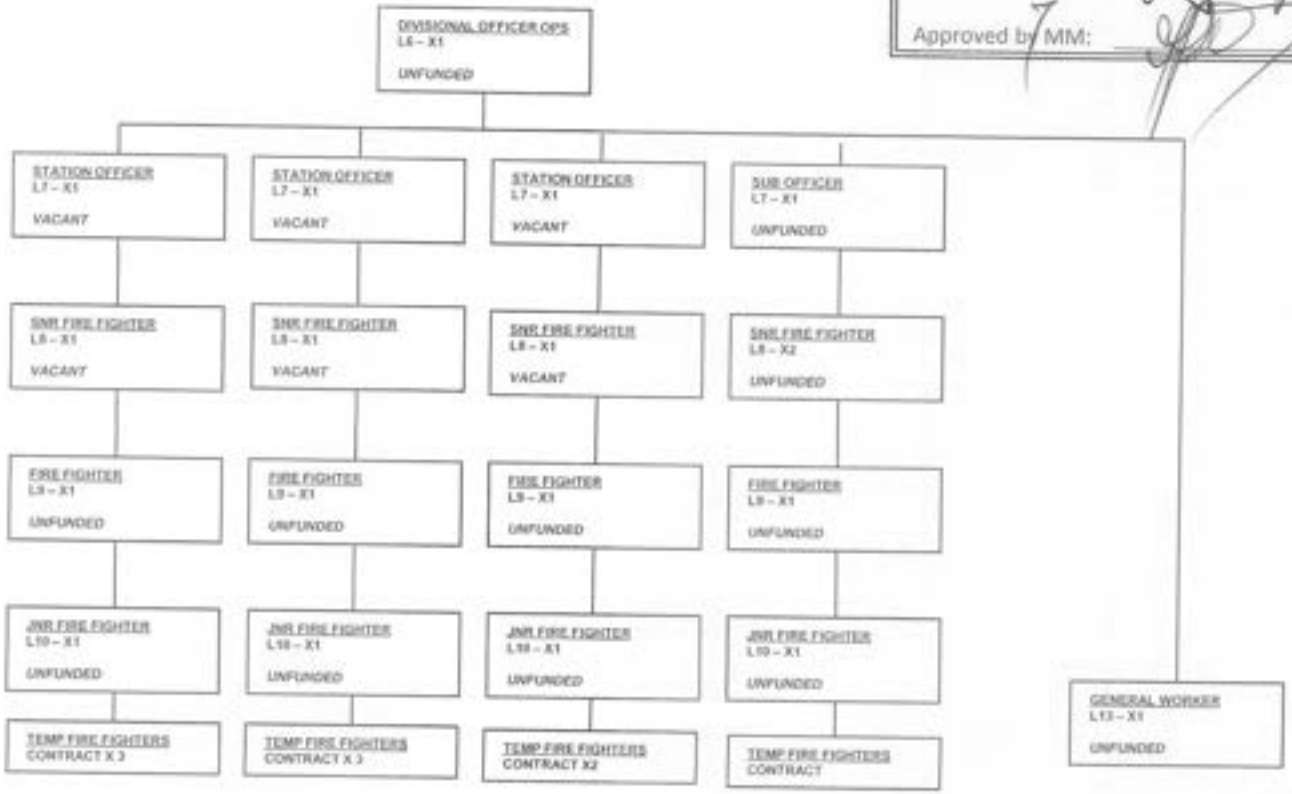
Approved by MM: _____ Date: 09/05/2018



MIDVAAL Local Municipality
Merapalo Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – FIRE (VAAL MARINA) (2018-2019)

Checked by HR:	Date:	2018/05/08
Approved by Finance:	Date:	7/5/18
Approved by HOD:	Date:	7/5/2018
Approved by MM:	Date:	09/05/2018



MIDVAAL
Local Municipality
Mmepala Wa Selehoe
Plaaslike Munisipaliteit

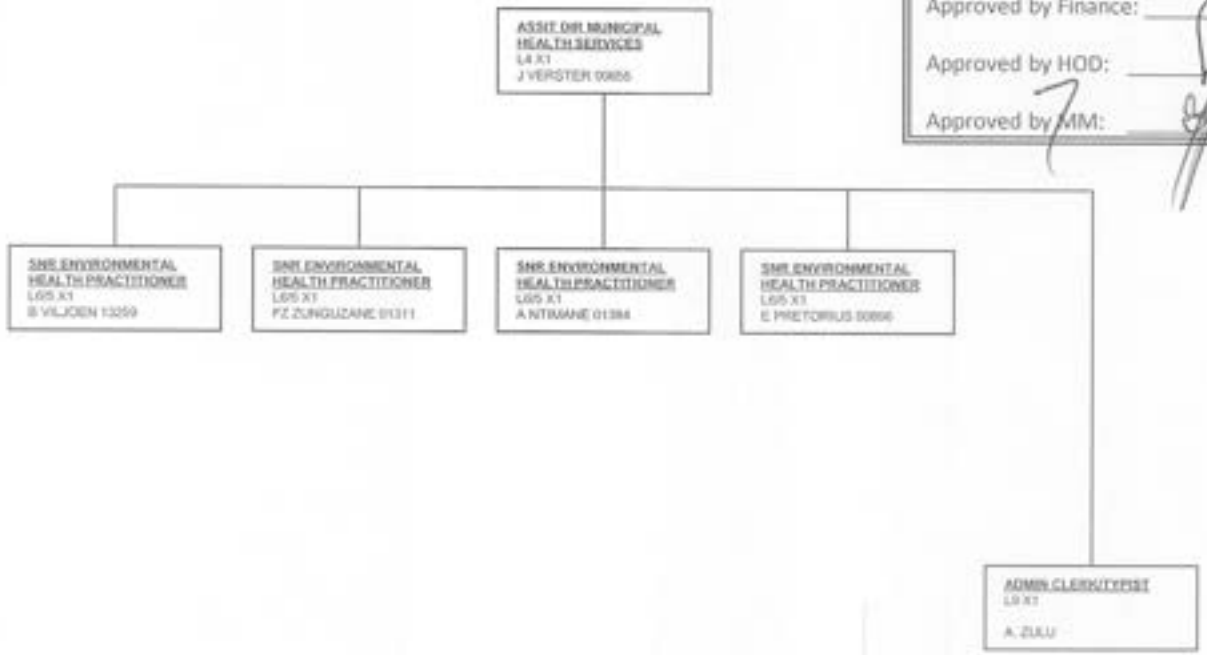
ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – ENVIRONMENTAL HEALTH (2018-2019)

Checked by HR: _____ Date: 2018/05/08

Approved by Finance: _____ Date: 7/5/18

Approved by HOD: _____ Date: 7/5/2018

Approved by MM: _____ Date: 09/05/2018



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - CLINICS (2018-2019)

Checked by HR: _____ Date: 2018/05/11

Approved by Finance: _____ Date: 11/5/18

Approved by HOD: _____ Date: 11/5/2018

Approved by MM: _____ Date: 11/05/2018

CHIEF MEDICAL OFFICER (MEYERTON CLINIC)
L3 X1
(GDH)

DEPUTY DIRECTOR: PHC, SOCIAL DEV & GEYODI
L3/2 X1
VACANT

MANAGER PRIMARY HEALTH CARE
L4 X1
VACANT

FINANCIAL/HIS OFFICER COMMUNITY SERVICES
L5 X1
VACANT

RANDVAAL CLINIC

CHIEF PROFESSIONAL NURSE
L5 X1
UNFUNDED

SNR PROFESSIONAL NURSE
L7/6 X1
UNFUNDED

RECEPTIONIST/ADMIN CLERK
L9 X1
L MPAKA 00474

ENROLLED NURSING ASSISTANT
L9 X2
VACANT X1
UNFUNDED

MEYERTON CLINIC

CHIEF PROFESSIONAL NURSE
L5 X1
S MYAKA 00676

DRIVER
L11 - X1
PM THULO 00626

SNR PROFESSIONAL NURSE
L7/6 X3
GDH

SNR PROFESSIONAL NURSE
L7/6 X2
GDH

SNR PROFESSIONAL NURSE
L7/6 X4
GDH

RECEPTIONIST/ADMIN CLERK
L8 X1
M VILAKAZI 00365

ENROLLED STAFF NURSE
L9 X1
GDH

RECEPTIONIST/ADMIN CLERK
L8 X1
M MORAILANE 00684

ENROLLED STAFF NURSE
L9 X1
GDH

ENROLLED NURSING ASSISTANT
L9 X1
MJ MOGOTSI 00519

COMMUNITY HEALTH WORKER
L9 X1
UNFUNDED

GENERAL WORKER/ CLEANER
L13 X2
NJ MPUNGOSE 00177
VACANT

KOOKRUS CLINIC

CHIEF PROFESSIONAL NURSE
L6 X1
EM PRETORIUS (CTI)
13266

SNR PROFESSIONAL NURSE
L7 X1
MC NHLAPO 00818

RECEPTIONIST / ADMIN CLERK
L8 X1
IM MONAHENG 00200

GENERAL WORKER/ CLEANER
L13 X1
S MALIWA 00601

Local Municipality
Mmasepala Wa Selehae
Plaatlike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – LIBRARIES (2018-2019)

Checked by HR: _____ Date: 2018/05/11

Approved by Finance: _____ Date: 11/5/18

Approved by HOD: _____ Date: 11/5/2018

Approved by MM: _____ Date: 11/05/2018

ASSISTANT DIRECTOR LIBRARY INFO SERVICES
L4 X1
GC MATCHEKE 01656

ADMIN CLERK/TYPIST 18/19
L9 X1
UNFUNDED NEW X1
DAC

SNR LIBRARIAN 18/19
L5 X1
UNFUNDED NEW (DAC)

SICELO LIBRARY

MEYERTON LIBRARY

CATALOGUING

TECHNICAL SERVICES

E-LEARNING CENTRE

LIBRARIAN
L8 X1
N. SHONGWE 01388

SNR ASSISTANT LIBRARIAN
L7 X1
M A MOFOKENG 00716

ADMIN CLERK SICELO LIBRARY
L9 X1
N NTANZI 01156

GENERAL WORKER/CLEANER
L13 X1
MS TSOTSO 00734

LIBRARIAN
L6 X1
J ZWANE 00978

ASSISTANT LIBRARIAN MEYERTON
L8 X1
R OMAR 00804

ASSISTANT LIBRARIAN MEYERTON
L8 X1
N.M HLATSHWAYO 00545

ASSISTANT LIBRARIAN MEYERTON
L8 X1
J MOTAUNG 00297

ASSISTANT LIBRARIAN MEYERTON
L8 X1
FJ JIYANE 00161

ADMIN CLERK MEYERTON LIBRARY
L9 X1
B MADLALA 01155

ADMIN CLERK MEYERTON LIBRARY
L9 X1
L KETEYI 13451

GENERAL WORKER CLEANER
L13 X1
MM MTHEMBU

GENERAL WORKER CLEANER 18/19
L13 X1
UNFUNDED NEW X1 (DAC)

MESSENGER/DRIVER 18/19
L11 X1
UNFUNDED NEW X1 DAC

LIBRARIAN
L6 X1
L RALPH 00338

LIBRARIAN (CATALOGUER 18/19
L6 X1
UNFUNDED NEW X1 (DAC)

PROGRAMME LIBRARIAN 18/19
L6 X1
UNFUNDED NEW X1 (DAC)

SNR ASSISTANT LIBRARIAN
L7 X1
VACANT X 1

E LEARNING FACILITATOR
L8 X1
VACANT X1

ASSISTANT E LEARNING FACILITATOR
L8 X1
VACANT X 1

MIDVAAL
Local Municipality
Mmepalo Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – LIBRARIES (2018-2019)

Checked by HR: _____ Date: 2018/05/11

Approved by Finance: _____ Date: 11/5/18

Approved by HOD: _____ Date: 17/5/2018

Approved by MM: _____ Date: 11/5/2018

ASSISTANT DIRECTOR LIBRARY INFO SERVICES
L4 X1
QC MATCHEKE 01056

BRANCHES

LIBRARIAN LAKESIDE
L8 X1
O .Tshiketana 01400

SNR ASSISTANT LIBRARIAN LAKESIDE
L7 X1
K.E NDABA 01344

ADMIN CLERK LAKESIDE LIBRARY
L9 X1
TP TYANTINI 01130

GENERAL WORKER/ CLEANER - LAKESIDE
L13 X1
TL RIKHOTSO 01141

LIBRARIAN BANTU BONKE
L8 X1
FB NGEMA 01281

ADMIN CLERK BANTU BONKE 17/18
L9 X1
S J KOETHING 00952

GENERAL WORKER/ CLEANER – BANTU BONKE 17/18
L13 X1
B.R MENYANTSOE 13451

BRANCHES

LIBRARIAN RANDVAAL
L8 X1
M FROST 00743

ASSISTANT LIBRARIAN RANDVAAL
L9 X1
R OTTO 00814

ADMIN CLERK LIBRARY RANDVAAL 18/19
L9 X1
(UNFUNDED NEW - DAC)

GENERAL WORKER CLEANER (RANDVAAL)
L13 X1
M BUNU 00808

LIBRARIAN HOK LIBRARY
L8 X1
P K MATITIWANE 00030

ASSISTANT LIBRARIAN HOK 17/18
L9 X1
N M MASIPA 00954

ADMIN CLERK HOK LIBRARY
L9 X1
NP MSIMANGA 01088

GENERAL WORKER CLEANER HOK
L13 X1
Z TOM 00115

LIBRARIAN DE DEUR LIBRARY
L8 X1
M MASEKO 00628

ASSISTANT LIBRARIAN DE DEUR
L8 X1
P N MBATHA 00175

GENERAL WORKER CLEANER – DE DEUR
L13 X1
E MOLOI 00791

MIDVAAL Local Municipality
Merapalo Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING (2018-2019)

Checked by HR: _____ Date: 08/05/18

Approved by Finance: _____ Date: 14/5/18

Approved by HOD: _____ Date: 11/05/2018

Approved by MM: _____ Date: 14/05/2018

ED: DEVELOPMENT AND PLANNING
SECT 57
KD CHAMBOKO 01183

SECRETARY: DEVELOPMENT AND PLANNING
L7B – X1
L GREYLING 00008

DIRECTOR: BUILDING & LAND USE CONTROL
LEVEL 1 - X1
UNFUNDED

DIRECTOR DEV & PLANNING
L1 – X1
T ARLOW 00059

DIRECTOR: LED, RURAL DEV, AGRI & HOUSING
L1 – X1
VACANT (10/17)

DEPUTY DIRECTOR: BUILDING & LAND USE CONTROL
L3/2 – X1
E VAN DER MERWE 00065

DEPUTY DIRECTOR: BUILDING CONTROL (SAKHANNA CITY)
L3/2 – X1
UNFUNDED

DEPUTY DIRECTOR: LAW ENFORCEMENT & COMPLAINTS
L3/2 – X1
UNFUNDED

DEPUTY DIRECTOR: LAND USE
L3/2 – X2
M COETZEE 00063
R WITKOE! 01387

DEPUTY DIRECTOR: URBAN PLANNING
L3/2 – X1
PK TSHABALALA 00090

DEPUTY DIRECTOR: ADMINISTRATION
L3/2
UNFUNDED

DEPUTY DIRECTOR: LED RURAL DEV, AGRI & TOURISM
L3/2 – X1
UNFUNDED

DEPUTY DIRECTOR: HUMAN SETTLEMENTS & URBAN MANAGEMENT
L3/2 – X1
S NKPUMA ABEBRESE 709

MIDVAAL
Local Municipality
Mmasepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– LED RURAL DEVELOPMENT & HUMAN SETTLEMENT
(2018-2019)

Checked by HR: _____ Date: 2018/05/17

Approved by Finance: _____ Date: 14/5/18

Approved by HOD: _____ Date: 11/05/2018

Approved by MM: _____ Date: 14/05/2018

ED: DEVLOPMENT AND PLANNING
SECT 57
KD CHAMBOKO 01103

DIRECTOR: LED, RURAL DEV, AGRI & HOUSING
L1 – X1
VACANT

DEPUTY DIRECTOR: LED RURAL DEV, AGRI & TOURISM
L3/2 – X1
UNFUNDED

DEPUTY DIRECTOR: HUMAN SETTLEMENTS & URBAN MANAGEMENT
L3/2 – X1
S NKHUMA ABEBRESE 709

ASSISTANT DIRECTOR: LED
L4 – X2
N MATHLARE 00811
UNFUNDED X1

ASSISTANT DIRECTOR: LED (SC)
L4 – X1
UNFUNDED (16/17)

COMMUNITY LIAISON OFFICER
L6 – X1
UNFUNDED

HOUSING OFFICER
L5 – X5
MS MEMELA 00803 (SC)
UNFUNDED X1 (SC)
UNFUNDED X2

MIDVAAL Local Municipality
Mmadala Wa Selehae
Floodlie Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– BUILDING CONTROL (2018-2019)

Checked by HR: _____ Date: 2018/05/11

Approved by Finance: _____ Date: 14/5/18

Approved by HOD: _____ Date: 11/05/2018

Approved by MM: _____ Date: 14/05/2018

DIRECTOR: BUILDING & LAND USE CONTROL
L1 – X1
UNFUNDED

DEPUTY DIRECTOR: BUILDING & LAND USE
L3/2 – X1
E VAN DER MERWE 00008

DEPUTY DIRECTOR: BUILDING CONTROL (SC)
L3/2 – X1
UNFUNDED

ASSISTANT DIRECTOR: BUILDING & LAND USE CONTROL
L4 – X1
LM MAKOFANE 00428

ASSISTANT DIRECTOR: BUILDING & LAND USE CONTROL
L4 X1
VACANT

ASSISTANT DIRECTOR BUILDING & LAND USE CONTROL (SC)
L4 – X1
ME MOTHEBE 00431

BUILDING & LAND USE CONTROL OFFICER (SC)
L6/5 – X2
U LUKE 01382
M LETSOALO 01409

BUILDING & LAND USE CONTROL OFFICER (SC)
L6/5 – X1
SJ MHLAPO 01383

BUILDING & LAND USE CONTROL OFFICER (SC)
L6/5 – X1
NV MKHUNGO 01401

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
DBR SCHOLTZ 01418

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
M MARAIS 00973

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X2
VACANT X2

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
KJ RASEPAE 01160

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
TR MASOPHA 01348

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
UNFUNDED

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING
BUILDING CONTROL: LAW ENFORCEMENT AND INFORMAL TRADING
(2018-2019)

Checked by HR: _____ Date: 2018/05/11

Approved by Finance: _____ Date: 14/5/18

Approved by HOD: _____ Date: 11/05/2018

Approved by MM: _____ Date: 14/05/2018

DIRECTOR: BUILDING & LAND USE CONTROL
L1 – X1
UNFUNDED

DEPUTY DIRECTOR: LAW ENFOR. & COMPLAINTS
L3/2 – X1
UNFUNDED

ASSISTANT DIRECTOR: BUILDING & LAND USE (LAW ENFORCEMENT)
L4 – X2
UNFUNDED
P STEYN 00400

SNR ADMIN CLERK PROSECUTION
L8 – X1
UNFUNDED

LAW ENFORCEMENT OFFICER: BUILDING, LAND USE & SIGNAGE
LA/5 – X1
JG BRONKHORST 80022

SUPERINTENDENT: LAW ENFORCEMENT
L6 – X1
UNFUNDED

BUILDING INSPECTOR: BUILDING & LAND USE
LT/5 – X1
N TWALANE 01615

BUSINESS TRADING LICENSING OFFICER
L8 – X1
UNFUNDED (SC)

BUSINESS TRADING LICENSING OFFICER
L8 – X1
UNFUNDED (SC)

BUSINESS TRADING LICENSING OFFICER
L8 – X1
UNFUNDED

BUSINESS TRADING LICENSING OFFICER
L8 – X1
NM MAZINGELA 00678
(CTI)

LAW ENFORCEMENT / COURT WARRANT OFFICER
L8 – X1
VACANT

LAW ENFORCEMENT / COURT WARRANT OFFICER
L8 – X2
UNFUNDED

BACK OFFICE PROSECUTION OFFICER
L8 – X1
UNFUNDED

TRADING LICENSE ASSISTANT
L9 – X1
UNFUNDED

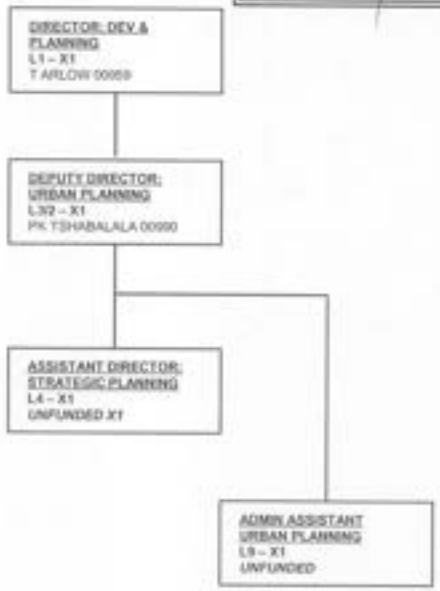
JNR LICENSING OFFICER
L9 – X1
UNFUNDED

LICENSING ASSISTANT
L9 – X1
UNFUNDED

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– URBAN PLANNING (2018-2019)

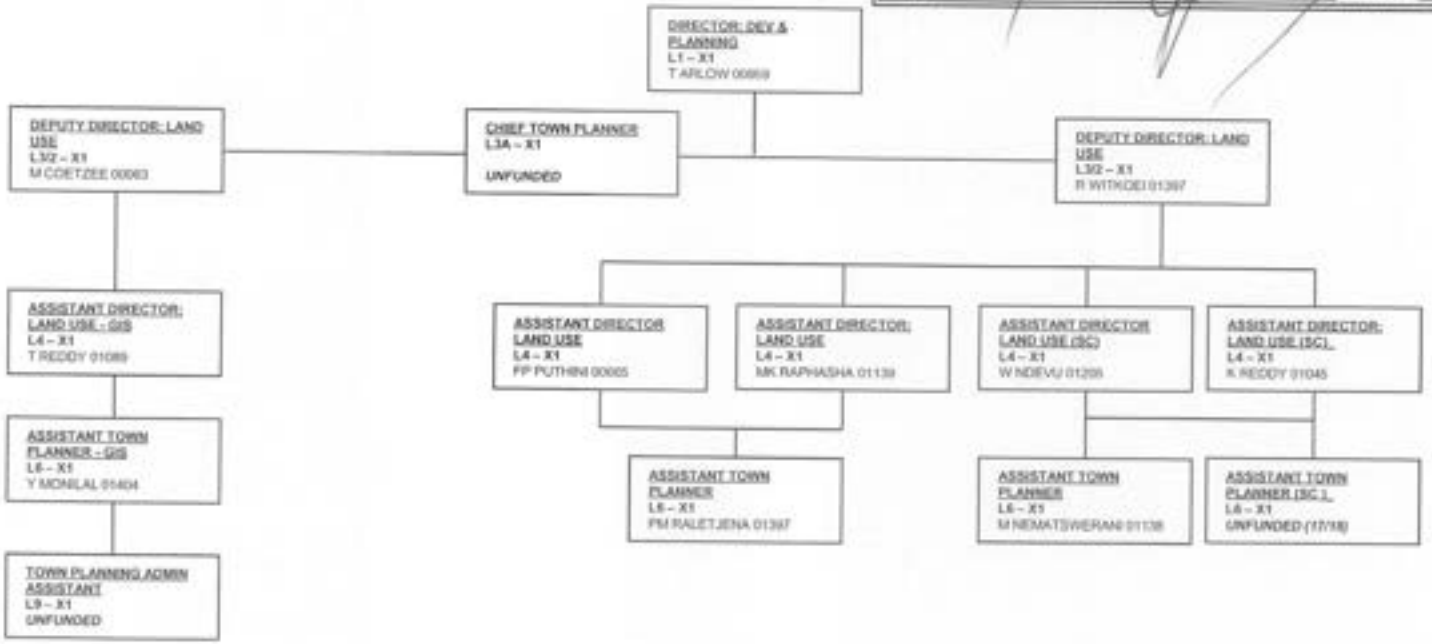
Checked by HR:	Date:	2018/05/11
Approved by Finance:	Date:	14/5/18
Approved by HOD:	Date:	11/05/2018
Approved by MM:	Date:	14/05/2018



MIDVAAL Local Municipality Mmasepala Wa Selehae Plaatlike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– LAND USE (2018-2019)

Checked by HR:		Date:	2018/05/11
Approved by Finance:		Date:	14/5/18
Approved by HOD:		Date:	11/05/2018
Approved by MM:		Date:	14/05/2018



MIDVAAL Local Municipality
Masepala wa Selehoe Phoolile Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING – ADMINISTRATION (2018-2019)

Checked by HR: _____ Date: 2018/05/11

Approved by Finance: _____ Date: 14/5/18

Approved by HOD: _____ Date: 11/05/2018

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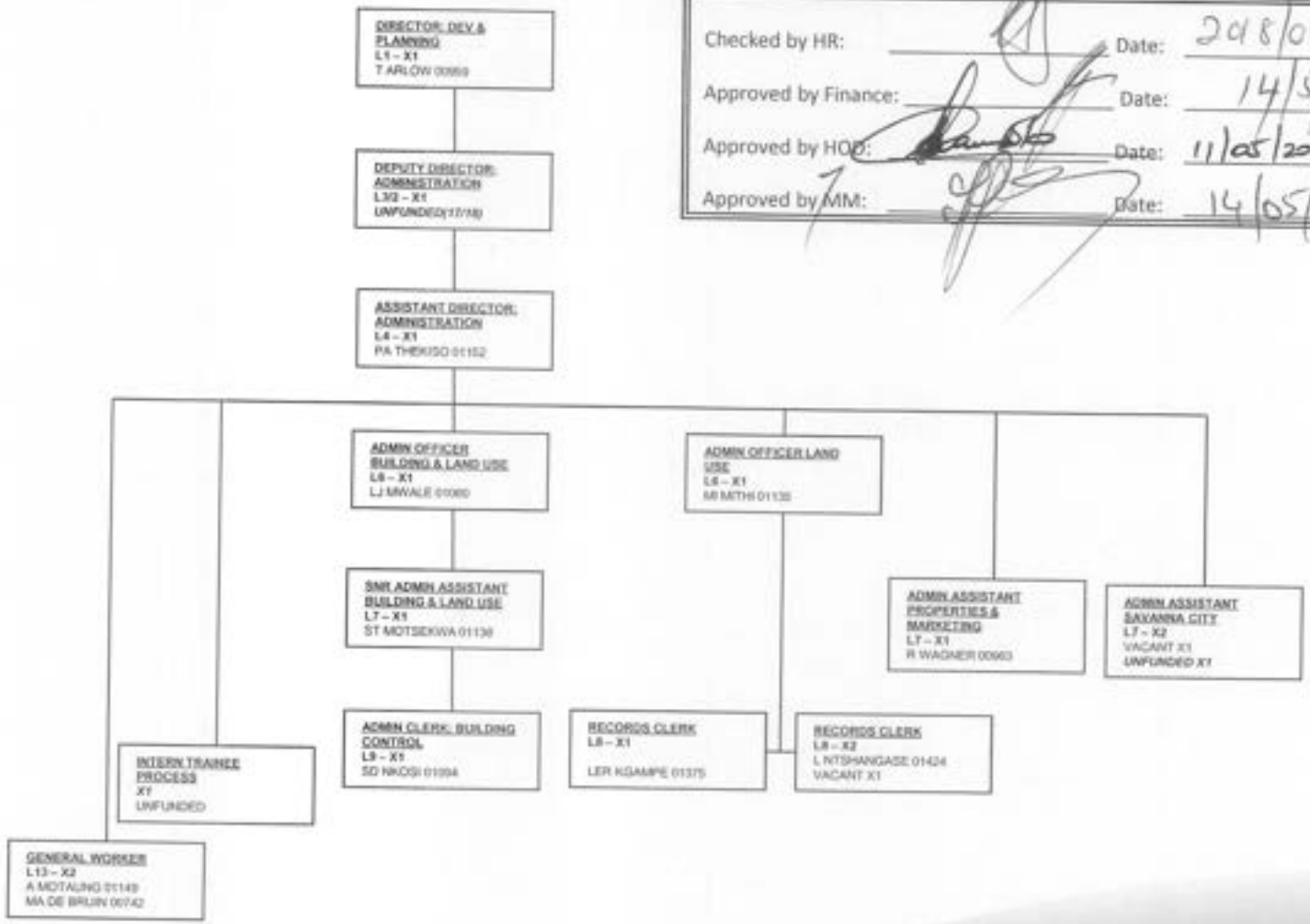

MIDVAAL Local Municipality
Mmasepala Wa Selehae
Plaaslike Munisipaliteit

ANNEXURE AR MIDVAAL SERVICE CHARTER 2017

CONTRACT MANAGEMENT POLICY

2018/2019 FINANCIAL YEAR

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1. TERMS AND DEFINITION

Contract	The written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including attachments and appendices thereto and all documents incorporated by reference therein.
Contractor	The party to the contract that is required to provide goods or services according to the terms of the agreement.
Contract Management	The activities necessary to manage a contract throughout all stages in the contract life cycle to ensure that immediate action is taken effectively and efficiently to the change that may occur to the contract
Contract Management system	Computerised / manual system necessary to ensure proper Contract Management control and monitoring of contracts.
Contract Register	Manual system necessary to ensure proper Contract Management control and monitoring of contracts.
Force Majeure	An event beyond the control of the contractor and not involving the contractor's fault or negligence and not foreseeable.
Litigate	The act or process of contesting a lawsuit or seeking redress through the courts.
Parties	Parties that stipulate obligations to one another to ensure that the contract term and condition are fulfilled.
Specification	The statement that provide detailed description of goods, services and works characteristics and identify performance requirements prepared when procuring goods, services and works.
Transversal Contract	Term contracts that are facilitated and arranged by National Treasury or Provincial Treasury for goods and services that are frequently required by Municipality.

Terms of Reference	The statement that define clearly the task directive (methodology), objectives, goals and scope of the assignment and provide background information, prepared when procuring professional services.
Institution	Unit / Function in the organisation as the role player to the procedures.
Division	Includes the divisional section within the municipality.
Firm Contract Price	Contract prices provide for a fixed price which normally not subject to any adjustment.
Non-Firm Contract Price	Contracts prices that are subjected to changes if they are explicitly included in the agreement based on the economic pricing escalations.

Abbreviations

CRA	Contract Registration Application
CFO	Chief Financial Officer
MCMG	Municipal Contract Management Guideline
CPA	Contract Price Adjustments
BAC	Bid Adjudication Committee
GCC	General Conditions of Contract
GPG	Gauteng Provincial Government
GPT	Gauteng Provincial Treasury
MBD	Municipal Bidding Document
MFMA	Municipal Finance Management Act
MM	Municipal Manager
SCC	Special Conditions of Contract
SCM	Supply Chain Management
SLA	Service Level Agreement
TOR	Terms of Reference
RT	National Treasury Transversal Contract

2. INTRODUCTION

Good contract management is essential for sound financial management and contributes greatly to effective and efficient service delivery. Contract management is concerned with monitoring supplier performance to avoid bid violations (e.g. submission and payment of fictitious invoices and abuse of the variation procedures)

Contract management leads to increased savings and good quality on-time delivery. Furthermore, it is the process that enables both parties to a contract to meet their obligations in order to deliver the objectives required from the contract and invoices building a good working relationship between the parties. Contract management continues throughout the life of a contract and also involves managing proactively to anticipate future needs as well as reacting to situations that arise.

One of the key aims of contract management is to accelerate service delivery in accordance with the signed contract and attainment of value for money while managing risks. Active management of contractual relationship with the contractor will yield optimum efficiencies, effectiveness and economy of the service and balance in cost and risk.

3. PURPOSE

The purpose of the Municipal Contract Management policy is to establish sound and consistent management practices with respect to municipal contracts. It describes the processes and assigns responsibilities to effectively administer contracts from:

- Preparation of contracts;
- Maintenance of contract register;
- Monitoring of payments;
- Control contract variation and price adjustment;
- Assess and monitor performance; and
- Manage contract disputes and close out of contracts.

4. TYPES OF CONTRACTS

4.1 Lump Sum (Firm Fixed Price) Contract

Lump sum contracts are used mainly for assignments in which the content and the duration of the services and the required output of the consultants are clearly defined.

They are widely used for simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, preparation of data processing systems, and so forth.

Payments are linked to outputs (deliverables), such as reports, drawings, bills of quantities, bidding documents and software programs.

Lump sum contracts are easy to administer because payments are due on clearly specified outputs.

4.2 Time-Based Contract

This type of contract is appropriate when it is difficult to define the scope and the length of services, either because the services are related to activities by others for which the completion period may vary, or because the input of the consultants required to attain the objectives of the assignment is difficult to assess.

This type of contract is widely used for complex studies, supervision of construction, advisory services, and most training assignments.

Payments are based on agreed hourly, daily, weekly, or monthly rates for staff (who are normally named in the contract) and on reimbursable items using actual expenses and / or agreed unit prices.

The rates for staff include salary, social costs, overheads, fees (or profit), and, where appropriate, special allowances.

This type of contract should include a maximum amount of total payments to be made to the consultants. This ceiling amount should include a contingency allowance for unforeseen work and duration and provision for price adjustments, where appropriate.

Time-based contracts need to be closely monitored and administered to ensure that the assignment is progressing satisfactorily and payments claimed by the consultants are appropriate.

Again the Guidelines on fees for Consultants issued by the Department of Public Service and Administration should be used as a benchmark to establish the appropriate tariffs, or to determine the reasonableness of the tariffs.

4.3 Percentage Contract

These contracts are commonly used for architectural services. They may be also used for procurement and inspection agents.

Percentage contracts directly relate the fees paid to the consultant to the estimated or actual project construction cost, or the cost of the goods procured or inspected.

The contracts are negotiated on the basis of market norms for the services and / or estimated staff-month costs for the services, or competitive bid. It should be borne in mind that in the case of architectural or engineering services, percentage contracts implicitly lack incentive for economic design and are hence discouraged.

Therefore, the use of such a contract for architectural services is recommended only if it is based on a fixed target cost and covers precisely defined services (for example, not works supervision).

4.4 Indefinite Delivery Contract (Price Agreement)

These contracts are used when Accounting Officers / Authorities need to have "on call" specialized services to provide advice on a particular activity, the extent and timing of which cannot be defined in advance.

These are commonly used to retain "advisers" for implementation of complex projects (for example, dam panel), expert adjudicators for dispute resolution panels, Accounting Officer / Authority reforms, procurement advice, technical Trouble-shooting, and so forth, normally for a period of a year or more.

The Accounting Officer / Authority and the firm agree on the unit rates to be paid for the experts and payments are made on the basis of the time actually used.

5. CONTRACT CREATION

The contract is created through three key stages of tender namely: pre-tender, tendering and post tender / contract management. All of these must be governed by rigorous governance principles.

The pre-tender stage includes needs assessment, planning and budgeting, development of specifications and selection of the most suitable procurement strategy. The tendering stage includes the invitation to tender, evaluation and adjudication of bids. Post-tender includes contract management, ordering and payment. It is important that efficient governance principles be applied to all these stages of contract creation.

5.1 The Pre-Tender or Demand Management Stage

Demand planning, procurement planning, items and specification management, and supplier management are critical phases in the pre tendering stage. This stage ensures that goods, services, construction work and other purchases are properly planned and aligned to the procuring entity's strategy and resource plan. This alignment is critical to ensuring that goods are delivered at the right time, place and price, in the right quantity and of the right quality. It is at this stage that a comprehensive needs analysis is carried out in line with the strategic planning process.

Procurement plans indicate what purchases an institution will undertake in the short, medium and long-term. Proper planning should reduce delivery delays, eradicate recurring contracts and unnecessary extensions, and eliminate the need for emergency procurement. Further, procurement plans should inform suppliers about future opportunities.

5.2 The Tendering or Acquisition Management Stage

This stage includes the invitation to tender, and evaluation and adjudication of bids. To avoid lack of competition and conflict of interest, all potential bidders must have access to the same tender information. Information in the bid documents should include details of the product or service to be procured, specifications, quantities, the timeframe for delivery, realistic closing dates and times, where to obtain documentation, where to submit tenders and a clear, complete and non-discriminatory description of the selection and award criteria. These cannot be altered after the closing date.

Municipalities must have clear procedures for opening the tender box to avoid manipulation of the bids received, this must be done before a public audience and basic information disclosed and recorded in a register. They must also ensure that members of their bid evaluation committees and bid adjudication committees are familiar with and adhere to National Treasury norms and standards when evaluating and adjudicating bids.

6. CONTRACT MANAGEMENT LIFECYCLE

The lifecycle begins with setting direction; high-level objectives and policies for the Municipality This leads to the identification of needs of the Municipality that can be fulfilled by acquiring goods, works and / or services to fulfill the need. Once the service is acquired, Contract Management comes into effect. An ongoing

analysis of municipal needs is critical to ensure that goods, services and works provided are what the municipality and entity really need.

An effective Contract Management life cycle constitutes planning, contract arrangement, administration, performance management and close out.

6.1 Stage 1: Planning

This stage refers to consideration of contracts during the planning and budgeting processes. These processes will identify the need for contract creation and timeframes for implementation to ensure that delivery of goods and services occurs as approved in the budget.

During the strategic planning phase of the institution, goods, works and services required to execute the identified functions are determined and captured in the procurement plans.

Procurement plans containing all planned procurement for the financial year in respect of the procurement of goods, services and works which exceed R200 000.00 must be submitted by Accounting Officers to Gauteng Provincial Treasury by the 31 July of each year. Records of planned procurement below R200 000.00 may be kept for contract reporting and monitoring.

The Procurement Plan document provides detailed information about the description of goods, services and works, estimated value, envisaged date of advertisement, closing of bid and date of award including the responsible office.

Contract management unit / function will in consultation with the Acquisition unit be responsible for monitoring contracts in line with the projects listed in the procurement plans and approved budgets.

It is vital for Contract Management unit / function to monitor contracts accordingly with approved procurement plans after award as it can lead to significant improvement on service delivery.

Contract planning should also cover the entire Service Delivery Budget Implementation Plan (SDIBP) period and beyond where applicable.

6.2 Stage 2: Contract Arrangement

This stage refers to the arrangement of signing the contract, making it legally enforceable and formalising the terms and conditions concluded between parties.

The unit / function responsible for Contract Management will arrange for the signing of the contract as follows:

- Submit the tender document, which becomes the contract, to the Deputy Municipal Manager for signature;
- Issue an appointment letter, signed by the CFO and relevant head of department, to the successful bidder;
- Arrangement of a Service Level Agreement (SLA) and / or contract document with the end user, if applicable. The SLA must be legally sound and vetted by the Municipal Legal Service prior to signing of the parties;
- Capture contract award details in the Contract Management system of the Municipality and Contract Registration Application (CRA);
- Original signed contract resides with Contract Management unit, copy of which will be scanned and archived in supply chain filing system of the municipality;
- A copy of the signed contract is issued to the end-user to prepare requisition for creation of purchase order.

6.2.1 Service Level Agreement

Service level agreements are negotiated agreements for the delivery of specified services between the contractor and the Municipality. An SLA is not compulsory and is solely at the discretion of the user department, especially if the specifications in the tender document is not sufficient. The SLA specifies services or goods required. The level of quantities and quality of service to which both parties agree and designed to indicate and evaluate the quality of the service delivered. Agreement is negotiated at the commencement of a contract and involves the understanding of the needs and constraints of both parties.

The purpose of developing SLA's and setting service levels is to enable the municipality to monitor and control the performance of the service received from the contractor against agreed standards. Service levels should be agreed by both parties and these are:

- Established at a reasonable level in line with the TOR / Specifications which contain the scope of work.
- Prioritised by the municipality in order of importance and on an agreed scale for example: critical, major, urgent, important, minor, easily monitored, such as objectives, tangible and quantifiable;
- To conclude the SLA within the shortest possible timeframe after the award of a contract as best practice;
- The SLA may be included in the bid document to allow bidders to have ample time to review the SLA, or a draft SLA may be requested together with the bid document;

- Unambiguous and understandable by all parties;
- Open to re-negotiation if justifiable to do so;
- The contractor and the municipality jointly identify a statement of expectations and ability, the cost of receiving the service and the basis for the calculation of costs.

The contractor is accountable for the quality and performance levels of the services and the availability thereof. One of the principle objectives of a SLA is that both parties understand the basis and intent of the terms and conditions under which the services are to be delivered.

The definitions of terms should be an integral part of the negotiation and discussion process between the two parties. If there are other terms identified during discussions that are not in the list of defined terms, they should be added. Negotiations should include the following conditions:

- Not allow any preferred bidder a second or unfair opportunity;
- Not to the detriment of any other bidder;
- Not lead to a higher price than the bid as submitted.

It must be noted that a SLA is an agreement in its own and it should therefore not be used to change or refine the stipulations contained in the bid documents.

The list of common provisions is not exhaustive and other provisions will need to be drafted to suit the particular contractual arrangement; as a result, professional advice should be sought to assist with drafting specific SLA provisions.

6.2.2 Legal Vetting of Service Level Agreement / Formal contract

Prior to signing a formal contract or service level agreement with a contractor, Accounting Officers / Authorities must ensure that such contracts or agreements are legally sound to avoid potential litigation and to minimize possible fraud and corruption.

This must include legal vetting by at least the Legal Services of the municipality and such contracts or agreements must be actively managed in order to ensure that both the institution and the contractor meet their respective obligations.

The legal division provides expert advice to the Contract Management unit and must be consulted in the following circumstances:

- Vetting of contract documents and service level agreements;
- Dispute resolutions, implementation of contract terms and conditions;

- Contract change of ownership, breach of contract, penalties, terminations, enforcement of indemnities, guarantees and contractual claims.

6.3 Stage 3: Contract Administration

This stage is important in Contract Management and overlaps with monitoring and performance assessment. It encompasses various activities that need to be completed on a day to day basis, including among others:

6.3.1 Contract Register

All approved contracts are registered in the Contract Management System / Tool to enable easy retrieval and identification of all contractual arrangements.

Contracts that are partially executed, signed by one party, may be registered into the Contract Management System prior to forwarding to other parties for signature. The Contract Management unit / function should ensure that all signatures are obtained and contracts are updated in the system.

Contract registers should be used to monitor contract end dates in order to notify the end user to commence with the procurement strategy on time, at least 6 or 12 months prior to the expiry of the contract.

Effective contract register should have the following characteristics:

- Contract number, name of contractor, description, award date, type of contract, amount, contract period, department, project manager, contact details, expenditure, commitment;
- This will simplify the reconciliation or cross-check between the register and the Municipality's financial management information system;
- Expenditure against the contract and value of commitment.

Contract register report will be established detailing status of contracts and the reports to be provided by the 6th of every month to the Head of SCM on the following:

- Valid contracts in place;
- Contracts due to expire in six or twelve months;
- Contracts extended;
- All expired contracts;
- Contract variation;
- Cancelled contracts;
- Contracts captured on the system; (where applicable)

- Value of commitments;
- Value of accruals.

The Accounting Officer of a Municipality or Municipal Entity must annually report to the council of the Municipality on the management of the contract or agreement and the performance of the contractor.

6.3.2 Contract Payments

Payments should be made in accordance with the provisions of the contract after delivery and budget confirmation should be attached by the end user before effecting payments.

Evidence of delivery is required that the end user has certified that the work has been satisfactorily executed and met the required standards of performance, e.g. Goods Received Voucher (GRV), Payments certificates, etc.

Payments for satisfactory performance should not be delayed because this can undermine the relationship with the service provider. All payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment. This implies that amounts owing must be paid within 30 days from receipt of invoice if the goods, works or services were delivered to the satisfaction of the Accounting Officer or delegated authority.

In cases where a discount is not a contract condition and the contractor offers a discount on the invoice, the discount if possible must be utilized for instance by making the payment within the time limit specified on the invoice.

In the event that only part of the invoice is queried, arrangement should be made to pay that portion of the amount payable which is not subject to dispute, and separately take action to remedy the disputed amount.

Payment outside the prescribed period of 30 days from receipt of invoice is deemed to be a contravention and may be reported as such by the Auditor-General as part of its audit finding.

Interest incurred on late payments will be declared fruitless and wasteful and should also be disclosed as such in the Annual Financial Statements.

6.3.3 Contract Variation

It is recognized that, in exceptional cases, an Accounting Officer may deem it necessary to expand or vary orders against the original contract. The reasons for the variation should be clearly documented and should occur in defined circumstances.

A variation is mostly issued when extra work is added to the project after the contract has been signed. Deliverables and value for money should be assessed.

In order to mitigate against such practices, Accounting Officers / Authorities of Municipalities and Municipal Entities are directed that contracts may be expanded or varied by not more than 20% for construction related goods, services and / or infrastructure projects and 15% for all other goods and / or services of the original value of the contract. Furthermore, any variation beyond the abovementioned thresholds must be reported to Council or the Board of Directors.

An expansion or variation in excess of the threshold where the contract or agreement procured through the Supply Chain Management policy of the Municipality or Municipal Entity may be amended by the parties.

The reasons for the proposed amendment should be tabled in the Council of the Municipality or, in the case of a Municipal Entity the Council of its parent Municipality. The local community should be given reasonable notice of the intention to amend the contract or agreement; including an invite to submit representations to the Municipality or Municipal Entity as stated in Municipal SCM circular 62.

Such reports must include among others, the contract number, description, name of contractor, original contract amount, value and percentage of the variation and the reasons thereof.

End users also need to ensure that contract variations are not of such a level that they significantly change the contract requirement and / or substantial parts of the original transaction. If this is the case, it may be necessary to undertake another procurement process because the revised arrangements are substantially different to those selected through the original procurement. However, the Municipality should be aware of the following impacts associated with amendments, namely, financial resources and litigations.

No variation or modification of the terms of the contract may be made except by a written amendment signed by the contracted parties.

Municipalities should be aware of the impact that variation orders may have and should therefore endeavor to restrict the application to the absolute minimum

through proper planning, comprehensive scope of work / Terms of Reference when inviting bids or quotations.

The Contract Management unit / function will forward the submission to the relevant committee as per municipal delegation authority for approval if consultation with legal services is required.

Upon approval, the Contract Management unit / function will issue a letter of amendment / addendum to the contractor and also inform the end-user to prepare a purchase requisition to create an order.

A contract cannot be varied after the original contract has ceased to exist.

The Contract Management unit / function will update the contract register and applicable Contract Management system

6.3.4 Contract secured by other organs of state

The Municipality or Municipal Entity must obtain approval according to the municipal delegation of authority to procure goods, works and / or services under contracts secured by another organ of state. Accounting Officers should satisfy themselves that the applicable procurement processes were followed by obtaining any other information, including but not limited to, the following documents from the other organ of state:

- The bid advertisement;
- BSC, BEC and BAC appointment letters;
- Bid Evaluation report and minutes;
- Bid Adjudication report / minutes;
- Acceptance letter; and the Service Level Agreement / Contract document.

The Municipality or Municipal Entity must enter into a separate service level agreement (addendum) in line with the specification I Terms of Reference of the goods or services between the consenting service provider and the requesting municipality may not exceed the contract period concluded in the original contract of the organ of the state.

6.3.5 Contract Price Adjustment

Contractual conditions must stipulate circumstances under which the adjustments shall be considered and the process to be followed.

When prices are subjected to adjustment as a result of escalation in prices of labour and material, the contractor must indicate the various elements of the contract price that will escalate (e.g. labour, transport, fuel, protective etc.). The baseline date and relevant index and index numbers which were used in calculating the price.

Where a firm price is quoted, application for an adjustment of price will not be considered. However, if the increased price is as a result of unforeseen circumstances beyond the control of the contractor and could lead to his / her downfall such application may be considered. (Only statutory increases and cost factors). Such adjustments are to the disadvantage of the Municipality, thus it must be approved by the Accounting Officer or delegated authority.

The contractor will submit a letter to the end-user requesting price adjustments together with documentation substantiating or motivating for the adjustment. The application should be in line with signed terms and conditions of the contract and according to pricing schedule and costs.

The end-user will submit a request to Contract Management unit for consideration, and calculation should be prepared to justify the escalation or price adjustment thereof.

Approval of the price adjustment should be done within the municipal delegation authority by the Municipal Manager.

The amendment letter will be issued to the contractor and end user on acceptance of the price adjustment.

The contract register will be updated and the applicable Contract Management system.

6.3.6 Contract Expiry Notification

SCM unit in collaboration with Contract Management unit / function is responsible to ensure that timeous arrangement is made to notify end users when a contract is due for renewal within 6 months or 12 months prior to expiry. Communication with the end users must be in writing and documentation must be properly filed.

6.3.7 Extension of Contract

Extension of a contract is undesirable because it often leads to uncontrolled increases in the contract prices and it can also be a contributing factor to circumventing the procurement processes. Lack of proper planning does not constitute a justifiable reason for dispensing with prescribed bidding processes by extending contracts.

Where justifiable reasons are provided for extending a contract, the relevant application may be considered favourably and contractors may be approached by SCM unit with the request to indicate whether they are prepared to extend the contract period.

Approval to extend the contract should be requested before the expiry date of the contract taking into account the existing terms and conditions of the contract. It is advisable that when a contract is extended, terms and conditions remain the same.

The applicable Contract Management system must be updated.

6.3.8 Transversal Contracts

Transversal contracting enables the Municipality at all levels to purchase goods and services from a central list of approved suppliers who have been vetted for cost and quality.

Participating Municipalities will be responsible for Contract Management, placing purchase orders against transversal contracts, paying suppliers for goods / services rendered satisfactorily according to the terms and conditions of the contract, monitoring and reporting supplier performance.

6.3.9 Records Management

It is important that the updated version of the contract incorporates any variations and correspondence related to the contract document and should be appropriately stored. This provides the basis for effecting payments and the ongoing management of the contract.

All tender documents and contract documents relating to a specific tender must be stored at the Supply Chain Management unit.

6.4 Stage 4: Contract Performance Management

Performance management involves, performance monitoring, collecting data on performance, performance assessment, deciding whether performance meets the entity's needs, and taking appropriate action – such as understanding and extending features of good performance, correcting areas of under-performance; or amending contract requirements to meet changing needs.

A contract or agreement procured through the Supply Chain Management policy of a Municipality or Municipal Entity must stipulate the terms and conditions of the contract or agreement, which must include provisions for a periodic review of the contract or agreement once every three years in the case of a contract or agreement longer than three years to determine value for money.

The Accounting Officer / Authority or delegated authority of a Municipality or Municipal Entity must monitor on a monthly basis the performance of the contractor under the contract or agreement.

Performance management must be undertaken throughout the life of the contract and for all contracts, whether simple or complex. Along with performance indicators and standards, arrangements for monitoring and assessment should have been set out and agreed in the contract along with remedial action plans on non-performance.

The performance monitoring and assessment arrangements should also have been reviewed at the contract start up stage and any necessary plans, tools or systems developed. Systematic monitoring underpins performance assessment and these do not occur in isolation from one another.

Poor performance should be recorded appropriately after engagement with the contractor. It should be taken into account that if proper record is not kept, such non-performance cannot be deemed a sound reason for passing over such contractor when evaluating future bids. In addition to any contractual or other remedies that may be pursued, the municipality may commence action in terms of Municipal Supply Chain Management Regulation 15(2) (d), thus the Accounting Officer must:

- Inform the contractor or person(s) by registered mail or by delivery of the notice by hand of the intention to impose the restriction, provide the reasons for such decision and the envisaged period of restriction;
- Allow the contractor and / or person(s) fourteen (14) calendar days to provide reasons why the envisaged restriction should not be imposed;
- If requested, allow the contractor and / or person(s) the right to present evidence in person and consider reasons submitted by the contractor;

- Impose the restriction or amended restriction;
- Inform the contractor and! or person(s) of the decision; and
- Inform the National Treasury within five working days of such restriction, particulars of the person(s) to be restricted, (including, where applicable, names of the restricted persons, identity numbers, trade name of enterprises, company registration numbers, income tax reference numbers and vat registration numbers), the reason(s) for the restriction, the period of restriction and the date of commencement of the restriction.

In practice, performance will be assessed, feedback and reports provided throughout the monitoring process.

The following are the reports to monitor performance of contracts on monthly basis:

(a) Progress Reports

- The end-user will complete a progress report indicating the stage of contract; achievement of milestones as per contract agreement; response time and deliveries within the contract period; quality of work, payments; poor performance; and actions.
- The progress report will be regularly submitted to the unit / function responsible for Performance Management for deliberations; recording discrepancies and filing. (Submission of progress reports will be determined by the nature and timeline of the project)

(b) Performance Score Cards

- The score cards will be applicable to once off purchases for goods and services where the end-user completes a score card after receipt of goods and services rating the performance of the contractor against agreed milestones and ensuring that goods / services are received within the agreed timelines, acceptable quantity and quality. Furthermore, the score card will compel the end user to comment on the overall performance of the contractor;
- The completed score card will be submitted to the Performance Management unit for deliberations; recording and determining the aggregate performance of contractor and where applicable contractor database will be updated. (This implies that score performance cards will apply to once off purchases and progress reports will be used to assess performance of long term projects)

(c) Expenditure Report

- The Contract Management unit will on a regular basis extract the expenditure report where the contract value will be verified against the progress payments and validity of the contract;
- Discrepancies identified should be communicated timeously to the end-user and CFO to curb irregular expenditure.

6.4.1 Contract Relationship Management

It is important to establish and maintain a constructive relationship with the contractor and have regular communication. Providing positive and constructive feedback will assist in maintaining such a relationship.

Overall responsibility	•	Each party nominates one person with the appropriate skills and experience as its representative to be responsible for the co-ordination and management between the parties over the life of the contract.
Weekly performance	•	Nominated representatives, including the contractor's service delivery manager and the project management meet formally to review performance; aimed at discussing and resolving any minor issues relating to the performance of the contract.
Contract Management	•	At least quarterly, or regularly, a formal meeting is held. The meeting comprises senior representatives from the end user and the contractor. The purpose is to formally monitor performance of the contract, consider any ways in which services may be improved, amendments to service levels and resolve, where possible, any issues that remain unresolved from the weekly contract meetings.

Relationship management is focused on keeping the relationship between the two parties' open and constructive, resolving or easing tensions and identifying problems early.

Relationships should always be managed in a professional manner and be based on cooperation and mutual understanding taking into account the need for ethical behaviour.

Apart from formal monitoring, and in order to improve trust between the parties to the contract, it is important that the parties maintain regular contacts without waiting for the official reporting deadlines.

6.4.2 Contract Disputes Management

A contract or agreement procured through the Supply Chain Management system of a Municipality or Municipal Entity must stipulate the terms and conditions of the contract or agreement, which must include provisions providing for dispute resolution mechanisms to settle disputes between the parties.

During the Contract Management phase, a disagreement becomes a dispute when it is not possible for the parties to resolve it without resorting to a formal resolution mechanism. Generally, what a dispute is and when it is deemed to have occurred is defined in the contract, often in a dispute resolution clause.

Many disagreements and disputes arise when the parties cannot agree on issues related to the interpretation of contract provisions, the definition of deliverables, meeting performance standards and/or the effect of unexpected events.

It is important that any possibility of dispute or an actual dispute be recognised at an early stage and addressed as quickly as possible. Avoiding escalation of disagreements can impact on contract deliverables and reduce the costs to both parties.

Where a dispute arises, the Contract Management Unit / function will obtain evidence from both parties and refer the matter to the legal service for opinion. The outcome and recommendation of the dispute will be submitted to the BAC for review and final recommendation to Accounting Officer / Authority for approval.

In the case of non-performance, a letter informing the contractor that contract conditions have not been honoured should be issued affording the contractor at least 14 days to respond. If the contractor does not respond within the specified period, the Municipality shall without prejudice under the contract consider termination of the contract.

6.4.3 Forms of Dispute Resolution

The following forms of dispute resolution should be considered as options in the special condition of contracts:

Negotiation Negotiating between the Municipality and the contractor is the most common approach to resolving disagreements and disputes. The intention of the negotiation is to reach a mutually acceptable solution, where both sides consider they have gained the best possible result in the circumstances. It is important that one party does not consider they have been unduly pressured to agree to a particular solution as a result of the negotiation as this can lead to an escalation or reappearance of the dispute at a later stage.

Mediation Mediation involves the use of a neutral third party to assist in resolving the dispute. The mediator does not impose a decision on the parties in the way a court or arbitrator does, but instead seeks to help the parties resolve the dispute themselves. Mediation is usually regarded as a faster, less formal and less costly process than court proceedings or arbitration.

Arbitration The aim of arbitration is to obtain a final and enforceable result without the costs, delays and the formalities of litigation. Arbitration proceedings are private, can be held at a mutually convenient time and the actual proceedings are less complex than litigation.

Litigation Litigation is the act or process of contesting a lawsuit or seeking redress through the courts. It can be an expensive and time consuming procedure and is generally taken when other avenues of dispute resolution have not been successful or are not available. Other approaches to resolving disputes or Contractor defaults should therefore be considered prior to litigation

6.4.4 Risks Related to Contract Management

Contract risk must be appropriately managed such that:

- All contracts set out risk identification, monitoring and escalation procedures and mechanisms which are in line with the institutions enterprise risk management plan.
- All contracts identify contingency plans for supplier or buyer failure.

- For key suppliers and buyers, the contract manager monitors the financial health, tax compliance and overall performance of the supplier or buyer.
- Contract terms and potential ramifications around key issues including: termination; warranty; indemnity; security; confidentiality; and dispute resolution are understood by the contract manager.

6.4.5 Penalties

Penalties between the Municipality and the contractor may include:

- Penalties: In accordance with paragraph 22 of the General Conditions of Contract, the Municipality/Entity will have the right to enforce the penalty clause on goods, works and services where the contractor fails to perform in accordance with contractual obligations.
- These penalties usually vary according to several factors, including the type of breach and its severity, duration, frequency, and effect on customers.
- The benefit of this approach is that the penalties are clear, agreed on, and more easily enforceable than a general claim for damages.

Some of the risks involved with contracts and penalty clauses to be applied per nature of contract:

Risk	**Penalty clause**
Late delivery	• Where deliveries are made (after the agreed delivery date), the purchaser has the right to enforce the penalty clause by deducting from the contract price a sum calculated on the delivered price of delayed goods or unperformed services using the ruling prime interest rate calculated for each day of the delay until actual delivery of performance • In case of a delay in excess of 4 weeks, the Municipality is entitled to declare the order null and void without any cost being charged for this. The statutory cases of force majeure are considered to be reasons to suspend the agreement if they make the execution of the order impossible and in so far the supplier notifies the Municipality in writing within 5 days.
Non delivery	• Termination of the contract if delivery does not take place within 4 months or cancellation of the order. (To reduce open ended commitments)

	• In the event of non-delivery, and upon comprehensive justification that the contractor has been engaged to remedy the unsatisfactory performance, the Municipality may impose as a penalty, a sum calculated on the delayed goods or unperformed services using the current prime interest rate calculated for each day of the actual performance
Inferior quality	• Enforcement of contract conditions • Settlement of disputes
Inability of contractor to perform as required	• Performance securities should be applied. The contract should dictate what must happen with the security if the contract is not to be completed and the Municipality suffered losses, the performance security shall be utilized to compensate for any loss. The SCC must specify the performance security amount.
Buy out transactions from transversal contracts	• When the time provided for the contractor to respond to the claim of non- performance has lapsed, the Municipality can buy out and any difference in cost must be recovered from the contractor
Sub-contractors not performing	• Disputes must be resolved between the main contractor and his sub-contractors • Liability and obligations are under the contractor • Enforce Termination of default • Prohibit supplier from rendering any goods, service, and works in organ of state – Restrict supplier on the National Treasury 's Central Supplier Database
Skills not transferred in terms of consultants services	• The Municipality shall deduct from the contract price a percentage as a penalty for not transferring skills or for underperformed service.
Breach of contract	• Termination of default and recover any loss which the Municipality suffered as a result of arranging another contract
Contractor unfairly benefited using wrong preference	• Misrepresentation of preference points should constitute termination of contract if it is justifiable and will be defendable in the court of law

points	• Impose a penalty of a percentage of the monetary value of the contract
Prohibition of State employees doing business with state	• No contracts must be awarded to state employees

6.4.6 Transfer and Ceding of Contracts

The General Conditions of Contract section 19.1 dictate that the supplier shall not assign, in whole or in part, its obligations to perform under the contract except with the purchaser's prior written consent.

The Special Conditions of Contract should stipulate the conditions under which transfers / cessions shall be considered and the processes to be followed under such circumstances.

Applications for transfers / cession shall be completed and signed by both the transferor and the transferee and countersigned by two parties.

Full reasons for the transferring of the contract must be provided and the transferee's ability to carry out the contract must be established and reported to the Accounting Officer or delegate.

Unless it is otherwise in the best interest of the Municipality, it is unlikely that the transfer will be approved if the Municipality would suffer a loss as a result thereof or if there is an increased risk to the Municipality.

The principle of fairness dictates that should the contract be transferred to another provider it must be checked whether the number of preference points scored if at least the same or more than that scored by the original contractor. Thus it should be indicated if the transfer would have had an influence on the award. However the circumstances leading to the transfer must be pointed out and taken into consideration.

The contractor will raise the issue with the user division in writing where after the user division must comment on the viability of the transfer / cession and submit the request to the SCM unit / CSC.

If the transfer / cession is not viewed favourably for a justifiable reason, the SCM unit must inform the contractor of the decision in writing and

provide the user division with the copies of the correspondence for filing purposes.

If the transfer / cession is viewed favourably, the SCM unit must involve Legal Services for the purposes of drawing up the transfer / cession documentation.

The SCM unit must facilitate the signing of the transfer / cession by all parties, must forward a copy to the user division and the contractor and must file the original signed transfer / cession documentation appropriately.

If the transfer/cession is not approved the original contractor will still be accountable to execute the contract.

6.4.7 Termination of the Contract and Exit from the Relationship

Contract termination is the last resort to be sought by Municipality when dealing with disputes and non-performance. It should be taken into consideration that solving disputes through courts usually costs a lot of time and money.

Termination of a contract may be considered for a variety of reasons, such as non-compliance with contract conditions, delayed deliveries, bribery, death or sequestration/liquidation of the contractor.

If termination is considered, the following factors must be addressed to the Bid Adjudication Committee:

- The particular contract condition empowering the action for the purpose of resolving any dispute;
- What further arrangements will be made for completing the contract;
- Whether additional cost will be recovered from the contractor; and
- Payment of work already executed prior to cancellation of the contract.

The contract should contain detailed provisions on the mechanism to terminate all or part of the contract and exit from the relationship.

Under the following conditions, Municipalities may consider their rights to terminate the contracts through delegated authority if they are appropriately drafted:

- Failure to meet the service performance targets for critical services on a repeated basis;
- Failure to meet a certain number of service performance targets during a specified period or supplier has engaged in corrupt and fraudulent practices during the bidding process or the execution of the contract;

- Material breach of terms and conditions with the breach being either irreparable or not having been remedied within a specified period;
- Major financial difficulties being encountered by the contractors (e.g. under liquidation);
- Failure to meet mandatory requirements or failure to acquire certain accreditation or licence or approval during the life of the contract.

Exit provisions should be included in the contract to cover specific rights that will be required for termination, such as:

- The continued provision of the services following the notification of termination.
- The right of Municipalities or the new contractors, if necessary, to approach key members of the contractor's staff and to offer them jobs so as to retain the delivery capability;
- The right to perform inventory check of assets owned by Municipalities;
- The right to transfer ownership of assets and equipment upon termination and
- The migration of data and systems and the provision of relevant information to Municipalities or the new contractor.

Contracts must include the possibility to be terminated. This will normally include the details of timing including periods of notice (exit clause) and direction on the payment upon termination. The contract or agreement will have stated the initial term with specified period after which either party may terminate or renew the agreement, provided both parties agree to the terms and conditions.

Termination of a contract is usually detrimental to the municipality; therefore, serious thought must be given to the grounds for considering termination with legal assistance.

The Contract Management System must be updated by cancelling the contract on the system and contract register.

6.5 Stage 5: Close Out

This stage refers to the necessary actions to end or reconsider the contractor for future agreement and associated performance review. The activities associated with closing the project down, whether in accordance with the contract or as a result of early termination.

At the completion of the contract, the end-user will provide the contract close out report indicating overall performance of the contractor; stage of

contract; achievement of milestones against the original contract agreement and timelines, payments; poor performance; action and other observation.

The close out report will be submitted to Contract / Performance Management team for deliberation; filing purposes; recording discrepancies and where applicable a register and appropriate contract system will be updated. A close out report is applicable to contracts irrespective of contract period.

Different activities of course are associated with the different forms that contract termination can take. In the case of more complex, long-term or construction contracts ending in accordance with the original contract plan, best practice requires the need for evidence that the contract has been completed to the satisfaction of all parties. This is normally carried out in two stages;

- To ascertain internally that there are no outstanding matters and,
- To secure agreement from contractor(s) that, apart from agreed ongoing liabilities, the contract(s) has ended.

The aim of the closure procedure is to provide a mechanism for managing the closure of the contract following the end of any retention or guarantee periods and the resolution of all other outstanding matters. The procedure is designed (where and if applicable) to:

- Ensure completion of all administrative matters;
- Record that all technical issues have been completed;
- Determine the extent of any liquidated damages to be deducted from the contract price;
- Record the end of the retention and guarantee periods and the date of the final inspection carried out;
- Record the date of release of retention and / or bank guarantees;
- To agree a statement of specific limits on continuing contractual obligations after completion of work and any ongoing obligations following the end of guarantees or maintenance periods;
- Transfer any assets, including data and intellectual property, and any loan items;
- Transfer operational systems to the successful contractor;
- Record the process of final contract payments and a summary of the financial payments made and received;
- Summarise claims made against or received from the contractor;
- Ensure the retention of records relating to the contract to counter any subsequent claims that may be brought. The Limitation sets out the general periods for six years or twelve years according to the type of contract within which an action maybe brought.

On completion of this activity, agreement should have been reached on all technical and commercial aspects of the contract. The agreement should require the signature of the parties to a document which records the acceptance of the work or service, the obligations fulfilled and the price paid or to be paid.

Another important activity conducted at this stage, particularly in the case of high value, large contracts, is the preparation of a post-contract project report This may follow a formal post-contract review, undertaken to assess the business benefits or losses from carrying out the procurement, how those benefits may be further enhanced and / or costs and risks reduced and how the losses can be recouped and turned to benefits.

The review should also gather the lessons that can be learnt from the management processes and procedures followed during the contract and implemented in the future. The review should include the views of all stakeholders and the report should relate to the costs and benefits set out in the original business

ANNEXURE AS NT DRAFT MFMA COST CONTAINMENT DRAFT REGULATIONS

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NATIONAL TREASURY

NO. 120 **16 FEBRUARY 2018**

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 - MUNICIPAL COST CONTAINMENT REGULATIONS

In terms of section 169(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), draft regulations intended to be made in terms of section 168(1)(b) and (p) of that Act, as set out in Part A of the Schedule, are hereby publish for public comment.

An explanatory memorandum regarding the draft regulations is in Part B of the Schedule.

All comment received by 30 March 2018 will be considered and should be emailed to MFMA@treasury.gov.za or faxed to 012 315 6230.

SCHEDULE

PART A
DRAFT MUNICIPAL COST CONTAINMENT REGULATIONS
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Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and–

"**Act**" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
"**consultant**" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;
"**cost containment**" means measures implemented to curtail spending in terms of these regulations; and
"**credit card**" means a card issued by a financial service provider, which creates a revolving account and grants a line of credit to the cardholder.

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Object of Regulations

2. The object of these Regulations, in line with section 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

Application of Regulations

3. These Regulations apply to all municipalities and municipal entities.

Cost containment policies

4. (1) Each municipality and municipal entity must revise or develop and implement a cost containment policy which must–
   (a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies; and
   (b) be consistent with the Act and these Regulations.

(2) The cost containment policy of a municipality or a municipal entity contemplated in sub-regulation (1) must–
   (a) be in writing;
   (b) give effect to these Regulations;
   (c) be reviewed annually, as may be appropriate;
   (d) be communicated on the municipality's or municipal entity's website; and
   (e) set out–
      (i) measures for ensuring implementation of the policy;
      (ii) procedures for the annual review of the policy; and
      (iii) consequences for non-adherence to the measures contained therein.

Use of consultants

5. (1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full time employ to perform the function.

(2) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates–
   (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
   (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration;
   (c) as prescribed by the body regulating the profession of the consultant.

(3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).

(4) When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.

(5) When consultants are appointed, an accounting officer must–
   (a) appoint consultants on a time and cost basis with specific start and end dates;
   (b) where practical, appoint consultants on an output-specified basis, subject to a clear specification of deliverables and associated remuneration;
   (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
   (d) develop consultancy reduction plans; and
   (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations and the municipality's Supply Chain Management policy.

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(6) All contracts with consultants must include fee retention or penalty clause for poor performance.
(7) A municipality or municipal entity must ensure that the specifications and performance, are used as a monitoring tool for the work to be undertaken and is appropriately recorded and monitored.
(8) The travel and subsistence costs of consultants must be in accordance with the travel policy issued by the National Department of Transport, as updated from time to time.
(9) The contract price must specify all travel and subsistence cost and, if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the abovementioned travel policy of the National Department of Transport.

Vehicles used for political office-bearers

6. (1) The threshold limit for vehicle purchases relating to official use by political office-bearers may not exceed R700 000 or 70% of the total annual remuneration package for different grades, whichever is greater.
(2) The procurement of vehicles must be undertaken using the national government transversal contract mechanism.
(3) If any other procurement process is used, the cost may not exceed the threshold set out in sub-regulation (1).
(4) Before deciding on another procurement process as contemplated in sub-regulation (3), the chief financial officer must provide the council with information relating to the following criteria which must be considered:
(a) status of current vehicles;
(b) affordability;
(c) extent of service delivery backlogs;
(d) terrain for effective usage of vehicle; and
(e) any other policy of council.
(5) Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.
(6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace vehicles for official use by public office bearers before completion of one hundred and twenty thousand kilometres only in instances where the vehicle experiences serious mechanical problem and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

Travel and subsistence

7. (1) An accounting officer–
(a) may only approve purchase of economy class tickets for officials where the flying time for the flights is five hours or less; and
(b) for flights exceeding five hours, may purchase business class tickets only for accounting officers, and persons reporting directly to accounting officers.
(2) Notwithstanding sub-regulation (1), an accounting officer may approve the purchase of business class tickets for officials with disabilities.
(3) The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials attending such meetings or events must be limited to those officials directly involved in the subject matter related to such meetings or events.
(4) An accounting officer may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury only–
(a) during peak holiday periods; or
(b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area.
(5) Officials of a municipality or municipal entity must–
(a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;

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(b) make use of shuttle service if the cost of such a service is lower than-
  (i) the cost of hiring a vehicle;
  (ii) the cost of kilometres claimable by the employee; and
  (iii) the cost of parking.
(c) not hire vehicles from a category higher than Group B or an equivalent class; and
(d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

(6) Municipalities and municipal entities must utilise the negotiated rates for flights and accommodation, communicated by the National Treasury, from time to time, or any other available cheaper flight and accommodation.

Domestic accommodation

8. An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by the National Treasury, from time to time.

Credit cards

9. (1) An accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality or a municipal entity is issued to any official or public office bearer, including members of the board of directors of municipal entities.
(2) Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials or public officer bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement from the municipality or municipal entity in accordance with the relevant municipality or municipal entity's policy and processes.

Sponsorships, events and catering

10. (1) A Municipality or municipal entity may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality or municipal entity, unless the prior written approval of the accounting officer is obtained.
(2) An accounting officer may incur catering expenses for hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
(3) Entertainment allowances of officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.
(4) An accounting officer may not incur expenses on alcoholic beverages.
(5) An accounting officer must ensure that social functions, team building exercises, year-end functions, sporting events, budget vote dinners and other functions that have a social element are not financed from the municipality or municipal entity's budgets or by any suppliers or sponsors.
(6) A municipality or municipal entity may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless costs related thereto are recovered from affected officials.
(7) An accounting officer may incur expenditure to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health, not exceeding the limits for petty cash usage.

Communication

11. (1) A Municipality or municipal entity must, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
(2) An accounting officer must ensure that allowances to officials for private calls are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.

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(3) Newspapers and other related publication for the use of officials must be discontinued on expiry of existing contracts or supply orders.
(4) A municipality or municipal entity must participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

Conferences, meetings and study tours

12. (1) An accounting officer must establish policies and procedures to manage application by officials to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
(2) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
(3) Such benchmark costs may not exceed an amount as determined by the National Treasury.
(4) When considering applications from officials to attend conferences or events within and outside the borders of South Africa, an accounting officer must take the following into account–
(a) the official's role and responsibilities and the anticipated benefits of the conference or event;
(b) whether the conference or event addresses relevant concerns of the institution;
(c) the appropriate number of officials, not exceeding three officials, attending the conference or event; and
(d) availability of funds to meet expenses related to the conference or event.
(5) The amount referred to in sub-regulation (3) above excludes costs related to travel, accommodation and related expenses, but includes–
(a) conference or event registration expenses; and
(b) any other expense incurred in relation to the conference or event.
(6) When considering costs for conferences or events these may not include items, such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
(7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail use of municipal funds are, as far as may be practically possible, held in-house.
(8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, inter alia, where an appropriate venue exists within the municipal jurisdiction.
(9) An accounting officer may consider granting approval, as contemplated in sub-regulation (4), for officials, and in the case of Councillors, the Mayor.
(10) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

Other related expenditure items

13. (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be procured through that transversal contract before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
(2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during election periods.

Enforcement Procedures

14. Failure to implement or comply with these Regulations may result in any official of the municipality or municipal entity, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct

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as set out in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Disclosures of cost containment measures

15. (1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

(2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings, on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.

(3) Such reports must be copied to the National Treasury and relevant Provincial Treasuries within seven calendar days after the report is submitted to Municipal Council.

Short title and commencement

16. These Regulations are called the Municipal Cost Containment Regulations, 2018 and take effect on 01 July 2018.

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PART B

EXPLANATORY MEMORANDUM ON DRAFT COST CONTAINMENT REGULATIONS INTENDED TO BE MADE IN TERMS OF LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The wider implementation of the Local Government: Municipal Finance Management Act, 2003 (MFMA) in all municipalities and entities is an important element in the roll out strategy to modernise and improve financial management in local government. Linked to this strategy are the fundamental principles of effective and efficient utilisation of public resources in a transparent and accountable manner.

Despite the provisions in the MFMA and the reforms developed over the last 13 years to support the implementation of the MFMA, municipalities and municipal entities continue to spend public funds and municipal resources on non-priority items. More often than not this results in a diversion of public funds from core service delivery to other expenditures resulting in dissatisfaction by communities and delays in service delivery.

Government has therefore committed in the Medium Term Strategic Framework for 2014 – 2019 to urgently implement cost saving measures across all three spheres of government to assist in re-prioritizing expenditure and free up resources that can be targeted towards service delivery. These measures introduced are also intended to eliminate wastage of public resources on non-service delivery items. This will be undertaken through advocacy, strengthening the legal and policy prescripts and frameworks aimed at cost containment and ensuring the implementation thereof by municipalities and municipal entities.

The Minister of Finance has also pronounced during the February 2016 Budget Speech and the October 2016 Medium Term Budget Policy Statement that the National Treasury will issue regulations on cost containment measures for local government. The initial cost containment measures were introduced through MFMA Circular. Additional measures will also be taken to ensure a transparent tendering system by ensuring that value for money is attained through the revised procurement process. Similar measures have also been introduced in national and provincial government in terms of the Public Finance Management Act 1 of 1999.

Over the last 4 to 5 years, the Auditor-General's General Report on Local Government Audit Outcomes highlighted the extent of wastage of public resources. This was also observed through various publications in the print media and other government publications. Weak governance as well as the significant increase in the number of municipalities incurring unauthorised, irregular as well as fruitless and wasteful expenditure, were also highlighted as areas of concern.

Building on the MFMA Circular, the National Treasury in association with other stakeholders, have drafted regulations that will promote the cost containment measures introduced in a number of spending areas.

Section 168(1)(b) and (p) of the MFMA provides that the Minister may regulate financial management and internal control and generally, any other matter that may facilitate the enforcement and administration of the Act, respectively. The object of the draft Regulations is to ensure that the resources of municipalities and municipal entities are used effectively, efficiently and economically (regulation 2). The Regulations will apply to all municipalities and municipal entities (regulation 3).

Regulation 1 contains the definition of terms that are used in the regulations. Regulation 4 deals with the establishment of cost containment policies including the principles applicable to such policies.

Regulations 4 to 13 contain the actual cost containment measures to be implemented by municipalities and municipal entities. These measures include:

- Principles around appointment of consultants to perform municipal functions and assessment to be undertaken by municipalities and municipal entities before appointing consultants;

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- Procurement of mayoral vehicles. The regulations introduce a ceiling in terms of the value of the vehicles to be procured and principles in terms of management of such vehicle by the municipalities and municipal entities;

- Travel and subsistence allowance. This section of the regulations provides the thresholds for purchasing air tickets and hiring of vehicles. The intention with this specific measure is to ensure that institutions actually realise the discounts which have been negotiated at National Government level. These thresholds will contribute towards institutions achieving cost savings on their travel and accommodation budgets;

- Prohibition on issuance of credit or debit cards linked to municipal bank accounts to officials or public office bearers;

- Prohibition on using municipal funds for specific functions which include, amongst others, spending on catering for internal meetings only attended by officials, and social, farewell or team building activities. This section also prohibits the utilisation of municipal funds on alcoholic beverages;

- The regulations also make it mandatory for institutions to procure vehicles, cell phone and other related assets via the transversal contract negotiated at National Government level. This will ensure that there are cost savings and benefits passed to municipalities on all such items;

- The regulations also introduce a monetary threshold for conference fees which include the attendance of both local and international conferences;

- The regulations are intended to reduce excessive spending on office furniture and equipment;

- Municipalities and municipal entities are also encouraged to ensure that proper processes are followed when dismissing and suspending officials, this minimise unnecessary legal costs. Institutions are also encouraged to manage their expenditure on leave and overtime benefits; and

- The regulations make it mandatory for municipalities to conduct threat assessments before approving any security measures for councillors or officials.

Regulation 4 introduces consequence management aspects for non-adherence to the regulations. Non-compliance with these measures must be investigated for financial misconduct in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Regulation 5 provides the framework for disclosure of actual cost savings achieved by institutions in their annual reports, this improve transparency.

Regulation 6 contains the short title and the commencement date of the regulations.

These draft regulations therefore propose to provide a framework that is consistent with the provisions of the MFMA. The effective implementation of the regulations is intended to ensure that municipalities and municipal entities achieve value for money in utilising public resources to deliver municipal services. It is the intention that the Regulations would become effective on 01 July 2018.

Comments received during the consultation process will be considered and processed with a view to addressing any shortcomings.

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ANNEXURE AT MIDVAAL COST CONTAINMENT PROGRESS REPORT (2017/2018 FINANCIAL YEAR)

MC B/4712/11/2017

4.B.15 [FS]: COST CONTAINMENT FEEDBACK REPORT

5/1/1 - 2017/18

COMPETENCY: MAYORAL COMMITTEE

RESOLVED

That the feedback report on the savings achieved on the operating budget in the 2017/2018 financial year as required by PI FIN02 of the performance management system, be noted.

MC B/4712/11/2017

4.B.15 [FS]: COST CONTAINMENT FEEDBACK REPORT

5/1/1 - 2017/18

COMPETENCY: MAYORAL COMMITTEE

PURPOSE

To give feedback on the savings achieved on the operating budget in the 2017/2018 financial year as required by PI 137 of the performance management system.

RECOMMENDATION

That the feedback report on the savings achieved on the operating budget in the 2017/2018 financial year as required by PI FIN02 of the performance management system, be noted.

REPORT

MFMA circular number 82: Cost Containment Measures was issued by National Treasury on 30 March 2016 in order to ensure costs are kept to a minimum. In addition, Draft Regulations on Cost Containment (attached as Annexure A) was circulated to SALGA for comments on 22 July 2017. Both of these have been taken into consideration in the evaluation of requisitions received with a view of curtailing operating costs, where possible.

The actions resulting from the Circular and Draft Regulations are the following:

Cost containment policy

The municipality has a cost containment policy which will be reviewed once the Draft Regulations have been promulgated.

Use of consultants

The following procedure have been implemented for the appointment of consultants with effect from September 2017:

- All appointments already made to date (i.e. procurement processes that have been completed) to continue as normal and no additional reporting / approval is required.
- All NEW appointments (including bids currently in process) must be motivated to the municipal manager with the following supporting documentation:
    - covering letter requesting appointment of consultant
    - needs analysis as per the attached example.

- The municipal manager will use his discretion in either approving / rejecting the request, or alternatively referring the request to the Mayoral Committee for further consideration.

The definition of consultants includes the whole mSCOA category of outsourced services / business and advisory services as well as the consultants and professional services sections. Departments unbundled their budgets for into various line items showing the exact purpose of the consultants in line with the definitions shown below.

The first section (outsourced services // business and advisory) are defined as follows:

"The municipality should have the capacity and expertise to carry out certain services, but for some reasons not utilising their own staff. The reasons might include temporary incapacity or the outsourcing of services to save costs, for example cleaning, security and recruitment. In evaluating the classification of outsourced services it should be established whether the services being procured could have been provided by the municipality itself. It could also be that the municipality ordinarily has the expertise to provide the service but temporarily could not do so or to save costs."

The second section, being consultants and professional services, are defined as follows:

"Consulting services refer to specialist services and skills provided that are required for the achievement of a specific objective, with the aim of providing expert and professional advise on a time and material basis. It is unnecessary to maintain these skills in-house, since they are required on a once-off or temporary basis. Therefore a consultant is a professional person appointed by the department to provide technical and specialist advise or to assist with the design and implementation of specific projects/programs. The legal status of this person can be an individual a partnership or a corporation. The fact that a consultant is defined as a professional person implies that the consultant is professionally qualified. The provision of advise or service is in line with a contractual arrangement. Remuneration is usually based on an hourly fee or a fixed fee for a product/deliverable. This category consists of groups for "Business and Advisory Services", "Infrastructure and Planning", "Laboratory" and "Legal Service".

The process of individual motivation of consultants and the detailed costing of consultants will lead to better decision making on insourcing / outsourcing or permanent appointment of staff where a recurring need to make of consultants are identified.

Vehicles used for political office bearers

The cost of the Mayoral vehicle procured in the previous financial year did not

exceed R700 000 (cost was R540 646) and the vehicle will not be replaced before it has completed 120 000km as per the requirements of the Draft Regulations. The vehicle was procured using the RT57 tender.

Travel and subsistence

The travel and subsistence policy has been amended to be in compliance with the NT prescriptions on travel and subsistence. The appointed travel agent is also registered on National Treasury's Central Supplier Database and has been instructed to ensure compliance to the Circular. The cost elements have been unbundled in mSCOA line items and the individual cost components are now disclosed separately for better management. Officials only travel using economy class for local travelling.

Credit and Debit cards

The municipality has no credit or debit cards.

Sponsorships, Events and Catering cost

Catering is minimised for meetings and only meetings held longer than 5 hours are considered for catering. No year-end functions will be held at either Council's cost or time.

Gifts are managed by the marketing division and only low value token gifts are allowed where absolutely necessary. The municipality did not participate in the OR Tambo games this year (for the second year in a row).

All entertainment budgets were capped at R2 000 per person qualifying for entertainment expenses – any staff related functions such as farewell functions are funded from the entertainment budgets unless the employee had at least 10 years' service.

Communication

Municipal events and public information are listed on the website. Government Gazettes and local media are used to ensure compliance with the Municipal Finance Management Act as well as the Municipal Systems Act. To further enhance communication, the local radio stations are used.

Private telephone calls are tracked and deducted from staff salaries.

Newspaper subscriptions have been reviewed and reduced to the bare minimum. No subscriptions will be renewed in line with the Draft Regulations.

The municipality is in the process of discussing the NT transversal contract on mobile communication services with the service provider and, if feasible, the transversal contract will be used.

Domestic accommodation / Conferences, meetings and study tours

Conferences are only attended if hosted by the professional bodies of local government. The October conferences attended were done in full compliance with the Circular and Draft Regulations.

Delegations were limited to no more than 3 officials per conference, hotel accommodation was kept within the prescribed limits even though it meant staying further away from the conference venues and walking to the venues, and car rentals were reduced and shuttle services were used.

Other related expenditure items

- Office furnishings - The budget for furniture is approved by the Budget Steering Committee and only where new positions are created, or furniture are damaged will new furniture be procured. Old furniture is also repaired and re-upholstered where possible to further reduce the cost of new furniture.
- Staff study, perks and suspension costs - Staff are required to repay study cost where they do not pass their exams. Staff above the threshold set by the Department of Labour are not paid overtime but get time off in lieu of overtime worked. The municipality had a number of suspensions during the year, but the disciplinary processes are fast-tracked as far as possible and any undue delays from the suspended employees' are treated as suspension without pay for the period of the undue delay.
- NT transversal contracts are used insofar as practically possible. The RT46 transversal contract for roads maintenance has also now been entered into.
- Security to the Mayor has only been provided after security assessments have been done.
- Printing are minimised and meeting agendas are circulated electronically.
- Debt collection has been intensified and debt is only written off if approved by the Mayoral Committee – a new debt collection panel has been appointed to now do both soft and hard collections and not only hard (legal) collections as in the past.
- Energy savings measures are applied in the municipality.

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 07 NOVEMBER 2017

Resolved to Recommend

That the item be referred to the Section 80 Finance Portfolio Committee.

COMMENTS: SECTION 80 FINANCE SERVICES PORTFOLIO COMMITTEE: 06 NOVEMBER 2017

The recommendation is supported.

MINISTER: FINANCE
REPUBLIC OF SOUTH AFRICA

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Ref. 3/4/3/3/10 (1625/17)

Mr Parks Tau
Chairperson: South African Local Government Association
P O Box 2094
PRETORIA
0001

Dear Mr Tau,

DRAFT MUNICIPAL COST CONTAINMENT REGULATIONS IN TERMS OF LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Please find enclosed draft Municipal Cost Containment Regulations ("the Regulations") that I intend to make in terms of sections 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("the MFMA").

The Regulations contain measures to be implemented by municipalities and municipal entities to ensure that resources of the municipalities and municipal entities are used effectively, efficiently and economically as required in terms of section 62(1)(a) of the MFMA.

The Regulations were developed after issuance of MFMA Circular 82 and is consistent with pronouncements made during the October 2016 Medium Term Budget Policy Statement. The Regulations were developed following consultation with various stakeholders, including senior officials from SALGA.

I would like to request that SALGA submit comments on the Regulations, for the attention of Mr TV Pillay (TV.Pillay@treasury.gov.za) by the 30 August 2017. It is intended that the Regulations be finalised after public consultation and the Parliamentary process have been concluded.

Yours sincerely,

MR MKN GIGABA, MP
MINISTER OF FINANCE
DATE: 2017/07/22

GOVERNMENT NOTICE

NATIONAL TREASURY

No. R. **2017**

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 - MUNICIPAL COST CONTAINMENT REGULATIONS

In terms of section 169(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), draft regulations intended to be made in terms of section 168(1)(b) and (p) of that Act, as set out in Part A of the Schedule, are hereby publish for public comment.

An explanatory memorandum regarding the draft regulations is in Part B of the Schedule.

All comment received by 30 August 2017 will be considered and should be emailed to MFMA@treasury.gov.za or faxed to 012 315 5230.

SCHEDULE

PART A
DRAFT MUNICIPAL COST CONTAINMENT REGULATIONS
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1. Definitions
2. Object of Regulations
3. Application of Regulations
4. Cost containment policies
5. Use of consultants
6. Vehicles used for political office-bearers
7. Travel and subsistence
8. Domestic accommodation
9. Credit cards
10. Sponsorships, events and catering
11. Communication
12. Conferences, meetings and study tours
13. Other related expenditure items
14. Enforcement procedures
15. Disclosures of cost containment measures
16. Short title and commencement

Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and–

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
"consultant" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;
"cost containment" means measures implemented to curtail spending in terms of these regulations; and
"credit card" means a card issued by a financial service provider, which creates a revolving account and grants a line of credit to the cardholder.

1

Object of Regulations

2. The object of these Regulations, in line with section 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

Application of Regulations

3. These Regulations apply to all municipalities and municipal entities.

Cost containment policies

4. (1) Each municipality and municipal entity must revise or develop and implement a cost containment policy which must–
   (a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies; and
   (b) be consistent with the Act and these Regulations.

(2) The cost containment policy of a municipality or a municipal entity contemplated in sub-regulation (1) must–
   (a) be in writing;
   (b) give effect to these Regulations;
   (c) be reviewed annually, as may be appropriate;
   (d) be communicated on the municipality's or municipal entity's website; and
   (e) set out–
      (i) measures for ensuring implementation of the policy;
      (ii) procedures for the annual review of the policy; and
      (iii) consequences for non-adherence to the measures contained therein.

Use of consultants

5. (1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full time employ to perform the function.

(2) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates–
   (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
   (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration;
   (c) as prescribed by the body regulating the profession of the consultant.

(3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).

(4) When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.

(5) When consultants are appointed, an accounting officer must–
   (a) appoint consultants on a time and cost basis with specific start and end dates;
   (b) where practical, appoint consultants on an output-specified basis, subject to a clear specification of deliverables and associated remuneration;
   (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
   (d) develop consultancy reduction plans; and
   (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations and the municipality's Supply Chain Management policy.

(6) All contracts with consultants must include fee retention or penalty clause for poor performance.
(7) A municipality or municipal entity must ensure that the specifications and performance, are used as a monitoring tool for the work to be undertaken and is appropriately recorded and monitored.
(8) The travel and subsistence costs of consultants must be in accordance with the travel policy issued by the National Department of Transport, as updated from time to time.
(9) The contract price must specify all travel and subsistence cost and, if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the abovementioned travel policy of the National Department of Transport.

Vehicles used for political office-bearers

6. (1) The threshold limit for vehicle purchases relating to official use by political office-bearers may not exceed R700 000 or 70% of the total annual remuneration package for different grades, whichever is greater.
(2) The procurement of vehicles must be undertaken using the national government transversal contract mechanism.
(3) If any other procurement process is used, the cost may not exceed the threshold set out in sub-regulation (1).
(4) Before deciding on another procurement process as contemplated in sub-regulation (3), the chief financial officer must provide the council with information relating to the following criteria which must be considered:
(a) Status of current vehicles;
(b) affordability;
(c) extent of service delivery backlogs;
(d) terrain for effective usage of vehicle; and
(e) any other policy of council.
(5) Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.
(6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace vehicles for official use by public office bearers before completion of one hundred and twenty thousand kilometres only in instances where the vehicle experiences serious mechanical problem and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

Travel and subsistence

7. (1) An accounting officer–
(a) may only approve purchase of economy class tickets for officials where the flying time for the flights is five hours or less; and
(b) for flights exceeding five hours, may purchase business class tickets only for accounting officers, and persons reporting directly to accounting officers.
(2) Notwithstanding sub-regulation (1), an accounting officer may approve the purchase of business class tickets for officials with disabilities.
(3) The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials attending such meetings or events must be limited to those officials directly involved in the subject matter related to such meetings or events.
(4) An accounting officer may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury only–
(a) during peak holiday periods; or
(b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area.
(5) Officials of a municipality or municipal entity must–
(a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;

(b) make use of shuttle service if the cost of such a service is lower than-
  (i) the cost of hiring a vehicle;
  (ii) the cost of kilometres claimable by the employee; and
  (iii) the cost of parking.
(c) not hire vehicles from a category higher than Group B or an equivalent class; and
(d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

(6) Municipalities and municipal entities must utilise the negotiated rates for flights and accommodation, communicated by the National Treasury, from time to time, or any other available cheaper flight and accommodation.

Domestic accommodation

8. An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by the National Treasury, from time to time.

Credit cards

9. (1) An accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality or a municipal entity is issued to any official or public office bearer, including members of the board of directors of municipal entities.

(2) Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials or public officer bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement from the municipality or municipal entity in accordance with the relevant municipality or municipal entity's policy and processes.

Sponsorships, events and catering

10. (1) A Municipality or municipal entity may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality or municipal entity, unless the prior written approval of the accounting officer is obtained.

(2) An accounting officer may incur catering expenses for hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.

(3) Entertainment allowances of officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.

(4) An accounting officer may not incur expenses on alcoholic beverages.

(5) An accounting officer must ensure that social functions, team building exercises, year-end functions, sporting events, budget vote dinners and other functions that have a social element are not financed from the municipality or municipal entity's budgets or by any suppliers or sponsors.

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12. (1) An accounting officer must establish policies and procedures to manage application by officials to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
(2) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
(3) Such benchmark costs may not exceed an amount as determined by the National Treasury.
(4) When considering applications from officials to attend conferences or events within and outside the borders of South Africa, an accounting officer must take the following into account–
(a) the official's role and responsibilities and the anticipated benefits of the conference or event;
(b) whether the conference or event addresses relevant concerns of the institution;
(c) the appropriate number of officials, not exceeding three officials, attending the conference or event; and
(d) availability of funds to meet expenses related to the conference or event.
(5) The amount referred to in sub-regulation (3) above excludes costs related to travel, accommodation and related expenses, but includes–
(a) conference or event registration expenses; and
(b) any other expense incurred in relation to the conference or event.
(6) When considering costs for conferences or events these may not include items, such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
(7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail use of municipal funds are, as far as may be practically possible, held in-house.
(8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, inter alia, where an appropriate venue exists within the municipal jurisdiction.
(9) An accounting officer may consider granting approval, as contemplated in sub-regulation (4), for officials, and in the case of Councillors, the Mayor.
(10) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

Other related expenditure items

13. (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be procured through that transversal contract before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
(2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during election periods.

Enforcement Procedures

14. Failure to implement or comply with these Regulations may result in any official of the municipality or municipal entity, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct

as set out in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Disclosures of cost containment measures

15. (1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

(2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings, on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.

(3) Such reports must be copied to the National Treasury and relevant Provincial Treasuries within seven calendar days after the report is submitted to Municipal Council.

Short title and commencement

16. These Regulations are called the Municipal Cost Containment Regulations, 2017 and takes effect on 1 August 2017.

PART B

EXPLANATORY MEMORANDUM ON DRAFT COST CONTAINMENT REGULATIONS INTENDED TO BE MADE IN TERMS OF LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The wider implementation of the Local Government: Municipal Finance Management Act, 2003 (MFMA) in all municipalities and entities is an important element in the roll out strategy to modernise and improve financial management in local government. Linked to this strategy are the fundamental principles of effective and efficient utilisation of public resources in a transparent and accountable manner.

Despite the provisions in the MFMA and the reforms developed over the last 13 years to support the implementation of the MFMA, municipalities and municipal entities continue to spend public funds and municipal resources on non-priority items. More often than not this results in a diversion of public funds from core service delivery to other expenditures resulting in dissatisfaction by communities and delays in service delivery.

Government has therefore committed in the Medium Term Strategic Framework for 2014 – 2019 to urgently implement cost saving measures across all three spheres of government to assist in re-prioritizing expenditure and free up resources that can be targeted towards service delivery. These measures introduced are also intended to eliminate wastage of public resources on non-service delivery items. This will be undertaken through advocacy, strengthening the legal and policy prescripts and frameworks aimed at cost containment and ensuring the implementation thereof by municipalities and municipal entities.

The Minister of Finance has also pronounced during the February 2016 Budget Speech and the October 2016 Medium Term Budget Policy Statement that the National Treasury will issue regulations on cost containment measures for local government. The initial cost containment measures were introduced through MFMA Circular. Additional measures will also be taken to ensure a transparent tendering system by ensuring that value for money is attained through the revised procurement process. Similar measures have also been introduced in national and provincial government in terms of the Public Finance Management Act 1 of 1999.

Over the last 4 to 5 years, the Auditor-General's General Report on Local Government Audit Outcomes highlighted the extent of wastage of public resources. This was also observed through various publications in the print media and other government publications. Weak governance as well as the significant increase in the number of municipalities incurring unauthorised, irregular as well as fruitless and wasteful expenditure, were also highlighted as areas of concern.

Building on the MFMA Circular, the National Treasury in association with other stakeholders, have drafted regulations that will promote the cost containment measures introduced in a number of spending areas.

Section 168(1)(b) and (p) of the MFMA provides that the Minister may regulate financial management and internal control and generally, any other matter that may facilitate the enforcement and administration of the Act, respectively. The object of the draft Regulations is to ensure that the resources of municipalities and municipal entities are used effectively, efficiently and economically (regulation 2). The Regulations will apply to all municipalities and municipal entities (regulation 3).

Regulation 1 contains the definition of terms that are used in the regulations. Regulation 4 deals with the establishment of cost containment policies including the principles applicable to such policies.

Regulations 4 to 13 contain the actual cost containment measures to be implemented by municipalities and municipal entities. These measures include:

- Principles around appointment of consultants to perform municipal functions and assessment to be undertaken by municipalities and municipal entities before appointing consultants;

- Procurement of mayoral vehicles. The regulations introduce a ceiling in terms of the value of the vehicles to be procured and principles in terms of management of such vehicle by the municipalities and municipal entities;

- Travel and subsistence allowance. This section of the regulations provides the thresholds for purchasing air tickets and hiring of vehicles. The intention with this specific measure is to ensure that institutions actually realise the discounts which have been negotiated at National Government level. These thresholds will contribute towards institutions achieving cost savings on their travel and accommodation budgets;

- Prohibition on issuance of credit or debit cards linked to municipal bank accounts to officials or public office bearers;

- Prohibition on using municipal funds for specific functions which include, amongst others, spending on catering for internal meetings only attended by officials, and social, farewell or team building activities. This section also prohibits the utilisation of municipal funds on alcoholic beverages;

- The regulations also make it mandatory for institutions to procure vehicles, cell phone and other related assets via the transversal contract negotiated at National Government level. This will ensure that there are cost savings and benefits passed to municipalities on all such items;

- The regulations also introduce a monetary threshold for conference fees which include the attendance of both local and international conferences;

- The regulations are intended to reduce excessive spending on office furniture and equipment;

- Municipalities and municipal entities are also encouraged to ensure that proper processes are followed when dismissing and suspending officials, this minimise unnecessary legal costs. Institutions are also encouraged to manage their expenditure on leave and overtime benefits; and

- The regulations make it mandatory for municipalities to conduct threat assessments before approving any security measures for councillors or officials.

Regulation 4 introduces consequence management aspects for non-adherence to the regulations. Non-compliance with these measures must be investigated for financial misconduct in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Regulation 5 provides the framework for disclosure of actual cost savings achieved by institutions in their annual reports, this improve transparency.

Regulation 6 contains the short title and the commencement date of the regulations.

These draft regulations therefore proposes to provide a framework that is consistent with the provisions of the MFMA. The effective implementation of the regulations is intended to ensure that municipalities and municipal entities achieve value for money in utilising public resources to deliver municipal services.

Comments received during the consultation process will be considered and processed with a view to addressing any shortcomings.

ANNEXURE AU MFMA BUDGET CIRCULAR NO. 89

DATED 8 DECEMBER 2017

NATIONAL TREASURY

MFMA Circular No. 89

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2018/19 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR); and strives to support municipalities' budget preparation processes so that the minimum requirements of the MBRR are achieved.

In 2010 National Treasury introduced the local government budget and financial reform agenda and since then several projects to further this agenda have been introduced. The recent implementation of the municipal Standard Chart of Accounts *(m*SCOA*)* and the accompanying "game changers" signals a smarter way forward to strengthening local government finances.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda and associated "game changers".

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

In the 2017 Medium Term Budget Policy Statement the Minister of Finance stated that, improving the country's economic growth in the period ahead remains the biggest challenge. This undoubtedly echoes the sentiments expressed in the previous year's annual budget circular, that the South African economic outlook is bleak.

The National Treasury's macroeconomic projections show that per capita income will continue to stagnate unless appropriate financial decisions are taken. This implies that a new course of action is required to break the cycle of weak growth, escalating government debt, increasing unemployment and declining investment and business confidence.

It is important to note that the 2017 projected Gross Domestic Product (GDP) growth forecast of 1.3 per cent in the 2017/18 budget was revised down to 0.7 per cent. The rate of recovery will be slow and at this time, it is anticipated that growth of 1.9 per cent may be reached by 2020.

Notably, the anticipated economic improvements, employment opportunities and business recovery have not materialised hence the economy remains unstable. The impact of the decline in mining growth and the struggle in the agriculture sector because of the persistent drought influence the low economic growth.

The mining outlook remains subdued due to continued domestic policy uncertainty and rising production costs. Fixed-capital stock in manufacturing has declined every year since 2009, indicating a gradual erosion of capacity. Formal non-agricultural employment declined by 0.2 per cent in the first half of 2017 compared to the same period last year. Employment prospects in manufacturing remain constrained. Similarly, employment growth in the trade sector is likely to remain under pressure given low consumer confidence and weak credit growth.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. Unfortunately, a similar decline cannot be measured in expenditure and this means that deficits are growing.

The following macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2016 - 2020

Fiscal year	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Estimate	Forecast		
CPI Inflation	6.3%	5.4%	5.2%	5.5%	5.5%

Source: Medium Term Budget Policy Statement 2017.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2018/19 budget process

2.1 Local government conditional grants and additional allocations

The proposed division of revenue continues to prioritise funding services for poor communities. Allocations to local government subsidise the delivery of free basic services to low-income households, and the infrastructure needed to deliver those services.

The 2017 Medium Term Budget Policy Statement (MTBPS) indicates transfers to local government for the 2018 MTREF are R397 billion, of which 62.2 per cent comprise unconditional allocations while the remainder is conditional grant funding. The allocations for local government over the medium term represent 9.2 per cent of non-interest expenditure and an increase of 8.3 per cent.

The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding. Municipalities are reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities. Conditional grant funding must be utilised for the intended purpose within the timeframes, as specified in the annual Division of Revenue Bill. Monies not spent must be returned to the fiscus and requests for roll-overs will only be considered in extenuating circumstances.

The annual Division of Revenue Bill will be published in February 2018 after the Minister of Finance's budget speech. The grant allocations will be specified in this Bill and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2017 Division of Revenue Act to compile their 2018/19 MTREF. In terms of the outer year allocations (2020/21 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2017 Division of Revenue Act for 2018/19. The DoRA is available at http://www.treasury.gov.za/documents/national%20budget/2017/default.aspx

Changes to local government allocations

- The Equitable Share formula takes into account the rising bulk costs of electricity and water, as well as household growth. This is confirmed by the additional R1.5 billion in 2019/20 that was part of the 2017 budget for the *local government equitable share.*

- In line with government's Integrated Urban Development Framework (IUDF), a new approach to funding intermediate cities will be piloted as part of the *municipal infrastructure grant* in 2018/19. It will emphasise a programme of capital investment that

combines grant and non-grant funding. This approach may take the form of a separate grant for qualifying cities over the medium term, with strong performance incentives.

- The allocation mechanism of the *public transport network grant*, which funds the improvement of urban public transport systems, will be amended. The changes will provide more stability in allocations for smaller cities. Performance incentives will be introduced and stricter conditions applied. Where cities fail to demonstrate that they have financially sustainable plans for public transport networks, allocations will be cut. Performance incentives will also be considered for other conditional grants, including for improved spending on infrastructure maintenance.

- The National Treasury and the Department of Human Settlements will review spending on urban informal settlement upgrading, with a view to changing the grant system to enable increased investment in in-situ upgrading. This work will be aligned to the review of the provincial *human settlements development grant*.

The Presidency announced in a press statement on 27 November 2017 that, "President Jacob Zuma has directed the Minister of Finance, Mr Malusi Gigaba, assisted by the Presidential Fiscal Committee, to identify concrete measures to urgently address the challenges identified in the Medium Term Budget Policy Statement." These measures should focus on four areas, one of which is, "To identify and finalise proposals for cuts in expenditure amounting to about R25 billion. Such proposed cuts should not be in areas that will negatively affect economic growth prospects and job creation." National Treasury is currently working to implement this directive from the President. If the proposed cuts in expenditure are adopted by Cabinet, they could result in substantial changes to the division of revenue that was tabled in the 2017 MTBPS. Municipalities should be aware in their planning that these changes could include substantial reductions to grants to local government. The details of any cuts to expenditure will be announced when the 2018 Budget is tabled on 21 February 2018.

Reforms to local government fiscal framework

Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development.

Government will:

- Table amendments to the Municipal Fiscal Powers and Functions Act (2007) to better regulate the levying of municipal development charges; and

- Update the policy framework for municipal borrowing and financial emergencies. The purpose is to establish a system which does not only guarantee stability and certainty in local government finances, but also seeks to implicitly create incentives and attract more players in the municipal debt market space, i.e. insurers, pension funds, fund managers and DFIs.

Municipal revenue-raising capacities vary widely. The National Treasury will consider applications to waive co-funding requirements for infrastructure projects in municipalities with little or no ability to raise finance for such projects. Reprioritisations within the *regional bulk infrastructure grant*, *water services infrastructure grant* and *municipal infrastructure grant* will be made to fund the Bucket Eradication Programme.

2.2 Municipal Standard Chart of Accounts (*m*SCOA)[1]

The implementation of *m*SCOA Regulations from 01 July 2017 revealed some of the challenges with version 6.1 of the chart that must be addressed. As a result of this, the chart was updated and version 6.2 is released with this circular (see Annexure A). Version 6.2 of the chart will be effective from 2018/19 and must be used to compile the 2018/19 MTREF. In addition, there were classification differences between the original budgets that were adopted by municipal council and the data strings that were submitted to National Treasury. Furthermore, the budget related policies were not updated to align to *m*SCOA (e.g. Virement policy).

Version 6.2 of the *m*SCOA chart to be used for the 2018/19 MTREF is available on the link below:
http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

Amendments of mSCOA implementation errors during the adjustments budget

During the budget verification process it was evident that municipalities had challenges aligning the *m*SCOA original budget data string to the original budget adopted by municipal council. The challenges differed per municipality and include differences on classification. Most municipalities were granted permission to correct the alignment during the 2017/18 adjustments budget process. The adjusted budget data strings should align to Schedule B adopted by municipal council. National and Provincial treasuries will undertake the verification process on the adjusted budgets in relation to the data strings. Therefore, municipalities are advised to submit the draft data strings and B-schedules in advance for testing purposes to ensure that aligned documents are adopted by municipal council by 28 February 2018.

The impact of mSCOA on the virement policy

MFMA Circular No. 51 highlighted the principles that must be incorporated into municipal virement policies. It also emphasised that the policy must indicate how the virement process must be managed within the municipality to enable the tracking and reporting of funding shifts.

The principles are still applicable and relevant. The only difference is that a transaction in *m*SCOA relates to six regulated segments, therefore all segments must be considered when making a virement. Municipalities are urged to review the policy and update reference to "Vote" to align to the function segment and indicate the funding applicable to the item being transferred in relation to the funding segment. Therefore, with the implementation of *m*SCOA, virements can only take place within a function or sub-function and the same source of funding. The creation of new projects or savings across functions can only take place through an adjustment budget. The policy must clearly articulate that virements should not be allowed from the repairs and maintenance project in the project segment.

Clarification of core and non-core functions

There are municipalities that experienced challenges with the implementation of the function segment due to the interpretation of what is core and non-core. Core functions provides for the matters in terms of section 156 (1) of the Constitution. These are functions performed by local government and constitutionally assigned to local government in terms of Part B of Schedule 4 and Part B of Schedule 5. Non-core function refers to the functions performed by

[1] The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.

local government that are constitutionally assigned to provincial government in terms of section 156(4) of the Constitution. Local Government are compensated for delivering these functions on behalf of provincial government and typically receive a management fee from the provincial department.

For example, with the water function, if a municipality is an approved Water Service Authority (WSA), the provision of water will be a core function of that municipality. However, where a municipality is providing the service on an agency basis and is not an approved WSA, this will be a non-core function.

2018/19 mSCOA Audit process

When the *m*SCOA Regulation was promulgated in 2014, it provided for a three-year preparation and readiness window. All municipalities had to be compliant with the *m*SCOA classification framework by 1 July 2017. In order to ensure that municipalities meet the compliance deadline, National Treasury provided technical guidance on the processes required through MFMA Circulars No. 57, 80, 85 and *m*SCOA Circulars 1, 2, 3, 4, 5, and 6. Furthermore, a transversal tender (RT25-2016) was issued to reduce the time spent by municipalities on onerous tender processes and price negotiations when changing its current financial system to comply with *m*SCOA. These circulars read together with the *m*SCOA regulations should be the first point of departure when municipalities prepare their *m*SCOA audit files and the following key documents should typically be included in the audit files:

- Governance: Council resolutions pertaining to *m*SCOA implementation, including the resolutions to establishment a *m*SCOA steering committee and project implementation team; all documents of the Project Steering Committee and Project Implementation Committee such as agendas, attendance registers, signed minutes of all meetings, correspondence with National and Provincial Treasuries and the *m*SCOA project plan and reports/evidence of monitoring thereof;
- Change management and training: Records as evidence that change management were implemented and that all officials were trained on *m*SCOA and the use of the *m*SCOA enabling financial system;
- Procurement of Systems: Evidence that the processes set out in Annexure B of *m*SCOA Circular No. 6 was followed, including conducting an ITC due diligence process, obtaining a recommendation from the *m*SCOA project steering committee and the views of the National/Provincial Treasury and correspondence with the Office of the Procurement Officer (OCPO) of National Treasury where the transversal tender RT25-2016 was used; and
- Data migration/conversion: As part of the audit process, the Auditor-General will review the conversion/migration/cleansing processes used by the municipality to assess the completeness, accuracy and validity of data.

Municipalities are advised to use their internal audit function to ensure that the correct process was followed. Internal audit must ensure that the municipality has complied with the requirements of *m*SCOA and the reports of internal audit must be tabled at audit committee and at municipal council for their consideration.

2.3 Reporting indicators

The National Treasury has finalised the process of rationalising the built environment reporting for the eight metropolitan municipalities with an aim to reduce the reporting burden, which included the development of a set of indicators that will enable government to monitor progress on the integrated and functional outcomes.

There has been some confusion as to the level that indicators in the Service Delivery Budget Implementation Plan (SDBIP) occupy, particularly in relation to quarterly projections of service delivery targets and performance indicators for each vote (as per MFMA Circular No. 13).

Municipalities are urged to refer to MFMA Circular No.87 on rationalisation of planning and reporting requirements for the 2018/19 MTREF issued on 30 November 2017. The circular contains municipal performance indicators for metropolitan municipalities. In providing guidance, conceptual clarity and alignment between the Integrated Development Plan (IDP), Built Environment Performance Plan (BEPP), SDBIP and the performance part of the Annual Report, the MFMA Circular has conceptual application of benefit to all municipalities.

The performance indicators will be applicable to metropolitan municipalities from the 2018/19 financial year, and incrementally introduced to other categories of municipalities from 2019/20 onwards, although earlier compliance is encouraged.

2.4 Borrowing for capital infrastructure

In terms of Section 46 of the MFMA, a municipality may incur long-term debt only for the purpose of current or future capital expenditure on property, plant or equipment, and in specified circumstances for refinancing existing long-term debt. A municipality cannot borrow to replenish capital, nor can borrowing be attributed to previous years' investment projects.

It has come to National Treasury's attention that some municipalities budget for long-term borrowing in a specific financial year to finance capital projects; however, the expenditure is financed from internally generated funds and not with the planned/ budgeted long-term borrowing as was approved by council. The municipalities will then obtain the long-term debt in future years to refinance the internally generated funds which were used to finance the capital projects in the previous financial years. This practice is not supported as it is not consistent with section 15 of the MFMA that provides that a municipality can only incur expenditure in terms of an approved budget and within the amounts appropriated for the different votes. The incurring of the expenditure against a different source of finance than what was approved will be regarded as unauthorised expenditure.

3. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them, and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that, the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of persons per household means that the revenue foregone in respect of free basic services will likely increase and it will become even more difficult to collect revenue. The household budget will be under pressure and trade-offs will be applied as it may be unaffordable to pay all household expenses with regularity.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore municipalities are required to ***justify all increases in excess of the*** **projected inflation target for 2018/19** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

3.1 Maximising the revenue generation of the municipal revenue base

The implementation of *m*SCOA requires systems integration of several sub-systems such as that which contains the municipal valuation roll. Among the internal controls, the system must have the capability to compare the valuation roll data to that of the billing system; the list of exceptions derived from this reconciliation provides an indication of where the municipality may be compromising its revenue generation in respect of property rates. Municipalities must reconcile valuation roll data, billing system and the deeds office. This may become a formal disclosure item in the near future.

Municipal own revenue sources are shrinking due to widespread drought and households opting for alternative sources of energy. This means that more effort is required to maximise revenue derived from property rates.

3.2 Eskom bulk tariff increases

2017/18 was the last year of the third Multi-Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA). Eskom has applied for a one year average tariff increase of 19.9 per cent for 2018/19. For municipalities, the different timing of the municipal financial year means that the increase Eskom has applied for would mean a 27.29 per cent average tariff increase in the 2018/19 municipal financial year. The National Energy Regulator of South Africa recently concluded a process of public hearings on this application, but has yet to publish a decision on the application. Municipalities can monitor www.nersa.org.za for news on the outcome of this process.

Municipalities should note that the average electricity tariff increase for municipalities in the 2017/18 municipal financial year was only 0.31 per cent. MFMA Circular No. 86 noted that by the time that tariff announcement was made, the local government equitable share allocations for 2017/18 had already been calculated with a higher electricity tariff increase. That circular said that "municipalities will have to budget to retain any surplus funds from the higher free basic services subsidy paid [through the local government equitable share] in 2017/18 in order to offset the cost of providing free basic electricity in 2018/19."

Municipalities are also urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

3.3 Water tariff increases

The prevailing drought makes it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.

Municipalities must ensure that the tariffs charged are able to cover for the cost of bulk purchases, ongoing operations as well as provision for future infrastructure. There are

municipalities that are struggling to pay water boards due to a number of issues, one of which is poor financial sustainability and cost recovery. All municipalities in arrears with bulk suppliers must ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

Accounting officers should take note that failure to undertake proper due diligence in terms of the affordability of payment arrangements and making the necessary provision in the municipality's budget will be considered as an act of financial misconduct and the necessary action in terms of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings will have to be taken.

Municipalities that may have benefited from having introduced penalty tariffs for non-compliant consumers will have to adjust their budgets accordingly.

3.4 Water Conservation and Water Demand Management (WCWDM)

Water Conservation and Water Demand Management has been identified as a key intervention to balance available municipal supply against projected future needs. In this regard municipalities must actively implement WCWDM. Ongoing accurate monitoring and reporting of municipal Non-Revenue Water (NRW) and water loss performance against set targets and baselines is critical. The reporting must take place via the International Water Association (IWA) water balance methodology. No new funding towards future water infrastructure projects will be considered unless municipalities can provide actual consumption figures and prove that their water losses are under control. Municipalities should increase their efforts to reduce NRW and the negative impact it has on their ability to generate their own income and run a viable water business.

4. Funding choices and management issues

The Circular clearly outlines that, as a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2018/19 MTREF budgets:

- improving the effectiveness of revenue management processes and procedures;
- paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as was highlighted in MFMA Circular No. 82;
- ensuring value for money through the procurement process;
- the affordability of providing free basic services to all households; and
- curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

4.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

4.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

5. Conditional Grant Transfers to Municipalities

5.1 Non-compliance of in year monitoring

In terms of Section 74(1) of the Municipal Finance Management Act (No 56. of 2003) (MFMA), municipalities must submit to the National and Provincial treasuries documents and monthly grant return forms as may be prescribed or required. Furthermore, section 12(2) of the Division of Revenue Act (Act No. 3 of 2017) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

There are municipalities that have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is, not limited to the stopping and reallocation of conditional grants funding away from municipalities that are non-compliant. Municipalities are encouraged to comply with the reporting requirements in order to avoid withholding or stopping of an allocation.

6. The Municipal Budget and Reporting Regulations

6.1 Tabling of funded budgets

The importance of tabling funded budgets is highlighted in MFMA Circular No. 74. This is one of the game changers in local government to ensure financial sustainability. As an initiative to support municipalities in this regard, the National and Provincial treasuries are assessing tabled budgets and assisting municipalities in effecting the required changes to ensure that they adopt funded budgets. However, some municipalities have challenges in correcting the budgets to ensure that they are funded in one financial year due to financial challenges. As a result, such municipalities must, together with their 2018/19 MTREF budget, table a plan in a municipal council on how and by when the budget will improve from an unfunded to a funded position. The National and Provincial treasuries will assess the budget together with the plans and support the municipality accordingly.

6.2 Budgeting for collections from arrear debtors

Most municipalities do not split collections between current and arrear debtors when reporting on table A7, this results in the collection rate being overstated. Municipalities are required to only disclose receipts from current accounts under cash flow from operating activities and the receipts from arrear accounts should be disclosed under cash flow from investing activities (Decrease in non-current debtors).

6.3 VAT implications (Budgeting on capital (A5) vs reporting)

MFMA Circular No. 58 indicated that municipalities must disclose total capital conditional grant allocations reflected in the DoRA under 'transfers and grants – capital' on Tables A2, A3, A4 and A5. However, there are municipalities that are experiencing challenges when reporting capital expenditure performance against the budget. The expenditure at year end appears to be understated when compared to the budget.

In terms of paragraph 4.5 of the VAT 419 Value-Added Tax – Guide for Municipalities, section 8(5A) was introduced to create a deemed supply where a person receives a grant from a public authority, constitutional institution or municipality. In light of the above it is clear that transfers to municipalities are deemed to be a zero-rated supply which includes VAT at 0 per cent. Grants are therefore VAT inclusive as per MFMA Circular No. 58 but at 0 per cent. ***Therefore, municipalities must budget for VAT at 0 per cent and not 14 per cent on tables A4 and A5.*** The approach also applies to the adjustments budget process (tables B4 and B5).

The fact that grants are a zero-rated supply enables municipalities to claim the input VAT on expenditure incurred. In line with MFMA Circular No. 58 a municipality must report the VAT inclusive expenditure against all conditional grants for purposes of DoRA, failing which the reclaimed input VAT will reflect as 'unspent' and revert to the National Revenue Fund (NRF). In practice the amount of expenditure (VAT exclusive) in the grant register will be expensed/ capitalised and the VAT portion reflected in the grant register may be utilised by the municipality as own revenue in terms of MFMA Circular No. 58. This also removes any doubt about the misalignment of Tables SA18, SA19, SA20, A4 and A5 due to VAT.

6.4 Budgeting for projections on tables SA25 to SA30

Over the years municipalities in general have not adequately completed the supporting tables SA25 to SA30, where projections were equally divided over twelve months. In addition, the quarterly projections reported on the C schedules differ with the projections that were set in the adopted budgets. This has defeated the purpose of monthly projections which seeks to improve cash flow and performance management. The implementation of *m*SCOA requires municipalities to undertake monthly projections, which must align to the supporting tables of the A schedule. Municipalities must reflect realistic projections when they adopt the budget and not to change the projections during in-year reporting.

6.5 Service level standards

A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition, MFMA Circular No.74 included a framework that was developed as an outline to assist municipalities in finalising their service level standards.

Municipalities are advised to update the service level standards to align to the new IDPs that were compiled after the 2016 Local Government Elections. As indicated in MFMA Circular No.74 it is not possible to have the same service level standards across all municipalities. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

6.6 Schedule A - version to be used for the 2018/19 MTREF

National Treasury has released Version 6.2 of Schedule A1 (the Excel Formats) which is aligned to version 6.2 of the *m*SCOA classification framework which must be used when compiling the 2018/19 MTREF budget. **ALL** municipalities **MUST** use this version for the preparation of their 2018/19 MTREF budget.

It is imperative that all municipalities prepare their 2018/19 MTREF budgets in their financial systems and that the A1 schedule be produced directly from their financial system. All financial systems must have this functionality to assist and prepare budgets.

Special attention must be given to the supporting schedules in the prescribed A1 schedule. Where detailed data is lying in a sub-system e.g. human resource data for SA22 to SA24, this data must be pulled from the sub-system into the applicable supporting sheet.

Download Version 6.2 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:
http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

6.7 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Free State	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Nomxolisi Mawulana	012-315 5460	Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Johan Botha	012-315 5171	Johan.Botha@treasury.gov.za
Limpopo	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Willem Voigt	012-315 5830	Willem.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Anthony Moseki	012-315 5174	Anthony.Moseki@treasury.gov.za
North West	Sadesh Ramjathan	012-315 5101	Sadesh.Ramjathan@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge	012-315 5661	Vuyo.Mbunge@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
	Sibusiso Mahlangu	012-395 6737	Sibusiso.Mahlangu@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations.

The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations. In addition, where municipalities have adopted an unfunded budget, they will be required to correct the budget to ensure it adopt and implement a funded budget. However, where there are challenges the process indicated in paragraph 6.1 above will be applied.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. D schedules must be submitted for each entity.

7. Budget process and submissions for the 2018/19 MTREF

7.1 Submitting budget documentation and schedules for 2018/19 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution is **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and

- schedules D specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za. Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za. Budget related documents and schedules may also be uploaded using the LG Upload Portal at

https://portals.treasury.gov.za/sites/LGUploadPortal/SitePages/Home.aspx

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents	***For posted documents***
Ms Linda Kruger	Ms Linda Kruger
National Treasury	National Treasury
40 Church Square	Private Bag X115
Pretoria, 0002	Pretoria, 0001

In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 31 March 2018 to Yasmin.coovadia@treasury.gov.za. If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to yasmin.coovadia@gmail.com or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with Yasmin.Coovadia@treasury.gov.za. Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3rd floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

7.2 Budget reform returns to the Local Government Database for publication

Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to lgdatabase@treasury.gov.za. Municipalities must submit returns for both the draft budget and the final adopted budget as this will assist the National and provincial treasuries with the annual benchmark process. The current electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

7.3 In-year reporting

The impact of mSCOA on in-year reporting

Municipalities must submit the *m*SCOA compliant data strings to the LG Upload Portal. National Treasury will continue with parallel reporting using the old format (return forms) and the *m*SCOA data strings until it is satisfied that all municipalities are *m*SCOA compliant and reporting adequately to support all publications. Therefore, the data submitted using both reporting methods must reconcile. National and Provincial treasuries together with the municipalities will conduct monthly verification of the data strings, Schedules C and the return forms to ensure that corrections are effected. All corrections must be done by **28 February 2017** in line the amendments to the adjustments.

Supporting documents to be submitted with Section 71 monthly reports

Municipalities were advised in MFMA Circular No. 67 that they must provide the following additional information and supporting documentation to the National Treasury as part of the submission of the Section 71 input forms:

- An extract of the trial balances from the general ledger;
- Copies of the actual monthly bank statements (reflecting the opening and closing bank balances) for the primary bank account;
- Bank reconciliation for the reporting period in the primary bank account; and
- Copies of the quarterly tabled section 71 documents in the prescribed Schedule C format including the applicable council resolution.

Most municipalities have not followed the guideline; therefore, municipalities are reminded that this request is still applicable and that the information must be submitted with the monthly Section 71 reports. The information is meant to assist in improving the quality of the quarterly published local government performance information.

Monthly reporting of debtors and creditors

National Treasury has observed through in-year monitoring that most municipalities are overstating debtors as they report on gross debtors instead of net. The format of the monthly debtors return form (Age Analysis of Debtors) provides for a column to disclose provision for impairment as per council policy. Therefore municipalities are urged to always reflect the provision for impairment in the column as indicated above for National Treasury to be able to reconcile the net debtors.

It was also observed that most municipalities are understating outstanding creditors. There is a major difference in the amounts reported through in-year reporting and those disclosed in the annual financial statements. It is assumed that amounts are not disclosed for all sundry payments and contractual commitments. Municipalities are urged to reconcile creditors on a monthly basis to increase the quality of reporting and for effective cash flow management.

7.4 Budget verification process

Annually during the budget verification process it is noted that municipalities have challenges to align the audited years, which results in amendments to the Schedule A. Municipalities must ensure that the audited figures and adjusted budget figures captured on the Schedule A aligns to the annual financial statements and Schedule B respectively.

7.5 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
08 December 2017

Annexure A – Changes to *m*SCOA version 6.2

No.	Segment	Amendment
1	Region	Include ward / township breakdown as requested by municipalities
2	Region	Retired decommissioned municipalities due to demarcation
3	Region	Updated name changes due to demarcation and gazette notifications received
4	Item Revenue: Licences or permits	Added item for revenue from Atmospheric Emission Licence Fees
5	Item Expenditure: Depreciation	Added breakdown of asset classification to align to the CIDMS classification and SA34d
6	Item Expenditure: Remuneration of councillors	Added remuneration of Section 79 chairperson as this needs to be reported separately
7	Item Expenditure: Contracted services	Added line item for outsourced printing services
8	Item Expenditure: Operational cost: Licences	Added line item for liquor licence (entities)
9	Item Expenditure	Added “Transfer to Accumulated Surplus” account
10	Item Expenditure	Added “Capitalisation” accounts to capitalise materials, plant and vehicle costs
11	Item Assets: Investments	Report at institution level and breakdown detail for own purposes.
12	Item Assets: Current Accounts: Control, Clearing and Interface Accounts	Added line item for mistakes made by bank (over/ under banking, unidentified deductions from bank account)
13	Item: Assets, Liabilities and Net Assets	Removed all “Closing Balance” accounts
14	Item Assets and Liabilities	Added “Opening Balance” accounts, detail to be carried in the sub-system
15	Function	Expanded definition descriptions to guide municipalities on the difference between core and non-core functions
16	Fund	Added breakdown of grants, transfers and subsidies as requested by municipalities
17	Fund	Aligned Fund, Item Liabilities, Item Expenditure and Item Revenue segments
18	Project	Changed breakdown allowed to “Yes” for 8 items that indicated “breakdown required but principle N/A”.

ANNEXURE AV MFMA BUDGET CIRCULAR NO. 91

DATED 7 MARCH 2018

NATIONAL TREASURY

MFMA Circular No. 91

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2018/19 MTREF

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Introduction

This budget circular is a follow-up to the one issued in December 2017. It guides municipalities with their preparation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this Circular is the grant allocations per the 2018 Budget Review and the 2018 Division of Revenue Bill.

1. The South African economy and inflation targets

The 2018 Budget Review emphasised that, although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In addition, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

The following macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2017 - 2020

Fiscal year	2017/18	2018/19	2019/20	2020/21
	Estimate	Forecast		
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

Source: 2018 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2018/19 budget process

2.1 Local government grants and additional allocations

Since the 2017 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Local government direct and indirect transfers absorb 18.8 per cent of the reductions. A total of R13.9 billion has been cut from direct local government conditional grant allocations for the Medium Term Expenditure Framework (MTEF) period ahead since the 2017 MTBPS was tabled. Indirect grants to local government have been reduced by an additional R2.2 billion.

The reductions did not affect all conditional grants, and not all grants were reduced by the same percentage. The infrastructure conditional grants, particularly the larger ones, were mainly affected as this was considered the most practical approach. The overall impact of reducing this funding affects capital programmes; therefore local government's share of the reductions is higher than their share of the division of revenue, given that municipalities receive a number of infrastructure grants. The average reductions over the medium term are 3.5 per cent of local government allocations.

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Allocations to the local government equitable share will continue to grow over the next three years, alongside a significant reduction in conditional grants. The total value of conditional grants directly transferred to local government increases from R43.3 billion in 2018/19 to R44.8 billion in 2019/20 and R47.8 billion in 2020/21.

Large municipalities are expected to invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.

The 2018 Budget provides for R382.8 billion to be transferred directly to local government and a further R21.8 billion allocated to indirect grants for the 2018 MTREF. Direct transfers to local government over the medium term account for 9 per cent of national government's non-interest expenditure. Total direct allocations to local government grow at an annual average rate of 7.5 per cent over the MTEF period. The total spending on local government increases to 9.5 per cent of national non-interest expenditure when adding indirect transfers.

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:
http://www.treasury.gov.za/documents/national%20budget/2018/

Changes to local government allocations

Unconditional grants

An amount of R3.4 billion is added to the *local government equitable share* over the medium term to compensate for the rising costs of providing free basic services to the growing number of indigent households. This covers the likely above-inflation increases in the costs of bulk water and electricity. This also allows for faster increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula. This allocation is in addition to the previous increases and an above inflation growth rate for the baseline in 2020/21. This means that the local government equitable share grows at an annual average rate of 10.4 per cent over the MTEF.

Conditional grants

The most substantial reduction has been applied to the largest grant – the *municipal infrastructure grant*. However, the structure of the formula used to allocate this grant reduces the impact of reductions on smaller municipalities. Project-based grants, such as those in the electricity and water sectors, have identified projects that will be postponed as a result of the adjustments. These changes do not affect any water augmentation projects in drought-affected areas.

Reductions to the *public transport network grant* are much larger in the outer years of the MTEF. This allows for the Department of Transport and the National Treasury to review the sustainability of public transport plans and to assess whether some cities should put projects on hold while they revisit system design.

The 2017 MTBPS announced a new funding mechanism to support recovery plans for municipalities that face a financial crisis, as provided for in section 139(5) of the Constitution. A *new municipal restructuring grant* will be introduced to help municipalities in financial crisis to implement reforms to turn themselves around. The National Treasury will consult with national departments, provinces and South African Local Government Association (SALGA) on the design of the grant and its coordination with other capacity-building programmes during 2018. The grant is intended to be a short-term intervention that will fund the turnaround of struggling municipalities. It will help identified municipalities that are in financial distress, but have demonstrated a commitment to implementing the necessary reforms. If needed, the intervention powers outlined in section 139 of the Constitution may also be used as part of the broader approach to turning around these municipalities.

The municipal restructuring grant will be made available within the parameters of the existing legal framework and will not provide bailouts to municipalities. It will fund the implementation of specific outputs in support of a financial recovery plan approved by a municipal council. The council must demonstrate political buy-in by adopting such a plan, and the municipality must also commit its own resources to implementing parts of the plan.

Smaller cities face some of the same urban development challenges as major metropolitan areas. These cities will be eligible for a *new integrated urban development grant* from 2019/20. Cities will have to meet planning and performance criteria to receive the grant, which will be funded through a shift of funds from the municipal infrastructure grant. The new grant will require cities to plan for a programme of infrastructure investment, funded from grants and own revenues, rather than just standalone projects. This aligns with the policy set out in the Integrated Urban Development Framework (IUDF) approved by Cabinet in April 2016. This approach will be piloted in uMhlathuze and Polokwane local municipalities in 2018/19. Eligible municipalities will be invited to apply for the grant during 2018. The application process is set out in clause 27(5) of the 2018 Division of Revenue Bill.

2.2 Drought disaster relief

Severe drought conditions are affecting large parts of the country, and placing extreme strain on the supply of water to the nearly 4 million people in the City of Cape Town. Some smaller towns in the Northern Cape, Eastern Cape and Western Cape, as well as Nelson Mandela Bay Metro, are also facing severe water shortages. The drought has been classified as a national disaster by the National Disaster Management Centre. Government is committed to managing available supply to ensure basic needs are met, while implementing plans to improve long-term sustainability in a water stressed country.

Government is prepared to provide financial assistance as deemed necessary:

- A provisional allocation of R6 billion has been set aside in 2018/19 for drought relief in several provinces, to assist the water sector and to augment public investment projects supported by improved infrastructure planning. Some of these funds may be allocated to support water augmentation projects in an Adjustments Budget, however, the full costs of new schemes will eventually have to be recovered from water users through tariffs.

- The Division of Revenue Act allows for conditional grant funds to be reallocated for disaster relief. Such additional funding may be used in 2017/18 for immediate interventions such as accelerating groundwater development.

- Disaster relief grants for provinces and municipalities are R423.7 million in 2017/18 and R472.9 million in 2018/19. This may be quickly released to assist in the event of an emergency.

- If agricultural employment is seriously destabilised, government can temporarily increase the intake on the Working for Water Programme. These short-term jobs will provide a substitute employment option, while helping to improve runoff in catchment areas by removing alien vegetation.

2.3 Participation in RT15-2016 Vodacom transversal contract- for the supply and delivery of mobile communication services to the state

When municipalities make an application to the Office of the Chief Procurement Officer (OCPO) to participate in the RT15-2016 transversal contract's account management service offering in respect of smart meters, they must comply with the process that will be communicated in an MFMA Circular that will soon be issued. In terms of the application process municipalities are expected to provide evidence of adequate operating budget provision over the MTREF. The Circular will include pre-conditions for eligibility to participate, such as adequate resourcing and technology platform to fulfil their obligation as envisaged by the Smart Utility Management Solution; and capability to sustain the implementation effort in the longer term.

3. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore municipalities are required to ***justify all increases in excess of the*** **projected inflation target for 2018/19** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition municipalities should

include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures.

3.1 Eskom bulk tariff increases

The National Energy Regulator of South Africa (NERSA) published their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2018/19 Financial Year" on 28 February 2018. Municipalities are encouraged to download the full guideline document (available at www.nersa.org.za) and study it carefully. The guideline includes an update to the average cost structure used to determine the municipal tariff increase. It also sets out proposed timeframes for the approval of municipal tariffs. NERSA invites comments on the guideline to be submitted by 20 March 2018.

The NERSA document proposes a 6.84 per cent guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of 7.32 per cent.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

It should be noted that the guideline increase for municipal tariffs and the bulk tariff increase that Eskom will charge municipalities are both lower than the 8 per cent used to calculate the free basic electricity subsidies provided through the local government equitable share formula.

4. Funding choices and management issues

4.1 Management issues

Many municipalities continue to face institutional challenges and mismanagement that result in service delivery failures, bad debt accumulation, limited cash flows and consequent non-payment of creditors. Eskom and water boards are owed the greater percentage of the total municipal creditors; and protracted non-payment undermines the financial sustainability of these state-owned entities.

The non-payment of creditors is a symptom of underlying problems which include, among others, weaknesses in revenue collection and underinvestment in asset maintenance and renewal, which compromises the reliability of delivering basic services. There are too many municipalities that fail to adopt credible budgets and this means that even if they adhere to their budgeted plans, they will not be financially sustainable.

The national and provincial departments collectively owe municipalities and while much of the historic debt has been verified by the Department of Public Works there are departments that do not have sufficient funds to settle these debts. The Department of Public Works continues to facilitate the ongoing government debt verification and settlement process.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities

consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

Government will introduce a conditional grant in the outer years of the 2018 MTEF to provide support to municipalities facing financial crises. This grant funding will only be accessible to municipalities that have demonstrated the political will to implement reforms necessary to turn themselves around. The grant will be designed and consulted during 2018.

4.2 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

4.3 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

5. Conditional Grant Transfers to Municipalities

This section provides guidance to municipalities with regard to the preparation for the 2017/18 unspent conditional grant and roll-over process and should be referenced to previous annual budget circulars.

5.1 Criteria for the rollover of conditional grant funds

Section 22 of the 2017 Division of Revenue Act (DoRA) requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer, provincial treasury and transferring national officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer must be addressed to the **National Treasury** requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2017 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

    a) Proof that the project tender was published and the period for tender submissions closed before 31 March;
    b) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or

c) Proof of a project tender, appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project; and
d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2019 (attach cash flow projection for the applicable grant).

4. A progress report (also in percentages) on the status of each project's implementation (**attach a visible implementation plan**);
5. The value of the committed project funding, and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
7. Municipalities must not include previous year's unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
8. An indication of the time-period within which the funds are to be spent if the roll over is approved; and
9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2018, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2017 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements information to National Treasury by 31 August 2018;
3. Accurate disclosure of grant performance in the 2017/18 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. The National Treasury will not consider requests to approve the entire allocation to the municipality as there should be a minimum spend of 50 per cent of the allocation per programme;
5. Cash available in the bank (net position including short term investments) as at 30 June 2018 and in line with the cash flow statements to finance the roll-over request;
6. No approval will be granted to municipalities requesting a roll-over of the same grant for the third consecutive time;
7. Incorporation of the Appropriation Statement;
8. No roll over application project constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) will be approved. Projects linked to additional funding and disasters are exempted;
9. If the full amount that is requested for roll over is not entirely cash backed, such a roll over will not be approved. National Treasury will not approve portions of roll over requests; and
10. Evidence that the roll over application is linked to invoices that were issued within the last 30 days of the municipal financial year end.

5.2 Unspent conditional grant funds for 2017/18

The process to ensure the return of unspent conditional grants for the 2017/18 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2018 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile.

Step 2: When preparing the Annual Financial Statements a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2018. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately.

Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2017 DoRA that the unspent funds are committed to identifiable projects, the roll over application pack must be submitted to National Treasury by 31 August 2018.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2018 or whether it will agree to any alternative payment arrangement or schedules.

Step 5: National Treasury will communicate the unspent conditional grants amount by 05 November 2018. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2018.

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2018, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 03 December 2018 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved roll overs are addressed in the Annexure to MFMA Circular No. 86.

6. The Municipal Budget and Reporting Regulations

6.1 The impact of VAT increase on tariffs

VAT will increase from 14 per cent to 15 per cent from April 2018. In terms of Section 7(4) of Value-Added Tax Act (No. 89 of 1991), the VAT increase takes effect on 1 April. It is a tax increase as result of tax legislation that municipalities must implement and not an increase of tariffs by the municipalities. Therefore Section 28(6) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), is not applicable in this regard.

Whether the additional amount is recoverable from the customer or not, the supplier must account for VAT on any supplies made on or after 1 April 2018 at the increased VAT rate.

The South African Revenue Service issued a guideline on how the increase in VAT must be implemented. The guideline is available on the link below:

http://www.sars.gov.za/AllDocs/OpsDocs/Guides/LAPD-VAT-G13%20-%20VAT%20Pocket%20Guide%20on%20the%20VAT%20rate%20increase%20on%201%20April%202018%20-%20External%20Guide.pdf

6.2 Schedule A - version to be used for the 2018/19 MTREF

National Treasury has released Version 6.2 of Schedule A1 (the Excel Formats) which is aligned to version 6.2 of the *m*SCOA classification framework which must be used when compiling the 2018/19 MTREF budget. **ALL** municipalities **MUST** use this version for the preparation of their 2018/19 MTREF budget.

It is imperative that all municipalities prepare their 2018/19 MTREF budgets in their mSCOA financial systems and that the A1 schedule be produced directly from their financial system. All financial systems must have this functionality to assist and prepare budgets.

Special attention must be given to the supporting schedules in the prescribed A1 Schedule. Where detailed data is housed in a sub-system e.g. human resource data for SA22 to SA24, this data must be extracted from the sub-system into the applicable supporting sheet.

The following supporting tables will be included for perusal and sign-off during the verification process of the 2018 MTREF: SA11, SA12a, SA13a, SA14, SA22, SA23, SA24, SA25, SA27, SA36, SA37 and SA38.

It is therefore important to focus on the additional supporting data as well as the financial data submitted on A1 to A10 during the verification process undertaken with National Treasury, the provincial treasuries and all municipalities.

Download Version 6.2 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

6.3 Assistance with the compilation of budgets

In cases where the municipality requires advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Bernard Mokgabodi Matjatji Mashoeshoe	012-315 5936 012-315 5553	Bernard.Mokgabodi@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za
Free State	Jordan Maja Cethekile Moshane	012-315 5663 012-315 5079	Jordan.Maja@treasury.gov.za Cethekile.moshane@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za

	Nomxolisi Mawulana	012-315 5460	Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi Johan Botha	012-315 5936 012-315 5171	Bernard.Mokgabodi@treasury.gov.za Johan.Botha@treasury.gov.za
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	Una.Rautenbach@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	Willem.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Northern Cape	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
North West	Sadesh Ramjathan Makgabo Mabotja	012-315 5101 012-315 5156	Sadesh.Ramjathan@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell	012-315 5661 012-315 5725	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the *m*SCOA data strings will be assessed to determine whether the municipalities are compliant.

The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to return to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations***.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The Schedule A that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. Schedules D must be submitted for each entity.

7. Budget process and submissions for the 2018/19 MTREF

7.1 Budgeting for the audited years on Schedule A (*m*SCOA)

According to international learning practices, it is appropriate to reclassify historical information in accordance with the changes that occur in the Standard Chart of Accounts. Municipalities must capture the reclassified audit outcomes for 2014/15 to 2016/17 in version 6.2 of the Schedule A when compiling 2018/19 MTREF budgets.

The amalgamated municipalities must complete the 2016/17 audited years, current year (2017/18) and the 2018/19 MTREF budgets.

7.2 Submitting budget documentation and schedules for 2018/19 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution is **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- the budget locking certificate; and
- schedules D specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za. Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za. Budget related documents and schedules may also be uploaded using the LG Upload Portal at

https://portals.treasury.gov.za/sites/LGUploadPortal/SitePages/Home.aspx

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 31 March 2018 to Yasmin.coovadia@treasury.gov.za. If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to yasmin.coovadia@gmail.com or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with Yasmin.Coovadia@treasury.gov.za. Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3rd floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

7.3 Budget reform returns to the Local Government Database for publication

Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to lgdatabase@treasury.gov.za. Although there is some mis-alignment between the *m*SCOA classification and the budget return forms, municipalities must find the best fit to represent their 2018 MTREF budget figures as the publications will still be based on the budget returns for 2018/19.

Municipalities must submit returns for both the **tabled** budget and the final **adopted** budget as this will assist the National and provincial treasuries with the annual benchmark process. The current electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

7.4 Upload of the *m*SCOA budget data strings to the LG upload portal

Municipalities must upload the *m*SCOA data strings for the tabled (**TABB**) and adopted (**ORGB**) budget to the upload portal. The budget data strings must be accompanied by the IDP project details data strings (**PRTA** and **PROR**). The deadlines for submission of the MBRR documents are also applicable to the *m*SCOA data strings. Refer to paragraph 7.2 above.

7.5 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (including the audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting transparency and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
07 March 2018

ANNEXURE AY – PROVINCIAL TREASURY REVIEW OF DRAFT BUDGET cover

GAUTENG PROVINCE
PROVINCIAL TREASURY
REPUBLIC OF SOUTH AFRICA

ANNUAL TABLED BUDGET ASSESSMENT REVIEW 2018/19

Midvaal Local Municipality -April 2018

This document provides a review of the annual tabled budget of the Midvaal Local Municipality for the 2018/19 budget year.

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ABBREVIATIONS

AG	Auditor General
BSC	Budget Steering Committee
CFO	Chief Financial Officer
CPIX	Consumer Price Index
DoRA	Division of Revenue Act,
DoRB	Division of Revenue Bill
GRAP	Generally Recognised Accounting Practice
GPT	Gauteng Provincial Treasury
IDP	Integrated Development Plan
LED	Local Economic Development
MLM	Midvaal Local Municipality
MBRR	Municipal Budgeting and Reporting Regulations
MFMA	Municipal Finance Management Act, 2003, No. 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NT	National Treasury
PPE	Property Plant and Equipment
SDBIP	Service Delivery and Budget Implementation Plan
TER	Township Economy Revitalisation
TMR	Transformation Modernisation Reindustrialisation
VAT	Value Added Tax

SECTION A: EXECUTIVE SUMMARY

This report provides an assessment of the 2018/19 tabled budget of the Midvaal Local Municipality (MLM). The Gauteng Provincial Treasury (GPT) is responsible for reviewing and commenting on the tabled budgets of all delegated municipalities, prior to its adoption by the respective municipal councils. This is done in terms of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and as part of the provincial treasury's oversight role over local government finances.

The 2018/19 budget of the municipality was assessed during the month of April 2018 and it covers three distinct areas namely, credibility, relevance and sustainability in accordance with the relevant provisions of the MFMA, the Municipal Budget and Reporting Regulations (MBRR) and the National Treasury (NT) Budget Assessment Methodology.

Credibility of the budget

This assessment area evaluated the quality of the budget preparation process, the fiscal planning framework and associated budget assumptions, and the level of budget funding. In summary;

- The budget was tabled and submitted per the applicable regulatory requirements and the submission included the top layer of the SDBIP.
- The national grant allocations reconcile with the gazetted national allocations in the Division of Revenue Act (DoRA) and the provincial allocations.
- The 2018/19 budget was assessed as credible and the budget seems to be funded in line with the requirements of sections 18 and 19 of the MFMA.

Relevance of the budget

This area assessed the level of alignment between the budget and the municipality's IDP and the extent to which national and provincial priorities and guidelines were considered. In summary;

- The budget is well aligned to the strategic objectives of the municipality as contained in the IDP, the 10 pillars and the provincial priorities.

Sustainability of the budget

This assessment area evaluated the extent to which the budget is cash funded and in summary;

- The audited outcomes of the most recent financial year and other prior years indicates stability in the financial affairs of the municipality and the new annual budget presents positive cash flow predictions over the MTREF period and an adequate liquidity position.

SECTION B: INTRODUCTION AND BACKGROUND

1. LEGISLATIVE FRAMEWORK

The strategic objective of the Provincial Treasury in respect of the annual budget assessment of municipal budgets, is derived from Section 195 of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996), which establishes the promotion of efficient, economic and effective use of resources as one of the cornerstones of public administration.

Section 16 of the MFMA further requires the mayor of a municipality to table the annual budget at Council at least 90 days before the start of the financial year. To this end, Section 23 of the MFMA requires that once the annual budget has been tabled, the municipal council must consider any views of the relevant Provincial Treasury, national organs of state and any other relevant institutions.

The municipality is thus legislatively required to consider the recommendations of the provincial treasury in terms of sub-sections 23(1)(b) and 23(2) of the MFMA prior to the approval of the 2018/19 budget by the municipal council. This report is meant to serve this purpose and provides an assessment of the 2018/19 tabled budget of the Midvaal Local Municipality.

The Gauteng Provincial Treasury (GPT) is responsible for reviewing and commenting on the tabled budgets of all delegated municipalities, prior to their adoption by the respective municipal councils. This is done in terms of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and as part of GPT's oversight role over local government finances.

2. SCOPE

The 2018/19 tabled budget assessment was conducted during the month of April 2018. It covers three distinct areas namely, credibility, relevance and sustainability of the budget in compliance with the relevant provisions of the Municipal Finance Management Act and the Municipal Budget and Reporting Regulations.

Additional general financial management criteria were however added to bolster the completeness of the budget assessment.

3. LIMITATION ON SCOPE

There were no limitations on the scope of the work done as all the schedules and supporting documents were provided by the municipality.

The following documents were reviewed:

a) The 2018/19 Tabled Budget with supporting annexures,
b) The IDP, and
c) The SDBIP.

4. APPROACH

The budget assessment includes an assessment of the budget preparation process undertaken in terms of the legislative framework and an in-depth analysis of the supporting budget schedules. The details of the criteria utilised to undertake the assessment are outlined below.

Table 1: Assessment Criteria

ASSESSMENT CRITERIA		DESCRIPTION OF ASSESSMENT CRITERIA
1	**CREDIBILITY**	
1.1	Evaluation of the budget process	(a) Political guidance and oversight
		(b) Public participation/ Community consultations
		(c) Evaluation of legal compliance of the budget
1.2	Revenue and expenditure fiscal framework	(a) Expected outcomes for current financial year
		(b) Budget assumptions
		(c) Adequacy of revenue management framework
		(d) Adequacy of expenditure management framework
		(e) Adequacy of capital budget and its funding sources
1.3	Establish the level of funding of budget	(a) Financial performance i.e. surplus/deficit
		(b) Financial position
		(c) Cash flow
		(d) Application of cash and investments
2	**RELEVANCE**	
2.1	Budget alignment to IDP	Establish the level of alignment between the revenue, expenditure and capital budgets and the IDP
2.2	Budget alignment to national programmes	Establish whether the municipality has sufficiently considered the relevant NDP and TMR priorities
2.3	Budgetary provision for funded provincial and national priorities	Establish whether the municipality's IDP/SDBIP and budget achieved adequate alignment between national, provincial and local government priorities.
3	**SUSTAINABILITY**	
3.1	Service delivery	Does the budget give effect to long-term financial and operational sustainability and proper asset management?
3.2	Free Basic Services (FBS)	Assess the FBS budget provision
3.3	Forecasting and multi-year budgeting	(a) Monthly forecasting and projections
		(b) Baseline assessment
		(c) Percentage increases in two outer year
3.4	Future sustainability and viability	Assessment of the strength of municipal cash position

SECTION C: DETAILED BUDGET ASSESSMENT

1. CREDIBILITY OF THE BUDGET

1.1 EVALUATION OF THE BUDGET PROCESS

a) Political guidance and oversight

- The mayor provided political leadership during the budget process and the municipality's budget steering committee is functional.

- The municipal council approved the 'Schedule of key budget process dates' on the 26th of August 2017 and complied with section 21 of the MFMA.

- The 2018/19 budget and IDP were tabled as per the council approved 'budget process schedule' and our review indicates that there were no major deviations from the approved budget process plan.

b) Public participation

- From the municipality's actual progress reported against the approved budget process plan, it appears that the municipality conducted adequate public participation on the annual budget.

- The executive summary to the tabled MTREF, includes a programme of the actual consultation process (refer Executive Summary: pages 44 – 48).

c) Legal compliance of the budget

- The 2018/19 MTREF was timeously tabled (on 22 March 2018) in the municipal council before 31 March 2018 and the hardcopy of the document was submitted to the provincial treasury on 26 March 2018.

- The submission to the provincial treasury was inclusive of the IDP, council resolutions, the quality certificate, all the budget related policies as well as the draft SDBIP, which is in line with the requirements of the Municipal Budgeting and Reporting Regulations.

- The municipality prepared the annual budget in the correct format and also complied with MFMA Circular No. 91 by using the correct 'mSCOA version 6.1' of the annual budget schedules.

- In terms of compliance with the mSCOA regulations, the municipality submitted the data strings to National Treasury and it was successfully uploaded but some of the audited 2016/17 figures on the 'A-schedule' are not aligned to the audited annual financial statements.

A full compliance checklist is attached as per 'Annexure A'.

d) Budget performance of previous years

The table below reflects the budget assessments for the last three financial years:

Assessment criteria	2015/16	2016/17	2017/18	2018/19
Credibility	☺	☺	☺	☺
Relevance	☺	☺	☺	☺
Sustainability	☺	☺	☺	☺

The municipality's annual budget was assessed to be credible, reliable and relevant for the past three financial years.

1.2 FINANCIAL PERFORMANCE TREND

Table 2: Financial performance trend

Description	Audited 2014/15 R thousand	Audited 2015/2016 R thousand	Audited 2016/17 R thousand
a) Operating Revenue	740 337	814 559	899 550
b) Operating Expenditure	798 611	876 001	931 383
c) Deficit/ surplus	(58 275)	(61 443)	(31 833)
d) Capital Expenditure	69 057	82 916	84 489

- The municipality presented deficit budgets for the past three years although the deficit decreased in 2016/17. The municipality must strive to reduce the deficit over MTREF period.

- Whilst total capital expenditure increased from R69 million in 2014/15 to R84 million 2016/17, the municipality managed to implement 90 percent of the total adjusted budget capital budget during the 2016/17 audited financial year.

1.3 CURRENT FINANCIAL YEAR (2017/18): FINANCIAL PERFORMANCE

a) Total Operating Revenue and Expenditure

The year to date operating performance was in line with the straight-line average projection or benchmark of about 66.7 percent.

b) Total Capital Expenditure

The overall spending was low (48.8%) at this date however, the existence of a functional 'CAPEX monitoring committee' headed by the mayor, together with the municipality's track record over the past six financial years with an average of 92.78 percent spending, indicates no risk yet.

c) Total Cash and Cash Equivalents

The municipality's cash and cash equivalents balance as at 28 February 2018 was positive at R220.8 million with no liquidity challenges reported by the municipality.

d) Creditors

The municipality reported outstanding creditors to the value R52.6 million at 28 February 2018 which was all within 30 days and thus no arrears and in line with the requirements of section 65(e) of the MFMA.

1.4 The new 2018/19 MTREF

1.4.1 Table 3: The Budget Overview

Description	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Total Operating Revenue	1 042 473	1 122 910	1 200 751
Total Operating Expenditure*	1 109 784	1 176 896	1 252 476
Total Surplus / (Deficit)	**(67 311)**	**(53 985)**	**(51 725)**
Non-Cash Items	**205 059**	**214 983**	**227 109**
- Depreciation	117 244	121 348	128 022
- Debt Impairment	87 815	93 635	99 087
Adjusted Surplus / (Deficit)	**137 748**	**160 997**	**175 384**
Total Capital Expenditure	**108 082**	**138 798**	**154 422**

Source: A-Schedule of municipality

- The municipality presented deficit budgets across the MTREF period with a deficit of R67 million in 2018/19, R54 million in 2019/20 and R51 million in 2020/21.

- The provincial treasury is aware that these deficit budgets are mainly informed by the non-cash items namely Depreciation and Debt Impairment, which if restated, presents surplus budgets across the MTREF period of more than R137 million.

1.4.2 Budget Assumptions

- The municipality provided extensive elaboration of its budget assumptions which were found to be adequate and credible although we noted that tariffs are higher than the average inflation rate.

1.4.3 The Revenue Framework

1.4.3.1 Adequacy of the revenue management framework

Table 4: Total Operating Revenue

Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/120	Budget Year +2 202/21
Revenue By Source			
Property rates	206 090	227 200	245 375
Service charges - electricity revenue	352 917	378 131	401 713
Service charges - water revenue	204 606	226 192	249 279
Service charges - sanitation revenue	41 970	39 768	36 260
Service charges - refuse revenue	42 429	43 430	43 498
Service charges - other	–	–	–
Rental of facilities and equipment	1 300	1 378	1 454
Interest earned - external investments	6 959	7 376	7 782
Interest earned - outstanding debtors	7 529	7 829	8 121
Dividends received	–	–	–
Fines, penalties and forfeits	50 342	53 362	56 297
Licences and permits	41	43	45
Agency services	–	–	–
Transfers and subsidies	119 051	128 408	140 593
Other revenue	9 239	9 793	10 332
Gains on disposal of PPE	–	–	–
Total Revenue (excluding capital transfers and contributions)	**1 042 473**	**1 122 910**	**1 200 751**

Total operating revenue of the 2018/19 financial year is projected to increase by 6.2 percent or R61 million from the 2017/18 adjustment budget. For the two outer years, operational revenue is projected to increase by 8 percent in 2019/20 and 7 percent in 2020/21.

Revenue generated from rates and services charges constitutes the bulk (81% in 2018/19) of the total operating revenue for the municipality.

The municipality indicated that tariffs could not be contained within the targeted inflation limits due to the increasing cost of providing municipal services.

(a) Property rates

The municipality will implement a new valuation roll over the MTREF period which will be valid for five years instead of the previous seven year-period. Although the new valuations indicated an average increase of about 37% in property values, the municipality have proposed an average of about 10 per cent increase in the property rates, which after provision for appeals, seems realistic although higher than the average inflation rate.

(b) Electricity revenue

The electricity tariffs of the municipality will increase with 6.84 percent and 7 percent in both the outer years which is in line with NERSA prescripts.

(c) Sanitation revenue

The budget narrative advises a 9.5 percent tariff increase in 2018/19 although the revenue from sanitation over the MTREF is decreasing. During the annual budget engagement, the municipality committed to attend to this in the final budget.

(d) Refuse Removal

The same issue can also be seen in refuse removal which shows a 0 percent increase between 2019/20 to 2020/20, and in 2018/19 is way below the proposed increase of 9.5 percent with an actual increase of 2 percent.

1.4.3.2 Analysis of impact of tariff increases on revenue projections

Table 5: Total Operating Revenue

Service	percent Tariff increase	percent revenue increase	CPIX	Diff - Tariff incr. Vs CPIX
Electricity	6,8	6,9	5,3	1,5
Water	9,5	10,3	5,3	4,2
Sanitation	9,5	12	5,3	4,2
Refuse	9,5	8,9	5,3	4,2
Property Rates	New valuation roll with new tariff	9,5	5,3	

Sustainability of year-on-year above inflation tariff increases

a) Considering, projected CPI [1]is 5.2 percent (2018/19) and 5.5 percent (in the outer years), the tariff increases exceed CPI.

b) The municipality however indicated in its budget assumption and narrative that whilst the electricity and water tariff increases are driven by the true cost and increases from Eskom and Rand Water, all other municipal tariffs are informed by the true costs of goods and services used in the service delivery process.

c) In this context, although the tariff increases are “above CPI inflation” for the 2018/19 MTREF, this is transparently explained in the budget document of the municipality on page 11.

1.4.4 Adequacy of expenditure management framework New MTREF

The Expenditure Framework

Table 6: Operating Expenditure by type

Description	2018/19 Medium Term Revenue & Expenditure Framework		
Description	**Budget Year 2018/19**	**Budget Year +1 2019/20**	**Budget Year +2 2020/21**
Expenditure by Type			
Employee related costs	289 392	306 756	325 161
Remuneration of councillors	12 275	13 012	13 792
Debt impairment	87 815	93 635	99 087
Depreciation & asset impairment	117 244	121 348	128 022
Finance charges	25 943	27 862	23 584
Bulk purchases	373 213	404 047	441 015
Other materials	13 802	14 285	15 071
Contracted services	135 148	139 079	146 743
Transfers and subsidies	287	297	313
Other expenditure	54 664	56 577	59 687
Loss on disposal of PPE	–	–	–
Total Expenditure	**1 109 784**	**1 176 896**	**1 252 476**

- According, to the municipality provision for depreciation and asset impairment is informed by the municipality's asset management policy and the rate of asset consumption. Budget appropriations for 2018/19 in this regard is R117 million which equates to 10.5 percent of the total operating expenditure. During the engagement with GPT, the municipality indicated that depreciation will not increase in 2018/19 as the asset base is not increasing.

Cost containment measures

- The municipality implemented National Treasury MFMA Circular No. 82 which specifically focuses on the items that municipalities need to cut back in trying to curb excessive expenditure on non-priority items. The municipality included the cost containment feedback report in the adopted budget providing feedback on the 2017/18 operating budget.

- The following cost containment measures amongst others are detailed in the report
  - Minimising catering for meetings only longer than 5 hours;
  - Capping entertainment budget to R2 thousand per person qualifying for entertainment expenses;
  - Private telephone calls are tracked and deducted from staff salaries; and
  - Conferences are only attended if hosted by the professional bodies of local government.

Adequacy of the capital budget and its funding sources: New MTREF

Table 7: The Total Capital Budget

Vote Description	2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	**Budget Year 2018/19**	**Budget Year +1 2019/20**	**Budget Year +2 2020/21**
Capital Expenditure - Functional			
Governance and administration	4 839	25 085	26 030
Community and public safety	8 970	9 230	7 855
Economic and environmental services	21 321	20 686	32 620
Trading services	72 952	83 797	87 917
Other	–	–	–
Total Capital Expenditure - Functional	**108 082**	**138 798**	**154 422**
Funded by:			
National Government	52 773	64 568	73 227
Provincial Government	3 750	6 000	6 200
District Municipality	–	–	–
Other transfers and grants			
Transfers recognised – capital	**56 523**	**70 568**	**79 427**
Public contributions & donations	8 150	19 820	21 530
Borrowing	31 900	33 450	39 940
Internally generated funds	11 509	14 960	13 525
Total Capital Funding	**108 082**	**138 798**	**154 422**

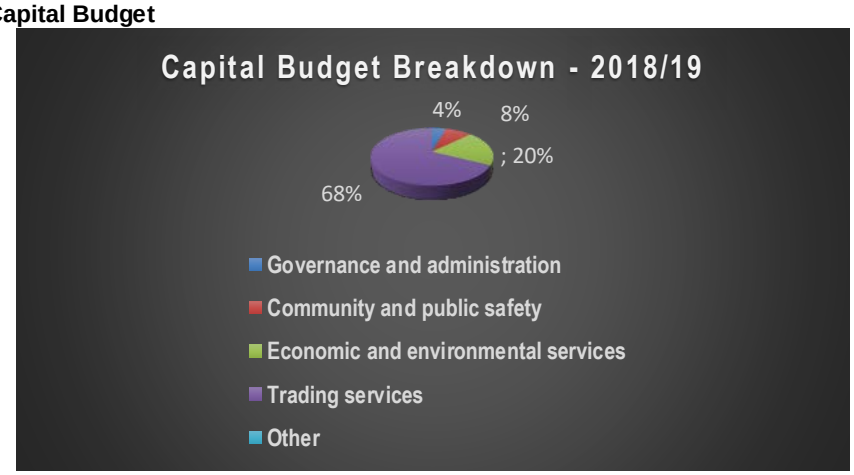
- The information provided by the municipality on Table A10 of the municipality budget appears to be unrealistic. Backlogs figures for water, electricity, sanitation and refuse remain the same from the current financial year throughout the MTREF period which makes it very difficult to track the progress or assess if the 2018/19 capital budget is addressing the backlogs.

- The provincial treasury however noted from the capital projects approved that majority of the projects are directed towards electricity and water infrastructure. It is therefore imperative for the municipality correct this figures in the budget.

- The above information needs to find expression on table A10 of the budget to inform the long-term backlog eradication strategy through the budget cycle. Furthermore, it can be said that some of the projects planned for the MTEF address some of the backlogs identified in the IDP, this information should be used in updating the backlog information.

a) Composition and Prioritisation of the Capital Budget

Graph 1: Capital Budget



- Although, the chart reflects that 68 percent or R73 million of the 2018/19 capital expenditure will be invested in the development of infrastructure or trading services infrastructure (water, electricity, sanitation and waste), it is concerning that a significant chunk thereof is only aimed for electricity.

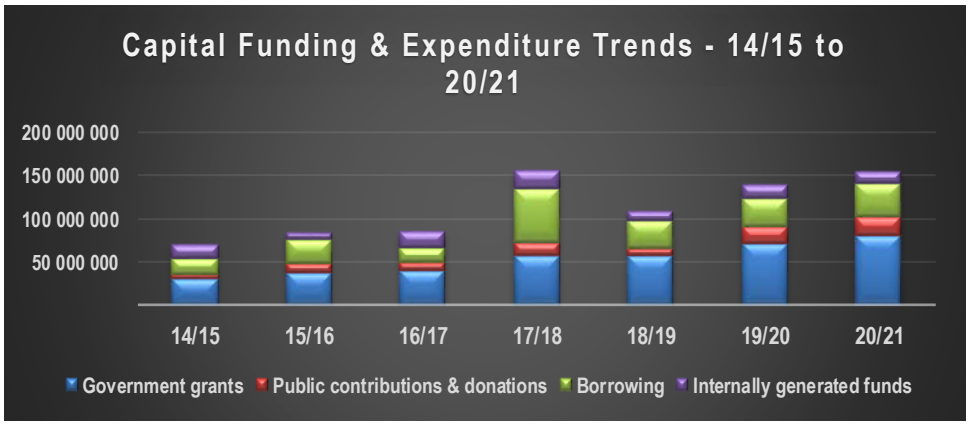
b) Reinvestment in Assets

- National Treasury MFMA Circular number 55 requires a municipality to have a Repairs and Maintenance as a percentage of PPE ratio of at least 8 percent while Midvaal ratio currently stands at 5 percent during the 2017/18 MTREF. Additionally, given the low levels of repairs and maintenance, capital renewals will need to be at least higher than the NT norm percent or invest more in capital renewals.

- The municipality has maintenance plans in place (budget narrative p. 18 - 19). The extent of asset renewal has improved as the repairs and maintenance allocations increase over the MTREF period.

c) Capital Funding Mix

Graph 2: Capital Funding Mix



- The municipality intends to fund over 52 percent of the capital budget through grants followed by 30 percent from borrowing and the remainder will be funded from developers' contributions and internally generated funding.

1. FUNDING OF THE BUDGET

Cash Flows: Table A7

- Suppliers and employees – Considering the budget numbers for households does not reflect the in-migration, this number is not reflective of for example real anticipated cost of services.

- Repayment of borrowings appears to be understated in table A7 as it appears the municipality have not accounted for the R32 million borrowing for 2018/19. The municipality indicated during the budget engagement that it is a system error and committed to correct in in the final budget. The annual budget is however found to be funded in line with the requirements of sections 18 and 19 of the MFMA.

Application of Cash and Investments

- The municipality included all the individual line items like statutory requirements and reserves which is required to be cash backed under 'Other provisions' and was requested to provide the necessary split as per the various line items on Table A8.

Table 8: Funding Compliance and Financial Health

- Budget table SA10 indicates whether the Municipality's 2018/19 MTREF is funded considering the 14 indicators of the funding measurement. This is informed by Sections 18 of the Municipal Finance Management Act (MFMA).

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures			
Cash/cash equivalents at the year end - R'000	134 296	147 251	167 427
Cash + investments at the year end less applications - R'000	14 179	15 336	28 950
Cash year end/monthly employee/supplier payments	1,7	1,8	1,9
Surplus/(Deficit) excluding depreciation offsets: R'000	(1 799)	35 291	47 329
Service charge rev % change - macro CPIX target exclusive	2,7%	1,9%	0,7%
Cash receipts % of Ratepayer & Other revenue	88,9%	89,0%	89,1%
Debt impairment expense as a % of total billable revenue	10,4%	10,2%	10,2%
Capital payments % of capital expenditure	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	5,2%	5,5%	5,5%
Long term receivables % change - incr(decr)	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	5,5%	5,7%	6,0%
Asset renewal % of capital budget	45,7%	40,3%	33,3%

The municipality was requested to reproduce Table SA10 as it contained errors eg.:

- 'Cash receipts % of Ratepayer & Other' at 88.9% is not in line with the municipality's projected debtors' payment rate of 93 percent; and

- 'Borrowing receipts % of capital expenditure' as well as 'Grants % of Govt. legislated/gazetted allocations', cannot be zero. The overall cash surplus position of the municipality is however an indication that the expenditure budget is funded.

2. RELEVANCE OF THE BUDGET

2.1 BUDGET ALIGNMENT TO IDP

- Regarding the linkage of the budget to the IDP, the municipality clearly outlined the National Outcomes on the budget tables SA4, SA5 and SA6 and the totals reconcile with main budget Table A4.

- In addition, it was also observed that the totals on table SA6 reconcile with totals on table A5 i.e. budgeted capital expenditure. The plans highlighted in the Integrated Development Plan are addressed in the budget.

2.2 BUDGET ALIGNMENT TO PROVINCIAL AND NATIONAL PRIORITIES

- Pages 165 to 203 of the municipality's 2018/19 IDP provides a high-level overview of the how the municipal strategic objectives are linked to the National KPAs, the Growth and Development Strategy and the Provincial pillars.

Table 9: Synergy of capital programme to TER and TMR

Pillar No.	Pillar Description	Allocation ('000)	Allocation ('000)	Allocation ('000)
Pillar 7	Modernisation of human settlement and urban development	85 451	103 568	124 875
Pillar 2	Accelerated social transformation	4 168	9 500	2 500
Pillar 5	Modernisation of the public service	14 182	23 414	22 197
Pillar 8	Modernisation of public transport infrastructure	4 281	2 316	4 850
		108 082	**138 798**	**154 2**

- From the table above it can be determined that the municipality will spend over R401 million over the MTREF period on the 'Provincial 10 Pillars'. The biggest contribution is observed to be from projects impacting pillar 7 'Modernisation of human settlement and urban development' with approximately R313 million.

- Regarding corridors development over the 2018/19 MTREF period, it was observed that most the municipality's capital projects are contributing towards the development of the southern corridor in respect of agriculture, green economy, creation of new industries, new economic nodes and new cities.

3. SUSTAINABILITY OF THE BUDGET

3.1 FREE BASIC SERVICES (FBS)

Table 10: Cost of Free Basic Services compared to the Equitable Share package

No.	Service	National FBS Standard	FBS Granted by municipality	Difference
1.	Electricity	50 kwh	50 kwh	0
2.	Water to Indigents	6 kl	6kl	0
	Free Water to all households	0 kl	4kl	4kl
3.	Sanitation	-	85L per week	-
4.	Refuse removal	-	169L per week	-
5.	Property Rates	R15 000	150 000	135 000

Source: PT generated

- The municipality is using a targeted approach in the provision of free basic services. The municipality during the current year provided 4kl of free water to all households which is in the process of being phased-out with only 2kl in 2019/20 and zero in 2020/21.

- The additional free basic services in respect of water will affect the financial sustainability of the municipality.

1.2 FORECASTING AND MULTI-YEAR BUDGETING

- The municipality confirmed that the projected numbers in the outer years of the MTREF are mainly inflation related adjustments to the 2018/19 financial year.

3.3 MSCOA COMPLIANCE

- The municipality complied by having used the correct budget formats and by submitting the data strings to the LG Database. The provincial treasury however during a technical session with the municipality pointed out some errors in the budget document of which some were subsequently corrected.

- In response, the municipality indicated that many of such errors are informed by the challenges experienced with systems integration as part of the implementation of the mSCOA. In this regard, it should be noted that the quality of the integration across the municipality's chosen ICT platform(s) were not assessed. As such, the credibility of the mSCOA data strings were not tested.

3.4 INSTITUTIONAL GOVERNANCE MATTERS

- Most senior management positions are filled and the municipality reported a very low average vacancy rate during the budget engagement. As a result, the provincial treasury is of the view that the municipality has the relevant capacity to implement the annual budget.

4. CONCLUSION AND RECOMMENDATIONS

4.1 CREDIBILITY

- The draft budget was tabled and submitted per the applicable regulatory requirements.

- The 2018/19 budget was assessed as credible the budget is funded in line with the requirements of sections 18 and 19 of the MFMA.

4.2 RELEVANCE

- The municipality's Tabled 2018/19 MTREF budget is based on a clear organizational strategy;

- There is satisfactory evidence that the municipality's priorities are aligned with those of the national government and the Gauteng provincial government;

- The municipality demonstrated alignment of the budget to the IDP strategic objectives, the 10 pillars and the provincial priorities and this is evident from the operating revenue, expenditure and capital budget, which reconciles to tables SA4, SA5 and SA6.

4.3 SUSTAINABILITY

- The municipality has demonstrated stability in financial management over the past number of financial years. The attainment of good results and performance are also evident from the audit outcomes.

- A positive outcome has been observed on Tables A7 and A8, the municipality further has a reasonable cash coverage of 1,7 months and 1,9 months respectively over the MTREF period, although is less than the recommended 3 months.

- Provision for repairs and maintenance assets for the municipality is however still inadequate and might affect the long-term sustainability of the municipality assets.

The municipality should take note of the findings as the municipality is legislatively required to consider the recommendations of GPT in terms of sub-sections 23(1)(b) and 23(2) of the MFMA prior to the approval of the 2018/19 budget by the municipal council.

In this regard the municipality is requested to table this assessment report with the annual budget in council during the adopting of the annual budget.

SECTION D: ANNEXURES

Annexure A: NT Compliance Checklist

GT422 Midvaal	18/19	Draft	
Main Compliance Component	**Sub Component/ Explanation**	**Ref.**	**Assessment**
Procedural compliance			
Draft MTREF Tabled 90 days prior to new financial year	Verify that the budget was tabled by 31 March	MFMA s. 16(2)	Yes
Grant Budget (SA18) is aligned to DoRA	Verify if the grant allocations reconcile to DoRA	MFMA s. 21(2)(c)	Yes
Correct version of Schedule A1	Verify electronic submission version	MBRR r. 9	Yes
Table of Contents	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 2	Yes
Annual Budget			
Mayors Report	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 3	Yes
Resolutions	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 4	Yes
Executive Summary	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 5	Yes
Annual Budget Tables A1 to A10: No Municipal Entities			
Table A1: Budget Summary	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A2: Budgeted Financial Performance (Revenue and Expenditure by standard classification)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A4: Budgeted Financial Performance (Revenue and Expenditure)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A5: Budgeted Capital Expenditure by Vote, Standard Classification & Funding Source)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A6: Budgeted Financial Position	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A7: Budgeted Cash Flow	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A8: Cash backed reserves/accumulated surplus reconciliation	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A9: Asset Management	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Table A10: Basic service delivery measurement	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3
Supporting Documentation			
Overview of Budget Process	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 10	Yes
Overview of alignment of annual budget with IDP	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 11	Yes
Measurable performance objectives and indicators	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 12	Yes
Budget Related Policies	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 15	
Tariff Policy on Property Rates	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Tariff Policy on Electricity	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Tariff Policy on Water	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Tariff Policy on Sanitation	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Tariff Policy on Refuse Removal/Solid Waste	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Municipal Property Rates Policy	As informed by the Municipal Property Rates Act	MBRR r. 7 (footnote 1)	Yes
Credit Control and Debt Collection Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Cash Management and Investment Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Borrowing Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Funding and Reserves Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Policy related to long-term financial planning	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Supply Chain Management Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Policy related to the Management and Disposal of Assets	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Policy relating to dealing with infrastructure investment and capital projects	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Indigents Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Budget Implementation and Management Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Supporting Documentation contd...			
Budget Assumptions	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 16	Yes
Overview of Budget Funding including funding compliance (Table SA10)	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 17	Yes
Expenditure on grant allocations and grant programmes	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 18	Yes
Allocations on grants made by the municipality	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 19	Yes
Councillor and board member allowances and employee benefits	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 20	Yes
Monthly targets for revenue, expenditure and cash flow	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 21	Yes
Draft Service Delivery and Budget Implementation Plans (SDBIP)	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 22	Yes
Service Delivery Agreements of Municipal Entities (if applicable)	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 25	Yes
Annual budgets of municipal entities (D Schedule)	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 25	Yes
Contracts having future budgetary implications	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 26	Yes
Capital expenditure details	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 27	Yes
Legislation Compliance Status	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 28	Yes
Quality Certificate (signed)	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 31	Yes
Supporting Tables SA1 to SA37			
SA1: Supporting Detail to Budgeted Financial Performance	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA3: Supporting detail to Budgeted Financial Position	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA4: Reconciliation of IDP, Strategic Objectives and Budget (Revenue)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA5: Reconciliation of IDP, Strategic Objectives and Budget (Operating Expenditure)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA6: Reconciliation of IDP, Strategic Objectives and Budget (Capital Expenditure)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA7: Measurable Performance Objectives	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA8: Performance Indicators and Benchmarks	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA9: Social, Economic and Demographic Statistics and Assumptions	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA10: Funding Measurement	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA11: Property Rates Summary	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA12a: Property Rates by category (current year)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA12b: Property Rates by category (budget year)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA13a: Property Rates by Category	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA13b: Property Rates by Category	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA14: Household Bills	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA15: Investment Particulars by Type	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA16: Investment Particulars by Type	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA17: Borrowing	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA18: Transfers and Grant Receipts	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA19: Expenditure on Transfers and Grant Programme	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA20: Reconciliation of Transfers, Grant Receipts and Unspent Funds	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA21: Transfers and Grants made by the Municipality	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA22: Summary Councillor and Staff Benefits	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senior managers)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA24: Summary of Personnel Numbers	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA25: Budgeted Monthly Revenue and Expenditure	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA26: Budgeted Monthly Revenue and Expenditure (Municipal Vote)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA27: Budgeted Monthly Revenue and Expenditure (Standard Classification)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA28: Budgeted Monthly Capital Expenditure (Municipal Vote)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA29: Budgeted Monthly Capital Expenditure (Standard Classification)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA30: Budgeted Monthly Cash Flow	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA32: List of External Mechanisms	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA33: Contracts having Future Budgetary Implications	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA34a: Capital Expenditure on New Assets by Asset Class	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA34b: Capital Expenditure on the Renewal of Existing Assets by Asset Class	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA34c: Repairs and Maintenance Expenditure by Asset Class	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA34d: Depreciation by Asset Class	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA35: Future Financial Implications of the Capital Budget	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA36: Detail Capital Budget	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3
SA37: Projects Delayed from Previous Financial Years	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3

Annexure B: Operating revenue and expenditure budget

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	133 498	146 376	164 775	183 107	188 107	188 107	126 661	206 090	227 200	245 375
Service charges - electricity revenue	2	243 284	273 891	313 820	332 453	330 253	330 253	218 613	352 917	378 131	401 713
Service charges - water revenue	2	139 963	142 408	163 423	166 514	185 514	185 514	126 218	204 606	226 192	249 279
Service charges - sanitation revenue	2	30 301	34 494	34 292	37 412	37 412	37 412	25 070	41 970	39 768	36 260
Service charges - refuse revenue	2	27 114	29 869	30 667	39 958	38 958	38 958	24 681	42 429	43 430	43 498
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		1 532	1 359	610	1 404	1 404	1 404	788	1 300	1 378	1 454
Interest earned - external investments		6 012	7 611	10 082	5 565	6 565	6 565	3 754	6 959	7 376	7 782
Interest earned - outstanding debtors		10 186	11 254	8 312	7 245	7 245	7 245	838	7 529	7 829	8 121
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		46 888	48 424	49 029	50 331	50 331	50 331	4 756	50 342	53 362	56 297
Licences and permits		–	–	–	38	38	38	1	41	43	45
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		75 418	84 177	92 056	108 551	105 551	105 551	75 591	119 051	128 408	140 593
Other revenue	2	26 134	34 322	32 338	9 847	29 806	29 806	32 915	9 239	9 793	10 332
Gains on disposal of PPE		5	372	145	100	100	100	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**740 337**	**814 559**	**899 550**	**942 526**	**981 285**	**981 285**	**639 887**	**1 042 473**	**1 122 910**	**1 200 751**
Expenditure By Type											
Employee related costs	2	172 598	203 225	211 113	257 504	254 327	254 327	147 296	289 392	306 756	325 161
Remuneration of councillors		9 046	9 549	10 628	11 613	11 613	11 613	7 762	12 275	13 012	13 792
Debt impairment	3	71 139	83 124	90 942	81 827	81 827	81 827	22 155	87 815	93 635	99 087
Depreciation & asset impairment	2	112 943	112 758	116 486	117 244	117 244	117 244	78 163	117 244	121 348	128 022
Finance charges		18 899	18 888	18 796	21 369	21 369	21 369	8 446	25 943	27 862	23 584
Bulk purchases	2	216 708	239 020	262 495	316 125	333 925	333 925	225 041	373 213	404 047	441 015
Other materials	8	–	–	–	13 311	13 822	13 822	6 008	13 802	14 285	15 071
Contracted services		54 106	48 945	53 023	143 437	142 471	142 471	66 735	135 148	139 079	146 743
Transfers and subsidies		469	221	142	287	21 737	21 737	275	287	297	313
Other expenditure	4, 5	141 550	159 615	167 586	49 547	55 020	55 020	25 543	54 664	56 577	59 687
Loss on disposal of PPE		1 153	657	174	100	100	100	–	–	–	–
Total Expenditure		**798 611**	**876 001**	**931 383**	**1 012 363**	**1 053 454**	**1 053 454**	**587 426**	**1 109 784**	**1 176 896**	**1 252 476**
Surplus/(Deficit)		**(58 275)**	**(61 443)**	**(31 833)**	**(69 837)**	**(72 169)**	**(72 169)**	**52 461**	**(67 311)**	**(53 985)**	**(51 725)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 027	38 704	40 148	56 727	56 927	56 927	45 477	55 511	68 106	75 965
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	6 558	6 109	12 902	3 994	14 748	14 748	9 631	10 001	21 171	23 089
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**(494)**	**(494)**	**107 569**	**(1 799)**	**35 291**	**47 329**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**(494)**	**(494)**	**107 569**	**(1 799)**	**35 291**	**47 329**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**(494)**	**(494)**	**107 569**	**(1 799)**	**35 291**	**47 329**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**(21 690)**	**(16 630)**	**21 216**	**(9 115)**	**(494)**	**(494)**	**107 569**	**(1 799)**	**35 291**	**47 329**

Annexure C: Cash flow budget

Choose name from list - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		122 740	142 270	155 689	48 401	60 753	60 753	252 972	206 090	227 200	245 375
Service charges		383 087	403 849	466 447	640 998	631 241	631 241	249 104	547 958	586 324	623 687
Other revenue		74 555	84 106	81 977	61 620	81 580	81 580	38 459	60 275	64 577	68 128
Government - operating	1	75 418	84 177	92 056	108 551	105 551	105 551	75 591	119 051	128 408	140 593
Government - capital	1	30 027	38 704	40 148	60 721	71 675	71 675	55 108	55 511	68 106	75 965
Interest		16 198	18 865	18 394	12 810	13 810	13 810	4 592	14 487	15 205	15 903
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(587 498)	(612 364)	(722 039)	(803 459)	(804 220)	(804 220)	(495 339)	(870 898)	(925 302)	(992 551)
Finance charges		(18 899)	(18 888)	(18 796)	(21 369)	(21 369)	(21 369)	(8 446)	(25 943)	(27 862)	(23 584)
Transfers and Grants	1	(25 663)	(24 697)	(142)	(287)	(21 737)	(21 737)	(275)	(287)	(297)	(313)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**69 966**	**116 022**	**113 736**	**107 986**	**117 284**	**117 284**	**171 765**	**106 245**	**136 360**	**153 203**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		2 485	785		200	200	200	-	10 001	21 171	23 089
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-			-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-			-	-	-
Payments											
Capital assets		(68 969)	(80 861)	(76 622)	(143 993)	(155 334)	(155 334)	(75 877)	(108 082)	(138 798)	(154 422)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(66 485)**	**(80 075)**	**(76 622)**	**(143 793)**	**(155 134)**	**(155 134)**	**(75 877)**	**(98 081)**	**(117 627)**	**(131 333)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(5 066)	(6 623)	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(14 365)	(4 845)	(7 023)	31 164	33 570	33 570	(6 119)	-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing					-	-	-		322	(5 778)	(1 693)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(19 432)**	**(11 467)**	**(7 023)**	**31 164**	**33 570**	**33 570**	**(6 119)**	**322**	**(5 778)**	**(1 693)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(15 951)**	**24 479**	**30 091**	**(4 642)**	**(4 281)**	**(4 281)**	**89 770**	**8 486**	**12 955**	**20 176**
Cash/cash equivalents at the year begin:	2	**91 471**	**75 520**	**100 000**	**134 966**	**130 091**	**130 091**	**130 091**	**125 810**	**134 296**	**147 251**
Cash/cash equivalents at the year end:	2	**75 520**	**100 000**	**130 091**	**130 323**	**125 810**	**125 810**	**219 860**	**134 296**	**147 251**	**167 427**

Annexure D: Application of cash and investments

Choose name from list - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	75 520	100 000	130 091	130 323	125 810	125 810	219 860	134 296	147 251	167 427
Other current investments > 90 days		0	–	9	(0)	(0)	(0)	(0)	0	0	0
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**75 520**	**100 000**	**130 100**	**130 323**	**125 810**	**125 810**	**219 860**	**134 296**	**147 251**	**167 427**
Application of cash and investments											
Unspent conditional transfers		149	24	–	–	–	–	–	–	–	–
Unspent borrowing		23 314	7 487	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(32 973)	(12 315)	(27 093)	(36 021)	(29 478)	(29 478)	(52 196)	(30 769)	(32 623)	(34 589)
Other provisions		75 007	80 012	62 720	70 925	100 378	100 378	121 048	150 886	164 539	173 067
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**65 496**	**75 208**	**35 627**	**34 904**	**70 900**	**70 900**	**68 851**	**120 117**	**131 915**	**138 477**
Surplus(shortfall)		**10 024**	**24 791**	**94 473**	**95 419**	**54 910**	**54 910**	**151 009**	**14 179**	**15 336**	**28 950**

Annexure E: Table A10 Consolidated basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		19 461	19 461	19 461	19 461	19 850	19 850	19 850	19 850	19 850
Piped water inside yard (but not in dwelling)		5 376	5 376	5 376	5 376	5 484	5 484	5 484	5 484	5 484
Using public tap (at least min.service level)	2	1 467	1 467	1 467	1 467	1 496	1 496	1 496	1 496	1 496
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		26 304	26 304	26 304	26 304	26 830	26 830	26 830	26 830	26 830
Using public tap (< min.service level)	3	2 394	2 394	2 394	2 394	2 442	2 442	2 442	2 442	2 442
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		1 266	1 266	1 266	1 266	1 291	1 291	1 291	1 291	1 291
Below Minimum Service Level sub-total		3 660	3 660	3 660	3 660	3 733	3 733	3 733	3 733	3 733
Total number of households	5	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		17 370	17 370	17 370	17 370	17 717	17 717	17 717	17 717	17 717
Flush toilet (with septic tank)		5 505	5 505	5 505	5 505	5 615	5 615	5 615	5 615	5 615
Chemical toilet		1 842	1 842	1 842	1 842	1 879	1 879	1 879	1 879	1 879
Pit toilet (ventilated)		477	477	477	477	487	487	487	487	487
Other toilet provisions (> min.service level)		3 519	3 519	3 519	3 519	3 589	3 589	3 589	3 589	3 589
Minimum Service Level and Above sub-total		28 713	28 713	28 713	28 713	29 287	29 287	29 287	29 287	29 287
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		645	645	645	645	658	658	658	658	658
No toilet provisions		606	606	606	606	618	618	618	618	618
Below Minimum Service Level sub-total		1 251	1 251	1 251	1 251	1 276	1 276	1 276	1 276	1 276
Total number of households	5	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
Energy:										
Electricity (at least min.service level)		15 906	15 906	15 906	15 906	16 224	16 224	16 224	16 224	16 224
Electricity - prepaid (min.service level)		7 500	7 500	7 500	7 500	7 650	7 650	7 650	7 650	7 650
Minimum Service Level and Above sub-total		23 406	23 406	23 406	23 406	23 874	23 874	23 874	23 874	23 874
Electricity (< min.service level)		363	363	363	363	370	370	370	370	370
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		6 195	6 195	6 195	6 195	6 319	6 319	6 319	6 319	6 319
Below Minimum Service Level sub-total		6 558	6 558	6 558	6 558	6 689	6 689	6 689	6 689	6 689
Total number of households	5	**29 964**	**29 964**	**29 964**	**29 964**	**30 563**	**30 563**	**30 563**	**30 563**	**30 563**
Refuse:										
Removed at least once a week		24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
Minimum Service Level and Above sub-total		24 594	24 594	24 594	24 594	25 086	25 086	25 086	25 086	25 086
Removed less frequently than once a week		300	303	303	303	309	309	309	309	309
Using communal refuse dump		579	579	579	579	591	591	591	591	591
Using own refuse dump		3 177	3 177	3 177	3 177	3 241	3 241	3 241	3 241	3 241
Other rubbish disposal		366	363	363	363	370	370	370	370	370
No rubbish disposal		948	948	948	948	967	967	967	967	967
Below Minimum Service Level sub-total		5 370	5 370	5 370	5 370	5 478	5 478	5 478	5 478	5 478
Total number of households	5	**29 964**	**29 964**	**29 964**	**29 964**	**30 564**	**30 564**	**30 564**	**30 564**	**30 564**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		460	1 166	3 753	16 602	16 602	16 602	18 100	20 100	10 000
Sanitation (free minimum level service)		460	1 166	3 753	4 502	4 502	4 502	6 000	8 000	10 000
Electricity/other energy (50kwh per household per month)		360	360	360	900	900	4 502	6 000	8 000	10 000
Refuse (removed at least once a week)		460	1 166	3 753	4 502	4 502	4 502	6 000	8 000	10 000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		7 100	8 134	9 286	9 959	9 959	9 959	12 187	14 887	8 147
Sanitation (free sanitation service to **indigent households**)		829	2 270	7 817	10 583	10 583	10 583	15 444	22 239	29 467
Electricity/other energy (50kwh per **indigent** household per month)		216	191	418	738	738	2 961	4 236	6 099	8 234
Refuse (removed once a week **for indigent households**)		376	1 031	3 550	4 556	4 556	4 556	6 649	9 574	12 686
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**8 522**	**11 625**	**21 071**	**25 836**	**25 836**	**28 059**	**38 516**	**52 800**	**58 534**
Highest level of free service provided per household										
Property rates (R value threshold)		150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		158	171	183	196	196	196	214	232	246
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		85	85	85	85	85	85	85	85	85
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	115 205	112 963	112 963	34 503	37 954	40 990
Water **(in excess of 6 kilolitres per indigent household per month)**		(7 100)	(8 134)	(9 286)	25 327	14 306	14 306	14 579	9 956	14 191
Sanitation **(in excess of free sanitation service to indigent households)**		(152)	(2 270)	(7 817)	1 171	(10 439)	(10 439)	0	(0)	(0)
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		(216)	(191)	(418)	173	(266)	(2 489)	(2 468)	(3 569)	(1 444)
Refuse **(in excess of one removal a week for indigent households)**		(376)	(1 031)	(3 550)	(3 038)	(3 038)	(3 038)	(2 771)	(5 386)	(8 246)
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**(7 845)**	**(11 625)**	**(21 071)**	**138 838**	**113 525**	**111 302**	**43 844**	**38 955**	**45 491**

Midvaal

Province: Gauteng

1. Financial Sustainability	Actual 2017	Forecast 2018	Budget 2019	Budget 2020	Budget 2021
Index Score	**68**	**68**	**67**	**69**	**71**
Components					
Operating performance	33	40	43	46	47
Liabilities management	82	79	79	81	83
Liquidity management	82	88	82	80	85
Budget position	61	44	52	58	58

(100 = maximum)

2. Remarks

2.1 Overall index score

Midvaal's medium-term budget for 2019 to 2021 indicates an improvement in the financial sustainability score from 68 in 2018 to 71 in 2021. This is considered a high level of sustainability that is supported by sound liquidity and liabilities management as well as an improvement in the operating performance. The challenges faced by the municipality to maintain a high level of services as well as the expansion of infrastructure, contribute to the risk profile of Midvaal. The current financial sustainability position is therefore considered to be at an optimum level.

2.2 Operating performance

Midvaal's operating performance has gradually improved over the last couple of years and is expected to further improve over the budget period. In spite of the improvement, the operating deficit is expected to be 2% of operating revenue in fiscal 2021. Contributing to the operating deficit is the staff costs that are continuing to increase. The budgeted staff costs are set to reach a high of 41,8% of operating expenses (excluding bulk purchases) in 2021. To maintain its current level of operating performance Midvaal would need to keep the increases in staff costs in balance with the revenue growth in future years. The budget indicates a steep increase in the spending on repairs and maintenance. Even though it impacts on the the operating performance, in practical terms, if sustained at this level, would prevent a deterioration in the condition of the infrastructure. To improve the operating performance, which is necessary to build reserves and fund infrastructure development, the municipality will have to look at means to accelerate revenue growth and exercise tight control over the growth in operating expenditures.

2.3 Liabilities management

Midvaal's strategy to fund its capital expenditures largely from own funds and capital grants will result in the net repayment of interest-bearing liabilities over the budget term. It is expected that outstanding borrowings will come down to R137 million by the end of fiscal 2021. This would reduce the debt burden to only 24% of operating revenue which will have a positive effect on the long-term financial risk of the municipality. The low level of borrowings creates capacity for the municipality to raise new loans should it plan to accelerate the investment in infrastructure.

2.4 Liquidity management

Midvaal's liquidity position is expected to further improve over the next three years. The improvement in the operating performance as well as good revenue collections, coupled with sound cash management are considered the factors that would contribute to the improvement in the liquidity position. The net working capital is expected to grow to R187 million in 2021 and the current ratio to be in excess of 2:1, which is more than adequate for a municipality. Maintaining the revenue collection at the planned high level as well as continued sound cash management practices will be imperative for an underpin to the sustainability of the municipality.

2.5 Budget position

Midvaal's strategy is to self-fund its capital expenditures over the next three years apart from 2019. The total capital spending for the next three years is expected to reach R400 million. Some R245 million thereof to be funded from capital grants and the remainder form internal funds. While this is a low risk strategy that is reflected in the higher score achieved, it might constrain the development of infrastructure required to expand service delivery.

Municipal Financial Stability Index by Ratings Afrika. Last reviewed: May 2018

Budget Information

Midvaal

BALANCE SHEET

Year ended 30 June (R million)	Forecast 2018	% Δ	Budget 2019	% Δ	Budget 2020	% Δ	Budget 2021
Funds and reserves	1 989.7	(0.1)	1 987.9	1.8	2 023.2	2.3	2 070.5
Long-term liabilities	169.3	(8.7)	154.5	(5.4)	146.2	(3.5)	141.1
Consumer deposits & other	16.1	5.2	16.9	5.5	17.8	5.5	18.8
Pension liabilities	54.7	5.2	57.6	5.5	60.8	5.5	64.1
	2 229.8	(0.6)	2 216.9	1.4	2 248.0	2.1	2 294.5
Fixed assets	2 026.0	(0.5)	2 016.8	0.9	2 034.3	1.3	2 060.7
Investments	46.6	-	46.6	-	46.6	-	46.6
Other non-current assets	0.0	-	0.0	-	0.0	-	0.0
Net current assets	157.2	(2.4)	153.5	8.9	167.1	12.0	187.2
Current assets	282.4	5.9	299.0	7.4	321.0	9.3	350.7
Inventory	9.8	5.2	10.3	5.5	10.9	5.5	11.5
Debtors	118.3	5.2	124.4	5.5	131.3	5.5	138.5
Bank and investments	125.8	6.7	134.3	9.6	147.3	13.7	167.4
Other	28.5	5.2	30.0	5.5	31.6	5.5	33.4
Current liabilities	125.2	16.2	145.5	5.8	153.9	6.2	163.5
Creditors and provisions	101.2	5.2	106.4	5.5	112.3	5.5	118.4
Short term liabilities	24.0	62.8	39.1	6.5	41.6	8.2	45.1
	2 229.8	(0.6)	2 216.9	1.4	2 248.0	2.1	2 294.5

INCOME STATEMENT

Revenue	1 052.9	5.2	1 108.0	9.4	1 212.2	7.2	1 299.8
Property rates	238.4	7.5	256.4	9.4	280.6	7.5	301.7
Electricity sales	330.3	6.9	352.9	7.1	378.1	6.2	401.7
Water sales	185.5	10.3	204.6	10.6	226.2	10.2	249.3
Other service charges	90.2	9.7	98.9	(0.5)	98.4	(2.8)	95.7
Other income	31.2	(66.1)	10.6	6.0	11.2	5.5	11.8
Own revenue	875.6	5.5	923.4	7.7	994.5	6.6	1 060.2
Operating grants	105.6	14.5	120.9	7.4	129.9	9.5	142.2
Operating revenue	981.2	6.4	1 044.3	7.7	1 124.4	6.9	1 202.3
Capital & conditional grants	71.7	(11.2)	63.7	38.0	87.8	11.0	97.5
Expenditure	1 053.4	5.4	1 109.8	6.0	1 176.9	6.4	1 252.5
Employee costs	265.9	13.4	301.7	6.0	319.8	6.0	339.0
Bad debt charges	81.8	7.3	87.8	6.6	93.6	5.8	99.1
Bulk purchases	333.9	11.8	373.2	8.3	404.0	9.1	441.0
Depreciation	117.2	-	117.2	3.5	121.3	5.5	128.0
Repairs & maintenance	103.1	8.3	111.7	4.9	117.2	5.8	124.0
Other expenses	129.9	(29.0)	92.2	0.9	93.0	5.1	97.8
Operating expenditure	1 032.0	5.0	1 083.8	6.0	1 149.0	6.9	1 228.9
Interest paid	21.4	21.4	25.9	7.4	27.9	(15.4)	23.6
Net income / (deficit)	(0.5)	264.0	(1.8)	(2 061.2)	35.3	34.1	47.3
				-			
				-			

CASH FLOW STATEMENT

Cash from operations	117.5	(1.1)	116.2	35.5	157.5	11.9	176.3
Cash generated by operations	132.3	2.2	135.2	31.6	178.0	7.9	192.1
Investment income	6.6	6.0	7.0	6.0	7.4	5.5	7.8
	138.9	2.4	142.2	30.4	185.4	7.8	199.9
Finance costs	(21.4)	21.4	(25.9)	7.4	(27.9)	(15.4)	(23.6)
Cash from investing activities	(155.3)	(30.4)	(108.1)	28.4	(138.8)	11.3	(154.4)
Additions to fixed assets	(155.3)	(30.4)	(108.1)	28.4	(138.8)	11.3	(154.4)
Proceeds on sale of fixed assets	-	-	-	-	-	-	-
(Increase) / decrease in investments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net cash flow	(37.9)	(121.6)	8.2	129.5	18.7	16.7	21.9
Loans raised	33.6	(96.1)	1.3	(100.0)	-	-	1.6
Loans repaid	-	-	(1.0)	484.0	(5.8)	(42.3)	(3.3)
Consumer deposits increase	-	-	-	-	-	-	-
Cash resources (increase) / decrease	4.3	(298.2)	(8.5)	52.7	(13.0)	55.7	(20.2)
Cash from financing activities	37.9	(121.6)	(8.2)	129.5	(18.7)	16.7	(21.9)

RATIO ANALYSIS

Net income / income (%)	(0.05)	(0.16)	2.91	3.64
Employee cost / revenue (%)	25.26	27.23	26.38	26.08
Repairs & maintenance / revenue (%)	9.80	10.08	9.67	9.54
Cash from operations / income (%)	11.16	10.49	13.00	13.56
Debtors collection rate (%)	95.63	95.90	95.22	94.25
Current ratio (:1)	2.26	2.06	2.09	2.15
Interest-bearing debt / Opr revenue (%)	19.70	18.54	16.71	15.48
Net cash flow / int-bearing debt (%)	(19.58)	4.22	9.97	11.75
Cash generated / interest paid (x)	6.50	5.48	6.65	8.48

- = nil / not disclosed n/c = not calculated