Extract from the minutes of the 5th Council Meeting of Midvaal Local Municipality of 2019 held on Thursday, 30 May 2019 at 13:30

PRESENT

OFFICE BEARERS:	F.W. Peters	: Speaker
	B. M. Baloyi	: Executive Mayor
	P.J. Teixira	: Member of the Mayoral Committee
	P. Hutcheson-Pretorius	: Member of the Mayoral Committee
	M.I. Motsamai	: Member of the Mayoral Committee
	H.P. Oosthuysen	: Member of the Mayoral Committee
	P.C. Pretorius	: Chief Whip

COUNCILLORS	W.F. De Agrella	B. Hlengwa	S.M.A. Janse van Rensburg
	J. Mabaso	M.M. Mahlangu	J. Mazibuko
	M.C. Kruger	S. Muirhead	M. Myburgh
	M.G.I. Ngcobo	M.M. Ndebele	M.J. Mphasawe
	T.C. Sikhosana	C.G. Pypers	P. Ramushu
	M.B. Tabo	L. Parsonson	M.S. Schoeman
	L.T.H. Visser		

ALSO IN ATTENDANCE

S. Mosidi	:	Acting Municipal Manager
N. Ameer-Van Wyk	:	Acting Deputy Municipal Manager
D. Chamboko	:	Executive Director: Development and Planning
J. Tait	:	Acting Executive Director: Finance
N. Mashele	:	Acting Executive Director: Engineering
N. Mitchell	:	Deputy Director: Speaker's Office
A. Welman	:	Assistant Director: Administration
C.M. Lombaard	:	Admin Officer: Committees

Extract from the minutes of the 5th Council Meeting of Midvaal Local Municipality of 2019 held on Thursday, 30 May 2019 at 13:30

C 2061/05/2019
SMC A/5024/05/2019

9.A.13 [FS]: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF): 2019/2020 TO 2021/2022 AS REQUIRED BY SECTION 24 OF THE MFMA

5/1/1 2019/2020 – 2021/2022

COMPETENCY: COUNCIL

RESOLVED

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 2019/2020 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 2019 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 2019 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 2019 the following budget related policies for the 2019/2020 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. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
    5.22. Unclaimed Credits Policy
    5.23. Bulk Developer Contributions Policy
    5.24. Related Party Policy
    5.25. Cell phone and Connectivity allowance Policy
    5.26. Caucus Budget 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. Driver Policy
5.36. Cost Containment Policy
5.37. Virement Policy
5.38. Indigent Screening Committee
5.39. Attending Conferences, Meetings, Training and Workshops Policy
5.40. BCX Call Logging Procedure

6. That in principle approval BE GRANTED for the taking up on external debt to the value of R21 500 000 to fund infrastructure projects as contemplated in the capital budget for the 2019/2020 financial year, subject to compliance with section 46 of the MFMA.

7. 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 R8 250 000 to fund the purchase of vehicles as contemplated in the capital budget for the 2019/2020 financial year, subject to compliance with section 46 of the MFMA.

8. 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 2019 the revised departmental organograms, as set out in Annexures AV.

9. That item 1.19 of the resolution SC 1698/09/2017 taken at the 1st Special Council Meeting held on 28 September 2017 which reads as follows: "The proceeds of the auction should be ring-fenced by the Chief Financial Officer, of the Midvaal Municipality and used for the future acquisition of strategic land parcels, and/or infrastructure development as per Mayoral Committee resolution", **be rescinded**.

MS N. AMEER-VAN WYK
ACTING DEPUTY MUNICIPAL MANAGER

Date: 31/05/2019

C 2061/05/2019
SMC A/5024/05/2019

9.A.13 [FS]: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF): 2019/2020 TO 2021/2022 AS REQUIRED BY SECTION 24 OF THE MFMA

5/1/1 2019/2020 – 2021/2022

PURPOSE

To submit the Medium Term Revenue and Expenditure Framework for the 2019/2020 to 2021/2022 financial period in terms of Section 24 of the Municipal Finance Management Act.

RECOMMENDATIONS

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 2019/2020 and the multi-year and single-year capital appropriations as set out in the following tables:

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5.18. Long Term Financial Planning Policy
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5.20. Budget Implementation and Monitoring Policy
5.21. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
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REPORT

Section 24 of the MFMA dealing with the approval of annual budgets and, inter alia, reads as follows:

1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

2) An annual budget-

a) must be approved before the start of the budget year;
b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
c) must be approved together with the adoption of resolutions as may be necessary-

i. imposing any municipal tax for the budget year;
ii. setting any municipal tariffs for the budget year;
iii. approving measurable performance objectives for revenue from each source and for each vote in the budget;

iv. approving any changes to the municipality's integrated development plan; and
v. approving any changes to the municipality's budget related policies.

3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

SECTION ONE: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

The key deadlines for the compilation of the IDP and Medium Term Revenue and Expenditure Framework (MTREF, or Budget) was submitted to Council for approval during August 2018 as required by section 21(b) of the MFMA. These key deadlines were revised by Council during February 2019.

In terms of the approved key deadlines, the administrative process in the compilation of the budget was followed and the Budget Steering Committee provided the political oversight.

The Budget Steering Committee considered the operating budget, the capital budget, the tariffs and the budget related policies and recommended that same now be forwarded to the Section 80 Committee, the Mayoral Committee as well as Council for consideration.

In terms of the legislative process, the Draft Budget was tabled to Council on 28 March 2019 and the public participation processes took place during April/May 2019.

Budget Summary

The operating revenue for 2019/2020 is budgeted at R1 240 276 148, which is an increase of 9.15% from the 2018/2019 adjusted budget.

Provision has been made to supply all households serviced by the Council with 2kl of water free of charge and not 4kl as in the 2018/2019 financial year. As from 1 July 2017, only registered indigent households (inclusive of deemed indigent households) received 6kl free water per month. All other households will receive only 2kl free basic water during 2019/2020. There will be no free basic water as from 1 July 2020.

The Revenue Budget has been compiled based on projected billing, however provision has been made for a 95.5% collection rate through the provision of funds for the impairment of debtors.

The following tariff increases are proposed:

- Electricity – 13.07% (subject to final confirmation of NERSA)
- Water – 7.9%
- Sanitation – 7%
- Refuse Collection – 7%
- Assessment Rates – 7%

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. No growth in the volume of sales have been budgeted for.

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The operating expenditure for 2019/2020 is budgeted at R1 208 824 679 (an increase of 8.34% from the 2018/2019 adjusted budget). This includes a provision for salary increases of 6.5%, increase in repairs and maintenance expenditure of 7.8%, operating cost of 0% and contracted services of 5%. Bulk purchases has been increased as follows:

Water Purchases from Rand Water – 7.9%
Electricity Purchases from Eskom – 15.63%

The capital amount proposed for 2019/2020 amounts to R135 183 831.

Accumulated Surplus	5,000,000	4%
CRR	9,678,000	7%
DAC Grant	6,874,524	5%
Developer Contributions	3,950,000	3%
External Loans	21,500,000	16%
HP	8,250,000	6%
INEP	25,158,000	19%
MIG	41,273,307	31%
Water Service Infrastructure Grant	13,500,000	10%

Midvaal mainly spends its capital expenditure on infrastructure services and for the 2019/20 financial year (73%) of the capital budget is allocated to the Engineering Services department.

External Loans to be taken up to fund the capital budget

The Capital Budget proposes the funding of infrastructure and vehicles from new external loans and HP agreements.

External debt is regulated by Section 46 of the MFMA. Section 46 mainly deals with two aspects, being the expenditure that can be funded by external loans and the process to be followed when external loans are taken up. In addition, the Debt Disclosure Regulations issued on 15 June 2007 must be complied with. In terms of the Regulations, Chapter 2, Part 1 is applicable as the intended debt is not in the form of municipal debt instruments. The Regulations have the same requirements as section 46 of the MFMA, and in addition, specifies information to be made available to prospective bidders.

Sub-sections 1 and 6 prescribe the types of expenditure that can be funded from external loans:

1. *A municipality may incur long term debt only in accordance with and subject to any applicable provisions of this Act, including section 19, and only for the purpose of:-*

    (a) *Capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution, including costs referred to in subsection (4); or*

6. *A municipality's long term debt must be consistent with its capital budget referred to in section 17(2).*

The capital budget for 2019/2020 proposes the following items to be financed from new external loans and HP agreements:

DEPARTMENT	SOURCE OF FUNDING	PROJECT DESCRIPTION	Budget F01 2019-2020
Engineering	External Loans	Replacement of pumps	1,000,000.00
Engineering	External Loans	Pumpstation refurbishment and upgrade -	1,000,000.00
Engineering	External Loans	Rebuilding of roads	2,000,000.00
Engineering	External Loans	Road resurfacing	2,000,000.00
Engineering	External Loans	Construction of gravel roads	2,000,000.00
Engineering	External Loans	Gravel to tar (External loans) NEW	3,000,000.00
Engineering	External Loans	Pre-paid water meter project	4,500,000.00
Engineering	External Loans	Replacement-prepaid&conventional water m	1,000,000.00
Engineering	External Loans	Replace Meters for TID compliance	1,000,000.00
Engineering	External Loans	Replace redundant switchgear	1,000,000.00
Engineering	External Loans	Sicelo reticulation network (erf 204)	500,000.00
Engineering	External Loans	Sicelo reticulation network (erf 78)	500,000.00
Engineering	External Loans	Landfill Cell Development (Expansion)	2,000,000.00

DEPARTMENT	SOURCE OF FUNDING	PROJECT DESCRIPTION	Budget F01 2019-2020
Council	HP	New vehicle for Speaker	400,000.00
Development and Planning	HP	New Vehicle - LDV - Law Enforcement	250,000.00
Community Services	HP	Vehicle replacements	500,000.00
Community Services	HP	Double Cab Tipper Truck (replacement)	700,000.00
Community Services	HP	Tractors (replacements)	550,000.00
Community Services	HP	LDV's (replacements)	400,000.00
Engineering	HP	Double cab truck (replacement)	700,000.00
Engineering	HP	TLB	1,300,000.00
Engineering	HP	Half ton LDV (metering)	200,000.00
Engineering	HP	2 x 1 ton LDV	500,000.00
Community Services	HP	LDV	350,000.00
Community Services	HP	Skip bin loader with trailer	2,400,000.00

The proposed items are thus compliant with the MFMA.

Sub-sections 2 and 3 deal with the process to be followed:

2. *A municipality may incur long-term debt only if –*

   (a) a resolution of the municipal council, signed by the Mayor has approved the debt agreement; and
   (b) the accounting officer has signed the agreement or other document which creates or acknowledges the debt

3. *A municipality may incur long-term debt only if the accounting officer of the municipality –*

   (a) has, in accordance with section 21A of the Municipal Systems Act

      (i) at least 21 days prior to the meeting of 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

(ii) 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;

(b) has submitted a copy of the information statement to the Municipal Council at least 21 days prior to the meeting of the council, together with particulars of -

(i) the essential repayment terms, including the anticipated debt repayment schedule; and
(ii) the anticipated total cost in connection with such debt over the repayment period.

This item seeks only principle approval for the loan and not final approval of the debt agreement. Bids will be advertised during June / July 2019 where after an information statement will be prepared and advertised for comments in the local media as required by the MFMA. The debt agreement with the essential repayment terms will be submitted to Council for final approval during September / October 2019.

Summary of comments received during the public consultation process:

The draft 2019/2020 MTREF was tabled before Council in March 2019 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.

The following meetings were held as part of the community consultation process in April 2019:

Date of Meeting	Wards and Venue of Meeting
3 April 2019	Ward 1 - Farmers
4 April 2019	Business Sector – Town Hall Radio Interview – Lekoa-FM
6 April 2019	Workshop with all Councillors – Speakers Boardroom
9 April 2019	Ward 6 – Lakeside Community Hall
10 April 2019	Developers – Town Hall CPF and Neighbourhood Watch – Fire Station Penvalley Community
11 April 2019	Ward 8, 9, 10, 14 and 15 – Town Hall Youth and Township Business –Town Hall
12 April 2019	Youth Forum – Town Hall
13 April 2019	Ward Committee Finance Portfolio – Finance Boardroom Emerging Farmers – Walkerville Showgrounds
15 April 2019	Radio interviews – VCR-FM and Lekoa-FM
16 April 2019	Ward 4,5,7,11 and 12 – Walkerville Showgrouds

Date of Meeting	Wards and Venue of Meeting
17 April 2019	Rural community – Ward 1,2,3,4 and 13 - Jakkalsdraai
18 April 2019	Radio interview – VUT
23 April 2019	Radio interview – VCR-FM
15 May 2019	Radio interview – Thetha-FM

The table below reflects a summary of the questions and comments from the above meetings:

Question / Comment	Response
Ward 8,9,10 14 and 15 - 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 will continue in the 2019/2020 financial year.
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 94).
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 7.9% and the municipality is only also increasing its tariffs by 7.9% Electricity – Eskom's tariff increase is 15.63% and the municipality is only increasing its tariffs by 13.07%
Why can't the municipality decrease all the tariffs?	Decreasing the tariffs will hamper service delivery due to the increases of fuel and salaries. Electricity and Water increases are set by parastatals.
Ward 6 – Lakeside Accounts are high after installing new meters	Actual consumption now only reflects on the accounts – Item will go to Council for Indigent household write-off. The consumers will then be responsible for their consumption used.
What criteria was used to determine the valuations which increased significantly?	Market Sales from 2010 onwards were used. The Appeal Board process will be dealt with as per the requirements of the Municipal Property Rates Act.
Ward 12 – What happened to categorisation of properties?	The Provincial Appeal Board Tribunal has not convened yet.
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

Question / Comment	Response
	for that house.
Thetha-FM: Why is there no electricity in the RDP section?	The municipality is receiving a grant from INEP to be used for electricity infrastructure.
The municipality is commended for the indigent income threshold increase to R4500	Thank you for the positive comment.
Reasonable fraction of the revenue from Ohenrimuri must be reinvested towards the development of the proposed Ohenrimuri Library	Council will consider it during the next budget process.

Provincial Treasury review of the Draft Budget

The Provincial Treasury reviewed the draft budget and concluded that the budget is credible, relevant and sustainable. The full analysis of the Provincial Treasury is attached as an annexure to this document.

The following attachments are provided for this section:

Annexure A1 National Treasury Format Budget Document
Annexure B1 Capital Budget Summary
Annexure B2 Capital Budget Project List
Annexure C Budget per mSCOA Segments

SECTION TWO: TARIFF SCHEDULES

Proposed tariff increases are as follows:

- Electricity – 13.07% (subject to final confirmation of NERSA)
- Water – 7.9%
- Sanitation – 7%
- Refuse Collection – 7%
- Assessment Rates –7%

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 following attachments are provided for this section:

Annexure D Tariff Schedule for 2019/2020

SECTION THREE: BUDGET RELATED POLICIES

The Budget Related Policies have been reviewed as part of the compilation of the Medium Term Revenue and Expenditure Framework for the 2019/2020 – 2021/2022 period.

The following changes to the budget related policies are proposed:

Schedule of Changes to policies	2018/19	2019/20
Policy	**Change Yes/No**	**Change Yes/No**
Annexure E Tariff By-Law	No changes	No changes
Annexure F Tariff Policy	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).	No changes
Annexure G Property Rates By-Law	No changes	No changes
Annexure H Property Rates Policy	New Policy for the implementation of the 2018/2023 Valuation Roll	9.3.7 The final R150 000 of the residential reduction was changed to the first R150 000 reduction. 20. Remuneration of VAB Members was removed from the policy. Budget Table included as per Cogta requirements.
Annexure I Credit Control and Debt Collection By-Law	No changes	No changes
Annexure J Credit Control and Debt Collection Policy	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	Added to 5.3 Failure to apply for consumer service agreement will result in services being discontinued.

	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 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.	Clause 7.1 (a)(ii) was removed from the policy (not registered indigent). Clause 7.2 (iii) Installation of a pre-paid electricity ***and or water*** **(added)** meter….
Annexure K Cash Management Policy	No changes	No changes
Annexure L Investment Policy	No Changes	No changes
Annexure M Borrowing Policy	No Changes	Cosmetic changes to numbering, Added ratios and finance leases as per GPT comments.

Annexure N Funding and Reserves Policy	No Changes	Terminology updated to be GRAP compliant. References to debt securities removed. References to MFMA Circulars updated. Clause 10.3.7 was changed to Property rates, exemptions and reductions are budgeted in compliance with mSCOA classification instead of referring to MFMA circulars. Clause 10.3.12 was changed to rebates, exemptions or reduction for services charges are budgeted for annually instead of referring to MFMA circulars. Other minor cosmetic changes.
Annexure O Municipal Supply Chain Management Policy and Procedures	Changes as per comments received from Gauteng Provincial Treasury and SCM consultants.	Corrected designations for delegations of authority, included reporting requirements as per the Municipal SCM Framework as issued by GPT
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	Definition of indigent changed to:	10.3.8 added: (application based deemed indigents).

Indigents Policy	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. 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.	11.1 added: All outstanding balances (including handovers) as at date of approval will be written off *as contemplated in clause 10.1.8 above.* The threshold to increase in 19/20 to R4 500, and 20/21 to R5 000 and 21/22 to R5 500.
Annexure S Policy related to the provision of free basic electricity	No changes	No changes
Annexure T	Scope was changed to eliminate the provision for Agricultural stands.	Free Basic Water for non-indigent households reduced to 2kl per household per month

Policy related to the provision of free basic water	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	Long Term Financial Plan updated by INCA Portfolio Managers (Annexure A to the LTFP). Other cosmetic changes.
Annexure W Disposal of assets Policy	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.	No changes
Annexure X Budget Implementation and Monitoring Policy	All references to virements removed from the policy. A new, stand-alone virement policy has been developed.	Added: 6.6 – Internal consumption of municipal services are costed to the user departments according to actual consumption / service level at the approved tariffs in terms of mSCOA costing segment.
Annexure Y Unauthorised, Irregular, Fruitless	No Changes	No changes

and Wasteful Expenditure Policy		
Annexure Z Allocation of unclaimed credits policy	New Policy	New Policy
Annexure AA Bulk Developer Contributions Policy	No changes	No changes
Annexure AB Related Party Policy	No changes	No changes
Annexure AC Cell phone and connectivity allowance Policy	No changes	Changes were made to the heading of the policy which now states – Cell phone and connectivity allowance policy and 3G removed. Allowances have been updated and connectivity allowance are provided instead of 3G cards. Cell phone allowance is inclusive of connectivity allowance.
Annexure AD Caucus Budget Policy	No changes	Catering for caucus meetings – paragraph was changed to say that catering will be allowed for the monthly meetings at an amount as indicated in the annual budgetary provision as per paragraph 6 of this policy for planning purposes. Catering expenditure may vary from month to month as long as it remains within budget for the year. Added that virements will be allowed between lines but that the total caucus budget can't be increased.

Annexure AE Billing Policy	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.	No Changes
Annexure AF Electricity By-laws	No changes	No changes
Annexure AG Water By-laws	No changes	No changes
Annexure AH SCM Turnaround time policy	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	No changes

	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	No changes	No changes
Annexure AK Municipal Supply Chain Policy for Infrastructure Procurement And Delivery Management	Changes as per comments received from Gauteng Provincial Treasury and SCM consultants. (Pre-qualifying Preferential Procurement included policy incorporated into SCM Policy)	Cosmetic changes to terminology only.
Annexure AL SCM Contract Management Policy	No changes	No changes
Annexure AM Driver Policy	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.	The following sections were added to the policy: 1. What employees must do if there is an accident in a municipal vehicle and what information to obtain for reporting of the accident. 2. Reporting the accident (other than to the police) 3. Completion of accident report forms 4. Accident repairs 5. Towing of Municipal Vehicles 6. Motor Claims Procedures

	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 – in line with National Treasury Regulations on Cost Containment.	No changes
Annexure AO Virement Policy	New Policy in compliance with MFMA Regulations on Municipal Standard Chart of Accounts.	The virement policy has been updated to allow greater flexibility to ensure service delivery. Virements across mSCOA segments as well as across votes will be allowed in terms of the revised policy.
Annexure AP Indigent Screening Policy	New Policy	No changes
Annexure AQ Attending Conferences, Meetings, Training and Workshops Policy	New Policy	No changes
Annexure AR BCX Call Logging Procedure	New Standard Operating Procedure	New Standard Operating Procedure

Overview of budget assumptions

The following attachments are provided for this section:

The abovementioned policies are attached as follows:

Annexure E Tariff By-Law
Annexure F Tariff Policy
Annexure G Property Rates By-Law
Annexure H Property Rates Policy
Annexure I Credit Control and Debt Collection By-Law
Annexure J Credit Control and Debt Collection Policy
Annexure K Cash Management Policy
Annexure L Investment Policy
Annexure M Borrowing Policy
Annexure N Budget Funding and Reserves Policy
Annexure O Municipal Supply Chain Management Policy and Procedures
Annexure P Asset Management Policy
Annexure Q Policy on the Planning and Approval of Capital Projects
Annexure R Indigents Policy
Annexure S Policy related to the provision of free basic electricity
Annexure T Policy related to the provision of free basic water
Annexure U Policy on the Acceptance of Grants, Donations, Sponsorships and Gifts
Annexure V Long Term Financial Planning Policy
Annexure W Disposal of Assets Policy
Annexure X Budget Implementation and Monitoring Policy
Annexure Y Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
Annexure Z Unclaimed Credits Policy
Annexure AA Bulk Developer Contributions Policy
Annexure AB Related Party Policy
Annexure AC Cell phone and connectivity allowance Policy
Annexure AD Caucus Budget Policy
Annexure AE Billing Policy
Annexure AF Electricity By-laws
Annexure AG Water By-laws
Annexure AH Supply Chain Management Process Turn-around Time Policy
Annexure AI EFT Policy
Annexure AJ Bad Debt Provision Policy
Annexure AK Supply Chain Management Policy for Infrastructure Procurement and delivery management
Annexure AL Contract Management Policy
Annexure AM Driver Policy
Annexure AN Cost Containment Policy
Annexure AO Virement Policy
Annexure AP Indigent Screening Committee
Annexure AQ Attending Conferences, Meetings, Training and Workshops Policy
Annexure AR BCX Call Logging Procedure

It must be noted that all Personnel Policies were also reviewed and will be submitted to Council as separate items where required.

As part of this budget submission, the special application based rebates as envisaged in the Property Rates Policy must also be dealt with. Council has already approved developments that are providing the catalytic developments to further the Municipality's Local Economic Development Goals and rebates have already been approved as part of the SLA's. These rebates must be re-affirmed in this item to ensure full alignment with the revised property rates policy.

SECTION FOUR: DRAFT SDBIP

The MFMA requires the Accounting Officer to submit a Draft Service Delivery Budget Implementation Plan (SDBIP) to the Executive Mayor within 14 days after the approval of the budget (MFMA section 69). The draft SDBIP has been prepared with the budget this year and is submitted with the Budget to final approval.

The following attachment is provided for this section:

The SDBIP will be distributed under separate cover (Annexure AT)

SECTION FIVE: TABLED PROCUREMENT PLAN

The Tabled Procurement Plan is attached as Annexure AU.

SECTION SIX: TABLED ORGANISATIONAL STRUCTURES FOR 2019/2020

The Tabled Organisational Structures will be circulated under separate cover as Annexure AV.

SECTION SEVEN: ADDITIONAL INFORMATION

This section deals with other information that are submitted to Council for additional information as part of the annual budget documentation.

Annexure AW Midvaal Service Charter 2017
Annexure AX NT Tabled MFMA Cost Containment Tabled Regulations
Annexure AY Midvaal Cost Containment Progress Report (2018/2019 financial year)
Annexure AZ MFMA Budget Circular No 93 dated 7 December 2018
Annexure AAA MFMA Budget Circular No 94 dated 8 March 2019
Annexure AAB Provincial Treasury review of Draft Budget

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 21 MAY 2019

Resolved to Recommen

That the Item be referred to the Joint Section 80 Finance and Development and Planning.

COMMENTS: JOINT SECTION 80 FINANCE AND DEVELOPMENT AND PLANNING PORTFOLIO COMMITTEE: 21 MAY 2019

The recommendations are supported.

TABLED MAY 2019

Medium Term Revenue & Expenditure Framework
2019/2020 – 2021/2022

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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 30 May 2019 - speech to be circulated under separate cover at the Council meeting.

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 2019/20 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 2019 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 2019 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 2019 the following budget related policies for the 2019/2020 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. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
    5.22. Unclaimed Credits Policy
    5.23. Bulk Developer Contributions Policy
    5.24. Related Party Policy
    5.25. Cell phone and Connectivity allowance Policy
    5.26. Caucus Budget 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. Driver Policy
    5.36. Cost Containment Policy
    5.37. Virement Policy
    5.38. Indigent Screening Committee
    5.39. Attending Conferences, Meetings, Training and Workshops Policy
    5.40. BCX Call Logging Procedure

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. Cosmopolitan Projects Johannesburg (Pty) Ltd (in terms of section 9.4 of the Property Rates Policy) – expiring 30 June 2020
6.3. Klipriver Business Park Development (in terms of section 9.4 of the Property Rates Policy)
6.4. 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 500 000 to fund infrastructure projects as contemplated in the capital budget for the 2019/2020 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 R8 250 000 to fund the purchase of vehicles as contemplated in the capital budget for the 2019/2020 financial year, subject to compliance with sections 46 and 48 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 2019 the revised departmental organograms, as set out in Annexures AV.

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	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation

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

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 are reviewed on an annual basis as part of the planning and budgeting process. Where appropriate, funds are 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. 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 has been adopted 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 500 per household per month (increased from R4 000 per household per month). This threshold will be increased to 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 registerd business with an income that exceeds R4 500 per month, the indigent status will be cancelled.
- Application process – any household with a combined income of less than R4 500 per household per month can apply as indigent, and if approved, will be included in the indigent register
- The Indigent Policy also allows 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 Circular No. 93 was used to guide the compilation of the 2019/20 MTREF.

The main challenges experienced during the compilation of the 2019/20 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 years;
- 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 2019/20 MTREF:

- Revised IDP;
- The 2018/19 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 2019/20 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 2019/20 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2019/20 – 2021/2022 MTREF

Key Financial Ratios	2019/2020	2020/2021	2021/2022
Financial Overview			
Total Operating Revenue	1,240,276,148	1,318,890,507	1,403,624,276
Total Operating Expenditure	1,208,824,679	1,279,042,828	1,354,095,062
Total Capital Expenditure	135,183,831	139,098,828	150,844,696
Total Expenditure	1,344,008,510	1,418,141,656	1,504,939,759
Number of Staff Members (funded positions)	897	897	897
Employee Cost	319,874,745	339,027,354	359,329,090
Employee Cost as a % of Opex	26%	27%	27%

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 2019/2020 is budgeted at R1 240 276 148, which is an increase of 9.15% from the 2018/2019 adjusted budget.

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

- Electricity – 13.07% (subject to final confirmation of NERSA)
- Water – 7.9%
- Sanitation – 7%
- Refuse Collection – 7%

- Assessment Rates – 7%

The water and electricity 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 2kl of water free of charge and not 4kl as in the 2018/2019 financial year. The municipality embarked on a phasing out of free basic water as from 1 July 2017. Since then, only registered indigent households (inclusive of deemed indigent households) continued to receive 6kl free water per month and all other households will receive only 2kl of free basic water per month during the 2019/20 financial year. There will be 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 95.5% collection rate through the provision of funds for the impairment of debtors.

The operating expenditure for 2019/2020 is budgeted at R1 208 824 679 (an increase of 8.34% from the 2018/2019 adjusted budget). This includes a provision for salary increases of 6.5%, increase in repairs and maintenance expenditure of 7.8%, operating cost of 0% and contracted services of 5%. Bulk purchases has been increased as follows:

Water Purchases from Randwater – 7.9%
Electricity Purchases from Eskom – 15.63%

The capital amount proposed for 2019/20 amounts to R135 183 831.

The capital budget will be funded as follows:

Accumulated Surplus	5,000,000	4%
CRR	9,678,000	7%
DAC Grant	6,874,524	5%
Developer Contributions	3,950,000	3%
External Loans	21,500,000	16%
HP	8,250,000	6%
INEP	25,158,000	19%
MIG	41,273,307	31%
Water Service Infrastructure Grant	13,500,000	10%

Midvaal mainly spends its capital expenditure on infrastructure services and for the 2019/20 financial year (73%) 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 95 – 96% 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 2019/20 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent											
Revenue By Source											
Property rates	2	146,376	166,908	194,658	206,625	205,908	205,908	175,356	222,422	244,664	261,790
Service charges - electricity revenue	2	273,891	326,203	326,502	353,704	349,198	349,198	298,943	394,642	432,341	454,864
Service charges - water revenue	2	142,408	164,490	183,111	205,140	198,013	198,013	193,022	214,304	232,516	249,069
Service charges - sanitation revenue	2	34,494	34,292	38,450	42,429	41,474	41,474	37,453	44,378	48,815	53,697
Service charges - refuse revenue	2	29,869	31,790	36,023	41,970	38,362	38,362	33,423	41,047	45,152	49,667
Rental of facilities and equipment		1,359	610	1,345	1,300	1,300	1,300	1,042	1,378	1,461	1,541
Interest earned - external investments		7,611	10,377	14,725	6,959	12,959	12,959	4,454	13,736	14,561	15,361
Interest earned - outstanding debtors		11,254	8,312	9,181	7,529	7,529	7,529	10,220	7,829	8,148	8,457
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		48,424	49,049	34,362	50,342	50,342	50,342	1,323	50,353	53,374	56,309
Licences and permits		–	20	1	41	41	41	–	43	46	48
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		84,177	92,056	105,174	119,802	131,735	131,735	111,104	149,443	140,927	154,741
Other revenue	2	34,322	16,083	28,805	9,239	9,383	9,383	6,622	9,946	10,543	11,123
Gains on disposal of PPE		372	145	279	–	–	–	(104)	–	–	–
Total Revenue (excluding capital transfers and contributions)		**814,559**	**900,334**	**972,616**	**1,045,079**	**1,046,243**	**1,046,243**	**872,858**	**1,149,520**	**1,232,547**	**1,316,668**

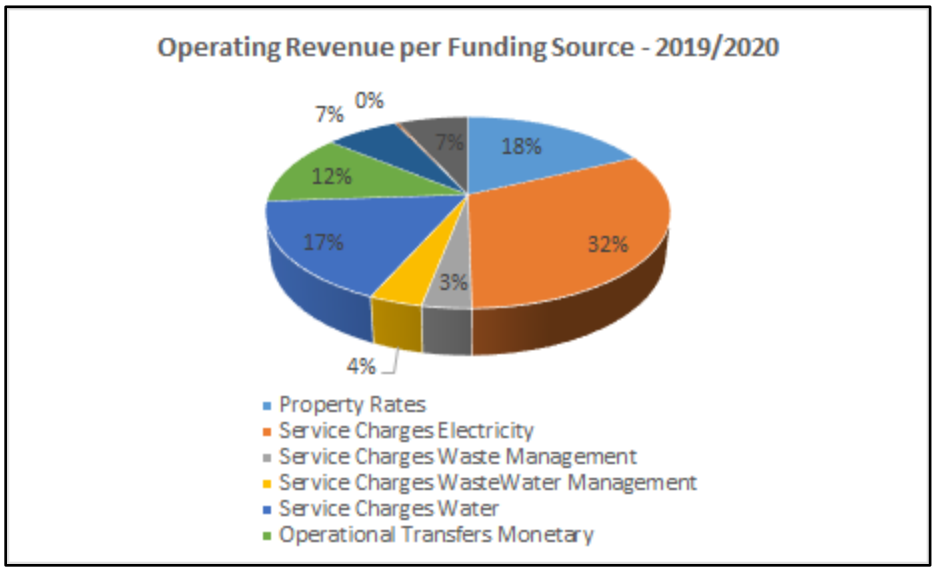

Figure 1: Operating Revenue Distribution for the 2019/20 Financial Year

Table 3 Percentage growth in revenue by main revenue source

Description	Ref				2019/20 Medium Term Revenue & Expenditure Framework					
R thousand		Original Budget	Adjusted Budget	%	Budget Year 2019/20	%	Budget Year 2020/21	%	Budget Year 2021/22	%
Revenue By Source										
Property rates		206,625	205,908	1.00%	222,422	1.08%	244,664	1.10%	261,790	1.07%
Service charges - electricity revenue		353,704	349,198	0.99%	394,642	1.13%	432,341	1.10%	454,864	1.05%
Service charges - water revenue		205,140	198,013	0.97%	214,304	1.08%	232,516	1.08%	249,069	1.07%
Service charges - sanitation revenue		42,429	41,474	0.98%	44,378	1.07%	48,815	1.10%	53,697	1.10%
Service charges - refuse revenue		41,970	38,362	0.91%	41,047	1.07%	45,152	1.10%	49,667	1.10%
Service charges - other				0.00%		0.00%		0.00%		0.00%
Rental of facilities and equipment		1,300	1,300	1.00%	1,378	1.06%	1,461	1.06%	1,541	1.05%
Interest earned - external investments		6,959	12,959	1.86%	13,736	1.06%	14,561	1.06%	15,361	1.05%
Interest earned - outstanding debtors		7,529	7,529	1.00%	7,829	1.04%	8,148	1.04%	8,457	1.04%
Dividends received		–	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Fines, penalties and forfeits		50,342	50,342	1.00%	50,353	1.00%	53,374	1.06%	56,309	1.05%
Licences and permits		41	41	1.00%	43	1.06%	46	1.06%	48	1.05%
Agency services		–	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Transfers and subsidies		119,802	131,735	1.10%	149,443	1.13%	140,927	0.94%	154,741	1.10%
Other revenue		9,239	9,383	1.02%	9,946	1.06%	10,543	1.06%	11,123	1.06%
Gains on disposal of PPE		–	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Total Revenue (excluding capital transfers and contributions)		**1,045,079**	**1,046,243**	**1.00%**	**1,149,520**	**1.10%**	**1,232,547**	**1.07%**	**1,316,668**	**1.07%**

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 73.91% 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 R149.4 million in the 2019/20 financial year and increases to R154.7 million by 2021/22. 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	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent										
Operating Transfers and Grants										
National Government:		**73,248**	**80,455**	**90,385**	**101,351**	**101,351**	**101,351**	**113,174**	**123,016**	**135,978**
Local Government Equitable Share		68,291	76,401	86,316	97,192	97,192	97,192	107,047	118,363	131,229
Integrated National Electrification Programme		930	–	–	–	–	–	–	–	–
Finance Management		1,450	1,475	1,550	1,550	1,550	1,550	1,550	1,550	1,550
EPWP Incentive		1,327	1,279	1,119	1,181	1,181	1,181	1,564	–	–
		–	–	–	–	–	–	1,500	1,500	1,500
		–	–	–	–	–	–	–	–	–
		1,250	1,300	1,400	1,428	1,428	1,428	1,513	1,603	1,699
Provincial Government:		8,536	9,143	10,181	13,115	13,165	13,165	16,605	14,829	15,681
Health subsidy		**4,196**	**4,101**	**3,916**	**6,365**	**6,365**	**6,365**	**6,605**	**6,949**	**7,336**
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
DAC		4,340	5,042	6,265	6,750	6,800	6,800	10,000	7,880	8,345
District Municipality:		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
		–	–	–	–	–	–	–	–	–
Environ Health & Safety Grant		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Other grant providers:		–	–	1,939	1,851	14,138	14,138	16,583	–	–
		–	–	–	–	–	–	–	–	–
Developers Contribution		–	–	1,939	1,851	14,138	14,138	16,583	–	–
Total Operating Transfers and Grants	5	84,177	92,056	105,174	119,802	131,735	131,735	149,443	140,927	154,741

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

Budget Assumptions	Year 1	Year 2	Year 3
	2019/2020	2020/2021	2021/2022
Projected Growth	0.0%	0.0%	0.0%
Property Rates Increase	7.0%	10.0%	7.0%
Refuse Removal Increase	7.0%	10.0%	10.0%
Sanitation Increase	7.0%	7.0%	7.0%
NERSA Increase	15.63%	8.10%	5.20%
Electricity Sales Increase	13.07%	8.1%	5.2%
Rand Water Increase	7.9%	8.5%	8.2%
Water Sales Increase	7.9%	8.5%	7.1%

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, had to be implemented within 7 years of promulgation, in other words, the municipality had to implement the revised categories before June 2022. The municipality has compiled a new valuation roll which was effective as from 1 July 2018. This valuation roll will be valid until 30 June 2023 and is fully compliant with the revised categories as per Section 8 of the Act.

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 R750 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 (i.e maximum of R1 150 000 after the first R150 000 residential reduction has been applied).
- 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 as contained in the valuation roll, agricultural holdings / farms) where the usage is indicated as a residential dwelling, 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).
- 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 (i.e. maximum of R350 000 after the first 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.

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 7.9% from 1 July 2019. A tariff increase of 7.9% for MLM customers as from 1 July 2019 for water is proposed.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has approved a 15.63% increase in the Eskom bulk electricity tariff to municipalities. The increase has been included in the budget and will be effective from 1 July 2019.

Electricity tariffs will increase by 13.07%. 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 7% for sanitation from 1 July 2019 is proposed. The main cost drivers for the sanitation service are staff, chemicals and pumps. 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 7% increase in the waste removal tariff is proposed from 1 July 2019.

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

Projected Residential Tariffs	2019/2020	2020/2021	2021/2022
Property rates	0.008239	0.0090629	0.009697303
Residential Reduction	150000	150000	150000
Electricity			
Fixed Charge	0	0	0
Electricity - (block 1: 0 - 50 kwh)	1.1103	1.2002	1.2627
Electricity - (block 2: 51 - 350 kwh)	1.3953	1.5083	1.5867
Electricity - (block 3: 351 - 600 kwh)	2.1161	2.2875	2.4065
Electricity - (block 4: > 600 kwh)	2.4631	2.6626	2.8010
Cost Price per kwh	1.3604	1.4706	1.5471
Water			
0-6 indigent households	0	0	0
7-12 indigent households	28.52	30.94	33.48
0-2 non indigent households (to be phased c	0.00	0.00	0.00
3-12 non indigent households	28.52	30.94	33.48
13 - 20kl	31.43	34.10	36.90
21 - 30kl	35.52	38.53	41.69
31 - 45kl	37.70	40.91	44.26
>45kl	39.16	42.48	45.97
Vaalmarina			
Water - 0 - 30kl	22.83	24.77	26.80
Water - 31kl+	30.99	33.62	36.38
Cost Price per kl	10.090632	10.948335	11.846099
Sewerage			
Residential	229.51	245.58	262.77
Refuse Removal			
Residential	197.61	217.37	239.11
Low Cost Housing	98.81	108.69	119.56

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	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent								% incr.			
Monthly Account for Household - 'Middle	1										
Rates and services charges:											
Property rates		428.97	459.00	504.88	352.92	352.92	352.92	7.0%	377.62	415.38	444.46
Electricity: Basic levy		107.27	57.67	–	–	–	–	–	–	–	–
Electricity: Consumption		1,447.11	1,616.42	1,645.94	1,758.52	1,758.52	1,758.52	13.1%	1,988.36	2,149.42	2,261.19
Water: Basic levy		47.86	26.78	–	–	–	–	–	–	–	–
Water: Consumption		458.70	582.71	706.50	773.61	773.61	773.61	7.9%	891.84	967.65	1,046.99
Sanitation		171.10	183.08	195.89	214.50	214.50	214.50	7.0%	229.51	245.58	262.77
Refuse removal		147.31	157.62	168.66	184.68	184.68	184.68	7.0%	197.61	217.37	239.11
Other											
sub-total		**2,808.32**	**3,083.28**	**3,221.87**	**3,284.24**	**3,284.24**	**3,284.24**	**12.2%**	**3,684.95**	**3,995.40**	**4,254.52**
VAT on Services		333.11	367.40	407.55	439.70	439.70	439.70	7.9%	496.10	537.00	571.51
Total large household bill:		**3,141.43**	**3,450.68**	**3,629.41**	**3,723.93**	**3,723.93**	**3,723.93**	**12.3%**	**4,181.05**	**4,532.40**	**4,826.03**
% increase/-decrease			**9.8%**	**5.2%**	**2.6%**	**–**	**–**		**12.3%**	**8.4%**	**6.5%**
Monthly Account for Household - 'Affordable	2										
Rates and services charges:											
Property rates		204.63	459.00	504.88	352.92	352.92	352.92	7.0%	377.62	415.38	444.46
Electricity: Basic levy		107.27	57.67	–		–	–	–		–	–
Electricity: Consumption		587.19	643.25	655.21	700.03	700.03	700.03	13.1%	791.52	855.63	900.13
Water: Basic levy		47.86	26.78	–		–	–	–		–	–
Water: Consumption		433.22	453.62	556.20	609.04	609.04	609.04	7.9%	714.24	774.95	838.50
Sanitation		171.10	183.07	195.89	214.50	214.50	214.50	7.0%	229.51	245.58	262.77
Refuse removal		147.31	157.62	168.66	184.68	184.68	184.68	7.0%	197.61	217.37	239.11
Other								6.0%			
sub-total		**1,698.58**	**1,981.01**	**2,080.84**	**2,061.16**	**2,061.16**	**2,061.16**	**12.1%**	**2,310.51**	**2,508.92**	**2,684.96**
VAT on Services		209.15	213.08	236.39	256.24	256.24	256.24	8.4%	289.93	314.03	336.08
Total small household bill:		**1,907.74**	**2,194.09**	**2,317.23**	**2,317.40**	**2,317.40**	**2,317.40**	**12.2%**	**2,600.44**	**2,822.95**	**3,021.04**
% increase/-decrease			**15.0%**	**5.6%**	**0.0%**	**–**	**–**		**12.2%**	**8.6%**	**7.0%**
				- 0.63	- 1.00	- 1.00	-				
Monthly Account for Household - 'Indigent'	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		318.72	343.07	392.46	419.30	419.30	419.30	13.1%	474.10	512.50	539.15
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		275.00	324.53	357.63	391.60	391.60	391.60	7.9%	422.54	458.45	496.05
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		–	–	–	–	–	–	–	–	–	–
Other											
sub-total		**593.72**	**667.60**	**750.08**	**810.90**	**810.90**	**810.90**	**10.6%**	**896.64**	**970.96**	**1,035.20**
VAT on Services		83.12	93.46	112.51	121.63	121.63	121.63	8.1%	134.50	145.64	155.28
Total small household bill:		**676.84**	**761.06**	**862.59**	**932.53**	**932.53**	**932.53**	**10.6%**	**1,031.13**	**1,116.60**	**1,190.48**
% increase/-decrease			**12.4%**	**13.3%**	**8.1%**	**–**	**–**		**10.6%**	**8.3%**	**6.6%**

1.5 Operating Expenditure Framework

The Council's expenditure framework for the 2019/20 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 2019/2020 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by standard classification item

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type											
Employee related costs	2	203,225	209,421	225,728	288,593	289,703	289,703	217,114	319,875	339,027	359,329
Remuneration of councillors		9,549	10,628	11,726	12,390	12,427	12,427	10,415	12,390	13,133	13,921
Debt impairment	3	83,124	90,942	73,894	87,815	87,815	87,815	23,025	91,751	95,275	97,938
Depreciation & asset impairment	2	112,758	116,486	122,503	117,244	117,244	117,244	101,565	123,106	129,262	135,725
Finance charges		18,888	16,541	17,080	25,943	25,943	25,943	9,830	21,547	21,994	23,635
Bulk purchases	2	239,020	324,848	347,657	373,213	369,479	369,479	327,331	418,042	452,416	478,613
Other materials	8	–	–	12,939	13,638	15,019	15,019	11,627	15,722	16,272	22,686
Contracted services		48,945	108,550	117,702	135,741	133,800	133,800	71,537	138,723	145,029	152,280
Transfers and subsidies		221	477	275	287	587	587	472	587	607	637
Other expenditure	4, 5	159,615	53,319	64,207	54,895	63,714	63,714	37,300	67,083	66,028	69,331
Loss on disposal of PPE		657	174	–	–	–	–	129	–	–	–
Total Expenditure		**876,001**	**931,383**	**993,711**	**1,109,759**	**1,115,733**	**1,115,733**	**810,345**	**1,208,825**	**1,279,043**	**1,354,095**

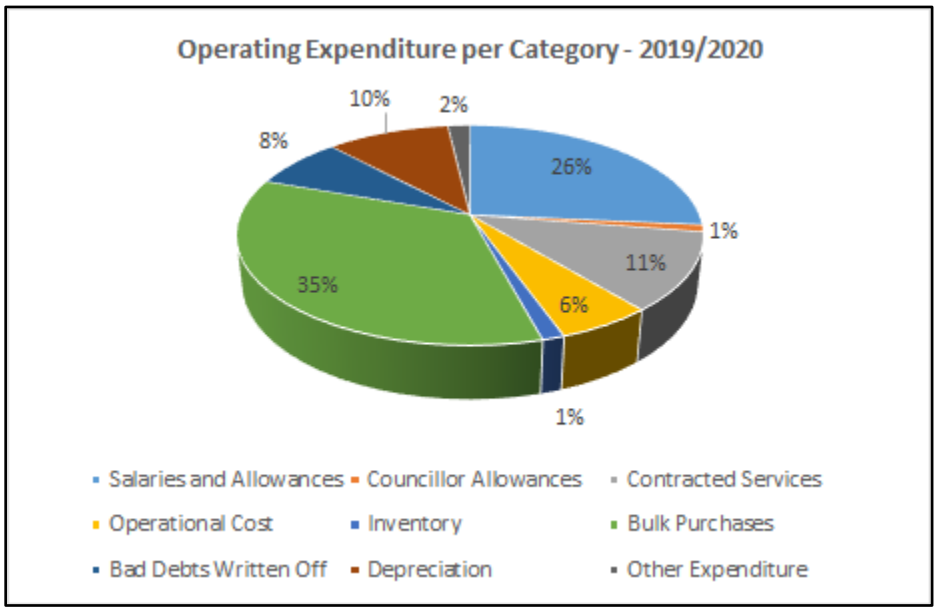

Figure 2 Operating Expenditure Distribution for the 2019/20 Financial Year

The operating expenditure for 2019/2020 is budgeted at R1 208 824 679 (an increase of 8.34% from the 2018/2019 adjusted budget). This includes a provision for salary increases of 6.5%, increase in repairs and maintenance expenditure of 7.8%, operating cost of 0% and contracted services of 5%. Bulk purchases has been increased as follows:

Water Purchases from Randwater – 7.9%
Electricity Purchases from Eskom – 15.63%

The budgeted allocation for salaries and allowances for the 2019/20 financial year totals R319.8 million, which equals 26.4% of the total operating expenditure. When Councillor's remuneration is included, it increases to 27.4% of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6.5%. 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 2019/20 financial year this amount equates to R91.8 million and escalates to R97.9 million by 2021/22.

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 R123.1 million for the 2019/20 financial and equates to 10.1% 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 1.8% (R21.5 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 2019/20 MTREF this expenditure category was critically evaluated and operational efficiencies were enforced. In the 2019/20 financial year, this expenditure category totals R138.2 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	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and Maintenance by Asset Class	3	**51,360**	**50,706**	**93,253**	**112,356**	**113,526**	**113,526**	**121,960**	**128,676**	**135,896**
Roads Infrastructure		17,586	17,249	26,469	30,507	30,884	30,884	32,790	34,494	36,382
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,087	5,727	18,744	19,938	20,052	20,052	22,450	23,745	25,117
Water Supply Infrastructure		4,709	4,452	15,387	18,715	18,537	18,537	20,416	21,607	22,873
Sanitation Infrastructure		7,914	7,793	20,430	25,489	25,902	25,902	27,151	28,718	30,376
Solid Waste Infrastructure		–	1,165	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***34,297***	***36,386***	***81,031***	***94,649***	***95,374***	***95,374***	***102,808***	***108,564***	***114,747***
Community Facilities		2	–	53	498	504	504	446	468	492
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***2***	**–**	***53***	***498***	***504***	***504***	***446***	***468***	***492***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		17,061	3,931	2,925	4,432	4,357	4,357	4,439	4,661	4,894
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***17,061***	***3,931***	***2,925***	***4,432***	***4,357***	***4,357***	***4,439***	***4,661***	***4,894***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**11**	**96**	**76**	**76**	**40**	**42**	**44**
Furniture and Office Equipment		**–**	**26**	**55**	**365**	**448**	**448**	**465**	**487**	**511**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**10,362**	**9,179**	**12,316**	**12,766**	**12,766**	**13,762**	**14,454**	**15,208**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
R&M as a % of PPE		*2.6%*	*2.6%*	*4.7%*	*5.6%*	*5.6%*	*5.6%*	*6.0%*	*6.3%*	*6.6%*
Renewal and upgrading and R&M as a % of PPE		*6.0%*	*3.0%*	*9.0%*	*9.0%*	*6.0%*	*6.0%*	*10.0%*	*11.0%*	*12.0%*

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)	2019/20	2020/21	2021/22
Water - households (4kl / 2kl free)	8,282,208.00	-	-
Property rates Residential Reductions Developed	34,775,000.00	38,252,000.00	40,930,175.00
Property rates Residential Reductions Vacant			
Property rates Residential Agri Holdings			
Property rates Residential Flisp			
Property rates Exemptions (pensioners rebates)	605,712.02	666,283.22	712,923.05
Property rates Exemptions (indigents)	891,000.00	980,100.00	953,370.00
Indigent Support: Water	12,320,640.00	17,823,859.20	24,106,769.57
Indigent Support: Electricity	1,998,540.00	2,880,562.32	7,575,878.90
Indigent Support: Sanitation	16,524,720.00	23,575,267.20	31,531,919.88
Indigent Support: Refuse	7,944,282.00	11,347,294.20	15,351,466.02
Total Income Foregone	**83,342,102.02**	**95,525,366.14**	**121,162,502.42**
Indigent Income Threshold	R4,500.00	R5,000.00	R5,500.00
Estimated Number of Indigent Households	**6,000**	**8,000**	**10,000**

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:

2019/2020 R107 047 000
2020/2021 R118 363 000
2021/2022 R131 229 000

The sustainability of the social package will be revieed 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:

2019/2020 6 000
2020/2021 8 000
2021/2022 10 000

1.6 Capital expenditure

The capital amount proposed for 2019/20 amounts to R135 183 831.

The capital budget will be funded as follows:

Accumulated Surplus	5,000,000	4%
CRR	9,678,000	7%
DAC Grant	6,874,524	5%
Developer Contributions	3,950,000	3%
External Loans	21,500,000	16%
HP	8,250,000	6%
INEP	25,158,000	19%
MIG	41,273,307	31%
Water Service Infrastructure Grant	13,500,000	10%

Midvaal mainly spends its capital expenditure on infrastructure services and for the 2019/20 financial year (73%) 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 2019/20 Medium-term capital budget per vote

Description	Ref	2015/16	2016/17	2017/18	rrent Year 2018/19	2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - executive council		–	–	9,592	2,900	2,113	2,113	(858)	–	–	–
Vote 2 - corporate services		169	99	1,361	800	784	784	393	30	30	30
Vote 3 - financial services		33	37	23	40	40	40	39	30	32	35
Vote 4 - development & planning		–	–	208	20	20	20	19	10	10	20
Vote 5 - health		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		2,074	2,724	7,810	4,965	6,160	6,160	1,001	22,465	6,035	6,585
Vote 7 - public safety		229	4,612	6,458	1,057	1,862	1,862	1,072	50	65	150
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		15,582	12,380	20,909	4,950	6,741	6,741	3,378	2,200	2,470	8,050
Vote 11 - solid waste management		180	16	347	3,550	650	650	998	5,340	12,730	18,130
Vote 12 - roads & transport		11,784	2,518	23,677	5,346	11,090	11,090	6,533	9,325	12,447	10,017
Vote 13 - water services		2,496	11,426	18,960	24,045	18,954	18,954	11,881	9,700	12,525	13,700
Vote 14 - electricty		12,007	19,151	12,885	3,600	3,957	3,957	2,986	3,110	3,110	8,110
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**44,553**	**52,964**	**102,231**	**51,273**	**52,370**	**52,370**	**27,443**	**52,260**	**49,454**	**64,827**
Single-year expenditure to be appropriated	2										
Vote 1 - executive council		2,502	1,377	898	1,500	2,540	2,540	303	850	–	500
Vote 2 - corporate services		1,831	3,469	134	90	1,337	1,337	1,159	4,382	1,550	1,600
Vote 3 - financial services		338	105	–	89	2,089	2,089	84	–	–	–
Vote 4 - development & planning		–	38	–	–	–	–	–	250	3,500	3,500
Vote 5 - health		–	4	–	–	–	–	–	–	–	–
Vote 6 - community & social services		4,612	2,367	176	2,955	3,055	3,055	831	1,860	9,140	5,920
Vote 7 - public safety		810	578	–	2,750	2,750	2,750	335	2,743	3,493	2,398
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		6,772	1,666	4,137	7,740	10,740	10,740	5,316	10,766	8,100	3,000
Vote 11 - solid waste management		5,468	9,144	–	3,505	3,505	3,505	1,023	660	5,700	10,592
Vote 12 - roads & transport		2,921	4,100	12,850	14,000	14,230	14,230	–	6,030	5,000	6,500
Vote 13 - water services		9,644	7,703	7,520	11,710	31,378	31,378	27,933	25,520	23,062	20,500
Vote 14 - electricty		3,465	7,426	12,975	14,550	20,767	20,767	812	29,863	30,100	31,508
Vote 15 -		–	–	9,930	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**38,363**	**37,978**	**48,618**	**58,889**	**92,391**	**92,391**	**37,796**	**82,924**	**89,645**	**86,018**
Total Capital Expenditure - Vote		**82,916**	**90,942**	**150,849**	**110,162**	**144,761**	**144,761**	**65,238**	**135,184**	**139,099**	**150,845**

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

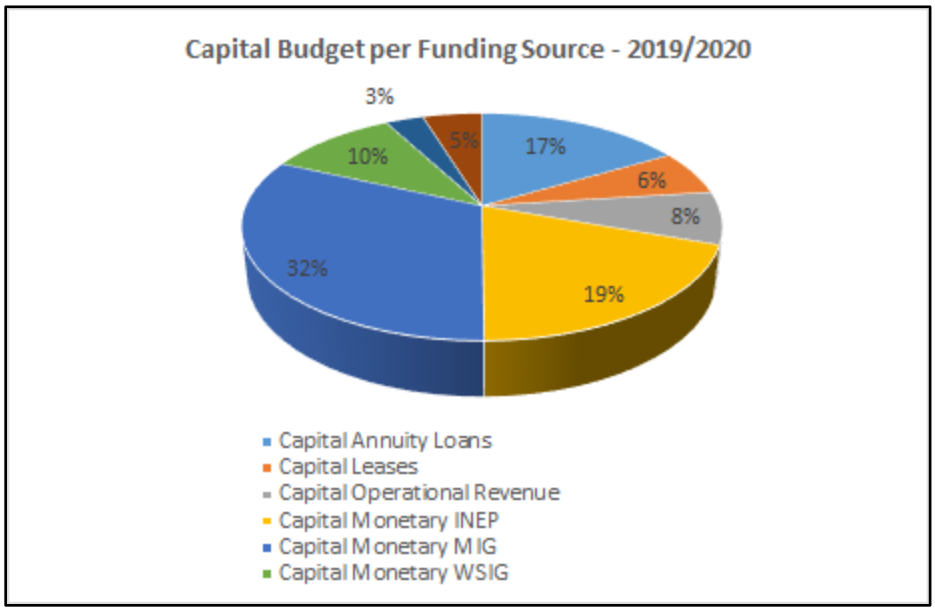

Figure 3 Capital Expenditure per Funding Source for the 2019/2020 financial year

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.

Description	Ref	Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
Capital expenditure	1							
Vote 1 - executive council		850	–	500				
Vote 2 - corporate services		4,412	1,580	1,630				
Vote 3 - financial services		30	32	35				
Vote 4 - development & planning		260	3,510	3,520				
Vote 5 - health		–	–	–				
Vote 6 - community & social services		24,325	15,175	12,505				
Vote 7 - public safety		2,793	3,558	2,548				
Vote 8 -		–	–	–				
Vote 9 - environmental protection		–	–	–				
Vote 10 - waste water management		12,966	10,570	11,050				
Vote 11 - solid waste management		6,000	18,430	28,722				
Vote 12 - roads & transport		15,355	17,447	16,517				
Vote 13 - water services		35,220	35,587	34,200				
Vote 14 - electricty		32,973	33,210	39,618				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**135,184**	**139,099**	**150,845**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - executive council		4,250	–	2,500				
Vote 2 - corporate services		22,060	7,900	8,150				
Vote 3 - financial services		150	160	175				
Vote 4 - development & planning		1,300	17,550	17,600				
Vote 5 - health		–	–	–				
Vote 6 - community & social services		121,623	75,875	62,525				
Vote 7 - public safety		13,965	17,790	12,740				
Vote 8 -		–	–	–				
Vote 9 - environmental protection		–	–	–				
Vote 10 - waste water management		64,830	52,850	55,250				
Vote 11 - solid waste management		30,000	92,150	143,610				
Vote 12 - roads & transport		76,777	87,234	82,583				
Vote 13 - water services		176,100	177,935	171,000				
Vote 14 - electricty		164,865	166,050	198,090				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total future operational costs		675,919	695,494	754,223	–	–	–	–
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**811,103**	**834,593**	**905,068**	**–**	**–**	**–**	**–**

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 2019/20 budget and MTREF as approved by the Council.

Table 11 MBRR Table A1 – Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	**146,376**	166,908	194,658	206,625	205,908	205,908	175,356	222,422	244,664	261,790
Service charges	480,663	556,774	584,086	643,243	627,048	627,048	562,842	694,371	758,825	807,297
Investment revenue	7,611	10,377	14,725	6,959	12,959	12,959	4,454	13,736	14,561	15,361
Transfers recognised - operational	84,177	92,056	105,174	119,802	131,735	131,735	111,104	149,443	140,927	154,741
Other own revenue	95,731	74,219	73,973	68,450	68,594	68,594	19,102	69,549	73,570	77,478
Total Revenue (excluding capital transfers and contributions)	814,559	900,334	972,616	1,045,079	1,046,243	1,046,243	872,858	1,149,520	1,232,547	1,316,668
Employee costs	203,225	209,421	225,728	288,593	289,703	289,703	217,114	319,875	339,027	359,329
Remuneration of councillors	9,549	10,628	11,726	12,390	12,427	12,427	10,415	12,390	13,133	13,921
Depreciation & asset impairment	112,758	116,486	122,503	117,244	117,244	117,244	101,565	123,106	129,262	135,725
Finance charges	18,888	16,541	17,080	25,943	25,943	25,943	9,830	21,547	21,994	23,635
Materials and bulk purchases	239,020	324,848	360,596	386,851	384,498	384,498	338,959	433,764	468,688	501,299
Transfers and grants	221	477	275	287	587	587	472	587	607	637
Other expenditure	292,341	252,984	255,803	278,452	285,330	285,330	131,991	297,557	306,332	319,549
Total Expenditure	876,001	931,383	993,711	1,109,759	1,115,733	1,115,733	810,345	1,208,825	1,279,043	1,354,095
Surplus/(Deficit)	(61,443)	(31,049)	(21,094)	(64,680)	(69,489)	(69,489)	62,513	(59,304)	(46,496)	(37,427)
Transfers and subsidies - capital (monetary allocatic	44,813	54,694	71,670	65,223	90,077	90,077	97,097	90,756	86,344	86,957
Contributions recognised - capital & contributed asse	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(16,630)	23,644	50,576	543	20,587	20,587	159,610	31,451	39,848	49,529
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(16,630)	23,644	50,576	543	20,587	20,587	159,610	31,451	39,848	49,529
Capital expenditure & funds sources										
Capital expenditure	**82,916**	90,942	150,550	110,162	144,761	144,761	65,238	135,184	139,099	150,845
Transfers recognised - capital	**47,703**	49,614	70,849	65,223	90,077	90,077	28,429	90,756	86,344	86,957
Borrowing	**27,797**	11,735	56,063	32,650	37,830	37,830	29,581	29,750	36,560	48,820
Internally generated funds	**7,416**	29,592	23,638	12,289	16,854	16,854	7,228	14,678	16,195	16,418
Total sources of capital funds	**82,916**	90,942	150,550	110,162	144,761	144,761	65,238	135,184	139,099	152,195
Financial position										
Total current assets	**231,848**	283,144	379,941	299,264	323,616	323,616	503,639	407,424	445,628	492,385
Total non current assets	**2,060,416**	2,034,497	2,052,167	2,071,005	2,079,684	2,079,684	2,015,607	2,091,761	2,101,598	2,116,718
Total current liabilities	**132,627**	133,821	163,589	162,415	176,408	176,408	98,470	184,139	194,960	205,877
Total non current liabilities	**190,961**	189,689	223,814	212,119	221,685	221,685	223,295	218,301	215,673	217,104
Community wealth/Equity	**1,968,676**	1,994,130	2,044,706	1,995,735	2,005,207	2,005,207	2,197,480	2,096,745	2,136,593	2,186,122
Cash flows										
Net cash from (used) operating	**116,022**	113,736	185,063	117,752	137,230	137,230	225,400	181,325	205,246	232,360
Net cash from (used) investing	**(80,075)**	(76,622)	(139,905)	(110,162)	(144,761)	(144,761)	(63,604)	(131,234)	(137,599)	(149,345)
Net cash from (used) financing	**(11,467)**	(7,023)	26,724	1,158	2,394	2,394	(6,241)	(36,087)	(40,254)	(47,665)
Cash/cash equivalents at the year end	**100,000**	130,091	201,973	134,558	196,848	196,848	283,781	210,853	238,245	273,595
Cash backing/surplus reconciliation										
Cash and investments available	**100,000**	130,091	201,984	134,558	196,848	196,848	283,781	210,853	238,245	273,595
Application of cash and investments	**73,905**	30,951	125,254	120,217	120,117	120,117	(40,905)	83,383	90,103	99,607
Balance - surplus (shortfall)	**26,094**	99,140	76,730	14,341	76,730	76,730	324,687	127,470	148,142	173,989
Asset management										
Asset register summary (WDV)	**2,060,416**	2,042,483	2,052,167	2,071,005	2,079,684	2,079,684	2,079,684	2,091,761	2,101,598	2,116,718
Depreciation	**112,759**	116,486	122,503	117,244	117,244	117,244	117,244	123,106	129,261	135,725
Renewal and Upgrading of Existing Assets	**64,735**	3,087	82,918	77,286	1,400	1,400	1,400	88,005	97,918	121,035
Repairs and Maintenance	**51,360**	50,706	93,253	112,356	113,526	113,526	113,526	121,960	128,676	135,896
Free services										
Cost of Free Basic Services provided	**11,625**	21,071	21,071	38,516	38,516	38,516	38,814	38,814	55,664	78,662
Revenue cost of free services provided	**(4,646)**	(38,254)	170,606	43,844	36,174	36,174	8,915	8,915	(3,503)	(22,292)
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)

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue &		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional										
Governance and administration		**197,246**	**206,785**	**246,150**	**307,166**	**297,696**	**297,696**	**319,211**	**331,557**	**357,975**
Executive and council		5,005	5,543	5,724	5,754	5,754	5,754	6,218	6,510	6,819
Finance and administration		192,242	201,242	240,426	301,412	291,942	291,942	312,993	325,047	351,156
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**16,595**	**19,620**	**22,808**	**22,966**	**22,966**	**22,966**	**39,159**	**28,956**	**24,797**
Community and social services		7,081	9,455	8,464	11,482	11,482	11,482	17,332	17,985	13,277
Sport and recreation		4,312	1,874	5,717	4,546	4,546	4,546	14,615	3,378	3,504
Public safety		1,006	4,190	4,711	573	573	573	608	644	680
Housing		–	–	–	–	–	–	–	–	–
Health		4,196	4,101	3,916	6,365	6,365	6,365	6,605	6,949	7,336
Economic and environmental services		**66,682**	**64,010**	**52,567**	**62,059**	**61,654**	**61,654**	**62,509**	**74,231**	**73,640**
Planning and development		2,509	3,036	3,349	3,789	3,789	3,789	4,016	7,757	7,991
Road transport		61,780	58,515	46,549	54,785	54,785	54,785	55,412	63,393	62,568
Environmental protection		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Trading services		**578,848**	**664,613**	**722,750**	**718,111**	**754,004**	**754,004**	**819,398**	**884,146**	**947,213**
Energy sources		305,592	363,467	361,779	356,987	368,440	368,440	425,272	461,628	491,802
Water management		161,383	196,132	222,003	254,425	255,425	255,425	273,966	292,280	309,629
Waste water management		66,410	58,519	87,583	61,035	84,352	84,352	70,925	74,604	82,050
Waste management		45,463	46,495	51,384	45,665	45,787	45,787	49,234	55,634	63,731
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**859,371**	**955,028**	**1,044,276**	**1,110,302**	**1,136,320**	**1,136,320**	**1,240,276**	**1,318,891**	**1,403,624**
Expenditure - Functional										
Governance and administration		**146,173**	**159,511**	**210,540**	**214,988**	**223,522**	**223,522**	**240,564**	**252,777**	**266,750**
Executive and council		24,075	30,026	33,123	37,354	43,854	43,854	43,263	44,824	47,307
Finance and administration		122,098	129,484	177,416	177,633	179,667	179,667	197,302	207,953	219,443
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**56,304**	**57,016**	**60,482**	**75,285**	**75,517**	**75,517**	**86,080**	**87,495**	**92,351**
Community and social services		10,308	11,459	12,864	15,516	15,548	15,548	19,982	18,346	19,348
Sport and recreation		21,223	20,160	20,810	25,647	25,846	25,846	28,124	29,608	31,218
Public safety		20,076	20,895	22,485	27,094	27,350	27,350	30,945	32,145	33,980
Housing		–	–	–	–	–	–	–	–	–
Health		4,697	4,503	4,322	7,028	6,773	6,773	7,029	7,395	7,804
Economic and environmental services		**151,912**	**153,568**	**144,388**	**178,613**	**180,897**	**180,897**	**189,077**	**197,087**	**205,702**
Planning and development		21,459	22,608	23,294	32,200	32,688	32,688	35,369	37,321	39,418
Road transport		127,992	128,501	118,220	142,663	144,936	144,936	150,110	155,965	162,263
Environmental protection		2,462	2,458	2,873	3,751	3,274	3,274	3,599	3,801	4,021
Trading services		**521,612**	**561,289**	**578,291**	**640,873**	**635,797**	**635,797**	**693,103**	**741,684**	**789,292**
Energy sources		289,816	327,840	323,596	362,614	345,206	345,206	386,700	417,140	440,360
Water management		138,140	142,741	149,793	175,525	187,391	187,391	196,994	210,520	223,110
Waste water management		47,510	44,527	57,421	52,584	52,951	52,951	55,513	57,536	60,856
Waste management		46,145	46,180	47,481	50,149	50,249	50,249	53,895	56,487	64,966
Other	4	–	–	(0)	–	–	–	–	–	–
Total Expenditure - Functional	3	**876,001**	**931,383**	**993,700**	**1,109,759**	**1,115,733**	**1,115,733**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit) for the year		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**31,451**	**39,848**	**49,529**

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)

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote	1									
Vote 1 - executive council		18,710	26,251	20,885	14,850	26,189	26,189	29,149	12,970	13,764
Vote 2 - corporate services		2,226	1,049	1,596	1,806	1,806	1,806	1,915	2,030	2,141
Vote 3 - financial services		180,369	195,523	231,475	262,395	268,395	268,395	288,788	316,807	340,425
Vote 4 - development & planning		2,509	3,036	3,349	3,789	3,789	3,789	4,016	7,757	7,991
Vote 5 - health		4,196	4,101	3,915	6,365	6,365	6,365	6,605	6,949	7,336
Vote 6 - community & social services		11,393	12,346	14,147	16,028	16,028	16,028	31,947	21,863	19,281
Vote 7 - public safety		49,729	53,723	38,696	51,077	51,077	51,077	51,132	54,200	57,181
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Vote 10 - waste water management		65,872	57,461	90,160	65,900	84,352	84,352	75,812	84,441	88,117
Vote 11 - solid waste management		45,136	44,005	49,987	49,853	45,665	45,665	48,150	54,442	62,419
Vote 12 - roads & transport		–	–	–	–	–	–	–	–	–
Vote 13 - water services		161,383	195,361	220,434	262,551	255,425	255,425	272,902	291,125	308,392
Vote 14 - electricty		307,304	349,782	359,623	367,921	369,868	369,868	426,780	463,226	493,496
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**851,221**	**945,095**	**1,036,936**	**1,106,021**	**1,132,039**	**1,132,039**	**1,240,276**	**1,318,891**	**1,403,624**
Expenditure by Vote to be appropriated	1									
Vote 1 - executive council		30,230	40,676	46,392	57,482	63,362	63,362	68,151	71,165	75,174
Vote 2 - corporate services		36,014	40,373	43,519	52,602	52,578	52,578	58,916	62,000	65,505
Vote 3 - financial services		56,821	52,312	94,506	71,369	73,564	73,564	78,242	82,414	86,775
Vote 4 - development & planning		21,459	22,608	23,294	32,200	32,688	32,688	35,369	37,321	39,418
Vote 5 - health		4,697	4,503	4,321	7,028	6,773	6,773	7,029	7,395	7,804
Vote 6 - community & social services		38,242	38,355	42,052	50,771	51,488	51,488	58,439	58,850	62,073
Vote 7 - public safety		85,893	93,254	81,495	100,282	102,853	102,853	108,459	111,812	115,933
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		2,462	2,458	2,873	3,751	3,274	3,274	3,599	3,801	4,021
Vote 10 - waste water management		47,510	44,527	57,420	52,584	52,951	52,951	55,513	57,536	60,856
Vote 11 - solid waste management		46,145	49,570	48,342	50,149	50,249	50,249	53,895	56,487	64,966
Vote 12 - roads & transport		65,282	65,070	62,084	73,392	73,386	73,386	76,985	80,936	85,217
Vote 13 - water services		138,140	142,741	149,731	175,525	187,391	187,391	196,994	210,520	223,110
Vote 14 - electricty		303,107	334,936	337,683	382,626	365,177	365,177	407,233	438,805	463,244
Vote 15 -		–	–	(0)	–	–	–	–	–	–
Total Expenditure by Vote	2	**876,001**	**931,383**	**993,711**	**1,109,759**	**1,115,733**	**1,115,733**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit) for the year	2	**(24,780)**	**13,712**	**43,225**	**(3,738)**	**16,306**	**16,306**	**31,451**	**39,848**	**49,529**

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	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	146,376	166,908	194,658	206,625	205,908	205,908	175,356	222,422	244,664	261,790
Service charges - electricity revenue	2	273,891	326,203	326,502	353,704	349,198	349,198	298,943	394,642	432,341	454,864
Service charges - water revenue	2	142,408	164,490	183,111	205,140	198,013	198,013	193,022	214,304	232,516	249,069
Service charges - sanitation revenue	2	34,494	34,292	38,450	42,429	41,474	41,474	37,453	44,378	48,815	53,697
Service charges - refuse revenue	2	29,869	31,790	36,023	41,970	38,362	38,362	33,423	41,047	45,152	49,667
Rental of facilities and equipment		1,359	610	1,345	1,300	1,300	1,300	1,042	1,378	1,461	1,541
Interest earned - external investments		7,611	10,377	14,725	6,959	12,959	12,959	4,454	13,736	14,561	15,361
Interest earned - outstanding debtors		11,254	8,312	9,181	7,529	7,529	7,529	10,220	7,829	8,148	8,457
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		48,424	49,049	34,362	50,342	50,342	50,342	1,323	50,353	53,374	56,309
Licences and permits		–	20	1	41	41	41	–	43	46	48
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		84,177	92,056	105,174	119,802	131,735	131,735	111,104	149,443	140,927	154,741
Other revenue	2	34,322	16,083	28,805	9,239	9,383	9,383	6,622	9,946	10,543	11,123
Gains on disposal of PPE		372	145	279	–	–	–	(104)	–	–	–
Total Revenue (excluding capital transfers and contributions)		**814,559**	**900,334**	**972,616**	**1,045,079**	**1,046,243**	**1,046,243**	**872,858**	**1,149,520**	**1,232,547**	**1,316,668**
Expenditure By Type											
Employee related costs	2	203,225	209,421	225,728	288,593	289,703	289,703	217,114	319,875	339,027	359,329
Remuneration of councillors		9,549	10,628	11,726	12,390	12,427	12,427	10,415	12,390	13,133	13,921
Debt impairment	3	83,124	90,942	73,894	87,815	87,815	87,815	23,025	91,751	95,275	97,938
Depreciation & asset impairment	2	112,758	116,486	122,503	117,244	117,244	117,244	101,565	123,106	129,262	135,725
Finance charges		18,888	16,541	17,080	25,943	25,943	25,943	9,830	21,547	21,994	23,635
Bulk purchases	2	239,020	324,848	347,657	373,213	369,479	369,479	327,331	418,042	452,416	478,613
Other materials	8	–	–	12,939	13,638	15,019	15,019	11,627	15,722	16,272	22,686
Contracted services		48,945	108,550	117,702	135,741	133,800	133,800	71,537	138,723	145,029	152,280
Transfers and subsidies		221	477	275	287	587	587	472	587	607	637
Other expenditure	4, 5	159,615	53,319	64,207	54,895	63,714	63,714	37,300	67,083	66,028	69,331
Loss on disposal of PPE		657	174	–	–	–	–	129	–	–	–
Total Expenditure		**876,001**	**931,383**	**993,711**	**1,109,759**	**1,115,733**	**1,115,733**	**810,345**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit)		**(61,443)**	**(31,049)**	**(21,094)**	**(64,680)**	**(69,489)**	**(69,489)**	**62,513**	**(59,304)**	**(46,496)**	**(37,427)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		44,813	54,694	71,670	65,223	90,077	90,077	97,097	90,756	86,344	86,957
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**159,610**	**31,451**	**39,848**	**49,529**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**159,610**	**31,451**	**39,848**	**49,529**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**159,610**	**31,451**	**39,848**	**49,529**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**159,610**	**31,451**	**39,848**	**49,529**

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

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - executive council		–	–	9,592	2,900	2,113	2,113	(858)	–	–	–
Vote 2 - corporate services		169	99	1,361	800	784	784	393	30	30	30
Vote 3 - financial services		33	37	23	40	40	40	39	30	32	35
Vote 4 - development & planning		–	–	208	20	20	20	19	10	10	20
Vote 5 - health		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		2,074	2,724	7,810	4,965	6,160	6,160	1,001	22,465	6,035	6,585
Vote 7 - public safety		229	4,612	6,458	1,057	1,862	1,862	1,072	50	65	150
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		15,582	12,380	20,909	4,950	6,741	6,741	3,378	2,200	2,470	8,050
Vote 11 - solid waste management		180	16	347	3,550	650	650	998	5,340	12,730	18,130
Vote 12 - roads & transport		11,784	2,518	23,677	5,346	11,090	11,090	6,533	9,325	12,447	10,017
Vote 13 - water services		2,496	11,426	18,960	24,045	18,954	18,954	11,881	9,700	12,525	13,700
Vote 14 - electricty		12,007	19,151	12,885	3,600	3,957	3,957	2,986	3,110	3,110	8,110
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**44,553**	**52,964**	**102,231**	**51,273**	**52,370**	**52,370**	**27,443**	**52,260**	**49,454**	**64,827**
Single-year expenditure to be appropriated	2										
Vote 1 - executive council		2,502	1,377	898	1,500	2,540	2,540	303	850	–	500
Vote 2 - corporate services		1,831	3,469	134	90	1,337	1,337	1,159	4,382	1,550	1,600
Vote 3 - financial services		338	105	–	89	2,089	2,089	84	–	–	–
Vote 4 - development & planning		–	38	–	–	–	–	–	250	3,500	3,500
Vote 5 - health		–	4	–	–	–	–	–	–	–	–
Vote 6 - community & social services		4,612	2,367	176	2,955	3,055	3,055	831	1,860	9,140	5,920
Vote 7 - public safety		810	578	–	2,750	2,750	2,750	335	2,743	3,493	2,398
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		6,772	1,666	4,137	7,740	10,740	10,740	5,316	10,766	8,100	3,000
Vote 11 - solid waste management		5,468	9,144	–	3,505	3,505	3,505	1,023	660	5,700	10,592
Vote 12 - roads & transport		2,921	4,100	12,850	14,000	14,230	14,230	–	6,030	5,000	6,500
Vote 13 - water services		9,644	7,703	7,520	11,710	31,378	31,378	27,933	25,520	23,062	20,500
Vote 14 - electricty		3,465	7,426	12,975	14,550	20,767	20,767	812	29,863	30,100	31,508
Vote 15 -		–	–	9,930	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**38,363**	**37,978**	**48,618**	**58,889**	**92,391**	**92,391**	**37,796**	**82,924**	**89,645**	**86,018**
Total Capital Expenditure - Vote		**82,916**	**90,942**	**150,849**	**110,162**	**144,761**	**144,761**	**65,238**	**135,184**	**139,099**	**150,845**
Capital Expenditure - Functional											
Governance and administration		**5,419**	**4,296**	**14,709**	**5,729**	**9,312**	**9,312**	**2,307**	**5,602**	**2,772**	**5,295**
Executive and council		80	586	445	–	750	750	–	400	–	500
Finance and administration		5,339	142	23	5,729	8,562	8,562	2,307	5,202	2,772	4,795
Internal audit		–	3,568	14,241	–	–	–	–	–	–	–
Community and public safety		**6,505**	**11,077**	**13,098**	**10,377**	**13,177**	**13,177**	**2,732**	**24,840**	**17,005**	**11,333**
Community and social services		2,121	3,897	1,550	4,300	4,294	4,294	703	7,375	9,620	4,420
Sport and recreation		4,019	1,198	6,038	3,370	4,571	4,571	900	16,700	4,405	4,965
Public safety		365	5,191	5,510	2,707	4,312	4,312	1,129	765	2,980	1,948
Housing		–	791	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**15,379**	**6,656**	**37,772**	**20,466**	**25,640**	**25,640**	**6,830**	**17,643**	**20,485**	**18,087**
Planning and development		–	38	208	20	20	20	19	260	3,510	3,520
Road transport		15,379	6,618	37,564	20,446	25,620	25,620	6,811	17,383	16,975	14,567
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**55,614**	**68,913**	**84,971**	**73,590**	**96,632**	**96,632**	**53,369**	**87,099**	**98,837**	**116,130**
Energy sources		15,472	26,578	25,728	18,090	24,664	24,664	3,738	32,913	33,200	39,608
Water management		12,140	19,130	26,480	35,755	50,332	50,332	39,814	35,220	35,587	34,200
Waste water management		22,354	14,046	25,046	12,690	17,481	17,481	8,694	12,966	11,620	13,600
Waste management		5,648	9,160	7,717	7,055	4,155	4,155	1,123	6,000	18,430	28,722
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**82,916**	**90,942**	**150,550**	**110,162**	**144,761**	**144,761**	**65,238**	**135,184**	**139,099**	**150,845**
Funded by:											
National Government		34,656	36,602	37,435	52,773	59,226	59,226	27,743	79,931	75,224	81,037
Provincial Government		2,236	3,621	19,920	4,300	4,250	4,250	686	6,875	9,620	4,420
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		10,811	9,391	13,494	8,150	26,601	26,601	–	3,950	1,500	1,500
Transfers recognised - capital	4	**47,703**	**49,614**	**70,849**	**65,223**	**90,077**	**90,077**	**28,429**	**90,756**	**86,344**	**86,957**
Borrowing	6	27,797	11,735	56,063	32,650	37,830	37,830	29,581	29,750	36,560	48,820
Internally generated funds		7,416	29,592	23,638	12,289	16,854	16,854	7,228	14,678	16,195	16,418
Total Capital Funding	7	**82,916**	**90,942**	**150,550**	**110,162**	**144,761**	**144,761**	**65,238**	**135,184**	**139,099**	**152,195**

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	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		100,000	130,091	201,984	134,558	136,761	136,761	283,781	210,853	238,245	273,595
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	102,864	116,572	126,781	124,409	101,998	101,998	129,973	107,301	113,203	119,429
Other debtors		19,569	27,147	42,575	29,986	75,826	75,826	73,762	79,769	84,156	88,785
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	9,416	9,335	8,601	10,311	9,031	9,031	16,122	9,501	10,024	10,575
Total current assets		**231,848**	**283,144**	**379,941**	**299,264**	**323,616**	**323,616**	**503,639**	**407,424**	**445,628**	**492,385**
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments											
Investment property		46,566	46,570	46,570	46,570	46,570	46,570	36,640	46,570	46,570	46,570
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	2,012,136	1,981,950	2,004,552	2,018,459	2,032,068	2,032,068	1,978,874	2,044,146	2,053,983	2,069,103
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		1,695	5,958	1,027	5,958	1,027	1,027	75	1,027	1,027	1,027
Other non-current assets		19	19	19	19	19	19	19	19	19	19
Total non current assets		**2,060,416**	**2,034,497**	**2,052,167**	**2,071,005**	**2,079,684**	**2,079,684**	**2,015,607**	**2,091,761**	**2,101,598**	**2,116,718**
TOTAL ASSETS		**2,292,264**	**2,317,641**	**2,432,109**	**2,370,269**	**2,403,300**	**2,403,300**	**2,519,246**	**2,499,185**	**2,547,227**	**2,609,103**
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	21,996	22,163	28,401	39,078	36,023	36,023	18,240	36,454	39,153	41,500
Consumer deposits		13,860	15,316	16,419	16,918	17,240	17,240	17,066	18,136	19,134	20,186
Trade and other payables	4	94,520	96,342	118,769	106,419	123,145	123,145	63,164	129,549	136,674	144,191
Provisions		2,251		–	–	–	–	–	–	–	–
Total current liabilities		**132,627**	**133,821**	**163,589**	**162,415**	**176,408**	**176,408**	**98,470**	**184,139**	**194,960**	**205,877**
Non current liabilities											
Borrowing		144,748	137,558	161,836	154,535	156,608	156,608	161,318	149,840	143,447	140,905
Provisions		46,213	52,131	61,978	57,584	65,077	65,077	61,978	68,461	72,226	76,198
Total non current liabilities		**190,961**	**189,689**	**223,814**	**212,119**	**221,685**	**221,685**	**223,295**	**218,301**	**215,673**	**217,104**
TOTAL LIABILITIES		**323,588**	**323,510**	**387,402**	**374,535**	**398,093**	**398,093**	**321,766**	**402,440**	**410,634**	**422,981**
NET ASSETS	5	**1,968,676**	**1,994,130**	**2,044,706**	**1,995,735**	**2,005,207**	**2,005,207**	**2,197,480**	**2,096,745**	**2,136,593**	**2,186,122**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,749,645	1,661,097	2,044,706	1,995,735	2,005,207	2,005,207	2,197,480	2,096,745	2,136,593	2,186,122
Reserves	4	219,030	333,034	0	0	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**1,968,676**	**1,994,130**	**2,044,706**	**1,995,735**	**2,005,207**	**2,005,207**	**2,197,480**	**2,096,745**	**2,136,593**	**2,186,122**

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	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Receipts											
Property rates		146,376	148,881	121,588	190,461	190,461	190,461	175,356	222,422	244,664	261,790
Service charges		393,634	476,018	584,086	611,717	619,519	619,519	565,263	594,270	654,259	699,556
Other revenue		90,215	67,262	75,970	20,795	18,912	18,912	10,658	61,720	65,423	69,021
Government - operating	1	84,177	92,056	105,174	119,802	119,802	119,802	111,104	147,943	139,427	153,241
Government - capital	1	38,704	41,797	60,939	65,223	71,676	71,676	97,097	88,306	86,344	86,957
Interest		18,865	18,689	23,906	14,487	20,487	20,487	14,674	21,565	22,708	23,819
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(636,840)	(712,172)	(748,135)	(878,505)	(877,098)	(877,098)	(738,922)	(932,766)	(984,977)	(1,037,752)
Finance charges		(18,888)	(18,796)	(17,080)	(25,943)	(25,943)	(25,943)	(9,830)	(21,547)	(21,994)	(23,635)
Transfers and Grants	1	(221)	(0)	(21,386)	(287)	(587)	(587)		(587)	(607)	(637)
NET CASH FROM/(USED) OPERATING ACTIVITIES		116,022	113,736	185,063	117,752	137,230	137,230	225,400	181,325	205,246	232,360
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	347	715	–	–	–	1,634	3,950	1,500	1,500
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(80,075)	(76,969)	(140,620)	(110,162)	(144,761)	(144,761)	(65,238)	(135,184)	(139,099)	(150,845)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(80,075)	(76,622)	(139,905)	(110,162)	(144,761)	(144,761)	(63,604)	(131,234)	(137,599)	(149,345)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		0	15,253	51,715	31,900	33,973	33,973	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	836	–	–	648	–	–	–
Payments											
Repayment of borrowing		(11,467)	(22,276)	(24,990)	(31,578)	(31,578)	(31,578)	(6,888)	(36,087)	(40,254)	(47,665)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(11,467)	(7,023)	26,724	1,158	2,394	2,394	(6,241)	(36,087)	(40,254)	(47,665)
NET INCREASE/ (DECREASE) IN CASH HELD		24,479	30,091	71,883	8,748	(5,136)	(5,136)	155,555	14,005	27,393	35,350
Cash/cash equivalents at the year begin:	2	**75,520**	**100,000**	**130,091**	**125,810**	**201,984**	**201,984**	**128,226**	**196,848**	**210,853**	**238,245**
Cash/cash equivalents at the year end:	2	**100,000**	**130,091**	**201,973**	**134,558**	**196,848**	**196,848**	**283,781**	**210,853**	**238,245**	**273,595**

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	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	100,000	130,091	201,984	134,558	196,848	196,848	283,781	210,853	238,245	273,595
Other current investments > 90 days		0	(0)	–	(0)	–	–		(0)	(0)	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**100,000**	**130,091**	**201,984**	**134,558**	**196,848**	**196,848**	**283,781**	**210,853**	**238,245**	**273,595**
Application of cash and investments											
Unspent conditional transfers		24	–	208	356	–	–	–	–	–	–
Unspent borrowing		7,487	6,670	5,121	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(3,524)	(28,353)	(37,643)	(23,609)	(48,737)	(48,737)	(138,923)	(37,051)	(40,032)	(42,922)
Other provisions		69,918	52,634	157,567	143,470	168,854	168,854	98,018	120,434	130,135	142,529
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**73,905**	**30,951**	**125,254**	**120,217**	**120,117**	**120,117**	**(40,905)**	**83,383**	**90,103**	**99,607**
Surplus(shortfall)		**26,094**	**99,140**	**76,730**	**14,341**	**76,730**	**76,730**	**324,687**	**127,470**	**148,142**	**173,989**

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	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total New Assets	1	**18,180**	**87,855**	**67,632**	**32,876**	**143,361**	**143,361**	**47,179**	**41,181**	**29,810**
Roads Infrastructure		–	6,645	12,897	–	44,708	44,708	7,887	1,500	3,567
Storm water Infrastructure		–	–	–	–	–	–	–	500	500
Electrical Infrastructure		–	19,545	9,721	9,270	20,269	20,269	21,758	22,200	6,600
Water Supply Infrastructure		–	18,645	–	2,000	30,538	30,538	–	–	–
Sanitation Infrastructure		–	1,339	14,469	1,500	14,527	14,527	1,000	1,000	1,000
Solid Waste Infrastructure		–	14,721	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	***60,895***	***37,087***	***12,770***	***110,042***	***110,042***	***30,645***	***25,200***	***11,667***
Community Facilities		–	2,142	7,300	3,277	3,556	3,556	1,375	–	–
Sport and Recreation Facilities		–	1,123	–	–	3,801	3,801	–	–	–
Community Assets		**–**	***3,264***	***7,300***	***3,277***	***7,357***	***7,357***	***1,375***	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		10	32	9,631	1,560	2,024	2,024	–	–	–
Investment properties		***10***	***32***	***9,631***	***1,560***	***2,024***	***2,024***	**–**	**–**	**–**
Operational Buildings		17,745	10,970	955	13,629	5,050	5,050	2,000	–	–
Housing		–	–	–	–	–	–	–	3,500	3,500
Other Assets		***17,745***	***10,970***	***955***	***13,629***	***5,050***	***5,050***	***2,000***	***3,500***	***3,500***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		436	4,329	255	1,640	–	–	455	1,000	–
Licences and Rights		–	–	–	–	–	–	–	1,000	1,000
Intangible Assets		***436***	***4,329***	***255***	***1,640***	**–**	**–**	***455***	***2,000***	***1,000***
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**500**	**300**	**200**
Furniture and Office Equipment		**–**	**3,698**	**665**	**–**	**1,995**	**1,995**	**2,156**	**636**	**525**
Machinery and Equipment		**–**	**814**	**3,729**	**–**	**4,129**	**4,129**	**1,198**	**2,045**	**3,338**
Transport Assets		**(10)**	**3,854**	**8,009**	**–**	**12,764**	**12,764**	**5,400**	**7,500**	**9,580**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**3,450**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**18,370**	**(57,487)**	**38,875**	**39,190**	**(41,426)**	**(41,426)**	**65,589**	**66,781**	**100,235**
Roads Infrastructure		–	(6,726)	4,889	–	(24,226)	(24,226)	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		308	(27,759)	4,449	5,650	–	–	10,000	8,500	30,508
Water Supply Infrastructure		10,014	(11,426)	18,997	25,600	(8,501)	(8,501)	31,720	31,587	31,200
Sanitation Infrastructure		3,464	(347)	3,268	2,650	(7,016)	(7,016)	1,500	1,700	1,700
Solid Waste Infrastructure		–	(7,219)	–	–	–	–	2,600	14,500	21,562
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***13,786***	***(53,476)***	***31,603***	***33,900***	***(39,742)***	***(39,742)***	***45,820***	***56,287***	***84,970***
Community Facilities		2,838	(4,027)	929	40	1,400	1,400	2,880	3,580	5,400
Sport and Recreation Facilities		2,047	–	4,753	2,600	–	–	12,600	2,900	3,000
Community Assets		***4,885***	***(4,027)***	***5,682***	***2,640***	***1,400***	***1,400***	***15,480***	***6,480***	***8,400***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	150	–	–	–	–	2,600
Investment properties		**–**	**–**	**–**	***150***	**–**	**–**	**–**	**–**	***2,600***
Operational Buildings		(13,996)	–	–	(13,229)	(400)	(400)	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***(13,996)***	**–**	**–**	***(13,229)***	***(400)***	***(400)***	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**1,350**	**1,350**	**1,400**
Furniture and Office Equipment		**3,908**	**16**	**263**	**1,904**	**–**	**–**	**89**	**104**	**75**
Machinery and Equipment		**382**	**–**	**11**	**395**	**(2,684)**	**(2,684)**	**–**	**–**	**–**
Transport Assets		**9,406**	**–**	**1,316**	**13,430**	**–**	**–**	**2,850**	**2,560**	**2,790**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total Upgrading of Existing Assets	6	**46,365**	**60,574**	**44,043**	**38,096**	**42,826**	**42,826**	**22,416**	**31,137**	**20,800**
Roads Infrastructure		13,863	6,726	12,238	18,226	24,226	24,226	6,000	14,337	8,500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		28,137	29,851	10,233	–	–	–	–	–	–
Water Supply Infrastructure		–	11,911	6,324	7,310	8,501	8,501	3,500	3,000	3,000
Sanitation Infrastructure		1,310	840	6,269	7,540	7,016	7,016	9,766	7,100	7,500
Solid Waste Infrastructure		1,500	7,219	7,429	3,000	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***44,809***	***56,547***	***42,493***	***36,076***	***39,742***	***39,742***	***19,266***	***24,437***	***19,000***
Community Facilities		1,556	4,027	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***1,556***	***4,027***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	400	400	400	3,150	6,700	1,800
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	***400***	***400***	***400***	***3,150***	***6,700***	***1,800***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**1,550**	**1,620**	**2,684**	**2,684**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	4	**82,916**	**90,942**	**150,550**	**110,162**	**144,761**	**144,761**	**135,184**	**139,099**	**150,845**
Roads Infrastructure		13,863	6,645	30,025	18,226	44,708	44,708	13,887	15,837	12,067
Storm water Infrastructure		–	–	–	–	–	–	–	500	500
Electrical Infrastructure		28,444	21,638	24,403	14,920	20,269	20,269	31,758	30,700	37,108
Water Supply Infrastructure		10,014	19,130	25,321	34,910	30,538	30,538	35,220	34,587	34,200
Sanitation Infrastructure		4,773	1,833	24,006	11,690	14,527	14,527	12,266	9,800	10,200
Solid Waste Infrastructure		1,500	14,721	7,429	3,000	–	–	2,600	14,500	21,562
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***58,595***	***63,966***	***111,184***	***82,746***	***110,042***	***110,042***	***95,731***	***105,924***	***115,637***
Community Facilities		4,394	2,142	8,229	3,317	4,956	4,956	4,255	3,580	5,400
Sport and Recreation Facilities		2,047	1,123	4,753	2,600	3,801	3,801	12,600	2,900	3,000
Community Assets		***6,441***	***3,264***	***12,982***	***5,917***	***8,757***	***8,757***	***16,855***	***6,480***	***8,400***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		10	32	9,631	1,710	2,024	2,024	–	–	2,600
Investment properties		***10***	***32***	***9,631***	***1,710***	***2,024***	***2,024***	**–**	**–**	***2,600***
Operational Buildings		3,748	10,970	955	800	5,050	5,050	5,150	6,700	1,800
Housing		–	–	–	–	–	–	–	3,500	3,500
Other Assets		***3,748***	***10,970***	***955***	***800***	***5,050***	***5,050***	***5,150***	***10,200***	***5,300***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		436	4,329	255	1,640	–	–	455	1,000	–
Licences and Rights		–	–	–	–	–	–	–	1,000	1,000
Intangible Assets		***436***	***4,329***	***255***	***1,640***	**–**	**–**	***455***	***2,000***	***1,000***
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**1,850**	**1,650**	**1,600**
Furniture and Office Equipment		**3,908**	**3,714**	**928**	**1,904**	**1,995**	**1,995**	**2,245**	**740**	**600**
Machinery and Equipment		**382**	**814**	**5,290**	**2,015**	**4,129**	**4,129**	**1,198**	**2,045**	**3,338**
Transport Assets		**9,396**	**3,854**	**9,325**	**13,430**	**12,764**	**12,764**	**8,250**	**10,060**	**12,370**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**3,450**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL CAPITAL EXPENDITURE - Asset class		**82,916**	**90,942**	**150,550**	**110,162**	**144,761**	**144,761**	**135,184**	**139,099**	**150,845**

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
ASSET REGISTER SUMMARY - PPE (WDV)	5	2,060,416	2,042,483	2,052,167	2,071,005	2,079,684	2,079,684	2,091,761	2,101,598	2,116,718
Roads Infrastructure		599,275	605,104	571,609	584,045	610,528	610,528	579,707	581,657	577,886
Storm water Infrastructure		–	–	–	–	–	–	–	500	500
Electrical Infrastructure		637,173	587,987	557,334	561,553	571,685	571,685	603,876	609,546	619,328
Water Supply Infrastructure		197,016	201,440	224,809	280,454	276,082	276,082	280,764	280,131	279,744
Sanitation Infrastructure		304,145	478,653	333,081	297,880	300,717	300,717	298,456	295,990	296,390
Solid Waste Infrastructure		1,500	9,002	12,779	3,589	589	589	3,189	15,089	22,151
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		***1,739,108***	***1,882,186***	***1,699,611***	***1,727,521***	***1,759,601***	***1,759,601***	***1,765,992***	***1,782,912***	***1,795,999***
Community Assets		***25,285***	***59,227***	***124,721***	***82,226***	***85,066***	***85,066***	***93,163***	***81,983***	***83,903***
Heritage Assets		**19**	**0**	**19**	19	**19**	**19**	**19**	**19**	**19**
			–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Investment properties		***10***	***19***	***9,631***	***1,710***	***2,024***	***2,024***	**–**	**–**	***2,600***
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other Assets		***94,867***	***46,060***	***40,257***	***5,267***	***9,517***	***9,517***	***9,617***	***14,667***	***9,767***
Biological or Cultivated Assets										
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Intangible Assets		***436***	***4,329***	***255***	***1,640***	**–**	**–**	***455***	***2,000***	***1,000***
Computer Equipment		**3,394**	**7,656**	**5,286**	10,469	5,538	**5,538**	**8,340**	**8,140**	**8,090**
Furniture and Office Equipment		**3,576**	**3,576**	**2,952**	8,269	8,360	**8,360**	**8,610**	**7,105**	**6,965**
Machinery and Equipment		**3,957**	**4,388**	**39,851**	15,376	138,040	**138,040**	**135,109**	**135,956**	**137,249**
Transport Assets		**37,040**	**33,268**	**22,172**	45,147	44,481	**44,481**	**39,967**	**41,777**	**44,087**
Land		**152,726**	**1,774**	**107,411**	173,361	27,038	**27,038**	**30,488**	**27,038**	**27,038**
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE	5	**2,060,416**	**2,042,483**	**2,052,167**	**2,071,005**	**2,079,684**	**2,079,684**	**2,091,761**	**2,101,598**	**2,116,718**
EXPENDITURE OTHER ITEMS		**164,118**	**167,191**	**215,756**	**229,600**	**230,770**	**230,770**	**245,066**	**257,937**	**271,621**
Depreciation	7	112,759	116,486	122,503	117,244	117,244	117,244	123,106	129,261	135,725
Repairs and Maintenance by Asset Class	3	**51,360**	**50,706**	**93,253**	**112,356**	**113,526**	**113,526**	**121,960**	**128,676**	**135,896**
Roads Infrastructure		17,586	17,249	26,469	30,507	30,884	30,884	32,790	34,494	36,382
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,087	5,727	18,744	19,938	20,052	20,052	22,450	23,745	25,117
Water Supply Infrastructure		4,709	4,452	15,387	18,715	18,537	18,537	20,416	21,607	22,873
Sanitation Infrastructure		7,914	7,793	20,430	25,489	25,902	25,902	27,151	28,718	30,376
Solid Waste Infrastructure		–	1,165	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***34,297***	***36,386***	***81,031***	***94,649***	***95,374***	***95,374***	***102,808***	***108,564***	***114,747***
Community Facilities		2	–	53	498	504	504	446	468	492
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***2***	**–**	***53***	***498***	***504***	***504***	***446***	***468***	***492***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		17,061	3,931	2,925	4,432	4,357	4,357	4,439	4,661	4,894
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***17,061***	***3,931***	***2,925***	***4,432***	***4,357***	***4,357***	***4,439***	***4,661***	***4,894***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**11**	**96**	**76**	**76**	**40**	**42**	**44**
Furniture and Office Equipment		**–**	**26**	**55**	**365**	**448**	**448**	**465**	**487**	**511**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**10,362**	**9,179**	**12,316**	**12,766**	**12,766**	**13,762**	**14,454**	**15,208**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL EXPENDITURE OTHER ITEMS		**164,118**	**167,191**	**215,756**	**229,600**	**230,770**	**230,770**	**245,066**	**257,937**	**271,621**
Renewal and upgrading of Existing Assets as % of total capex		*78.1%*	*3.4%*	*55.1%*	*70.2%*	*1.0%*	*1.0%*	*65.1%*	*70.4%*	*80.2%*
Renewal and upgrading of Existing Assets as % of deprecn		*57.4%*	*2.7%*	*67.7%*	*65.9%*	*1.2%*	*1.2%*	*71.5%*	*75.8%*	*89.2%*
R&M as a % of PPE		*2.6%*	*2.6%*	*4.7%*	*5.6%*	*5.6%*	*5.6%*	*6.0%*	*6.3%*	*6.6%*
Renewal and upgrading and R&M as a % of PPE		*6.0%*	*3.0%*	*9.0%*	*9.0%*	*6.0%*	*6.0%*	*10.0%*	*11.0%*	*12.0%*

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.

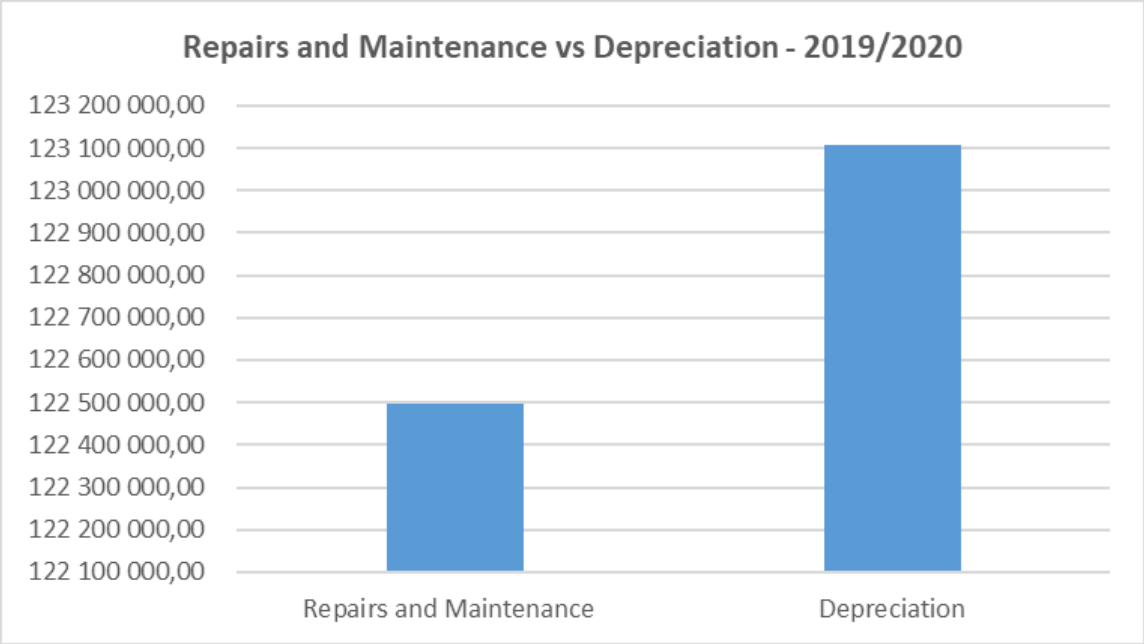

Figure 4 Repairs and Maintenance vs Depreciation

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
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)		1,166	3,753	3,753	18,100	18,100	18,100	6,000	8,000	10,000
Sanitation (free minimum level service)		1,166	3,753	3,753	6,000	6,000	6,000	6,000	8,000	10,000
Electricity/other energy (50kwh per household per month)		360	360	360	6,000	6,000	6,000	3,000	4,000	5,000
Refuse (removed at least once a week)		1,166	3,753	3,753	6,000	6,000	6,000	6,000	8,000	10,000
Cost of Free Basic Services provided - Formal S	8									
Water (6 kilolitres per indigent household per month)		8,134	9,286	9,286	12,187	12,187	12,187	12,321	17,824	24,107
Sanitation (free sanitation service to indigent households)		2,270	7,817	7,817	15,444	15,444	15,444	16,525	23,575	31,532
Electricity/other energy (50kwh per indigent household per r		191	418	418	4,236	4,236	4,236	2,024	2,917	7,672
Refuse (removed once a week for indigent households)		1,031	3,550	3,550	6,649	6,649	6,649	7,944	11,347	15,351
Cost of Free Basic Services provided - Informal Forma		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**11,625**	**21,071**	**21,071**	**38,516**	**38,516**	**38,516**	**38,814**	**55,664**	**78,662**
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	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)		5,234	6,400	161,505	34,503	33,066	33,066	35,381	38,919	41,643
Water (in excess of 6 kilolitres per indigent household per month)		(8,134)	(9,286)	12,670	14,579	9,851	9,851	11,458	8,058	(2,314)
Sanitation (in excess of free sanitation service to indigent households)		(2,270)	(7,817)	(353)	0	(2,504)	(2,504)	(2,679)	(8,125)	(16,693)
Electricity/other energy (in excess of 50 kwh per indigent household per month)		(191)	(418)	(32)	(2,468)	(2,468)	(2,468)	(0)	(727)	(5,567)
Refuse (in excess of one removal a week for indigent households)		(1,031)	(3,550)	(3,184)	(2,771)	(1,771)	(1,771)	(2,724)	(5,193)	(11,901)
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services		**(6,391)**	**(14,671)**	**170,606**	**43,844**	**36,174**	**36,174**	**41,435**	**32,933**	**5,168**

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
• **2017/2018 Outcome**	– Is as per the Stats SA Community Survey for 2016
• **Current year 2018/2019**	- Demographics data is projected as per 3% annual anticipated percentage increase
• **2019/2020 Medium Term Revenue & Expenditure Framework**	-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

• **2017/2018 Outcome**	-Monthly income data is projected as per 3% annual anticipated percentage increase
• **Current year 2018/2019**	-Demographics data is projected as per 3% annual anticipated percentage increase
• **2019/2020 Medium Term Revenue & Expenditure Framework**	-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
• **2017/2018 Outcome**	-Poverty profile data is projected as per 3% annual anticipated percentage increase
• **Current year 2018/2019**	-Poverty profile data is projected as per 3% annual anticipated percentage increase
• **2019/2020 Medium Term Revenue & Expenditure Framework**	-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
• **2019/2020 Medium Term Revenue & Expenditure Framework**	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.

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. August annually) 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 2018. The key deadlines were amended by Council in February 2019. Key dates applicable to the process were:

Deadline as per orginal approval August 2018	Deadline as per revised approval February 2019	Activity	Progress to Date
26 July 2018	30 August 2018	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 on 30 August 2018 per item C 1890/08/2018.
23 August 2018	21 August 2018	Final Virements for the 2017/2018 financial year to be approved by the Mayoral Committee.	Approved by Mayoral Committee as follows: • 10 July 2018 per Item B 4792/07/2018 • 17 July 2018 per Item B 4793/07/2018 • 7 August 2018 per Item B 4799/08/2018 • 21 August 2018 per Item B 4819/08/2018
23 August 2018	30 August 2018	Council approval of the Annual Financial Statements and Draft Annual Report for the 2017/2018 financial year.	Approved by Council on 30 August 2018 per item C 1897/08/2018.
31 August 2018	31 August 2018	Submission of Annual Financial Statements and Draft Annual Report for the 2017/2018 financial year to the Auditor General for auditing.	Draft AFS and Annual Report submitted to the AG on 31 August 2018.
17 September 2018	18 September 2018	Budget Steering Committee to review comments received from NT and PT regarding the 2018/2019 budget process as well as the approval of parameters for the compilation of the 2019/2020 budget.	PT comments considered by Budget Steering Committee on 18 September 2018. Verbal discussion on parameters for 2019/2020 budget.
September to October 2018	September to October 2018	Tariff modelling to be undertaken by the Finance department in consultation with service delivery departments.	Draft tariff modeling done based on indicative tariff increases received from bulk service providers.

September to October 2018	September to October 2018	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.	Finance department in the process of aligning departmental budgets to mSCOA in preparation for the 2019/2020 budget. Budgeted figures to be finalised after the approval of the adjustments budget in January 2019.
26 October 2018	1 November 2018	Departmental submissions of Adjustments Budget for 2018/2019.	Departments submitted inputs for Adjustments Budget from 24 October to 1 November 2018.
26 October 2018	28 November 2018	Departmental submissions of Draft Capital Budget for 2019/2020: - 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.	Departmental submissions of Capital Budget submitted on 28 November 2018.
4 November 2018	27 November 2018	MM / HOD's meeting to discuss Adjustments Budget for 2018/2019 financial year.	HOD's discussed adjustments budget on 27 November 2018.
12 November 2018	27 November 2018	Budget Steering Committee to consider Adjustments Budget for 2018/2019.	Budget Steering Committee discussed adjustments budget on 27 November 2018.
16 November 2018	28 February 2019	Finance department to submit Draft Operating Budget for 2019/2020 to departments for comments (including proposed tariffs).	No final bulk service increases available to date, will be finalised during February 2019.
20 November 2018	28 February 2019	MM / HOD's meeting to discuss Draft Operating Budget for 2019/2020 (inclusive of tariff increases).	No final bulk service increases available to date, will be finalised during February 2019.
January 2019	March 2019	Public Engagement in terms of sections 28 and 29 of the Municipal Systems Act:	Meetings held during March / April 2019.

(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 2019	March 2019	Departments to confirm Capital Budget Projects based on latest IDP ward analysis and need collation – adjustments to Capital Budget to be made where applicable.	Capital projects submitted and key projects discussed at Mayoral Committee Strategic Planning 18 – 20 February 2019
24 January 2019	24 January 2019	Tabling of Annual Report (inclusive of Final AFS and AG report) and MPAC Report for the 2017/2018 financial year to Council: - Tabling of Annual report to Council - Annual report made public - Oversight report made public.	Approved by Council 24 January 2019
24 January 2019	24 January 2019	Council to approve 2018/2019 mid-year review.	Approved by Council on 24 January 2019
24 January 2019	24 January 2019	Council to approve main adjustments budget for the 2018/2019 financial year.	Approved by Council 24 January 2019
January 2019	28 February 2019	Corporate Services to confirm all tariff submissions and by-laws for legal compliance.	Submitted to Corporate Services, review undertaken.
January 2019	March 2019	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 12 March 2019. Approval granted to proceed with tabling of budget.
28 February 2019	28 March 2019	Formal tabling of Draft IDP, Budget and SDBIP to Council in terms of the MFMA and the Municipal Systems Act.	Section 80 meeting was held. Council meeting for tabling took place on 28 March 2019.

1 March 2019	29 March 2019	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 on 2 April 2019 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.
March 2019	April 2019	Engagements with National and Provincial Treasury regarding the tabled IDP, Budget and SDBIP.	PT Engagement took place on 3 May 2019 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.
March 2019	April 2019	Workshop with all councilors regarding the IDP and Budget.	Workshop with Councillors held on 6 April 2019.
March 2019 (Detailed dates to be determined by the Office of the Speaker)	April 2019	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	Budget meetings held – refer to public consultation section in the budget document for details.

		- Response to public comment i.r.o. Budget, tariffs and policies (to Budget Steering Committee).	
16 April 2019	21 May 2019	Budget Steering Committee to consider final IDP, Budget and SDBIP.	Final Budget Steering Committee held held on 17 May 2019
22 April 2019	27 May 2019	Joint Section 80 Committee to recommend final IDP, Budget and SDBIP.	Final Section 80 Committee held on 21 May 2019
23 April 2019	28 May 2019	Special Mayoral Committee to recommend final IDP, Budget and SDBIP.	Final Council Approval 30 May 2019
25 April 2019	30 May 2019	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.	
9 May 2019	13 June 2019	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) (within 10 working days)	
9 May 2019	13 June 2019	Submission of Draft SDBIP to Executive Mayor: - Executive Mayor to receive Draft Municipal SDBIP within 14 days after approval of the budget.	
23 May 2019	27 June 2019	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.	
6 June 2019	7 June 2019 27 June 2019 10 July 2019	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 2018 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2019/20 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 2019/20 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 2019/20 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 2018/19 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 in the previous financial year, and this plan has been updated in the current financial year. 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 2019/20 MTREF was tabled before Council in March 2019 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.

The following meetings were held as part of the community consultation process in April 2019:

Date of Meeting	Wards and Venue of Meeting
3 April 2019	Ward 1 - Farmers
4 April 2019	Business Sector – Town Hall Radio Interview – Lekoa-FM
6 April 2019	Workshop with all Councillors – Speakers Boardroom
9 April 2019	Ward 6 – Lakeside Community Hall
10 April 2019	Developers – Town Hall CPF and Neighbourhood Watch – Fire Station Penvalley Community
11 April 2019	Ward 8, 9, 10, 14 and 15 – Town Hall Youth and Township Business –Town Hall
12 April 2019	Youth Forum – Town Hall
13 April 2019	Ward Committee Finance Portfolio – Finance Boardroom Emerging Farmers – Walkerville Showgrounds
15 April 2019	Radio interviews – VCR-FM and Lekoa-FM
16 April 2019	Ward 4,5,7,11 and 12 – Walkerville Showgrouds
17 April 2019	Rural community – Ward 1,2,3,4 and 13 - Jakkalsdraai
18 April 2019	Radio interview – VUT
23 April 2019	Radio interview – VCR-FM
15 May 2019	Radio interview – Thetha-FM

The table below reflects a summary of the questions and comments from the above meetings:

Question / Comment	Response
Ward 8,9,10 14 and 15 - 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 2019/2020 financial year.

Question / Comment	Response
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 94).
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 7.9% and the municipality is only also increasing its tariffs by 7.9% Electricity – Eskom's tariff increase is 15.63% and the municipality is only increasing its tariffs by 13.07%
Why can't the municipality decrease all the tariffs?	Decreasing the tariffs will hamper service delivery due to the increases of fuel and salaries. Electricity and Water increases are set by parastatals.
Ward 6 – Lakeside Accounts are high after installing new meters	Actual consumption now only reflects on the accounts – Item will go to Council for Indigent household write-off. The consumers will then be responsible for their consumption used.
What criteria was used to determine the valuations which increased significantly?	Market Sales from 2010 onwards were used. The Appeal Board process will be dealt with as per the requirements of the Municipal Property Rates Act.
Ward 12 – What happened to categorisation of properties?	The Provincial Appeal Board Tribunal has not convened yet.
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.
Thetha-FM: Why is there no electricity in the RDP section?	The municipality is receiving a grant from INEP to be used for electricity infrastructure.
The municipality is commended for the indigent income threshold increase to R4500	Thank you for the positive comment.
Reasonable fraction of the revenue from Ohenrimuri must be reinvested towards the development of the proposed Ohenrimuri Library	Council will consider it during the next budget process.

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 2019/20 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	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation

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 2019/20 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.

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:

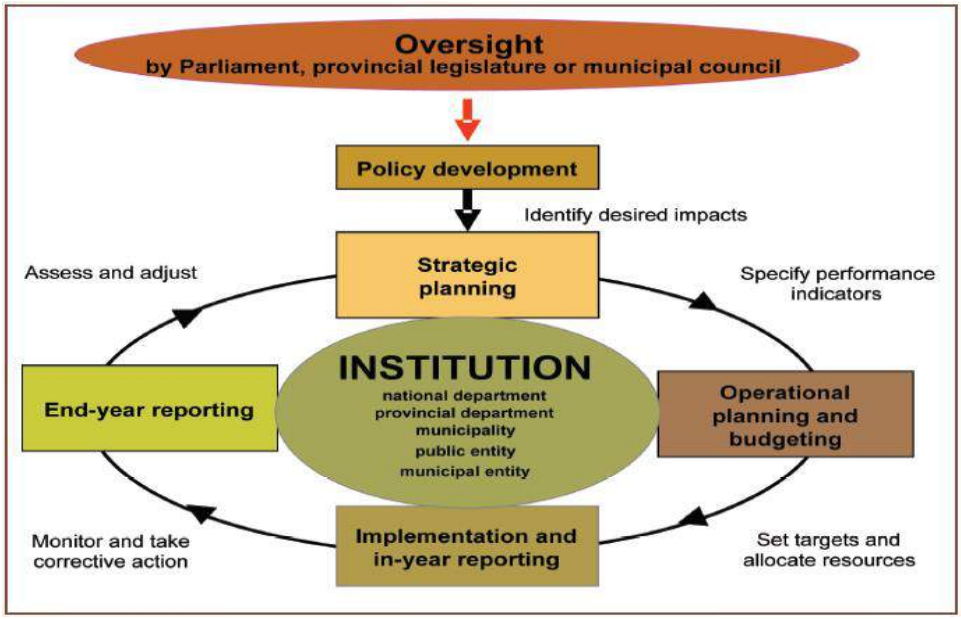

Figure 5 Planning, budgeting and reporting cycle

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:

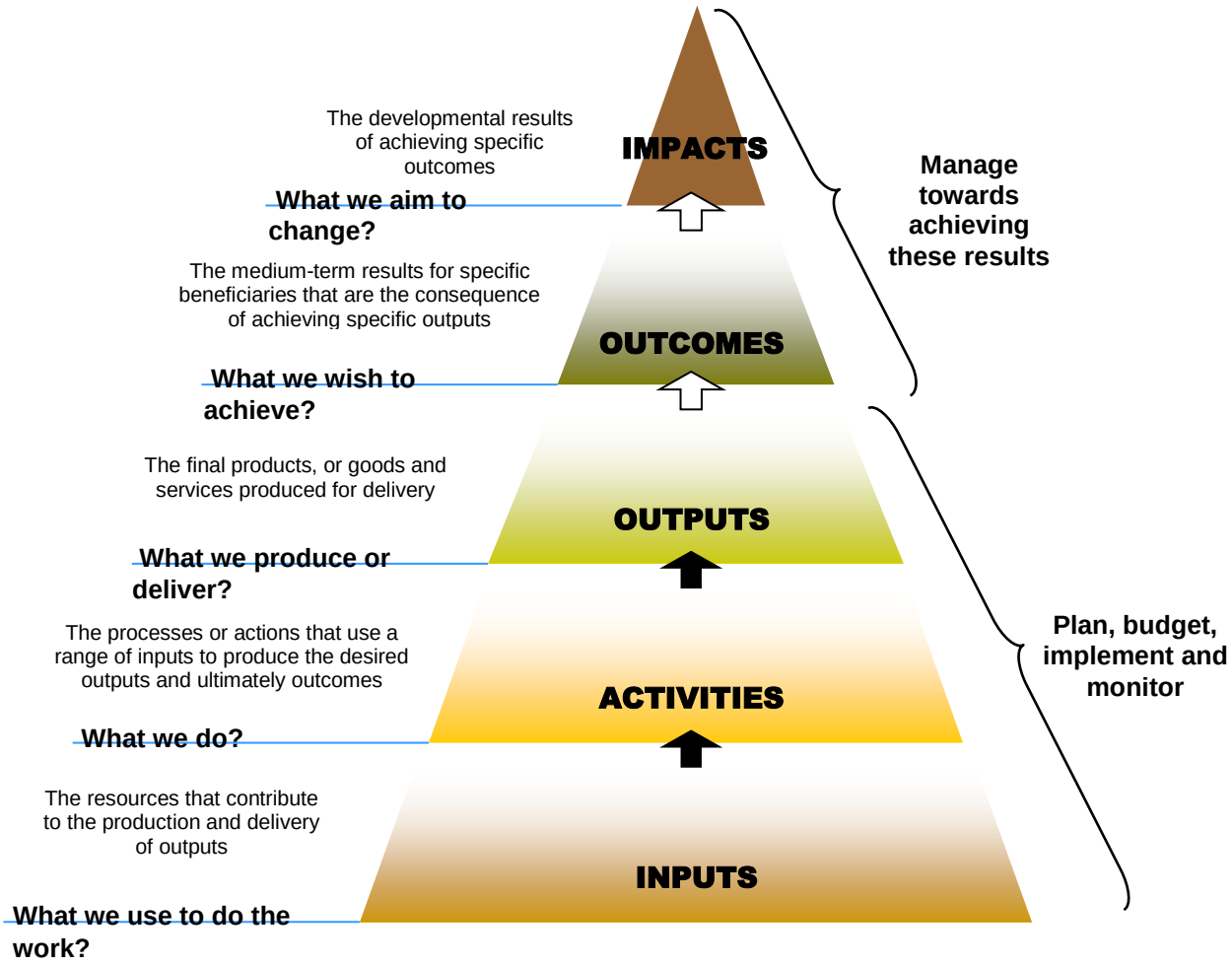

Figure 6 Definition of performance information concepts

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 2019/20 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 2019/20 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 95.5% 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

- **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 by the Municipality through Vaal Marina Water Treatment Works for the supply of Vaal Marina supply system.

The Department of Water and Sanitation 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 Midvaal Local Municipality. 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 2018/2019 financial year.

- **Pipe Replacement**

  15.3 km pipeline planned to be replaced this financial year is completed, size of pipeline replaced ranges from 75 mm to 250 mm. That was the replacement of asbestos cement pipeline with

- **Water Meters Management Plan**

  Replacement of 53 Bulk water meters which was planned for the 2018/2019 financial year has been completed.

  Replacement of 1200 domestic meters in lakeside have been completed.

- **Pressure Management System Refurbishment**

  Installation of 19 Smart PRVs is in progress.

- **Indigent Households Water Leaks Repair**

  Contractor appointed for repair of water leaks on the indigent household’s properties and repair of water leaks on 2729 indigent households is in progress, and to date, 84 properties were fixed.

- **Water Storage Reservoirs Water Overflow Reduction Plan**

  Installation of Altitude Control Valves for Reservoir Water Level Control was planned and to date 4 Reservoirs were fitted with Altitude Control Valves, the Reservoirs being, Drumblade, Meyerton, Highbury and Eye of Africa Reservoir.

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 2019/2020 – 2021/2022 period. The Budget related policies will be considered by Council in May 2019. 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	2018/19	2019/20
Policy	**Change Yes/No**	**Change Yes/No**
Annexure E Tariff By-Law	No changes	No changes
Annexure F Tariff Policy	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).	No changes
Annexure G Property Rates By-Law	No changes	No changes
Annexure H Property Rates Policy	New Policy for the implementation of the 2018/2023 Valuation Roll	9.3.7 The final R150 000 of the residential reduction was changed to the first R150 000 reduction. 20. Remuneration of VAB Members was removed from the policy. Budget Table included as per Cogta requirements.
Annexure I Credit Control and Debt Collection By-Law	No changes	No changes
Annexure J Credit Control and Debt Collection Policy	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	Added to 5.3 Failure to apply for consumer service agreement will result in services being discontinued. Clause 7.1 (a)(ii) was removed from the policy (not registered indigent).

	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 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.	Clause 7.2 (iii) Installation of a pre-paid electricity ***and or water*** **(added)** meter….
Annexure K Cash Management Policy	No changes	No changes
Annexure L Investment Policy	No Changes	No changes

Annexure M Borrowing Policy	No Changes	Cosmetic changes to numbering, Added ratios and finance leases as per GPT comments.
Annexure N Funding and Reserves Policy	No Changes	Terminology updated to be GRAP compliant. References to debt securities removed. References to MFMA Circulars updated. Clause 10.3.7 was changed to Property rates, exemptions and reductions are budgeted in compliance with mSCOA classification instead of referring to MFMA circulars. Clause 10.3.12 was changed to rebates, exemptions or reduction for services charges are budgeted for annually instead of referring to MFMA circulars. Other minor cosmetic changes.
Annexure O Municipal Supply Chain Management Policy and Procedures	Changes as per comments received from Gauteng Provincial Treasury and SCM consultants.	Corrected designations for delegations of authority, included reporting requirements as per the Municipal SCM Framework as issued by GPT
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	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. 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.	10.3.8 added: (application based deemed indigents). 11.1 added: All outstanding balances (including handovers) as at date of approval will be written off *as contemplated in clause 10.1.8 above.* The threshold to increase in 19/20 to R4 500, and 20/21 to R5 000 and 21/22 to R5 500.

	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	No changes	No changes
Annexure T Policy related to the provision of free basic water	Scope was changed to eliminate the provision for Agricultural stands. Only residential and not Agricultural will receive 4kl free basic water per month.	Free Basic Water for non-indigent households reduced to 2kl per household 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	Long Term Financial Plan updated by INCA Portfolio Managers (Annexure A to the LTFP). Other cosmetic changes.
Annexure W Disposal of assets Policy	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.	No changes

	Scrap items / obsolete inventory / library books – guidance provided on how these items should be disposed of.	
Annexure X Budget Implementation and Monitoring Policy	All references to virements removed from the policy. A new, stand-alone virement policy has been developed.	Added: 6.6 – Internal consumption of municipal services are costed to the user departments according to actual consumption / service level at the approved tariffs in terms of mSCOA costing segment.
Annexure Y Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	No Changes	No changes
Annexure Z Allocation of unclaimed credits policy	New Policy	New Policy
Annexure AA Bulk Developer Contributions Policy	No changes	No changes
Annexure AB Related Party Policy	No changes	No changes
Annexure AC Cell phone and connectivity allowance Policy	No changes	Changes were made to the heading of the policy which now states – Cell phone and connectivity allowance policy and 3G removed. Allowances have been updated and connectivity allowance are provided instead of 3G cards. Cell phone allowance is inclusive of connectivity allowance.

Annexure AD Caucus Budget Policy	No changes	Catering for caucus meetings – paragraph was changed to say that catering will be allowed for the monthly meetings at an amount as indicated in the annual budgetary provision as per paragraph 6 of this policy for planning purposes. Catering expenditure may vary from month to month as long as it remains within budget for the year. Added that virements will be allowed between lines but that the total caucus budget can't be increased.
Annexure AE Billing Policy	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.	No Changes

	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	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.	No changes
Annexure AI EFT Policy	No changes	No changes
Annexure AJ Provision for doubtful debtors Policy	No changes	No changes
Annexure AK Municipal Supply Chain Policy for Infrastructure Procurement And Delivery Management	Changes as per comments received from Gauteng Provincial Treasury and SCM consultants. (Pre-qualifying Preferential Procurement included policy incorporated into SCM Policy)	Cosmetic changes to terminology only.

Annexure AL SCM Contract Management Policy	No changes	No changes
Annexure AM Driver Policy	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.	The following sections were added to the policy: 1. What employees must do if there is an accident in a municipal vehicle and what information to obtain for reporting of the accident. 2. Reporting the accident (other than to the police) 3. Completion of accident report forms 4. Accident repairs 5. Towing of Municipal Vehicles 6. Motor Claims Procedures
Annexure AN Cost Containment Policy	New Policy – in line with National Treasury Regulations on Cost Containment.	No changes

Annexure AO Virement Policy	New Policy in compliance with MFMA Regulations on Municipal Standard Chart of Accounts.	The virement policy has been updated to allow greater flexibility to ensure service delivery. Virements across mSCOA segments as well as across votes will be allowed in terms of the revised policy.
Annexure AP Indigent Screening Policy	New Policy	No changes
Annexure AQ Attending Conferences, Meetings, Training and Workshops Policy	New Policy	No changes
Annexure AR BCX Call Logging Procedure	New Standard Operating Procedure	New Standard Operating Procedure

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 2019/20 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	Year 1	Year 2	Year 3
		2019/2020	2020/2021	2021/2022
Projected Growth		0.0%	0.0%	0.0%
Projected CPI	NT Circ 94	5.2%	5.5%	5.5%

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 index score of 73 (November 2018 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 2019/20 – 2021/22 MTREF period requiring both regular principal and interest payments. A 10% interest rate has been

assumed and a 10-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 (95.5%) 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	Year 1	Year 2	Year 3
		2019/2020	2020/2021	2021/2022
Projected Growth		0.0%	0.0%	0.0%
Projected CPI	NT Circ 94	5.2%	5.5%	5.5%
General Income Increase	MLM Guidance	6.0%	6.0%	5.5%
Property Rates Increase	MLM Guidance	7.0%	10.0%	7.0%
Refuse Removal Increase	Landfill site capacity	7.0%	10.0%	10.0%
Sanitation Increase	MLM Guidance	7.0%	7.0%	7.0%
NERSA Increase	NERSA	15.63%	8.10%	5.20%
Electricity Sales Increase	NERSA	13.07%	8.1%	5.2%
Rand Water Increase	Rand Water	7.9%	8.5%	8.2%
Water Sales Increase	Rand Water	7.9%	8.5%	7.1%

Table 24 Other Income Increases

		Year 1	Year 2	Year 3
Income		**2019/2020**	**2020/2021**	**2021/2022**
Non-Exchange Revenue				
Transfers And Subsidies				
Operational : Monetary				
DM GP: Sedibeng - Environ Health & Safet	Historical Trend	0,0%	0,0%	0,0%
DM GP: Sedibeng - Health HIV/AIDS	Balancing			
PG GP - Primary Health Care	DORA	0,0%	0,0%	0,0%
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	UMG Agreement	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		0,0%	0,0%	0,0%
Capital : Monetary				
PG GP - Recapital. Comm Libraries Grant	DORA	0,0%	0,0%	0,0%
ND - INEP	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	UMG Agreement	0,0%	0,0%	0,0%
Priv Ent: Oth Trf -Developers Contrib		0,0%	0,0%	0,0%

		Year 1	Year 2	Year 3
Income		**2019/2020**	**2020/2021**	**2021/2022**
Exchange Revenue				
Interest Dividends And Rent On Land				
Inter: Receiv - Electricity	CPI	6,0%	6,0%	5,4%
Inter: Receiv - Service Charges	CPI	6,0%	6,0%	5,4%
Inter: Receiv - Waste Management	CPI	6,0%	6,0%	5,4%
Inter: Receiv - Waste Water Management	CPI	6,0%	6,0%	5,4%
Inter: Receiv - Water	CPI	6,0%	6,0%	5,4%
Inter: Bank Accounts	CPI	6,0%	6,0%	5,4%
Inter: Short Term Invest & Call Accounts	CPI	6,0%	6,0%	5,4%
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%	5,4%
Dishonoured Cheques	CPI	6,0%	6,0%	5,4%
Lost Tokens	CPI	6,0%	6,0%	5,4%
Membership Fees	CPI	6,0%	6,0%	5,4%
Service Charges	CPI	6,0%	6,0%	5,4%
Sundry Income	CPI	6,0%	6,0%	5,4%
Breakages Recovered	CPI	6,0%	6,0%	5,4%
Collection Charges	CPI	6,0%	6,0%	5,4%
Incidental Cash Surpluses	CPI	6,0%	6,0%	5,4%
Replacement Of Security Cards	Actual trends	6,0%	6,0%	5,4%
Req Info - Plan Printing & Duplicates	CPI	6,0%	6,0%	5,4%
Insurance Refund	CPI	6,0%	6,0%	5,4%
Sale Of Property	CPI	6,0%	6,0%	5,4%
Bursary Refund	CPI	6,0%	6,0%	5,4%
Skills Development Levy Refund	Actual trends	6,0%	6,0%	5,4%
Rental From Fixed Assets				
N-M-R PPE: Ad Hoc-Other Assets	CPI	6,0%	6,0%	5,4%
M-R PPE: S/Line -Other Assets	Actual trends	6,0%	6,0%	5,4%
M-R PPE: Ad Hoc-Other Assets	CPI	6,0%	6,0%	5,4%
Sales Of Goods And Rendering Of Services				
Advertisements	Actual trends	6,0%	6,0%	5,4%
Cemetery & Burial	Actual trends	6,0%	6,0%	5,4%
Cleaning & Removal	Actual trends	6,0%	6,0%	5,4%
Development Charges	CPI	6,0%	6,0%	5,4%
Escort Fees	Actual trends	6,0%	6,0%	5,4%
Entrance Fees	Actual trends	6,0%	6,0%	5,4%
Fire Services	CPI	6,0%	6,0%	5,4%
Legal Fees	Actual trends	6,0%	6,0%	5,4%
Library Fees: Membership	CPI	6,0%	6,0%	5,4%
Objections & Appeals	CPI	6,0%	6,0%	5,4%
Photocopies & Faxes	CPI	6,0%	6,0%	5,4%
Plan & Dev: Building Plan Approval	CPI	6,0%	6,0%	5,4%
Plan & Dev: Clearance Certificates	Actual trends	6,0%	6,0%	5,4%
Plan & Dev: Occupation Certificates	CPI	6,0%	6,0%	5,4%
Plan & Dev: Town Planning & Servitudes	Actual trends	6,0%	6,0%	5,4%
Sale Of: Publication - Tender Documents	CPI	6,0%	6,0%	5,4%
Sale Of: Valuation Rolls	Actual trends	6,0%	6,0%	5,4%
Sale Of Scrap Waste & Oth: Scrap	CPI	6,0%	6,0%	5,4%
Licences And Permits				
Road & Trsp: Activ On Public Roads Fees	CPI	6,0%	6,0%	5,4%

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

Expenditure		Year 1	Year 2	Year 3
Employee Related Cost		**2019/2020**	**2020/2021**	**2021/2022**
Senior Management				
SM - Salaries Allow And Serv Benefits				
MM - Salaries Allow And Serv Benefits				
SM MM: Sal & All - Basic Salary	SALGBC	6,5%	5,9%	5,9%
SM MM: Allow - Cellular & Telephone	SALGBC	6,5%	5,9%	5,9%
SM MM: Allow - Travel Or Motor Vehicle	SALGBC	6,5%	5,9%	5,9%
CFO - Salaries Allow And Serv Benefits				
SM CFO: Sal & All - Basic Salary	SALGBC	6,5%	5,9%	5,9%
SM CFO: Allow - Cellular & Telephone	SALGBC	6,5%	5,9%	5,9%
SM CFO: Allow - Travel Or Motor Vehicle	SALGBC	6,5%	5,9%	5,9%
DMM - Salaries Allow And Serv Benefits				
DMM: Sal & All - Basic Salary	SALGBC	6,5%	5,9%	5,9%
DMM: Allow - Cellular & Telephone	SALGBC	6,5%	5,9%	5,9%
DMM: Allow - Travel Or Motor Vehicle	SALGBC	6,5%	5,9%	5,9%
HOD D&P - Salaries Allow And Serv Benefits				
HOD D&P: Sal & All - Basic Salary	SALGBC	6,5%	5,9%	5,9%
HOD D&P: Allow - Cellular & Telephone	SALGBC	6,5%	5,9%	5,9%
HOD D&P: Bonus	SALGBC	6,5%	5,9%	5,9%
HOD D&P: Allow - Travel Or Motor Vehicle	SALGBC	6,5%	5,9%	5,9%
HOD CS - Salaries Allow And Serv Benefits				
HOD CS: Sal & All - Basic Salary	SALGBC	6,5%	5,9%	5,9%
HOD CS: Allow - Cellular & Telephone	SALGBC	6,5%	5,9%	5,9%
HOD CS: Allow - Travel Or Motor Vehicle	SALGBC	6,5%	5,9%	5,9%
HOD ES - Salaries Allow And Serv Benefits				
HOD ES: Sal & All - Basic Salary	SALGBC	6,5%	5,9%	5,9%
HOD ES: Allow - Cellular & Telephone	SALGBC	6,5%	5,9%	5,9%
HOD ES: Bonus	SALGBC	6,5%	5,9%	5,9%
HOD ES: Allow - Travel Or Motor Vehicle	SALGBC	6,5%	5,9%	5,9%
SM - Social Contributions				
MM - Social Contributions				
SM MM: Soc Contr: Medical	SALGBC	6,5%	5,9%	5,9%
SM MM: Soc Contr: Pension Funds	SALGBC	6,5%	5,9%	5,9%
SM MM: Soc Contr: Uif	SALGBC	6,5%	5,9%	5,9%
SM MM: Soc Contr: Bargaining Council	SALGBC	6,5%	5,9%	5,9%
CFO - Social Contributions				
SM CFO: Soc Contr: Pension Funds	SALGBC	6,5%	5,9%	5,9%
SM CFO: Soc Contr: Uif	SALGBC	6,5%	5,9%	5,9%
SM CFO: Soc Contr: Bargaining Council	SALGBC	6,5%	5,9%	5,9%

Expenditure		**Year 1**	**Year 2**	**Year 3**
Employee Related Cost		**2019/2020**	**2020/2021**	**2021/2022**
DMM - Social Contributions				
DMM: Soc Contr: Uif	SALGBC	6,5%	5,9%	5,9%
DMM: Soc Contr: Bargaining Council	SALGBC	6,5%	5,9%	5,9%
HOD D&P - Social Contributions				
HOD D&P: Soc Contr: Medical	SALGBC	6,5%	5,9%	5,9%
HOD D&P: Soc Contr: Pension Funds	SALGBC	6,5%	5,9%	5,9%
HOD D&P: Soc Contr: Uif	SALGBC	6,5%	5,9%	5,9%
HOD D&P: Soc Contr: Bargaining Council	SALGBC	6,5%	5,9%	5,9%
HOD CS - Social Contributions				
HOD CS: Soc Contr: Medical	SALGBC	6,5%	5,9%	5,9%
HOD CS: Soc Contr: Pension Funds	SALGBC	6,5%	5,9%	5,9%
HOD CS: Soc Contr: Uif	SALGBC	6,5%	5,9%	5,9%
HOD CS: Soc Contr: Bargaining Council	SALGBC	6,5%	5,9%	5,9%
HOD ES - Social Contributions				
HOD ES: Soc Contr: Pension Funds	SALGBC	6,5%	5,9%	5,9%
HOD ES: Soc Contr: Uif	SALGBC	6,5%	5,9%	5,9%
HOD ES: Soc Contr: Medical	SALGBC	6,5%	5,9%	5,9%
HOD ES: Soc Contr: Bargaining Council	SALGBC	6,5%	5,9%	5,9%
Municipal Staff				
MS - Salaries Allow And Serv Benefits				
MS: Sal & All: Basic Salary & Wages	SALGBC	6,5%	5,9%	5,9%
MS: Sal & All: Performance Based Bonuses	SALGBC	6,5%	5,9%	5,9%
MS: All - Cellular & Telephone	SALGBC	6,5%	5,9%	5,9%
MS: Hb & Inc: Housing Benefits	SALGBC	6,5%	5,9%	5,9%
MS: All - Leave Pay	SALGBC	6,5%	5,9%	5,9%
MS: All - Travel Or Motor Vehicle	SALGBC	6,5%	5,9%	5,9%
MS: Overtime - Non Structured	SALGBC	6,5%	5,9%	5,9%
MS: Payments - Shift Add Remuneration	SALGBC	6,5%	5,9%	5,9%
MS: SRB - Acting Allowance	SALGBC	6,5%	5,9%	5,9%
MS: SRB - Annual Bonus	SALGBC	6,5%	5,9%	5,9%
MS: SRB - Long Service Award	SALGBC	6,5%	5,9%	5,9%
MS: SRB - Standby Allowance	SALGBC	6,5%	5,9%	5,9%
MS - Social Contributions				
MS: Soc Contr - Bargaining Council	SALGBC	6,5%	5,9%	5,9%
MS: Soc Contr - Group Life Insurance	SALGBC	6,5%	5,9%	5,9%
MS: Soc Contr - Medical	SALGBC	6,5%	5,9%	5,9%
MS: Soc Contr - Pension	SALGBC	6,5%	5,9%	5,9%
MS: Soc Contr - Unemployment Insur Fund	SALGBC	6,5%	5,9%	5,9%
MS: Soc Contr - Medical (Post retirement)	SALGBC	6,5%	5,9%	5,9%

Expenditure		Year 1	Year 2	Year 3
Remuneration Of Councillors				
Roc - Allowances & Serv Related Benefits				
Speaker - Allowances & Srb				
Speaker: Travelling Allowance	SALGBC	6,5%	5,9%	5,9%
Speaker: Basic Salary	SALGBC	6,5%	5,9%	5,9%
Speaker: Cell Phone Allowance	SALGBC	6,5%	5,9%	5,9%
Whip - Allowances & Srb				
Whip: Travelling Allowance	SALGBC	6,5%	5,9%	5,9%
Whip: Basic Salary	SALGBC	6,5%	5,9%	5,9%
Whip: Cell Phone Allowance	SALGBC	6,5%	5,9%	5,9%
Exec Mayor - Allowances & Srb				
Exec Mayor: Travelling Allowance	SALGBC	6,5%	5,9%	5,9%
Exec Mayor: Basic Salary	SALGBC	6,5%	5,9%	5,9%
Exec Mayor: Cell Phone Allowance	SALGBC	6,5%	5,9%	5,9%
Exco - Allowances & Srb				
Exco: Travelling Allowance	SALGBC	6,5%	5,9%	5,9%
Exco: Basic Salary	SALGBC	6,5%	5,9%	5,9%
Exco: Cell Phone Allowance	SALGBC	6,5%	5,9%	5,9%
Other Council - Allowances & Srb				
Oth Council: Travelling Allowance	SALGBC	6,5%	5,9%	5,9%
Oth Council: Basic Salary	SALGBC	6,5%	5,9%	5,9%
Oth Council: Cell Phone Allowance	SALGBC	6,5%	5,9%	5,9%
Section 79 - Allowance & Srb				
Sect 79 Chair: Travelling Allowance	SALGBC	6,5%	5,9%	5,9%
Sect 79 Chair: Basic Salary	SALGBC	6,5%	5,9%	5,9%
Sect 79 Chair: Cell Phone Allowance	SALGBC	6,5%	5,9%	5,9%

2.5.8 Other expenditure increases

Table 26 Expenditure Increases

		Year 1	Year 2	Year 3
Expenditure		**2019/2020**	**2020/2021**	**2021/2022**
Contracted Services				
Outsource Services				
OS: Burial Services	MLM Gen Incr	5,0%	5,0%	5,0%
OS: B&A Occupational Health & Safety	MLM Gen Incr	5,0%	5,0%	5,0%
OS: B&A Valuer	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Catering Services	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Catering Services - Munic Activities	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Catering Services - Training	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Call Centre	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Cleaning Services	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Clearing & Grass Cutting Services	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Electrical	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Hygiene Services	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Hygiene Services-Cleaning Services	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Illegal Dumping	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Litter Picking & Street Cleaning	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Meter Management	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Personnel & Labour	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Connect/Dis-Connection: Electicity	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Con/Discon: Restricted Water Flow	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Connect/Disconnection: Water	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Refuse Removal	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Removal Of Struct & Illegal Signs	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Security Services	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Sewerage Services	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Traffic Fines Management	MLM Gen Incr	5,0%	5,0%	5,0%
OS: Transport Services	MLM Gen Incr	5,0%	5,0%	5,0%
Consultants And Professional Services				
C&PS: B&A Accountants & Auditors	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Audit Sitting Allowance	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Internal Audit	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Business & Fin Management	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Communications	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Human Resources	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Medical Examinations	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Project Management	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Research & Advisory	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Forensic Investigators	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Credit Rating Agencies	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: B&A Actuaries	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: I&P Engineering Civil	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: I&P Engineering Electrical	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: I&P Geodetic Control & Surveys	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: I&P Geoinformatic Services	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: I&P Town Planner	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: Lab Serv Agriculture	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: Legal Cost Advice & Litigation	MLM Gen Incr	5,0%	5,0%	5,0%
C&PS: Legal Cost Collection	MLM Gen Incr	5,0%	5,0%	5,0%

		Year 1	Year 2	Year 3
Expenditure		**2019/2020**	**2020/2021**	**2021/2022**
Contractors				
Contr: Artists & Performers	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Auctioneers	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Audio-Visual Services	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Catering Services	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Employee Wellness	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: First Aid	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Fire Services	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Maint Of Buildings & Facilities	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Maintenance Of Equipment	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Maintenance Of Unspecified Assets	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Maintenance Fleet	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Medical Services	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Pest Control & Fumigation	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Plants Flowers & Oth Decorations	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Safeguard & Security	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Sports & Recreation	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Stage & Sound Crew	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Tracing Agents & Debt Collectors	MLM Gen Incr	5,0%	5,0%	5,0%
Contr: Transportation Contractor	MLM Gen Incr	5,0%	5,0%	5,0%
Operational Cost				
OC: Achievements & Awards	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Adv/Pub/Mark - Auctions	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Adv/Pub/Mark - Corp & Mun Activities	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Corporate & Municipal Activities	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Mayoral Donations	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Nutritional Care	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Services Charges	MLM Gen Incr	0,0%	3,5%	5,4%
OC: SOCial Services Programme	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Adv/Pub/Mark - Customer/Client Info	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Adv/Pub/Mark - Gifts & Promo Items	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Adv/Pub/Mark - Municipal Newsletters	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Adv/Pub/Mark - Signs: Branding	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Adv/Pub/Mark - Sings - Branding	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Adv/Pub/Mark - Staff Recruitment	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Assets Less Than Capital Threshold	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Audit Cost: External	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Bc/Fac/C Fees - Bank Accounts	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Bc/Fac/C Fees - Third Parties	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Bc/Fac/C Fees - Flt&Oth Ct/Dt Cards	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Bc/Fac/C Fees - Investments	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Bc/Fac/C Fees - Lease Payments	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Bc/Fac/C Fees - Lng/Shrt Loans/Bor	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Bargaining Council	MLM Gen Incr	6,5%	5,9%	5,9%
OC: Bursaries (Employees)	MLM Gen Incr	0,0%	3,5%	5,4%

		Year 1	Year 2	Year 3
Expenditure		**2019/2020**	**2020/2021**	**2021/2022**
OC: Clean Serv - Car Valet/Washing Serv	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Commission - Third Party Vendors	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Commission - Prepaid Electricity	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Courier & Delivery Services	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Comm - Licences (Radio & Television)	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Comm - Postage/Stamps/Franking Ma	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Comm - Radio & Tv Transmissions	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Comm - Rent Private Bag & Postal Bo	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Comm - Satellite Signals	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Comm - Sms Bulk Message Service	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Comm - Phone Fax Telegraph & Telex	Cost Containm	0,0%	0,0%	0,0%
OC: Contr To Prov - Rehab Landfill Sites	Cost Containm	0,0%	0,0%	0,0%
OC: Entertainment - Mayor	Cost Containm	0,0%	0,0%	0,0%
OC: Entertainment - Councillors	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Entertainment - Senior Management	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Ext Com Serv Prov - toets Lines	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Ext Com Serv Prov - Network Extens	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Ext Com Serv Prov - S/Ware Licences	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Ext Com Serv Prov - Spec Comput Se	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Ext Com Serv Prov - System Adviser	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Ext Com Serv Prov - Wireless Network	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Hire Charges	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Hire Charges - Copiers	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Hire Charges - Telephone	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Fine Road Traffic & Others	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Insur Under - Claim Paid 3rd Parties	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Insur Under - Insurance Brokers Fees	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Insur Under - Insurance Claims	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Insur Under - Excess Payments	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Insur Under - Excess Payments Fleet	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Insur Under - Risk Man Programs	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Insur Under - Premiums	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Water Resource Management Charges	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Lic - Vehicle Lic & Registrations	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Lic - Vehicle Lic & Registr Fleet	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Management Fee	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Printing & Publications	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Printing & Publications: Flyers	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Professional Bodies M/Ship & Subs	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Training - Internship	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Membership Fees	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Reg Fees National	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Remuneration To Ward Committees	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Road Worthy Test Fleet	MLM Gen Incr	0,0%	3,5%	5,4%
OC: System Access & Information Fees	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Skills Development Fund Levy	MLM Gen Incr	6,5%	5,9%	5,9%
OC: Search Fees	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Small Differences Tolerances	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Toll Gate Fees	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Toll Gate Fees Fleet	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Dom - Accommodation	MLM Gen Incr	0,0%	3,5%	5,4%

		Year 1	Year 2	Year 3
Expenditure		**2019/2020**	**2020/2021**	**2021/2022**
OC: Accommodation: DA	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Accommodation: ANC	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Accommodation: EFF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Accommodation: FF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Daily Allowance	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Daily Allowance: DA	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Daily Allowance: ANC	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Daily Allowance: EFF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Daily Allowance: FF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Incidental Cost	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Incidental Cost: DA	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Incidental Cost: ANC	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Incidental Cost: EFF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Incidental Cost: FF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Without opr car rental	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Without opr car rental: DA	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Without opr car rental: ANC	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Without opr car rental: EFF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Without opr car rental: FF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Own Transport	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Air Transport	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Air Transport: DA	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Air Transport: ANC	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Air Transport: EFF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Air Transport: FF	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Dom - Daily Allowance	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Dom - Daily Allowance	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Dom - Incidental Cost	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Dom Trp - Without Opr Car Renta	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Dom Trp - W/Out Opr Own Trans	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Dom Pub Trp - Air Transport	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign - Accommodation	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign - Daily Allowance	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign - Incidental Cost	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign Trp - No Opr Car Rental	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign Trp - With Orp Trp Prov	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign Pub Trp - Air Transport	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign Pub Trp - Railway Trans	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign Pub Trp - Road Transp	MLM Gen Incr	0,0%	3,5%	5,4%
OC: T&S Foreign Pub Trp - Water Transp	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Uniform & Protective Clothing	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Vehicle Tracking	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Vehicle Tracking Fleet	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Workmen's Compensation Fund	MLM Gen Incr	0,0%	3,5%	5,4%
OC: Indigent Relief	MLM Gen Incr	0,0%	3,5%	5,4%

		Year 1	Year 2	Year 3
		2019/2020	2020/2021	2021/2022
Expenditure				
Inventory				
Inventory - Consumable Stores -Std Rate	MLM Gen Incr	0.0%	3.5%	5.0%
Inventory - Finished Goods	MLM Gen Incr	0.0%	3.5%	5.0%
Inventory - Consumabl Stores -Zero Rate	MLM Gen Incr	7.0%	7.0%	7.0%
Inventory - Materials & Supplies	MLM Gen Incr	0.0%	3.5%	5.0%
Inventory - Stationery	MLM Gen Incr	0.0%	3.5%	5.0%
Inventory - Stationery (Cartridges)	MLM Gen Incr	0.0%	3.5%	5.0%
Inventory - Computer Requirements	MLM Gen Incr	0.0%	3.5%	5.0%
Inventory - Copy Charges	MLM Gen Incr	0.0%	3.5%	5.0%
Inventory - Materials & Supplies Fleet	MLM Gen Incr	0.0%	3.5%	5.0%
Bulk Purchases				
Escom	% of Sales	15.6%	8.1%	5.2%
Bulk Water Purchases	% of Sales	7.9%	8.5%	7.1%
Interest Dividends And Rent On Land				
Int Paid Bor: Annuity Loans		7.0%	7.0%	7.0%
Int Paid Bor: Financial Leases		7.0%	7.0%	7.0%
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	4.5%	4.5%	4.5%

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

		Year 1	Year 2	Year 3
		2019/2020	2020/2021	2021/2022
Assets				
Current Assets				
Cash and Cash Equivalents	Calculation	Calculated	Calculated	Calculated
Short Term Investments	Calculation	Calculated	Calculated	Calculated
VAT Receivable	CPI	5.2%	5.5%	5.5%
Other Receivables from Exchange Trans	CPI	5.2%	5.5%	5.5%
Other Receivables from Non Exchange T	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 Ob	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 2019/20 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 2018/2019 financial year as well as the projections for the MTREF period:

Table 28 Projected Statement of Financial Performance

Statement of Financial Performance			
Income	**2019/2020**	**2020/2021**	**2021/2022**
Revenue from Non-Exchange Transactions			
Property Rates	222,421,543	244,663,697	261,790,156
Fines, Penalties and Forfeits	50,352,688	53,373,849	56,309,411
Operational Transfers Monetary	149,442,675	140,926,555	154,740,736
Capital Transfers Monetary (Govt)	86,805,831	84,843,828	85,456,696
Capital Transfers Monetary (Developers)	3,950,000	1,500,000	1,500,000
Capital Transfers In Kind			
Revenue from Exchange Transactions			
Service Charges Electricity	394,641,930	432,341,464	454,863,570
Service Charges Waste Management	41,047,380	45,152,118	49,667,329
Service Charges WasteWater Management	44,377,691	48,815,461	53,697,007
Service Charges Water	214,303,947	232,516,325	249,069,113
Interest, Dividends and Rent on Land	21,565,444	22,708,171	23,818,520
Operational Revenue	4,283,747	4,540,772	4,790,515
Rental from Fixed Assets	1,378,000	1,460,680	1,541,017
Sales of Goods and Rendering of Services	5,662,319	6,002,058	6,332,171
Licenses and Permits	42,953	45,531	48,035
Gain on disposal of Assets	-	-	-
Inv - Physical & Net-Rel Value Losses			
TOTAL INCOME	**1,240,276,148**	**1,318,890,507**	**1,403,624,276**
Total Income Excluding Capital Revenue	**1,149,520,317**	**1,232,546,679**	**1,316,667,579**
Expenditure	**2019/2020**	**2020/2021**	**2021/2022**
Salaries and Allowances			
Senior Managers	10,158,292	10,754,277	11,386,021
Municipal Staff	309,716,453	328,273,077	347,943,069
Councillors Allowances	12,389,536	13,132,909	13,920,883
Contracted Services			
Outsourced Services	53,420,993	56,091,873	58,896,467
Consultants and Professional Services	28,127,489	29,533,863	31,010,556
Contractors	56,674,503	59,403,228	62,373,390
Operational Cost	67,583,344	66,027,680	69,330,527
Inventory	15,722,165	16,272,441	22,686,063
Bulk Purchases			
Electricity	289,799,215	313,272,952	329,563,145
Water	128,242,316	139,142,913	149,049,888
Interest, Dividends and Rent on Land	21,546,695	21,993,597	23,634,631
Operating Leases	-	-	-
Bad Debt Written Off	91,750,853	95,275,349	97,938,322
Transfers and Subsidies	586,520	607,048	637,401
Depreciation and Ammortisation	123,106,305	129,261,621	135,724,699
Impairments Losses	-	-	-
Loss on Sale of Assets	-	-	-
Inv - Physical & Net-Rel Value Losses			
Internal Transactions			
TOTAL EXPENDITURE	**1,208,824,679**	**1,279,042,828**	**1,354,095,062**
ACCOUNTING SURPLUS / DEFICIT	**31,451,469**	**39,847,679**	**49,529,213**

Table 29 Projected Statement of Changes in Net Assets

Statement of Changes in Net Assets	2019/2020	2020/2021	2021/2022
Opening Accumulated Surplus	**1,506,805,580**	**1,642,897,408**	**1,786,154,384**
Prior Year Adjustments / Restatements / Rounding / Internals			
Restated Opening Balance - Accumulated Surplu	**1,506,805,580**	**1,642,897,408**	**1,786,154,384**
Surplus / (Deficit) for the year	31,451,469	39,847,679	49,529,213
Less: Transfer from Accumulated Surplus to Reserves			
Mayoral Charitable Fund	-	-	-
Developer's Contributions Reserve	-	-	-
Capital Replacement Reserve	-	-	-
Assets Fair Value Reserve	104,640,359	103,409,296	101,793,524
Closing Surplus	**1,642,897,408**	**1,786,154,384**	**1,937,477,121**
Plus: Ringfenced Reserves in Accumulated Surplus			
Developer's Contributions Reserve			
Opening Balance	20,120,598	20,120,598	20,120,598
Plus Contributions	3,950,000	1,500,000	1,500,000
Less Expenditure	3,950,000	1,500,000	1,500,000
Closing Balance	**20,120,598**	**20,120,598**	**20,120,598**
Assets Fair Value Reserve			
Opening Balance	536,404,631	431,764,272	328,354,976
Plus Contributions			
Less Offset Depreciation	104,640,359	103,409,296	101,793,524
Closing Balance	**431,764,272**	**328,354,976**	**226,561,451**
Capital Replacement Reserve			
Opening Balance	1,669,211	1,669,211	1,669,211
Plus Contributions	9,678,000	16,195,000	16,418,000
Less Expenditure	9,678,000	16,195,000	16,418,000
Closing Balance	**1,669,211**	**1,669,211**	**1,669,211**
Mayoral Charitable Fund			
Opening Balance	293,683	293,683	293,683
Plus Contributions			
Less Expenditure			
Closing Balance	**293,683**	**293,683**	**293,683**
TOTAL ACCUMULATED SURPLUS	**2,096,745,172**	**2,136,592,851**	**2,186,122,064**

Table 30 Projected Statement of Financial Position

Statement of Financial Position	2019/2020	2020/2021	2021/2022
ASSETS			
Current Assets	**407,424,131**	**445,628,145**	**492,384,514**
Cash and Cash Equivalents	210,852,503	238,245,077	273,595,377
Short Term Investments	-	-	-
Consumer Debtors			
VAT Receivable	19,398,698	20,465,626	21,591,236
Receivables from Exchange Transactions	107,301,480	113,203,062	119,429,230
Receivables from Non-Exchange Transactions	60,370,435	63,690,809	67,193,803
Inventories	9,501,015	10,023,571	10,574,867
Non Current Assets	**2,091,761,158**	**2,101,598,366**	**2,116,718,363**
Property Plant and Equipment	2,044,145,679	2,053,982,887	2,069,102,884
Investment Property	46,569,574	46,569,574	46,569,574
Intangible Assets	1,027,204	1,027,204	1,027,204
Heritage Assets	18,701	18,701	18,701
TOTAL ASSETS	**2,499,185,289**	**2,547,226,511**	**2,609,102,877**
LIABILITIES			
Current Liabilities	**184,139,264**	**194,960,253**	**205,876,972**
Trade and Other Payables from Exchange Transacti	129,548,743	136,673,924	144,190,989
Consumer Deposits	18,136,145	19,133,633	20,185,983
Current Portion of External Loans	27,867,811	31,100,818	33,000,000
Current Portion of Finance Lease Obligation	8,586,565	8,051,879	8,500,000
Vat Payable			
Clearing Account			
Unspent Conditional Grants and Receipts			
Current Portion of Provision			
Non Current Liabilities	**218,300,853**	**215,673,406**	**217,103,841**
External Loans	134,333,572	127,082,754	121,832,754
Provisions	51,312,116	54,134,283	57,111,668
Employee Benefit Obligation	17,148,608	18,091,781	19,086,829
Finance Lease Obligation	15,506,557	16,364,588	19,072,589
TOTAL LIABILITIES	**402,440,117**	**410,633,660**	**422,980,813**
NET ASSETS	**2,096,745,172**	**2,136,592,851**	**2,186,122,064**
ACCUMULATED SURPLUS	**2,096,745,172**	**2,136,592,851**	**2,186,122,064**

Table 31 Projected Cash Flow Statement

Cash flow statement	2019/2020	2020/2021	2021/2022
Cash flows from operating activities			
Receipts	**1,140,174,922**	**1,214,323,762**	**1,295,883,531**
Cash receipts from ratepayers, government and othe	432,067,540	440,937,775	473,225,058
Cash received from services/ charges	694,370,948	758,825,367	807,297,018
Interest income	13,736,434	14,560,620	15,361,454
Payments	**- 984,649,613**	**- 1,044,137,893**	**- 1,109,493,838**
Cash paid to employees	- 319,874,745	- 339,027,354	- 359,329,090
Cash paid to suppliers & other	- 643,228,172	- 683,116,942	- 726,530,117
Finance costs	- 21,546,695	- 21,993,597	- 23,634,631
Net cash flows from operating activities	**155,525,309**	**170,185,868**	**186,389,692**
Cash flows from investing activities			
Purchase of property, plant and equipment	- 135,183,831	- 139,098,828	- 150,844,696
Net cash flows from investing activities	**- 135,183,831**	**- 139,098,828**	**- 150,844,696**
Cash flows from financing activities			
Movement in long-term liabilities: New Borrowings	21,500,000	26,000,000	32,500,000
Movement in long-term liabilities: Redemption Paid	- 26,779,841	- 30,017,811	- 35,850,817
Movement in finance lease: New Borrowings	8,250,000	10,560,000	14,970,000
Movement in finance lease: Redemption Paid	- 9,306,788	- 10,236,655	- 11,813,879
Net cash flows from financing activities	**- 6,336,629**	**- 3,694,466**	**- 194,696**
Net increase/(decrease) in cash and cash equiva	**14,004,849**	**27,392,574**	**35,350,300**
Cash and cash equivalents at the beginning of th	**196,847,654**	**210,852,503**	**238,245,077**
Cash and cash equivalents at the end of the year	**210,852,503**	**238,245,077**	**273,595,377**

Key Financial Ratios	2019/2020	2020/2021	2021/2022
Financial Overview			
Total Operating Revenue	1,240,276,148	1,318,890,507	1,403,624,276
Total Operating Expenditure	1,208,824,679	1,279,042,828	1,354,095,062
Total Capital Expenditure	135,183,831	139,098,828	150,844,696
Total Expenditure	1,344,008,510	1,418,141,656	1,504,939,759
Number of Staff Members (funded positions)	897	897	897
Employee Cost	319,874,745	339,027,354	359,329,090
Employee Cost as a % of Opex	26%	27%	27%
Audit Outcome			
Liquidity Ratio's			
Current Ratio	2	2	2
Cost Coverage (total cash and investments)	3	3	3
Number of day's total cash held	77	82	89
Number of day's un-encumbered operating cash held	64	69	76
Number of day's available operating cash held	26	30	36
Municipality Funded as per NT (Yes/No)	**Yes**	**Yes**	**Yes**
Productivity Ratio's			
R and M as a % of operating expenditure	0	0	0
Salaries as a % of operating expenditure	0	0	0
Analysis of Cash Balance	**2019/2020**	**2020/2021**	**2021/2022**
Cash and Cash Equivalents	210,852,503	238,245,077	273,595,377
Plus: Investments	-	-	-
Total Cash and Investments	**210,852,503**	**238,245,077**	**273,595,377**
Less Encumbered Cash (3rd party entitlements)	**36,925,953**	**38,308,441**	**39,766,966**
Unspent conditional grants	-	-	-
Developer's Contributions Reserve	20,120,598	20,120,598	20,120,598
Less Developer's Contribution Debtor	- 10,000,000	- 10,000,000	- 10,000,000
Capital Replacement Reserve	1,669,211	1,669,211	1,669,211
Unspent loan funding	-	-	-
Consumer Deposits held	18,136,145	19,133,633	20,185,983
Retentions held	7,000,000	7,385,000	7,791,175
Un-encumbered Operating Cash	**173,926,550**	**199,936,636**	**233,828,411**
Less Funding of Provisions, Reserves and Rede	**103,978,801**	**112,480,440**	**123,863,194**
Loan Repayment Commitments	35,518,077	40,254,376	47,664,697
Landfill Rehabilitation Provision	51,312,116	54,134,283	57,111,668
Employee Benefit Obligation	17,148,608	18,091,781	19,086,829
Available Cash	**69,947,748**	**87,456,196**	**109,965,217**
Working Capital	57,521,871	60,685,573	64,023,280
Receivables	187,070,613	197,359,497	208,214,269
Less Payables	- 129,548,743	- 136,673,924	- 144,190,989
Level of Budget Funding (=> 0 funded, <0, unfun	**127,469,619**	**148,141,769**	**173,988,497**
Cash Collection rate	1	1	1
Cash Expenditure per year	993,967,521	1,054,505,858	1,120,432,041
Cash Expenditure per month	82,830,627	87,875,488	93,369,337
Cash Expenditure per day	2,723,199	2,889,057	3,069,677
Redemption paid for the year	35,518,077	40,254,376	47,664,697
Interest paid for the the year	21,546,695	21,993,597	23,634,631

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.

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 2019/20 amounts to R135 183 831.

The capital budget will be funded as follows:

Accumulated Surplus	5,000,000	4%
CRR	9,678,000	7%
DAC Grant	6,874,524	5%
Developer Contributions	3,950,000	3%
External Loans	21,500,000	16%
HP	8,250,000	6%
INEP	25,158,000	19%
MIG	41,273,307	31%
Water Service Infrastructure Grant	13,500,000	10%

Capital Revenue of R91.5m is reflected in the budget for the 2019/2020 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 government grants will increase.

New loans amounting to R21.5m will be taken up in the 2019/2020 financial year to fund new infrastructure projects and R8.25m to fund new vehicles through HP financing.

An independent Long Term Financing Strategy has been compiled by the municipality in the previous financial year and was again updated in the current financial year.

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

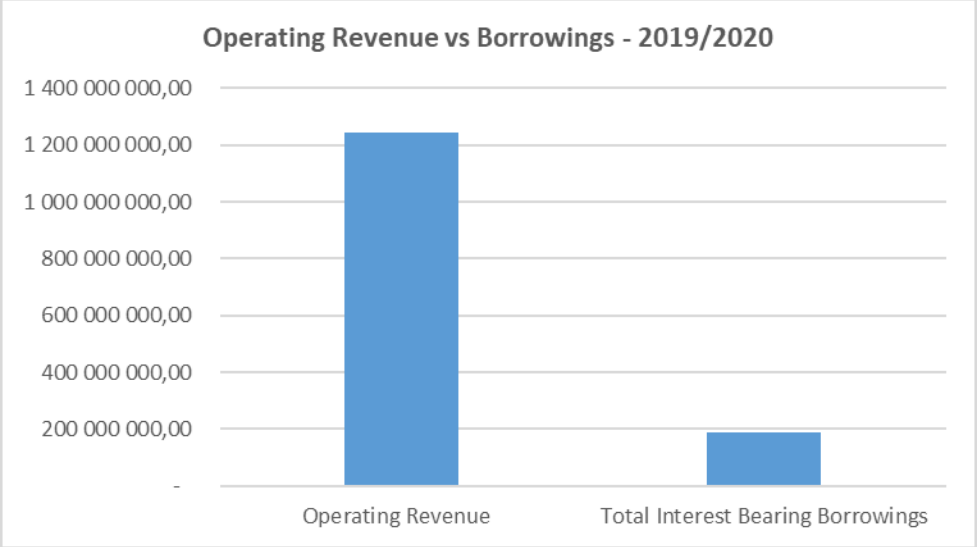

Figure 7 External Borrowings vs Total Operating Revenue

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 R200 million and R270 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	2019/2020	2020/2021	2021/2022
Cash and Cash Equivalents	210,852,503	238,245,077	273,595,377
Plus: Investments	-	-	-
Total Cash and Investments	**210,852,503**	**238,245,077**	**273,595,377**
Less Encumbered Cash (3rd party entitlements)	**36,925,953**	**38,308,441**	**39,766,966**
Unspent conditional grants	-	-	-
Developer's Contributions Reserve	20,120,598	20,120,598	20,120,598
Less Developer's Contribution Debtor	- 10,000,000	- 10,000,000	- 10,000,000
Capital Replacement Reserve	1,669,211	1,669,211	1,669,211
Unspent loan funding	-	-	-
Consumer Deposits held	18,136,145	19,133,633	20,185,983
Retentions held	7,000,000	7,385,000	7,791,175
Un-encumbered Operating Cash	**173,926,550**	**199,936,636**	**233,828,411**
Less Funding of Provisions, Reserves and Rede	**103,978,801**	**112,480,440**	**123,863,194**
Loan Repayment Commitments	35,518,077	40,254,376	47,664,697
Landfill Rehabilitation Provision	51,312,116	54,134,283	57,111,668
Employee Benefit Obligation	17,148,608	18,091,781	19,086,829
Available Cash	**69,947,748**	**87,456,196**	**109,965,217**
Working Capital	57,521,871	60,685,573	64,023,280
Receivables	187,070,613	197,359,497	208,214,269
Less Payables	- 129,548,743	- 136,673,924	- 144,190,989
Level of Budget Funding (=> 0 funded, <0, unfun	**127,469,619**	**148,141,769**	**173,988,497**

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 2019/2020 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 6.5% 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 AP.

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.

The following long term contracts are currently in place:

Name of Service Provider	Nature of service rendered	Date appointment	Period of appointment	Estimated cost over contract period
ABSA	Banking Services	01/04/2017	5 years	R7,328,000
Ndlala Mass Valuations	Compilation of supplementary valuation rolls	01/07/2018	5 years	R2,500,000

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 seven intern positions for training in various divisions of the Financial Services Department.

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 2019/20 MTREF in May 2019.

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, A S A 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 Local Municipality (GT422)

Signature _____
Date **23 May 2019**

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

Choose name from list - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	**146,376**	166,908	194,658	206,625	205,908	205,908	175,356	222,422	244,664	261,790
Service charges	480,663	556,774	584,086	643,243	627,048	627,048	562,842	694,371	758,825	807,297
Investment revenue	7,611	10,377	14,725	6,959	12,959	12,959	4,454	13,736	14,561	15,361
Transfers recognised - operational	84,177	92,056	105,174	119,802	131,735	131,735	111,104	149,443	140,927	154,741
Other own revenue	95,731	74,219	73,973	68,450	68,594	68,594	19,102	69,549	73,570	77,478
Total Revenue (excluding capital transfers and contributions)	814,559	900,334	972,616	1,045,079	1,046,243	1,046,243	872,858	1,149,520	1,232,547	1,316,668
Employee costs	203,225	209,421	225,728	288,593	289,703	289,703	217,114	319,875	339,027	359,329
Remuneration of councillors	9,549	10,628	11,726	12,390	12,427	12,427	10,415	12,390	13,133	13,921
Depreciation & asset impairment	112,758	116,486	122,503	117,244	117,244	117,244	101,565	123,106	129,262	135,725
Finance charges	18,888	16,541	17,080	25,943	25,943	25,943	9,830	21,547	21,994	23,635
Materials and bulk purchases	239,020	324,848	360,596	386,851	384,498	384,498	338,959	433,764	468,688	501,299
Transfers and grants	221	477	275	287	587	587	472	587	607	637
Other expenditure	292,341	252,984	255,803	278,452	285,330	285,330	131,991	297,557	306,332	319,549
Total Expenditure	876,001	931,383	993,711	1,109,759	1,115,733	1,115,733	810,345	1,208,825	1,279,043	1,354,095
Surplus/(Deficit)	(61,443)	(31,049)	(21,094)	(64,680)	(69,489)	(69,489)	62,513	(59,304)	(46,496)	(37,427)
Transfers and subsidies - capital (monetary allocations) (N	44,813	54,694	71,670	65,223	90,077	90,077	97,097	90,756	86,344	86,957
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(16,630)	23,644	50,576	543	20,587	20,587	159,610	31,451	39,848	49,529
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(16,630)	23,644	50,576	543	20,587	20,587	159,610	31,451	39,848	49,529
Capital expenditure & funds sources										
Capital expenditure	**82,916**	90,942	150,550	110,162	144,761	144,761	65,238	135,184	139,099	150,845
Transfers recognised - capital	**47,703**	49,614	70,849	65,223	90,077	90,077	28,429	90,756	86,344	86,957
Borrowing	**27,797**	11,735	56,063	32,650	37,830	37,830	29,581	29,750	36,560	48,820
Internally generated funds	**7,416**	29,592	23,638	12,289	16,854	16,854	7,228	14,678	16,195	16,418
Total sources of capital funds	**82,916**	90,942	150,550	110,162	144,761	144,761	65,238	135,184	139,099	152,195
Financial position										
Total current assets	**231,848**	283,144	379,941	299,264	323,616	323,616	503,639	407,424	445,628	492,385
Total non current assets	**2,060,416**	2,034,497	2,052,167	2,071,005	2,079,684	2,079,684	2,015,607	2,091,761	2,101,598	2,116,718
Total current liabilities	**132,627**	133,821	163,589	162,415	176,408	176,408	98,470	184,139	194,960	205,877
Total non current liabilities	**190,961**	189,689	223,814	212,119	221,685	221,685	223,295	218,301	215,673	217,104
Community wealth/Equity	**1,968,676**	1,994,130	2,044,706	1,995,735	2,005,207	2,005,207	2,197,480	2,096,745	2,136,593	2,186,122
Cash flows										
Net cash from (used) operating	**116,022**	113,736	185,063	117,752	137,230	137,230	225,400	181,325	205,246	232,360
Net cash from (used) investing	**(80,075)**	(76,622)	(139,905)	(110,162)	(144,761)	(144,761)	(63,604)	(131,234)	(137,599)	(149,345)
Net cash from (used) financing	**(11,467)**	(7,023)	26,724	1,158	2,394	2,394	(6,241)	(36,087)	(40,254)	(47,665)
Cash/cash equivalents at the year end	**100,000**	130,091	201,973	134,558	196,848	196,848	283,781	210,853	238,245	273,595
Cash backing/surplus reconciliation										
Cash and investments available	**100,000**	130,091	201,984	134,558	196,848	196,848	283,781	210,853	238,245	273,595
Application of cash and investments	**73,905**	30,951	125,254	120,217	120,117	120,117	(40,905)	83,383	90,103	99,607
Balance - surplus (shortfall)	**26,094**	99,140	76,730	14,341	76,730	76,730	324,687	127,470	148,142	173,989
Asset management										
Asset register summary (WDV)	**2,060,416**	2,042,483	2,052,167	2,071,005	2,079,684	2,079,684	2,079,684	2,091,761	2,101,598	2,116,718
Depreciation	**112,759**	116,486	122,503	117,244	117,244	117,244	117,244	123,106	129,261	135,725
Renewal and Upgrading of Existing Assets	**64,735**	3,087	82,918	77,286	1,400	1,400	1,400	88,005	97,918	121,035
Repairs and Maintenance	**51,360**	50,706	93,253	112,356	113,526	113,526	113,526	121,960	128,676	135,896
Free services										
Cost of Free Basic Services provided	**11,625**	21,071	21,071	38,516	38,516	38,516	38,814	38,814	55,664	78,662
Revenue cost of free services provided	**(4,646)**	(38,254)	170,606	43,844	36,174	36,174	8,915	8,915	(3,503)	(22,292)
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

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional										
Governance and administration		**197,246**	**206,785**	**246,150**	**307,166**	**297,696**	**297,696**	**319,211**	**331,557**	**357,975**
Executive and council		5,005	5,543	5,724	5,754	5,754	5,754	6,218	6,510	6,819
Finance and administration		192,242	201,242	240,426	301,412	291,942	291,942	312,993	325,047	351,156
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**16,595**	**19,620**	**22,808**	**22,966**	**22,966**	**22,966**	**39,159**	**28,956**	**24,797**
Community and social services		7,081	9,455	8,464	11,482	11,482	11,482	17,332	17,985	13,277
Sport and recreation		4,312	1,874	5,717	4,546	4,546	4,546	14,615	3,378	3,504
Public safety		1,006	4,190	4,711	573	573	573	608	644	680
Housing		–	–	–	–	–	–	–	–	–
Health		4,196	4,101	3,916	6,365	6,365	6,365	6,605	6,949	7,336
Economic and environmental services		**66,682**	**64,010**	**52,567**	**62,059**	**61,654**	**61,654**	**62,509**	**74,231**	**73,640**
Planning and development		2,509	3,036	3,349	3,789	3,789	3,789	4,016	7,757	7,991
Road transport		61,780	58,515	46,549	54,785	54,785	54,785	55,412	63,393	62,568
Environmental protection		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Trading services		**578,848**	**664,613**	**722,750**	**718,111**	**754,004**	**754,004**	**819,398**	**884,146**	**947,213**
Energy sources		305,592	363,467	361,779	356,987	368,440	368,440	425,272	461,628	491,802
Water management		161,383	196,132	222,003	254,425	255,425	255,425	273,966	292,280	309,629
Waste water management		66,410	58,519	87,583	61,035	84,352	84,352	70,925	74,604	82,050
Waste management		45,463	46,495	51,384	45,665	45,787	45,787	49,234	55,634	63,731
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	2	**859,371**	**955,028**	**1,044,276**	**1,110,302**	**1,136,320**	**1,136,320**	**1,240,276**	**1,318,891**	**1,403,624**
Expenditure - Functional										
Governance and administration		**146,173**	**159,511**	**210,540**	**214,988**	**223,522**	**223,522**	**240,564**	**252,777**	**266,750**
Executive and council		24,075	30,026	33,123	37,354	43,854	43,854	43,263	44,824	47,307
Finance and administration		122,098	129,484	177,416	177,633	179,667	179,667	197,302	207,953	219,443
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**56,304**	**57,016**	**60,482**	**75,285**	**75,517**	**75,517**	**86,080**	**87,495**	**92,351**
Community and social services		10,308	11,459	12,864	15,516	15,548	15,548	19,982	18,346	19,348
Sport and recreation		21,223	20,160	20,810	25,647	25,846	25,846	28,124	29,608	31,218
Public safety		20,076	20,895	22,485	27,094	27,350	27,350	30,945	32,145	33,980
Housing		–	–	–	–	–	–	–	–	–
Health		4,697	4,503	4,322	7,028	6,773	6,773	7,029	7,395	7,804
Economic and environmental services		**151,912**	**153,568**	**144,388**	**178,613**	**180,897**	**180,897**	**189,077**	**197,087**	**205,702**
Planning and development		21,459	22,608	23,294	32,200	32,688	32,688	35,369	37,321	39,418
Road transport		127,992	128,501	118,220	142,663	144,936	144,936	150,110	155,965	162,263
Environmental protection		2,462	2,458	2,873	3,751	3,274	3,274	3,599	3,801	4,021
Trading services		**521,612**	**561,289**	**578,291**	**640,873**	**635,797**	**635,797**	**693,103**	**741,684**	**789,292**
Energy sources		289,816	327,840	323,596	362,614	345,206	345,206	386,700	417,140	440,360
Water management		138,140	142,741	149,793	175,525	187,391	187,391	196,994	210,520	223,110
Waste water management		47,510	44,527	57,421	52,584	52,951	52,951	55,513	57,536	60,856
Waste management		46,145	46,180	47,481	50,149	50,249	50,249	53,895	56,487	64,966
Other	4	**–**	**–**	**(0)**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Functional	3	**876,001**	**931,383**	**993,700**	**1,109,759**	**1,115,733**	**1,115,733**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit) for the year		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**31,451**	**39,848**	**49,529**

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional										
Municipal governance and administration		**197,246**	**206,785**	**246,150**	**307,166**	**297,696**	**297,696**	**319,211**	**331,557**	**357,975**
Executive and council		5,005	5,543	5,724	5,754	5,754	5,754	6,218	6,510	6,819
Mayor and Council		5,005	5,543	5,724	5,754	5,754	5,754	6,218	6,510	6,819
Municipal Manager, Town Secretary and Chief Executive		–	–	–	–	–	–	–	–	–
Finance and administration		192,242	201,242	240,426	301,412	291,942	291,942	312,993	325,047	351,156
Administrative and Corporate Support		10,606	18,506	7,306	10,530	21,747	21,747	22,297	6,218	8,597
Asset Management		–	–	–	–	–	–	–	–	–
Finance		179,613	181,754	231,479	289,081	268,395	268,395	288,788	316,807	340,425
Fleet Management		–	–	–	–	–	–	–	–	–
Human Resources		318	371	296	500	500	500	530	562	593
Information Technology		345	–	–	–	–	–	–	–	–
Legal Services		–	–	–	–	–	–	–	–	–
Marketing, Customer Relations, Publicity and Media Co-		–	–	–	–	–	–	–	–	–
Property Services		1,359	610	1,345	1,300	1,300	1,300	1,378	1,461	1,541
Risk Management		–	–	–	–	–	–	–	–	–
Security Services		–	–	–	–	–	–	–	–	–
Supply Chain Management		–	–	–	–	–	–	–	–	–
Valuation Service		–	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function		–	–	–	–	–	–	–	–	–
Community and public safety		**16,595**	**19,620**	**22,808**	**22,966**	**22,966**	**22,966**	**39,159**	**28,956**	**24,797**
Community and social services		**7,081**	**9,455**	**8,464**	**11,482**	**11,482**	**11,482**	**17,332**	**17,985**	**13,277**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		656	513	490	300	300	300	318	337	356
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		6,424	8,942	7,975	11,182	11,182	11,182	17,014	17,648	12,921
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		–	–	–	–	–	–	–	–	–
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**4,312**	**1,874**	**5,717**	**4,546**	**4,546**	**4,546**	**14,615**	**3,378**	**3,504**
Beaches and Jetties		–	–	–	–	–	–	–	–	–
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		565	(290)	625	1,356	1,356	1,356	1,750	197	207
Recreational Facilities		3,747	2,164	5,092	3,190	3,190	3,190	12,865	3,181	3,296
Sports Grounds and Stadiums		–	–	–	–	–	–	–	–	–
Public safety		**1,006**	**4,190**	**4,711**	**573**	**573**	**573**	**608**	**644**	**680**
Civil Defence		–	–	–	–	–	–	–	–	–
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		–	–	–	–	–	–	–	–	–
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		1,006	4,190	4,711	573	573	573	608	644	680
Licensing and Control of Animals		–	–	–	–	–	–	–	–	–
Police Forces, Traffic and Street Parking Control		–	–	–	–	–	–	–	–	–
Pounds		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**4,196**	**4,101**	**3,916**	**6,365**	**6,365**	**6,365**	**6,605**	**6,949**	**7,336**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		4,196	4,101	3,916	6,365	6,365	6,365	6,605	6,949	7,336
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Economic and environmental services		**66,682**	**64,010**	**52,567**	**62,059**	**61,654**	**61,654**	**62,509**	**74,231**	**73,640**
Planning and development		**2,509**	**3,036**	**3,349**	**3,789**	**3,789**	**3,789**	**4,016**	**7,757**	**7,991**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		–	–	–	–	–	–	–	–	–
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	–	–	–	–	–
Economic Development/Planning		25	–	6	15	15	15	16	3,517	3,518
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and		2,484	3,036	3,343	3,774	3,774	3,774	4,000	4,240	4,473
Project Management Unit		–	–	–	–	–	–	–	–	–
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**61,780**	**58,515**	**46,549**	**54,785**	**54,785**	**54,785**	**55,412**	**63,393**	**62,568**
Public Transport		–	–	–	–	–	–	–	–	–
Road and Traffic Regulation		–	–	–	–	–	–	–	–	–
Roads		48,724	48,583	34,012	50,504	50,504	50,504	50,524	53,556	56,501
Taxi Ranks		13,056	9,932	12,537	4,281	4,281	4,281	4,887	9,837	6,067
Environmental protection		**2,393**	**2,458**	**2,669**	**3,486**	**3,081**	**3,081**	**3,081**	**3,081**	**3,081**
Biodiversity and Landscape		–	–	–	–	–	–	–	–	–
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**578,848**	**664,613**	**722,750**	**718,111**	**754,004**	**754,004**	**819,398**	**884,146**	**947,213**
Energy sources		**305,592**	**363,467**	**361,779**	**356,987**	**368,440**	**368,440**	**425,272**	**461,628**	**491,802**
Electricity		305,592	363,467	361,779	356,987	368,440	368,440	425,272	461,628	491,802
Street Lighting and Signal Systems		–	–	–	–	–	–	–	–	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**161,383**	**196,132**	**222,003**	**254,425**	**255,425**	**255,425**	**273,966**	**292,280**	**309,629**
Water Treatment		–	–	–	–	–	–	–	–	–
Water Distribution		161,383	196,132	222,003	254,425	255,425	255,425	273,966	292,280	309,629
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**66,410**	**58,519**	**87,583**	**61,035**	**84,352**	**84,352**	**70,925**	**74,604**	**82,050**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		63,668	58,519	87,583	61,035	84,352	84,352	70,925	74,604	82,050
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		2,742	–	–	–	–	–	–	–	–
Waste management		**45,463**	**46,495**	**51,384**	**45,665**	**45,787**	**45,787**	**49,234**	**55,634**	**63,731**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		–	–	–	–	–	–	–	–	–
Solid Waste Removal		45,463	46,495	51,384	45,665	45,787	45,787	49,234	55,634	63,731
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**859,371**	**955,028**	**1,044,276**	**1,110,302**	**1,136,320**	**1,136,320**	**1,240,276**	**1,318,891**	**1,403,624**

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure - Functional										
Municipal governance and administration		**146,173**	**159,511**	**210,540**	**214,988**	**223,522**	**223,522**	**240,564**	**252,777**	**266,750**
Executive and council		24,075	30,026	33,123	37,354	43,854	43,854	43,263	44,824	47,307
Mayor and Council		20,728	23,631	24,654	31,601	30,489	30,489	29,204	30,036	31,750
Municipal Manager, Town Secretary and Chief Executive		3,348	6,395	8,469	5,754	13,366	13,366	14,059	14,788	15,557
Finance and administration		122,098	129,484	177,416	177,633	179,667	179,667	197,302	207,953	219,443
Administrative and Corporate Support		42,048	47,288	54,972	69,333	69,368	69,368	77,788	82,167	86,851
Asset Management		–	–	–	–	–	–	–	–	–
Finance		56,821	55,796	94,509	71,369	73,564	73,564	78,242	82,414	86,775
Fleet Management		3,107	3,189	2,587	3,917	3,953	3,953	4,390	4,638	4,906
Human Resources		10,623	11,402	12,060	15,409	15,350	15,350	17,228	18,163	19,207
Information Technology		4,383	6,979	8,617	11,265	11,055	11,055	12,269	12,804	13,508
Legal Services		–	–	–	–	–	–	–	–	–
Marketing, Customer Relations, Publicity and Media Co-		795	1,183	2,643	3,342	3,348	3,348	3,971	4,152	4,365
Property Services		4,320	3,648	2,029	2,999	3,029	3,029	3,413	3,615	3,831
Risk Management		–	–	–	–	–	–	–	–	–
Security Services		–	–	–	–	–	–	–	–	–
Supply Chain Management		–	–	–	–	–	–	–	–	–
Valuation Service		–	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function		–	–	–	–	–	–	–	–	–
Community and public safety		**56,304**	**57,016**	**60,482**	**75,285**	**75,517**	**75,517**	**86,080**	**87,495**	**92,351**
Community and social services		**10,308**	**11,459**	**12,864**	**15,501**	**15,548**	**15,548**	**19,982**	**18,346**	**19,348**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		625	807	750	966	964	964	1,215	1,275	1,339
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		9,683	10,652	12,114	14,535	14,584	14,584	18,767	17,071	18,009
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		–	–	–	–	–	–	–	–	–
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**21,223**	**20,160**	**20,810**	**25,662**	**25,846**	**25,846**	**28,124**	**29,608**	**31,218**
Beaches and Jetties		–	–	–	–	–	–	–	–	–
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		18,233	17,400	17,983	22,295	22,331	22,331	24,325	25,612	27,009
Recreational Facilities		2,990	2,760	2,827	3,367	3,514	3,514	3,799	3,997	4,209
Sports Grounds and Stadiums		–	–	–	–	–	–	–	–	–
Public safety		**20,076**	**20,895**	**22,485**	**27,094**	**27,350**	**27,350**	**30,945**	**32,145**	**33,980**
Civil Defence		–	–	–	–	–	–	–	–	–
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		–	–	–	–	–	–	–	–	–
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		20,076	20,895	22,485	27,094	27,350	27,350	30,945	32,145	33,980
Licensing and Control of Animals		–	–	–	–	–	–	–	–	–
Police Forces, Traffic and Street Parking Control		–	–	–	–	–	–	–	–	–
Pounds		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**4,697**	**4,503**	**4,322**	**7,028**	**6,773**	**6,773**	**7,029**	**7,395**	**7,804**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		4,697	4,503	4,322	7,028	6,773	6,773	7,029	7,395	7,804
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Economic and environmental services		**151,912**	**153,568**	**144,388**	**178,613**	**180,897**	**180,897**	**189,077**	**197,087**	**205,702**
Planning and development		**21,459**	**22,608**	**23,294**	**32,200**	**32,688**	**32,688**	**35,369**	**37,321**	**39,418**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		–	–	–	–	–	–	–	–	–
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	–	–	–	–	–
Economic Development/Planning		12,193	12,212	14,121	20,315	20,787	20,787	22,290	23,496	24,790
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and		9,266	10,396	9,173	11,885	11,901	11,901	13,079	13,825	14,628
Project Management Unit		–	–	–	–	–	–	–	–	–
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**127,992**	**128,501**	**118,220**	**142,663**	**144,936**	**144,936**	**150,110**	**155,965**	**162,263**
Public Transport		–	–	–	–	–	–	–	–	–
Road and Traffic Regulation		65,816	66,621	59,037	73,188	75,503	75,503	77,514	79,667	81,953
Roads		62,175	61,881	59,183	69,475	69,433	69,433	72,596	76,298	80,310
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**2,462**	**2,458**	**2,873**	**3,751**	**3,274**	**3,274**	**3,599**	**3,801**	**4,021**
Biodiversity and Landscape		–	–	–	–	–	–	–	–	–
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		2,462	2,458	2,873	3,751	3,274	3,274	3,599	3,801	4,021
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**521,612**	**561,289**	**578,291**	**640,873**	**635,797**	**635,797**	**693,103**	**741,684**	**789,292**
Energy sources		**289,816**	**327,840**	**323,596**	**362,614**	**345,206**	**345,206**	**386,700**	**417,140**	**440,360**
Electricity		289,816	327,840	323,596	362,614	345,206	345,206	386,700	417,140	440,360
Street Lighting and Signal Systems		–	–	–	–	–	–	–	–	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**138,140**	**142,741**	**149,793**	**175,525**	**187,391**	**187,391**	**196,994**	**210,520**	**223,110**
Water Treatment		–	–	–	–	–	–	–	–	–
Water Distribution		138,140	142,741	149,793	175,525	187,391	187,391	196,994	210,520	223,110
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**47,510**	**44,527**	**57,421**	**52,584**	**52,951**	**52,951**	**55,513**	**57,536**	**60,856**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		41,822	38,844	47,394	37,586	37,913	37,913	39,487	40,634	43,013
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		5,688	5,683	10,027	14,998	15,038	15,038	16,027	16,902	17,843
Waste management		**46,145**	**46,180**	**47,481**	**50,149**	**50,249**	**50,249**	**53,895**	**56,487**	**64,966**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		–	–	2,970	3,614	13,598	13,598	14,836	15,440	16,140
Solid Waste Removal		46,145	46,180	44,511	46,535	36,651	36,651	39,059	41,048	48,826
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**(0)**	**–**	**–**	**–**	**–**	**–**	**–**
Abattoirs		–	–	(0)	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**876,001**	**931,383**	**993,700**	**1,109,759**	**1,115,733**	**1,115,733**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit) for the year		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**31,451**	**39,848**	**49,529**

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote	1									
Vote 1 - executive council		18,710	26,251	20,885	14,850	26,189	26,189	29,149	12,970	13,764
Vote 2 - corporate services		2,226	1,049	1,596	1,806	1,806	1,806	1,915	2,030	2,141
Vote 3 - financial services		180,369	195,523	231,475	262,395	268,395	268,395	288,788	316,807	340,425
Vote 4 - development & planning		2,509	3,036	3,349	3,789	3,789	3,789	4,016	7,757	7,991
Vote 5 - health		4,196	4,101	3,915	6,365	6,365	6,365	6,605	6,949	7,336
Vote 6 - community & social services		11,393	12,346	14,147	16,028	16,028	16,028	31,947	21,863	19,281
Vote 7 - public safety		49,729	53,723	38,696	51,077	51,077	51,077	51,132	54,200	57,181
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Vote 10 - waste water management		65,872	57,461	90,160	65,900	84,352	84,352	75,812	84,441	88,117
Vote 11 - solid waste management		45,136	44,005	49,987	49,853	45,665	45,665	48,150	54,442	62,419
Vote 12 - roads & transport		–	–	–	–	–	–	–	–	–
Vote 13 - water services		161,383	195,361	220,434	262,551	255,425	255,425	272,902	291,125	308,392
Vote 14 - electricty		307,304	349,782	359,623	367,921	369,868	369,868	426,780	463,226	493,496
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**851,221**	**945,095**	**1,036,936**	**1,106,021**	**1,132,039**	**1,132,039**	**1,240,276**	**1,318,891**	**1,403,624**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - executive council		30,230	40,676	46,392	57,482	63,362	63,362	68,151	71,165	75,174
Vote 2 - corporate services		36,014	40,373	43,519	52,602	52,578	52,578	58,916	62,000	65,505
Vote 3 - financial services		56,821	52,312	94,506	71,369	73,564	73,564	78,242	82,414	86,775
Vote 4 - development & planning		21,459	22,608	23,294	32,200	32,688	32,688	35,369	37,321	39,418
Vote 5 - health		4,697	4,503	4,321	7,028	6,773	6,773	7,029	7,395	7,804
Vote 6 - community & social services		38,242	38,355	42,052	50,771	51,488	51,488	58,439	58,850	62,073
Vote 7 - public safety		85,893	93,254	81,495	100,282	102,853	102,853	108,459	111,812	115,933
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		2,462	2,458	2,873	3,751	3,274	3,274	3,599	3,801	4,021
Vote 10 - waste water management		47,510	44,527	57,420	52,584	52,951	52,951	55,513	57,536	60,856
Vote 11 - solid waste management		46,145	49,570	48,342	50,149	50,249	50,249	53,895	56,487	64,966
Vote 12 - roads & transport		65,282	65,070	62,084	73,392	73,386	73,386	76,985	80,936	85,217
Vote 13 - water services		138,140	142,741	149,731	175,525	187,391	187,391	196,994	210,520	223,110
Vote 14 - electricty		303,107	334,936	337,683	382,626	365,177	365,177	407,233	438,805	463,244
Vote 15 -		–	–	(0)	–	–	–	–	–	–
Total Expenditure by Vote	2	**876,001**	**931,383**	**993,711**	**1,109,759**	**1,115,733**	**1,115,733**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit) for the year	2	**(24,780)**	**13,712**	**43,225**	**(3,738)**	**16,306**	**16,306**	**31,451**	**39,848**	**49,529**

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote	1									
Vote 1 - executive council		**18,710**	**26,251**	**20,885**	**14,850**	**26,189**	**26,189**	**29,149**	**12,970**	**13,764**
1.1 - municipal manager		4,906	–	–	–	–	–	–	–	–
1.2 - councillors		4,906	5,538	5,724	5,754	5,754	5,754	6,218	6,510	6,819
1.3 - speakers office		–	–	(3)	–	–	–	–	–	–
1.4 - office of the mayor		99	5	(0)	–	–	–	–	–	–
1.5 - savannna		8,799	20,707	15,164	9,096	20,435	20,435	22,931	6,460	6,945
Vote 2 - corporate services		**2,226**	**1,049**	**1,596**	**1,806**	**1,806**	**1,806**	**1,915**	**2,030**	**2,141**
2.1 - corporate services admin		203	67	(7)	6	6	6	7	7	8
2.2 - council building		1,359	610	1,345	1,300	1,300	1,300	1,378	1,461	1,541
2.3 - pro		–	–	–	–	–	–	–	–	–
2.4 - it services		345	–	(27)	–	–	–	–	–	–
2.5 - performance audit		–	–	(3)	–	–	–	–	–	–
2.6 - human resources		318	371	288	500	500	500	530	562	593
Vote 3 - financial services		**180,369**	**195,523**	**231,475**	**262,395**	**268,395**	**268,395**	**288,788**	**316,807**	**340,425**
3.1 - financial sercices - adminitration		180,369	195,523	230,919	262,395	268,395	268,395	288,788	316,807	340,425
3.2 - financial sercices - revenue		–	–	556	–	–	–	–	–	–
3.3 - financial sercices - expenditure		–	–	–	–	–	–	–	–	–
Vote 4 - development & planning		**2,509**	**3,036**	**3,349**	**3,789**	**3,789**	**3,789**	**4,016**	**7,757**	**7,991**
4.1 - development & planning		25	–	6	15	15	15	16	3,517	3,518
4.2 - building control		1,952	1,805	1,873	1,974	1,974	1,974	2,092	2,218	2,340
4.3 - town planning		532	1,231	1,470	1,800	1,800	1,800	1,908	2,022	2,134
Vote 5 - health		**4,196**	**4,101**	**3,915**	**6,365**	**6,365**	**6,365**	**6,605**	**6,949**	**7,336**
5.1 - clinic randvaal		2,531	2,630	1,279	1,862	1,862	1,862	1,604	1,671	1,755
5.2 - clininc meyerton		444	348	1,042	2,205	2,205	2,205	2,762	2,911	3,075
5.3 - clinic kookrus		1,221	1,124	1,594	2,298	2,298	2,298	2,239	2,368	2,506
Vote 6 - community & social services		**11,393**	**12,346**	**14,147**	**16,028**	**16,028**	**16,028**	**31,947**	**21,863**	**19,281**
6.1 - library meyerton		5,472	8,090	7,134	9,724	9,724	9,724	11,240	13,048	8,963
6.2 - libaray henley on klip		60	132	98	429	429	429	800	800	800
6.3 - library walkerville		63	77	649	729	729	729	800	800	800
6.4 - library randvaal		55	55	92	100	100	100	800	800	800
6.5 - library sicelo		159	194	–	100	100	100	1,300	1,300	658
6.6 - lakeside library		617	393	–	100	100	100	900	900	900
6.7 - library bonte bonke.		–	–	–	–	–	–	1,175	–	–
6.8 - library Savanna City		–	–	–	–	–	–	–	–	–
6.9 - library Mamello		–	–	–	–	–	–	–	–	–
6.10 - social services admin		–	–	(0)	–	–	–	–	500	2,500
6.11 - parks		565	610	594	1,356	1,356	1,356	1,750	197	207
6.12 - swimming pool		172	141	162	250	250	250	265	281	296
6.13 - sport & recreation		3,575	2,022	4,930	2,940	2,940	2,940	12,600	2,900	3,000
6.14 - cemetries		656	630	490	300	300	300	318	337	356
Vote 7 - public safety		**49,729**	**53,723**	**38,696**	**51,077**	**51,077**	**51,077**	**51,132**	**54,200**	**57,181**
7.1 - traffic		48,724	49,267	34,012	50,504	50,504	50,504	50,524	53,556	56,501
7.2 - fire		1,006	4,455	4,684	573	573	573	608	644	680

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 9 - environmental protection		**2,393**	**2,458**	**2,669**	**3,486**	**3,081**	**3,081**	**3,081**	**3,081**	**3,081**
9.1 - environmental services		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Vote 10 - waste water management		**65,872**	**57,461**	**90,160**	**65,900**	**84,352**	**84,352**	**75,812**	**84,441**	**88,117**
10.1 - SEWER CONNECTIONS AND EXTENSIONS		63,130	57,461	84,660	65,900	84,352	84,352	70,925	74,604	82,050
10.2 - purification		2,742	–	5,500	–	–	–	4,887	9,837	6,067
Vote 11 - solid waste management		**45,136**	**44,005**	**49,987**	**49,853**	**45,665**	**45,665**	**48,150**	**54,442**	**62,419**
11.1 - LAND		–	–	–	–	–	–	–	–	–
11.2 - SOLID WASTE MANAGEMENT		45,136	44,005	49,987	49,853	45,665	45,665	48,150	54,442	62,419
11.3 - ENVIRONMENTAL MANAGEMENT		–	–	–	–	–	–	–	–	–
Vote 12 - roads & transport		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
12.1 - roads & stormwater										
12.2 - transport & mechanical workshop										
12.3 - storm water										
Vote 13 - water services		**161,383**	**195,361**	**220,434**	**262,551**	**255,425**	**255,425**	**272,902**	**291,125**	**308,392**
13.1 - water		161,383	195,361	220,434	262,551	255,425	255,425	272,902	291,125	308,392
Vote 14 - electricty		**307,304**	**349,782**	**359,623**	**367,921**	**369,868**	**369,868**	**426,780**	**463,226**	**493,496**
14.1 - electricity		305,592	348,036	357,871	366,493	368,440	368,440	425,267	461,623	491,796
14.2 - engineering admin		1,712	1,746	1,753	1,428	1,428	1,428	1,513	1,603	1,699
Total Revenue by Vote	2	**851,221**	**945,095**	**1,036,936**	**1,106,021**	**1,132,039**	**1,132,039**	**1,240,276**	**1,318,891**	**1,403,624**

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure by Vote	1									
Vote 1 - executive council		**30,230**	**40,676**	**46,392**	**57,482**	**63,362**	**63,362**	**68,151**	**71,165**	**75,174**
1.1 - municipal manager		3,348	6,395	8,469	5,754	13,366	13,366	14,059	14,788	15,557
1.2 - councillors		12,072	13,052	14,491	15,549	15,587	15,587	13,132	13,904	14,732
1.3 - speakers office		3,875	3,945	4,092	5,366	5,248	5,248	5,240	5,498	5,806
1.4 - office of the mayor		4,781	6,634	6,068	10,686	9,653	9,653	10,832	10,634	11,212
1.5 - savannna		6,155	10,649	13,272	20,128	19,508	19,508	24,888	26,341	27,866
Vote 2 - corporate services		**36,014**	**40,373**	**43,519**	**52,602**	**52,578**	**52,578**	**58,916**	**62,000**	**65,505**
2.1 - corporate services admin		12,857	14,232	15,054	16,218	16,368	16,368	17,485	18,464	19,526
2.2 - council building		4,320	3,648	2,029	2,999	3,029	3,029	3,413	3,615	3,831
2.3 - pro		795	1,183	2,643	3,342	3,348	3,348	3,971	4,152	4,365
2.4 - it services		4,383	6,979	8,590	11,265	11,055	11,055	12,269	12,804	13,508
2.5 - performance audit		3,035	2,930	3,151	3,368	3,428	3,428	4,550	4,802	5,068
2.6 - human resources		10,623	11,402	12,051	15,409	15,350	15,350	17,228	18,163	19,207
Vote 3 - financial services		**56,821**	**52,312**	**94,506**	**71,369**	**73,564**	**73,564**	**78,242**	**82,414**	**86,775**
3.1 - financial sercices - adminitration		56,821	52,312	61,099	31,063	32,699	32,699	34,765	36,678	38,441
3.2 - financial sercices - revenue		–	–	17,140	19,691	20,093	20,093	21,050	22,179	23,434
3.3 - financial sercices - expenditure		–	–	16,267	20,615	20,771	20,771	22,428	23,557	24,899
Vote 4 - development & planning		**21,459**	**22,608**	**23,294**	**32,200**	**32,688**	**32,688**	**35,369**	**37,321**	**39,418**
4.1 - development & planning		12,193	12,212	14,961	20,315	20,787	20,787	22,290	23,496	24,790
4.2 - building control		7,027	8,229	6,141	8,252	8,183	8,183	9,018	9,541	10,101
4.3 - town planning		2,238	2,167	2,192	3,633	3,718	3,718	4,061	4,283	4,527
Vote 5 - health		**4,697**	**4,503**	**4,321**	**7,028**	**6,773**	**6,773**	**7,029**	**7,395**	**7,804**
5.1 - clinic randvaal		2,827	2,863	643	6,682	6,396	6,396	6,608	6,953	7,340
5.2 - clininc meyerton		488	477	2,130	287	315	315	356	373	391
5.3 - clinic kookrus		1,381	1,163	1,548	59	62	62	65	69	72
Vote 6 - community & social services		**38,242**	**38,355**	**42,052**	**50,771**	**51,488**	**51,488**	**58,439**	**58,850**	**62,073**
6.1 - library meyerton		6,008	6,418	9,597	11,191	11,170	11,170	14,880	13,005	13,739
6.2 - libaray henley on klip		587	905	736	1,031	1,054	1,054	1,273	1,340	1,414
6.3 - library walkerville		848	863	656	753	737	737	783	823	869
6.4 - library randvaal		1,043	1,061	656	773	824	824	863	907	955
6.5 - library sicelo		140	114	151	239	285	285	362	373	388
6.6 - lakeside library		1,056	1,291	306	477	427	427	502	515	532
6.7 - library bonte bonke.		–	–	10	71	86	86	104	108	113
6.8 - library Savanna City		–	–	–	–	–	–	–	–	–
6.9 - library Mamello		–	–	–	–	–	–	–	–	–
6.10 - social services admin		6,711	6,736	8,412	9,607	10,094	10,094	10,334	10,895	11,507
6.11 - parks		18,233	17,400	17,951	22,295	22,331	22,331	24,325	25,612	27,009
6.12 - swimming pool		1,045	1,059	1,053	1,246	1,223	1,223	1,302	1,376	1,456
6.13 - sport & recreation		1,946	1,701	1,775	2,121	2,291	2,291	2,497	2,621	2,754
6.14 - cemetries		625	807	750	966	964	964	1,215	1,275	1,339
Vote 7 - public safety		**85,893**	**93,254**	**81,495**	**100,282**	**102,853**	**102,853**	**108,459**	**111,812**	**115,933**
7.1 - traffic		65,816	72,360	59,037	73,188	75,503	75,503	77,514	79,667	81,953
7.2 - fire		20,076	20,895	22,458	27,094	27,350	27,350	30,945	32,145	33,980

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 9 - environmental protection		**2,462**	**2,458**	**2,873**	**3,751**	**3,274**	**3,274**	**3,599**	**3,801**	**4,021**
9.1 - environmental services		2,462	2,458	2,873	3,751	3,274	3,274	3,599	3,801	4,021
Vote 10 - waste water management		**47,510**	**44,527**	**57,420**	**52,584**	**52,951**	**52,951**	**55,513**	**57,536**	**60,856**
10.1 - SEWER CONNECTIONS AND EXTENSIONS		41,822	38,844	47,393	37,586	37,913	37,913	39,487	40,634	43,013
10.2 - purification		5,688	5,683	10,027	14,998	15,038	15,038	16,027	16,902	17,843
Vote 11 - solid waste management		**46,145**	**49,570**	**48,342**	**50,149**	**50,249**	**50,249**	**53,895**	**56,487**	**64,966**
11.1 - LAND		–	–	2,970	3,614	13,598	13,598	14,836	15,440	16,140
11.2 - SOLID WASTE MANAGEMENT		46,136	46,180	44,475	46,535	36,651	36,651	39,059	41,048	48,826
11.3 - ENVIRONMENTAL MANAGEMENT		9	3,390	896	–	–	–	–	–	–
Vote 12 - roads & transport		**65,282**	**65,070**	**62,084**	**73,392**	**73,386**	**73,386**	**76,985**	**80,936**	**85,217**
12.1 - roads & stormwater		62,175	61,881	59,530	69,475	69,433	69,433	72,596	76,298	80,310
12.2 - transport & mechanical workshop		3,107	3,189	2,555	3,917	3,953	3,953	4,390	4,638	4,906
12.3 - storm water		–	–	–	–	–	–	–	–	–
Vote 13 - water services		**138,140**	**142,741**	**149,731**	**175,525**	**187,391**	**187,391**	**196,994**	**210,520**	**223,110**
13.1 - water		138,140	142,741	149,731	175,525	187,391	187,391	196,994	210,520	223,110
Vote 14 - electricty		**303,107**	**334,936**	**337,683**	**382,626**	**365,177**	**365,177**	**407,233**	**438,805**	**463,244**
14.1 - electricity		289,816	325,585	323,544	362,614	345,206	345,206	386,700	417,140	440,360
14.2 - engineering admin		13,290	9,351	14,138	20,012	19,971	19,971	20,532	21,665	22,884
Total Expenditure by Vote	2	**876,001**	**931,383**	**993,711**	**1,109,759**	**1,115,733**	**1,115,733**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit) for the year	2	**(24,780)**	**13,712**	**43,225**	**(3,738)**	**16,306**	**16,306**	**31,451**	**39,848**	**49,529**

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	146,376	166,908	194,658	206,625	205,908	205,908	175,356	222,422	244,664	261,790
Service charges - electricity revenue	2	273,891	326,203	326,502	353,704	349,198	349,198	298,943	394,642	432,341	454,864
Service charges - water revenue	2	142,408	164,490	183,111	205,140	198,013	198,013	193,022	214,304	232,516	249,069
Service charges - sanitation revenue	2	34,494	34,292	38,450	42,429	41,474	41,474	37,453	44,378	48,815	53,697
Service charges - refuse revenue	2	29,869	31,790	36,023	41,970	38,362	38,362	33,423	41,047	45,152	49,667
Rental of facilities and equipment		1,359	610	1,345	1,300	1,300	1,300	1,042	1,378	1,461	1,541
Interest earned - external investments		7,611	10,377	14,725	6,959	12,959	12,959	4,454	13,736	14,561	15,361
Interest earned - outstanding debtors		11,254	8,312	9,181	7,529	7,529	7,529	10,220	7,829	8,148	8,457
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		48,424	49,049	34,362	50,342	50,342	50,342	1,323	50,353	53,374	56,309
Licences and permits		–	20	1	41	41	41	–	43	46	48
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		84,177	92,056	105,174	119,802	131,735	131,735	111,104	149,443	140,927	154,741
Other revenue	2	34,322	16,083	28,805	9,239	9,383	9,383	6,622	9,946	10,543	11,123
Gains on disposal of PPE		372	145	279	–	–	–	(104)	–	–	–
Total Revenue (excluding capital transfers and contributions)		**814,559**	**900,334**	**972,616**	**1,045,079**	**1,046,243**	**1,046,243**	**872,858**	**1,149,520**	**1,232,547**	**1,316,668**
Expenditure By Type											
Employee related costs	2	203,225	209,421	225,728	288,593	289,703	289,703	217,114	319,875	339,027	359,329
Remuneration of councillors		9,549	10,628	11,726	12,390	12,427	12,427	10,415	12,390	13,133	13,921
Debt impairment	3	83,124	90,942	73,894	87,815	87,815	87,815	23,025	91,751	95,275	97,938
Depreciation & asset impairment	2	112,758	116,486	122,503	117,244	117,244	117,244	101,565	123,106	129,262	135,725
Finance charges		18,888	16,541	17,080	25,943	25,943	25,943	9,830	21,547	21,994	23,635
Bulk purchases	2	239,020	324,848	347,657	373,213	369,479	369,479	327,331	418,042	452,416	478,613
Other materials	8	–	–	12,939	13,638	15,019	15,019	11,627	15,722	16,272	22,686
Contracted services		48,945	108,550	117,702	135,741	133,800	133,800	71,537	138,723	145,029	152,280
Transfers and subsidies		221	477	275	287	587	587	472	587	607	637
Other expenditure	4, 5	159,615	53,319	64,207	54,895	63,714	63,714	37,300	67,083	66,028	69,331
Loss on disposal of PPE		657	174	–	–	–	–	129	–	–	–
Total Expenditure		**876,001**	**931,383**	**993,711**	**1,109,759**	**1,115,733**	**1,115,733**	**810,345**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit)		**(61,443)**	**(31,049)**	**(21,094)**	**(64,680)**	**(69,489)**	**(69,489)**	**62,513**	**(59,304)**	**(46,496)**	**(37,427)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		44,813	54,694	71,670	65,223	90,077	90,077	97,097	90,756	86,344	86,957
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**159,610**	**31,451**	**39,848**	**49,529**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**159,610**	**31,451**	**39,848**	**49,529**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**159,610**	**31,451**	**39,848**	**49,529**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**(16,630)**	**23,644**	**50,576**	**543**	**20,587**	**20,587**	**159,610**	**31,451**	**39,848**	**49,529**

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - executive council		–	–	9,592	2,900	2,113	2,113	(858)	–	–	–
Vote 2 - corporate services		169	99	1,361	800	784	784	393	30	30	30
Vote 3 - financial services		33	37	23	40	40	40	39	30	32	35
Vote 4 - development & planning		–	–	208	20	20	20	19	10	10	20
Vote 5 - health		–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		2,074	2,724	7,810	4,965	6,160	6,160	1,001	22,465	6,035	6,585
Vote 7 - public safety		229	4,612	6,458	1,057	1,862	1,862	1,072	50	65	150
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		15,582	12,380	20,909	4,950	6,741	6,741	3,378	2,200	2,470	8,050
Vote 11 - solid waste management		180	16	347	3,550	650	650	998	5,340	12,730	18,130
Vote 12 - roads & transport		11,784	2,518	23,677	5,346	11,090	11,090	6,533	9,325	12,447	10,017
Vote 13 - water services		2,496	11,426	18,960	24,045	18,954	18,954	11,881	9,700	12,525	13,700
Vote 14 - electricty		12,007	19,151	12,885	3,600	3,957	3,957	2,986	3,110	3,110	8,110
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**44,553**	**52,964**	**102,231**	**51,273**	**52,370**	**52,370**	**27,443**	**52,260**	**49,454**	**64,827**
Single-year expenditure *to be appropriated*	2										
Vote 1 - executive council		2,502	1,377	898	1,500	2,540	2,540	303	850	–	500
Vote 2 - corporate services		1,831	3,469	134	90	1,337	1,337	1,159	4,382	1,550	1,600
Vote 3 - financial services		338	105	–	89	2,089	2,089	84	–	–	–
Vote 4 - development & planning		–	38	–	–	–	–	–	250	3,500	3,500
Vote 5 - health		–	4	–	–	–	–	–	–	–	–
Vote 6 - community & social services		4,612	2,367	176	2,955	3,055	3,055	831	1,860	9,140	5,920
Vote 7 - public safety		810	578	–	2,750	2,750	2,750	335	2,743	3,493	2,398
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		6,772	1,666	4,137	7,740	10,740	10,740	5,316	10,766	8,100	3,000
Vote 11 - solid waste management		5,468	9,144	–	3,505	3,505	3,505	1,023	660	5,700	10,592
Vote 12 - roads & transport		2,921	4,100	12,850	14,000	14,230	14,230	–	6,030	5,000	6,500
Vote 13 - water services		9,644	7,703	7,520	11,710	31,378	31,378	27,933	25,520	23,062	20,500
Vote 14 - electricty		3,465	7,426	12,975	14,550	20,767	20,767	812	29,863	30,100	31,508
Vote 15 -		–	–	9,930	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**38,363**	**37,978**	**48,618**	**58,889**	**92,391**	**92,391**	**37,796**	**82,924**	**89,645**	**86,018**
Total Capital Expenditure - Vote		**82,916**	**90,942**	**150,849**	**110,162**	**144,761**	**144,761**	**65,238**	**135,184**	**139,099**	**150,845**
Capital Expenditure - Functional											
Governance and administration		**5,419**	**4,296**	**14,709**	**5,729**	**9,312**	**9,312**	**2,307**	**5,602**	**2,772**	**5,295**
Executive and council		80	586	445	–	750	750	–	400	–	500
Finance and administration		5,339	142	23	5,729	8,562	8,562	2,307	5,202	2,772	4,795
Internal audit		–	3,568	14,241	–	–	–	–	–	–	–
Community and public safety		**6,505**	**11,077**	**13,098**	**10,377**	**13,177**	**13,177**	**2,732**	**24,840**	**17,005**	**11,333**
Community and social services		2,121	3,897	1,550	4,300	4,294	4,294	703	7,375	9,620	4,420
Sport and recreation		4,019	1,198	6,038	3,370	4,571	4,571	900	16,700	4,405	4,965
Public safety		365	5,191	5,510	2,707	4,312	4,312	1,129	765	2,980	1,948
Housing		–	791	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**15,379**	**6,656**	**37,772**	**20,466**	**25,640**	**25,640**	**6,830**	**17,643**	**20,485**	**18,087**
Planning and development		–	38	208	20	20	20	19	260	3,510	3,520
Road transport		15,379	6,618	37,564	20,446	25,620	25,620	6,811	17,383	16,975	14,567
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**55,614**	**68,913**	**84,971**	**73,590**	**96,632**	**96,632**	**53,369**	**87,099**	**98,837**	**116,130**
Energy sources		15,472	26,578	25,728	18,090	24,664	24,664	3,738	32,913	33,200	39,608
Water management		12,140	19,130	26,480	35,755	50,332	50,332	39,814	35,220	35,587	34,200
Waste water management		22,354	14,046	25,046	12,690	17,481	17,481	8,694	12,966	11,620	13,600
Waste management		5,648	9,160	7,717	7,055	4,155	4,155	1,123	6,000	18,430	28,722
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**82,916**	**90,942**	**150,550**	**110,162**	**144,761**	**144,761**	**65,238**	**135,184**	**139,099**	**150,845**
Funded by:											
National Government		34,656	36,602	37,435	52,773	59,226	59,226	27,743	79,931	75,224	81,037
Provincial Government		2,236	3,621	19,920	4,300	4,250	4,250	686	6,875	9,620	4,420
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		10,811	9,391	13,494	8,150	26,601	26,601	–	3,950	1,500	1,500
Transfers recognised - capital	4	**47,703**	**49,614**	**70,849**	**65,223**	**90,077**	**90,077**	**28,429**	**90,756**	**86,344**	**86,957**
Borrowing	6	27,797	11,735	56,063	32,650	37,830	37,830	29,581	29,750	36,560	48,820
Internally generated funds		7,416	29,592	23,638	12,289	16,854	16,854	7,228	14,678	16,195	16,418
Total Capital Funding	7	**82,916**	**90,942**	**150,550**	**110,162**	**144,761**	**144,761**	**65,238**	**135,184**	**139,099**	**152,195**

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - executive council		–	–	9,592	2,900	2,113	2,113	(858)	–	–	–
1.1 - municipal manager		–	–	–	–	–	–	–	–	–	–
1.2 - councillors		–	–	–	–	–	–	–	–	–	–
1.3 - speakers office		–	–	377	–	–	–	–	–	–	–
1.4 - office of the mayor		–	–	67	–	–	–	–	–	–	–
1.5 - savannna		–	–	9,147	2,900	2,113	2,113	(858)	–	–	–
Vote 2 - corporate services		**169**	**99**	**1,361**	**800**	**784**	**784**	**393**	**30**	**30**	**30**
2.1 - corporate services admin		169	–	194	–	–	–	–	30	30	30
2.2 - council building		–	–	–	–	–	–	–	–	–	–
2.3 - pro		–	–	–	–	–	–	–	–	–	–
2.4 - it services		–	–	999	800	784	784	393	–	–	–
2.5 - performance audit		–	–	26	–	–	–	–	–	–	–
2.6 - human resources		–	99	142	–	–	–	–	–	–	–
Vote 3 - financial services		**33**	**37**	**23**	**40**	**40**	**40**	**39**	**30**	**32**	**35**
3.1 - financial sercices - adminitration		33	37	20	30	30	30	29	30	32	35
3.2 - financial sercices - revenue		–	–	4	10	10	10	10	–	–	–
3.3 - financial sercices - expenditure		–	–	–	–	–	–	–	–	–	–
Vote 4 - development & planning		**–**	**–**	**208**	**20**	**20**	**20**	**19**	**10**	**10**	**20**
4.1 - development & planning		–	–	208	20	20	20	19	10	10	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		**2,074**	**2,724**	**7,810**	**4,965**	**6,160**	**6,160**	**1,001**	**22,465**	**6,035**	**6,585**
6.1 - library meyerton		–	1,592	242	600	610	610	26	1,100	800	600
6.2 - libaray henley on klip		–	–	673	150	159	159	3	600	–	–
6.3 - library walkerville		–	–	76	150	155	155	43	800	200	200
6.4 - library randvaal		–	–	92	150	155	155	2	800	200	200
6.5 - library sicelo		–	–	142	250	250	250	20	800	300	300
6.6 - lakeside library		–	–	150	250	250	250	7	900	300	300
6.7 - library bonte bonke.		–	–	–	–	5	5	–	375	–	–
6.8 - library Savanna City		–	–	–	–	–	–	–	–	–	–
6.9 - library Mamello		–	–	–	–	–	–	–	–	–	–
6.10 - social services admin		–	–	398	50	20	20	2	250	100	20
6.11 - parks		512	9	1,188	545	435	435	148	3,740	1,235	1,965
6.12 - swimming pool		–	–	–	–	–	–	–	–	–	–
6.13 - sport & recreation		1,561	1,123	4,850	2,820	4,121	4,121	749	12,600	2,900	3,000
6.14 - cemetries		–	–	–	–	–	–	–	500	–	–
Vote 7 - public safety		**229**	**4,612**	**6,458**	**1,057**	**1,862**	**1,862**	**1,072**	**50**	**65**	**150**
7.1 - traffic		35	653	947	–	–	–	–	–	–	–
7.2 - fire		194	3,959	5,510	1,057	1,862	1,862	1,072	50	65	150

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
9.1 - environmental services		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		**15,582**	**12,380**	**20,909**	**4,950**	**6,741**	**6,741**	**3,378**	**2,200**	**2,470**	**8,050**
10.1 - SEWER CONNECTIONS AND EXTENSIONS		15,582	12,157	18,283	2,550	4,796	4,796	2,412	**1,200**	**1,270**	**6,850**
10.2 - purification		–	223	2,626	2,400	1,945	1,945	966	**1,000**	**1,200**	**1,200**
Vote 11 - solid waste management		**180**	**16**	**347**	**3,550**	**650**	**650**	**998**	**5,340**	**12,730**	**18,130**
11.1 - LAND		–	–	–	–	–	–	–	**2,020**	**12,020**	**17,020**
11.2 - SOLID WASTE MANAGEMENT		180	16	347	3,550	650	650	998	**3,320**	**710**	**1,110**
11.3 - ENVIRONMENTAL MANAGEMENT		–	–	–	–	–	–	–	–	–	–
Vote 12 - roads & transport		**11,784**	**2,518**	**23,677**	**5,346**	**11,090**	**11,090**	**6,533**	**9,325**	**12,447**	**10,017**
12.1 - roads & stormwater		11,784	2,518	23,677	5,346	11,090	11,090	6,533	**9,325**	**11,897**	**7,967**
12.2 - transport & mechanical workshop		–	–	–	–	–	–	–	–	**550**	**2,050**
12.3 - storm water		–	–	–	–	–	–	–	–	–	–
Vote 13 - water services		**2,496**	**11,426**	**18,960**	**24,045**	**18,954**	**18,954**	**11,881**	**9,700**	**12,525**	**13,700**
13.1 - water		2,496	11,426	18,960	24,045	18,954	18,954	11,881	**9,700**	**12,525**	**13,700**
Vote 14 - electricty		**12,007**	**19,151**	**12,885**	**3,600**	**3,957**	**3,957**	**2,986**	**3,110**	**3,110**	**8,110**
14.1 - electricity		12,007	19,151	12,753	3,570	3,897	3,897	2,926	**3,100**	**3,100**	**8,100**
14.2 - engineering admin		–	–	132	30	60	60	60	**10**	**10**	**10**
Capital multi-year expenditure sub-total		**44,553**	**52,964**	**102,231**	**51,273**	**52,370**	**52,370**	**27,443**	**52,260**	**49,454**	**64,827**

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Municipal Vote											
Single-year expenditure appropriation	2										
Vote 1 - executive council		**2,502**	**1,377**	**898**	**1,500**	**2,540**	**2,540**	**303**	**850**	**–**	**500**
1.1 - municipal manager		–	–	–	–	–	–	–	–	–	–
1.2 - councillors		–	–	–	–	–	–	–	–	–	–
1.3 - speakers office		–	–	–	–	–	–	–	400	–	–
1.4 - office of the mayor		80	586	–	–	750	750	–	–	–	500
1.5 - savannna		2,423	791	898	1,500	1,790	1,790	303	450	–	–
Vote 2 - corporate services		**1,831**	**3,469**	**134**	**90**	**1,337**	**1,337**	**1,159**	**4,382**	**1,550**	**1,600**
2.1 - corporate services admin		89	120	96	90	1,261	1,261	1,149	3,000	200	200
2.2 - council building		345	35	–	–	–	–	–	–	–	–
2.3 - pro		–	–	–	–	–	–	–	–	–	–
2.4 - it services		1,212	3,244	38	–	16	16	9	1,382	1,350	1,400
2.5 - performance audit		–	–	–	–	–	–	–	–	–	–
2.6 - human resources		185	70	–	–	60	60	1	–	–	–
Vote 3 - financial services		**338**	**105**	**–**	**89**	**2,089**	**2,089**	**84**	**–**	**–**	**–**
3.1 - financial sercices - adminitration		338	105	–	–	–	–	–	–	–	–
3.2 - financial sercices - revenue		–	–	–	–	–	–	–	–	–	–
3.3 - financial sercices - expenditure		–	–	–	89	2,089	2,089	84	–	–	–
Vote 4 - development & planning		**–**	**38**	**–**	**–**	**–**	**–**	**–**	**250**	**3,500**	**3,500**
4.1 - development & planning		–	38	–	–	–	–	–	250	3,500	3,500
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		**4,612**	**2,367**	**176**	**2,955**	**3,055**	**3,055**	**831**	**1,860**	**9,140**	**5,920**
6.1 - library meyerton		1,178	1,353	–	1,950	1,900	1,900	290	–	1,010	1,010
6.2 - libaray henley on klip		60	132	–	400	400	400	4	200	300	200
6.3 - library walkerville		60	77	–	–	–	–	–	–	–	–
6.4 - library randvaal		58	55	–	–	–	–	2	–	–	–
6.5 - library sicelo		149	194	–	–	5	5	4	500	5,010	110
6.6 - lakeside library		617	393	–	100	105	105	59	–	–	–
6.7 - library bonte bonke.		–	–	176	300	300	300	242	800	500	500
6.8 - library Savanna City		–	–	–	–	–	–	–	–	500	500
6.9 - library Mamello		–	–	–	–	–	–	–	–	500	500
6.10 - social services admin		546	52	–	200	330	330	226	–	1,050	3,100
6.11 - parks		1,176	66	–	5	15	15	3	110	10	–
6.12 - swimming pool		–	–	–	–	–	–	–	–	–	–
6.13 - sport & recreation		769	–	–	–	–	–	–	250	260	–
6.14 - cemetries		0	44	–	–	–	–	–	–	–	–
Vote 7 - public safety		**810**	**578**	**–**	**2,750**	**2,750**	**2,750**	**335**	**2,743**	**3,493**	**2,398**
7.1 - traffic		639	578	–	1,100	300	300	279	2,028	578	600
7.2 - fire		171	–	–	1,650	2,450	2,450	57	715	2,915	1,798

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–
9.1 - environmental services		–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		**6,772**	**1,666**	**4,137**	**7,740**	**10,740**	**10,740**	**5,316**	**10,766**	**8,100**	**3,000**
10.1 - SEWER CONNECTIONS AND EXTENSIONS		3,876	1,068	3,424	7,540	9,412	9,412	5,110	10,766	8,100	3,000
10.2 - purification		2,896	598	713	200	1,328	1,328	206	–	–	–
Vote 11 - solid waste management		**5,468**	**9,144**	**–**	**3,505**	**3,505**	**3,505**	**1,023**	**660**	**5,700**	**10,592**
11.1 - LAND		–	–	–	–	–	–	–	–	1,100	2,930
11.2 - SOLID WASTE MANAGEMENT		5,468	9,144	–	3,505	3,505	3,505	1,023	660	4,600	7,662
11.3 - ENVIRONMENTAL MANAGEMENT		–	–	–	–	–	–	–	–	–	–
Vote 12 - roads & transport		**2,921**	**4,100**	**12,850**	**14,000**	**14,230**	**14,230**	**–**	**6,030**	**5,000**	**6,500**
12.1 - roads & stormwater		2,921	4,100	12,850	14,000	14,230	14,230	–	6,030	4,500	6,000
12.2 - transport & mechanical workshop		–	–	–	–	–	–	–	–	500	500
12.3 - storm water		–	–	–	–	–	–	–	–	–	–
Vote 13 - water services		**9,644**	**7,703**	**7,520**	**11,710**	**31,378**	**31,378**	**27,933**	**25,520**	**23,062**	**20,500**
13.1 - water		9,644	7,703	7,520	11,710	31,378	31,378	27,933	25,520	23,062	20,500
Vote 14 - electricty		**3,465**	**7,426**	**12,975**	**14,550**	**20,767**	**20,767**	**812**	**29,863**	**30,100**	**31,508**
14.1 - electricity		2,163	7,375	12,975	14,520	20,767	20,767	812	29,813	30,100	31,508
14.2 - engineering admin		1,302	52	–	30	–	–	–	50	–	–
Capital single-year expenditure sub-total		**38,363**	**37,978**	**48,618**	**58,889**	**92,391**	**92,391**	**37,796**	**82,924**	**89,645**	**86,018**
Total Capital Expenditure		**82,916**	**90,942**	**150,849**	**110,162**	**144,761**	**144,761**	**65,238**	**135,184**	**139,099**	**150,845**

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		99,999,501.64	130,090,873.68	201,984,116.28	134,558,174.00	136,760,926.00	136,760,926.00	283,781,468.68	210,852,523.00	238,245,139.00	273,595,469.20
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	102,863,644.82	116,571,631.00	126,780,543.00	124,408,791.00	101,997,605.00	101,997,605.00	129,972,755.26	107,301,480.46	113,203,061.89	119,429,230.29
Other debtors		19,568,586.00	27,146,660.00	42,575,433.00	29,986,200.00	75,826,170.00	75,826,170.00	73,762,237.45	79,769,133.00	84,156,435.00	88,785,039.00
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	9,415,822.32	9,334,758.80	8,601,317.57	10,311,174.00	9,031,383.00	9,031,383.00	16,122,170.03	9,501,015.00	10,023,571.00	10,574,867.13
Total current assets		**231,847,554.78**	**283,143,923.48**	**379,941,409.85**	**299,264,339.00**	**323,616,084.00**	**323,616,084.00**	**503,638,631.42**	**407,424,151.46**	**445,628,206.89**	**492,384,605.62**
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments											
Investment property		46,565,939.65	46,569,574.27	46,569,574.00	46,569,574.00	46,569,574.00	46,569,574.10	36,639,574.27	46,569,574.10	46,569,574.10	46,569,574.10
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	2,012,136,314.89	1,981,950,460.95	2,004,551,613.79	2,018,458,613.00	2,032,068,152.90	2,032,068,153.00	1,978,873,987.67	2,044,145,679.05	2,053,982,887.00	2,069,102,882.39
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		1,695,446.41	5,958,265.00	1,027,204.00	5,958,265.00	1,027,204.00	1,027,204.00	75,064.89	1,027,204.00	1,027,204.00	1,027,204.00
Other non-current assets		18,700.63	18,700.63	18,700.63	18,701.00	18,701.00	18,701.00	18,700.63	18,701.00	18,701.00	18,701.00
Total non current assets		**2,060,416,401.58**	**2,034,497,000.85**	**2,052,167,092.42**	**2,071,005,153.00**	**2,079,683,631.90**	**2,079,683,632.10**	**2,015,607,327.46**	**2,091,761,158.15**	**2,101,598,366.10**	**2,116,718,361.49**
TOTAL ASSETS		**2,292,263,956.36**	**2,317,640,924.33**	**2,432,108,502.27**	**2,370,269,492.00**	**2,403,299,715.90**	**2,403,299,716.10**	**2,519,245,958.88**	**2,499,185,309.61**	**2,547,226,572.99**	**2,609,102,967.11**
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	21,996,157.71	22,163,180.05	28,400,966.00	39,077,842.67	36,023,041.00	36,023,041.00	18,240,171.92	36,454,376.00	39,152,697.00	41,500,000.00
Consumer deposits		13,859,907.29	15,315,893.95	16,418,744.00	16,917,936.00	17,239,681.00	17,239,681.00	17,065,962.44	18,136,145.00	19,133,633.00	20,185,982.52
Trade and other payables	4	94,519,755.16	96,342,114.00	118,768,931.00	106,419,499.00	123,145,193.00	123,145,193.00	63,163,977.36	129,548,743.00	136,673,923.00	144,190,989.48
Provisions		2,251,341.22		-	-	-	-	-	-	-	-
Total current liabilities		**132,627,161.38**	**133,821,188.00**	**163,588,641.00**	**162,415,277.67**	**176,407,915.00**	**176,407,915.00**	**98,470,111.72**	**184,139,264.00**	**194,960,253.00**	**205,876,972.00**
Non current liabilities											
Borrowing		144,748,221.12	137,558,344.98	161,835,734.00	154,535,475.33	156,608,093.00	156,608,262.00	161,317,559.12	149,840,129.00	143,447,342.00	140,905,343.28
Provisions		46,212,716.00	52,130,893.01	61,977,842.00	57,583,784.00	65,076,734.00	65,076,734.00	61,977,842.00	68,460,724.00	72,226,064.00	76,198,497.00
Total non current liabilities		**190,960,937.12**	**189,689,237.99**	**223,813,576.00**	**212,119,259.33**	**221,684,827.00**	**221,684,996.00**	**223,295,401.12**	**218,300,853.00**	**215,673,406.00**	**217,103,840.28**
TOTAL LIABILITIES		**323,588,098.50**	**323,510,425.99**	**387,402,217.00**	**374,534,537.00**	**398,092,742.00**	**398,092,911.00**	**321,765,512.84**	**402,440,117.00**	**410,633,659.00**	**422,980,812.28**
NET ASSETS	5	**1,968,675,857.86**	**1,994,130,498.34**	**2,044,706,285.27**	**1,995,734,955.00**	**2,005,206,973.90**	**2,005,206,805.10**	**2,197,480,446.04**	**2,096,745,192.61**	**2,136,592,913.99**	**2,186,122,154.83**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,749,645,382.00	1,661,096,623.82	2,044,706,284.10	1,995,734,954.40	2,005,206,973.90	2,005,206,805.10	2,197,480,446.04	2,096,745,192.61	2,136,592,913.99	2,186,122,154.83
Reserves	4	219,030,475.86	333,033,874.52	1.17	0.60	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	**1,968,675,857.86**	**1,994,130,498.34**	**2,044,706,285.27**	**1,995,734,955.00**	**2,005,206,973.90**	**2,005,206,805.10**	**2,197,480,446.04**	**2,096,745,192.61**	**2,136,592,913.99**	**2,186,122,154.83**

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		146,376	148,881	121,588	190,461	190,461	190,461	175,356	222,422	244,664	261,790
Service charges		393,634	476,018	584,086	611,717	619,519	619,519	565,263	594,270	654,259	699,556
Other revenue		90,215	67,262	75,970	20,795	18,912	18,912	10,658	61,720	65,423	69,021
Government - operating	1	84,177	92,056	105,174	119,802	119,802	119,802	111,104	147,943	139,427	153,241
Government - capital	1	38,704	41,797	60,939	65,223	71,676	71,676	97,097	88,306	86,344	86,957
Interest		18,865	18,689	23,906	14,487	20,487	20,487	14,674	21,565	22,708	23,819
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(636,840)	(712,172)	(748,135)	(878,505)	(877,098)	(877,098)	(738,922)	(932,766)	(984,977)	(1,037,752)
Finance charges		(18,888)	(18,796)	(17,080)	(25,943)	(25,943)	(25,943)	(9,830)	(21,547)	(21,994)	(23,635)
Transfers and Grants	1	(221)	(0)	(21,386)	(287)	(587)	(587)		(587)	(607)	(637)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**116,022**	**113,736**	**185,063**	**117,752**	**137,230**	**137,230**	**225,400**	**181,325**	**205,246**	**232,360**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	347	715	–	–	–	1,634	3,950	1,500	1,500
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(80,075)	(76,969)	(140,620)	(110,162)	(144,761)	(144,761)	(65,238)	(135,184)	(139,099)	(150,845)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(80,075)**	**(76,622)**	**(139,905)**	**(110,162)**	**(144,761)**	**(144,761)**	**(63,604)**	**(131,234)**	**(137,599)**	**(149,345)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		0	15,253	51,715	31,900	33,973	33,973	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	836	–	–	648	–	–	–
Payments											
Repayment of borrowing		(11,467)	(22,276)	(24,990)	(31,578)	(31,578)	(31,578)	(6,888)	(36,087)	(40,254)	(47,665)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(11,467)**	**(7,023)**	**26,724**	**1,158**	**2,394**	**2,394**	**(6,241)**	**(36,087)**	**(40,254)**	**(47,665)**
NET INCREASE/ (DECREASE) IN CASH HELD		**24,479**	**30,091**	**71,883**	**8,748**	**(5,136)**	**(5,136)**	**155,555**	**14,005**	**27,393**	**35,350**
Cash/cash equivalents at the year begin:	2	**75,520**	**100,000**	**130,091**	**125,810**	**201,984**	**201,984**	**128,226**	**196,848**	**210,853**	**238,245**
Cash/cash equivalents at the year end:	2	**100,000**	**130,091**	**201,973**	**134,558**	**196,848**	**196,848**	**283,781**	**210,853**	**238,245**	**273,595**

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	100,000	130,091	201,984	134,558	196,848	196,848	283,781	210,853	238,245	273,595
Other current investments > 90 days		0	(0)	–	(0)	–	–		(0)	(0)	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**100,000**	**130,091**	**201,984**	**134,558**	**196,848**	**196,848**	**283,781**	**210,853**	**238,245**	**273,595**
Application of cash and investments											
Unspent conditional transfers		24	–	208	356	–	–	–	–	–	–
Unspent borrowing		7,487	6,670	5,121	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(3,524)	(28,353)	(37,643)	(23,609)	(48,737)	(48,737)	(138,923)	(37,051)	(40,032)	(42,922)
Other provisions		69,918	52,634	157,567	143,470	168,854	168,854	98,018	120,434	130,135	142,529
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**73,905**	**30,951**	**125,254**	**120,217**	**120,117**	**120,117**	**(40,905)**	**83,383**	**90,103**	**99,607**
Surplus(shortfall)		**26,094**	**99,140**	**76,730**	**14,341**	**76,730**	**76,730**	**324,687**	**127,470**	**148,142**	**173,989**

Choose name from list - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total New Assets	1	**18,180**	**87,855**	**67,632**	**32,876**	**143,361**	**143,361**	**47,179**	**41,181**	**29,810**
Roads Infrastructure		–	6,645	12,897	–	44,708	44,708	7,887	1,500	3,567
Storm water Infrastructure		–	–	–	–	–	–	–	500	500
Electrical Infrastructure		–	19,545	9,721	9,270	20,269	20,269	21,758	22,200	6,600
Water Supply Infrastructure		–	18,645	–	2,000	30,538	30,538	–	–	–
Sanitation Infrastructure		–	1,339	14,469	1,500	14,527	14,527	1,000	1,000	1,000
Solid Waste Infrastructure		–	14,721	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	***60,895***	***37,087***	***12,770***	***110,042***	***110,042***	***30,645***	***25,200***	***11,667***
Community Facilities		–	2,142	7,300	3,277	3,556	3,556	1,375	–	–
Sport and Recreation Facilities		–	1,123	–	–	3,801	3,801	–	–	–
Community Assets		**–**	***3,264***	***7,300***	***3,277***	***7,357***	***7,357***	***1,375***	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		10	32	9,631	1,560	2,024	2,024	–	–	–
Investment properties		***10***	***32***	***9,631***	***1,560***	***2,024***	***2,024***	**–**	**–**	**–**
Operational Buildings		17,745	10,970	955	13,629	5,050	5,050	2,000	–	–
Housing		–	–	–	–	–	–	–	3,500	3,500
Other Assets		***17,745***	***10,970***	***955***	***13,629***	***5,050***	***5,050***	***2,000***	***3,500***	***3,500***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		436	4,329	255	1,640	–	–	455	1,000	–
Licences and Rights		–	–	–	–	–	–	–	1,000	1,000
Intangible Assets		***436***	***4,329***	***255***	***1,640***	**–**	**–**	***455***	***2,000***	***1,000***
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**500**	**300**	**200**
Furniture and Office Equipment		**–**	**3,698**	**665**	**–**	**1,995**	**1,995**	**2,156**	**636**	**525**
Machinery and Equipment		**–**	**814**	**3,729**	**–**	**4,129**	**4,129**	**1,198**	**2,045**	**3,338**
Transport Assets		**(10)**	**3,854**	**8,009**	**–**	**12,764**	**12,764**	**5,400**	**7,500**	**9,580**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**3,450**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**18,370**	**(57,487)**	**38,875**	**39,190**	**(41,426)**	**(41,426)**	**65,589**	**66,781**	**100,235**
Roads Infrastructure		–	(6,726)	4,889	–	(24,226)	(24,226)	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		308	(27,759)	4,449	5,650	–	–	10,000	8,500	30,508
Water Supply Infrastructure		10,014	(11,426)	18,997	25,600	(8,501)	(8,501)	31,720	31,587	31,200
Sanitation Infrastructure		3,464	(347)	3,268	2,650	(7,016)	(7,016)	1,500	1,700	1,700
Solid Waste Infrastructure		–	(7,219)	–	–	–	–	2,600	14,500	21,562
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***13,786***	***(53,476)***	***31,603***	***33,900***	***(39,742)***	***(39,742)***	***45,820***	***56,287***	***84,970***
Community Facilities		2,838	(4,027)	929	40	1,400	1,400	2,880	3,580	5,400
Sport and Recreation Facilities		2,047	–	4,753	2,600	–	–	12,600	2,900	3,000
Community Assets		***4,885***	***(4,027)***	***5,682***	***2,640***	***1,400***	***1,400***	***15,480***	***6,480***	***8,400***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	150	–	–	–	–	2,600
Investment properties		**–**	**–**	**–**	***150***	**–**	**–**	**–**	**–**	***2,600***
Operational Buildings		(13,996)	–	–	(13,229)	(400)	(400)	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***(13,996)***	**–**	**–**	***(13,229)***	***(400)***	***(400)***	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**1,350**	**1,350**	**1,400**
Furniture and Office Equipment		**3,908**	**16**	**263**	**1,904**	**–**	**–**	**89**	**104**	**75**
Machinery and Equipment		**382**	**–**	**11**	**395**	**(2,684)**	**(2,684)**	**–**	**–**	**–**
Transport Assets		**9,406**	**–**	**1,316**	**13,430**	**–**	**–**	**2,850**	**2,560**	**2,790**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Choose name from list - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Upgrading of Existing Assets	6	**46,365**	**60,574**	**44,043**	**38,096**	**42,826**	**42,826**	**22,416**	**31,137**	**20,800**
Roads Infrastructure		13,863	6,726	12,238	18,226	24,226	24,226	6,000	14,337	8,500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		28,137	29,851	10,233	–	–	–	–	–	–
Water Supply Infrastructure		–	11,911	6,324	7,310	8,501	8,501	3,500	3,000	3,000
Sanitation Infrastructure		1,310	840	6,269	7,540	7,016	7,016	9,766	7,100	7,500
Solid Waste Infrastructure		1,500	7,219	7,429	3,000	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***44,809***	***56,547***	***42,493***	***36,076***	***39,742***	***39,742***	***19,266***	***24,437***	***19,000***
Community Facilities		1,556	4,027	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***1,556***	***4,027***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	400	400	400	3,150	6,700	1,800
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	***400***	***400***	***400***	***3,150***	***6,700***	***1,800***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**1,550**	**1,620**	**2,684**	**2,684**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	4	**82,916**	**90,942**	**150,550**	**110,162**	**144,761**	**144,761**	**135,184**	**139,099**	**150,845**
Roads Infrastructure		13,863	6,645	30,025	18,226	44,708	44,708	13,887	15,837	12,067
Storm water Infrastructure		–	–	–	–	–	–	–	500	500
Electrical Infrastructure		28,444	21,638	24,403	14,920	20,269	20,269	31,758	30,700	37,108
Water Supply Infrastructure		10,014	19,130	25,321	34,910	30,538	30,538	35,220	34,587	34,200
Sanitation Infrastructure		4,773	1,833	24,006	11,690	14,527	14,527	12,266	9,800	10,200
Solid Waste Infrastructure		1,500	14,721	7,429	3,000	–	–	2,600	14,500	21,562
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***58,595***	***63,966***	***111,184***	***82,746***	***110,042***	***110,042***	***95,731***	***105,924***	***115,637***
Community Facilities		4,394	2,142	8,229	3,317	4,956	4,956	4,255	3,580	5,400
Sport and Recreation Facilities		2,047	1,123	4,753	2,600	3,801	3,801	12,600	2,900	3,000
Community Assets		***6,441***	***3,264***	***12,982***	***5,917***	***8,757***	***8,757***	***16,855***	***6,480***	***8,400***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		10	32	9,631	1,710	2,024	2,024	–	–	2,600
Investment properties		***10***	***32***	***9,631***	***1,710***	***2,024***	***2,024***	**–**	**–**	***2,600***
Operational Buildings		3,748	10,970	955	800	5,050	5,050	5,150	6,700	1,800
Housing		–	–	–	–	–	–	–	3,500	3,500
Other Assets		***3,748***	***10,970***	***955***	***800***	***5,050***	***5,050***	***5,150***	***10,200***	***5,300***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		436	4,329	255	1,640	–	–	455	1,000	–
Licences and Rights		–	–	–	–	–	–	–	1,000	1,000
Intangible Assets		***436***	***4,329***	***255***	***1,640***	**–**	**–**	***455***	***2,000***	***1,000***
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**1,850**	**1,650**	**1,600**
Furniture and Office Equipment		**3,908**	**3,714**	**928**	**1,904**	**1,995**	**1,995**	**2,245**	**740**	**600**
Machinery and Equipment		**382**	**814**	**5,290**	**2,015**	**4,129**	**4,129**	**1,198**	**2,045**	**3,338**
Transport Assets		**9,396**	**3,854**	**9,325**	**13,430**	**12,764**	**12,764**	**8,250**	**10,060**	**12,370**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**3,450**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL CAPITAL EXPENDITURE - Asset class		**82,916**	**90,942**	**150,550**	**110,162**	**144,761**	**144,761**	**135,184**	**139,099**	**150,845**

Choose name from list - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSET REGISTER SUMMARY - PPE (WDV)	5	2,060,416	2,042,483	2,052,167	2,071,005	2,079,684	2,079,684	2,091,761	2,101,598	2,116,718
Roads Infrastructure		599,275	605,104	571,609	584,045	610,528	610,528	579,707	581,657	577,886
Storm water Infrastructure		–	–	–	–	–	–	–	500	500
Electrical Infrastructure		637,173	587,987	557,334	561,553	571,685	571,685	603,876	609,546	619,328
Water Supply Infrastructure		197,016	201,440	224,809	280,454	276,082	276,082	280,764	280,131	279,744
Sanitation Infrastructure		304,145	478,653	333,081	297,880	300,717	300,717	298,456	295,990	296,390
Solid Waste Infrastructure		1,500	9,002	12,779	3,589	589	589	3,189	15,089	22,151
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		***1,739,108***	***1,882,186***	***1,699,611***	***1,727,521***	***1,759,601***	***1,759,601***	***1,765,992***	***1,782,912***	***1,795,999***
Community Assets		25,285	59,227	124,721	82,226	85,066	85,066	93,163	81,983	83,903
Heritage Assets		19	0	19	19	19	19	19	19	19
Investment properties		10	19	9,631	1,710	2,024	2,024	–	–	2,600
Other Assets		94,867	46,060	40,257	5,267	9,517	9,517	9,617	14,667	9,767
Biological or Cultivated Assets										
Intangible Assets		436	4,329	255	1,640	–	–	455	2,000	1,000
Computer Equipment		3,394	7,656	5,286	10,469	5,538	5,538	8,340	8,140	8,090
Furniture and Office Equipment		3,576	3,576	2,952	8,269	8,360	8,360	8,610	7,105	6,965
Machinery and Equipment		3,957	4,388	39,851	15,376	138,040	138,040	135,109	135,956	137,249
Transport Assets		37,040	33,268	22,172	45,147	44,481	44,481	39,967	41,777	44,087
Land		152,726	1,774	107,411	173,361	27,038	27,038	30,488	27,038	27,038
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**2,060,416**	**2,042,483**	**2,052,167**	**2,071,005**	**2,079,684**	**2,079,684**	**2,091,761**	**2,101,598**	**2,116,718**
EXPENDITURE OTHER ITEMS		**164,118**	**167,191**	**215,756**	**229,600**	**230,770**	**230,770**	**245,066**	**257,937**	**271,621**
Depreciation	7	112,759	116,486	122,503	117,244	117,244	117,244	123,106	129,261	135,725
Repairs and Maintenance by Asset Class	3	**51,360**	**50,706**	**93,253**	**112,356**	**113,526**	**113,526**	**121,960**	**128,676**	**135,896**
Roads Infrastructure		17,586	17,249	26,469	30,507	30,884	30,884	32,790	34,494	36,382
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,087	5,727	18,744	19,938	20,052	20,052	22,450	23,745	25,117
Water Supply Infrastructure		4,709	4,452	15,387	18,715	18,537	18,537	20,416	21,607	22,873
Sanitation Infrastructure		7,914	7,793	20,430	25,489	25,902	25,902	27,151	28,718	30,376
Solid Waste Infrastructure		–	1,165	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***34,297***	***36,386***	***81,031***	***94,649***	***95,374***	***95,374***	***102,808***	***108,564***	***114,747***
Community Facilities		2	–	53	498	504	504	446	468	492
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***2***	**–**	***53***	***498***	***504***	***504***	***446***	***468***	***492***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		17,061	3,931	2,925	4,432	4,357	4,357	4,439	4,661	4,894
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***17,061***	***3,931***	***2,925***	***4,432***	***4,357***	***4,357***	***4,439***	***4,661***	***4,894***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**11**	**96**	**76**	**76**	**40**	**42**	**44**
Furniture and Office Equipment		**–**	**26**	**55**	**365**	**448**	**448**	**465**	**487**	**511**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**10,362**	**9,179**	**12,316**	**12,766**	**12,766**	**13,762**	**14,454**	**15,208**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL EXPENDITURE OTHER ITEMS		**164,118**	**167,191**	**215,756**	**229,600**	**230,770**	**230,770**	**245,066**	**257,937**	**271,621**
Renewal and upgrading of Existing Assets as % of total capex		*78.1%*	*3.4%*	*55.1%*	*70.2%*	*1.0%*	*1.0%*	*65.1%*	*70.4%*	*80.2%*
Renewal and upgrading of Existing Assets as % of deprecn		*57.4%*	*2.7%*	*67.7%*	*65.9%*	*1.2%*	*1.2%*	*71.5%*	*75.8%*	*89.2%*
R&M as a % of PPE		*2.6%*	*2.6%*	*4.7%*	*5.6%*	*5.6%*	*5.6%*	*6.0%*	*6.3%*	*6.6%*
Renewal and upgrading and R&M as a % of PPE		*6.0%*	*3.0%*	*9.0%*	*9.0%*	*6.0%*	*6.0%*	*10.0%*	*11.0%*	*12.0%*

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
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)		1,166	3,753	3,753	18,100	18,100	18,100	6,000	8,000	10,000
Sanitation (free minimum level service)		1,166	3,753	3,753	6,000	6,000	6,000	6,000	8,000	10,000
Electricity/other energy (50kwh per household per month)		360	360	360	6,000	6,000	6,000	3,000	4,000	5,000
Refuse (removed at least once a week)		1,166	3,753	3,753	6,000	6,000	6,000	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)		8,134	9,286	9,286	12,187	12,187	12,187	12,321	17,824	24,107
Sanitation (free sanitation service to **indigent households**)		2,270	7,817	7,817	15,444	15,444	15,444	16,525	23,575	31,532
Electricity/other energy (50kwh per **indigent** household per month)		191	418	418	4,236	4,236	4,236	2,024	2,917	7,672
Refuse (removed once a week **for indigent households**)		1,031	3,550	3,550	6,649	6,649	6,649	7,944	11,347	15,351
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**11,625**	**21,071**	**21,071**	**38,516**	**38,516**	**38,516**	**38,814**	**55,664**	**78,662**
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
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)**		6,979	–	161,505	34,503	33,066	33,066	8,830	9,712	10,392
Water **(in excess of 6 kilolitres per indigent household per month)**		(8,134)	(10,353)	12,670	14,579	9,851	9,851	10,087	6,489	1,937
Sanitation **(in excess of free sanitation service to indigent households)**		(2,270)	(7,817)	(353)	(459)	(2,504)	(2,504)	(4,639)	(10,501)	(17,150)
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		(191)	(15,411)	(32)	(2,468)	(2,468)	(2,468)	(1,752)	(2,623)	(7,363)
Refuse **(in excess of one removal a week for indigent households)**		(1,031)	(4,672)	(3,184)	(2,312)	(1,771)	(1,771)	(3,611)	(6,580)	(10,108)
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**(4,646)**	**(38,254)**	**170,606**	**43,844**	**36,174**	**36,174**	**8,915**	**(3,503)**	**(22,292)**

Choose name from list - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		153,355,325.14	166,908,196.63	356,164	241,128	238,974	238,974	182,232	231,251	254,376	272,183
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		6,979,102.14		161,505	34,503	33,066	33,066	6,877	8,830	9,712	10,392
Net Property Rates		**146,376,223.00**	**166,908,196.63**	**194,658**	**206,625**	**205,908**	**205,908**	**175,356**	**222,422**	**244,664**	**261,790**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		273,891,151.16	311,209,523.01	326,888	355,472	350,966	350,966	299,112	394,914	432,635	455,173
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		-190,733.00	-15,411,373.99	(32)	(2,468)	(2,468)	(2,468)	168	(1,752)	(2,623)	(7,363)
less Cost of Free Basis Services (50 kwh per indigent household per month)		190,733.00	418,178.00	418	4,236	4,236	4,236		2,024	2,917	7,672
Net Service charges - electricity revenue		**273,891,151.16**	**326,202,719.00**	**326,502**	**353,704**	**349,198**	**349,198**	**298,943**	**394,642**	**432,341**	**454,864**
Service charges - water revenue	6										
Total Service charges - water revenue		**142,408,108.46**	**163,423,174.75**	**205,068**	**231,907**	**220,051**	**220,051**	**206,321**	**236,712**	**256,829**	**275,113**
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***		**-8,133,720.00**	**-10,352,843.25**	**12,670**	**14,579**	**9,851**	**9,851**	**13,299**	10,087	6,489	1,937
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		8,133,720.00	9,286,352.00	9,286	12,187	12,187	12,187		12,321	17,824	24,107
Net Service charges - water revenue		**142,408,108.46**	**164,489,666.00**	**183,111**	**205,140**	**198,013**	**198,013**	**193,022**	**214,304**	**232,516**	**249,069**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		**34,494,320.92**	**34,292,058.23**	**45,915**	**57,414**	**54,414**	**54,414**	**44,551**	**56,264**	**61,890**	**68,079**
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***		**-2,269,782.00**	**-7,817,347.77**	**(353)**	**(459)**	**(2,504)**	**(2,504)**	**7,099**	**(4,639)**	**(10,501)**	**(17,150)**
less Cost of Free Basis Services (free sanitation service to indigent households)		2,269,782.00	7,817,348.00	7,817	15,444	15,444	15,444		16,525	23,575	31,532
Net Service charges - sanitation revenue		**34,494,320.92**	**34,292,058.00**	**38,450**	**42,429**	**41,474**	**41,474**	**37,453**	**44,378**	**48,815**	**53,697**
Service charges - refuse revenue	6										
Total refuse removal revenue		29,869,364.65	30,666,974.34	34,599	42,978	39,911	39,911	35,123	44,049	48,454	53,300
Total landfill revenue		-	-	1,789	3,330	3,330	3,330	1,037	1,332	1,465	1,611
less Revenue Foregone ***(in excess of one removal a week to indigent households)***		-1,030,651.00	-4,672,292.66	(3,184)	(2,312)	(1,771)	(1,771)	2,737	(3,611)	(6,580)	(10,108)
less Cost of Free Basis Services (removed once a week to indigent households)		1,030,651.00	3,549,566.00	3,550	6,649	6,649	6,649		7,944	11,347	15,351
Net Service charges - refuse revenue		**29,869,364.65**	**31,789,701.00**	**36,023**	**41,970**	**38,362**	**38,362**	**33,423**	**41,047**	**45,152**	**49,667**
Other Revenue by source											
Fuel Levy		-	-	–	–	–	–	–	–	–	–
Other Revenue		16,222,176.42	14,785,327.41	24,848	5,198	5,342	5,342	3,192	5,662	6,002	6,332
		1,162,505.09	1,297,414.79	3,958	4,041	4,041	4,041	3,431	4,284	4,541	4,791
		16,904,282.02		–	–	–	–	–	–	–	–
		-	-	–	–	–	–	–	–	–	–
		-	-	–	–	–	–	–	–	–	–
		-	-	–	–	–	–	–	–	–	–
		-	-	–	–	–	–	–	–	–	–
		33,150.47									
	3										
Total 'Other' Revenue	1	**34,322,114.00**	**16,082,742.20**	**28,805**	**9,239**	**9,383**	**9,383**	**6,622**	**9,946**	**10,543**	**11,123**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	164,638,347.49	168,434,092.09	155,475	199,255	199,991	199,991	150,145	218,928	232,064	245,988
Pension and UIF Contributions		1,049,687.81	1,113,978.58	2,473	3,251	3,271	3,271	2,339	3,398	3,591	3,797
Medical Aid Contributions		10,050,203.16	10,959,277.00	39,148	50,621	50,963	50,963	36,883	59,094	62,633	66,385
Overtime		9,178,438.83	10,288,167.42	11,866	14,990	14,894	14,894	11,620	15,500	16,430	17,416
Performance Bonus		-	-	–	–	–	–	–	386	386	386
Motor Vehicle Allowance		15,424,487.25	15,802,501.85	12,864	15,836	15,904	15,904	12,885	17,794	18,862	19,994
Cellphone Allowance		192,017.94	185,786.40	361	150	150	150	117	150	159	169
Housing Allowances		1,193,578.00	1,116,681.48	2,172	2,861	2,882	2,882	1,823	3,006	3,186	3,378
Other benefits and allowances		1,498,245.52	1,520,328.19	1,368	1,628	1,649	1,649	1,301	1,619	1,716	1,819
Payments in lieu of leave		-	-	–	–	–	–	–	–	–	–
Long service awards		-	-	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	4	-	-	–	–	–	–	–	–	–	–
sub-total	5	**203,225,006.00**	**209,420,813.01**	**225,728**	**288,593**	**289,703**	**289,703**	**217,114**	**319,875**	**339,027**	**359,329**
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	**203,225,006.00**	**209,420,813.01**	**225,728**	**288,593**	**289,703**	**289,703**	**217,114**	**319,875**	**339,027**	**359,329**
Contributions recognised - capital											
List contributions by contract				–	–	–	–	–	–	–	–
Total Contributions recognised - capital		**-**	**-**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Choose name from list - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		112,758,461.32	116,485,633.14	122,492	117,244	117,244	117,244	101,565	123,106	129,262	135,725
Lease amortisation		-	-	11	–	–	–	–	–	–	–
Capital asset impairment		-	-	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	-	-	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	**112,758,461.32**	**116,485,633.14**	**122,503**	**117,244**	**117,244**	**117,244**	**101,565**	**123,106**	**129,262**	**135,725**
Bulk purchases											
Electricity Bulk Purchases		184,892,776.91	240,095,326.95	241,211	252,566	250,626	250,626	223,405	289,799	313,273	329,563
Water Bulk Purchases		54,127,244.39	84,752,544.18	106,446	120,648	118,853	118,853	103,926	128,242	139,143	149,050
Total bulk purchases	1	**239,020,021.30**	**324,847,871.13**	**347,657**	**373,213**	**369,479**	**369,479**	**327,331**	**418,042**	**452,416**	**478,613**
Transfers and grants											
Cash transfers and grants		-	0.00	–	–	–	–	–	–	–	–
Non-cash transfers and grants		220,619.00	476,780.31	275	287	587	587	472	587	607	637
Total transfers and grants	1	**220,619.00**	**476,780.31**	**275**	**287**	**587**	**587**	**472**	**587**	**607**	**637**
Contracted services											
List services provided by contract		108,430,756.78	108,549,552.24	117,702	127,445	133,800	133,800	71,537	138,723	145,029	152,280
		-59,486,087.78			8,296						
sub-total	1	**48,944,669.00**	**108,549,552.24**	**117,702**	**135,741**	**133,800**	**133,800**	**71,537**	**138,723**	**145,029**	**152,280**
Allocations to organs of state:											
Electricity		-	-	–	–	–	–	–	–	–	–
Water		-	-	–	–	–	–	–	–	–	–
Sanitation		-	-	–	–	–	–	–	–	–	–
Other		-	-	–	–	–	–	–	–	–	–
Total contracted services		**48,944,669.00**	**108,549,552.24**	**117,702**	**135,741**	**133,800**	**133,800**	**71,537**	**138,723**	**145,029**	**152,280**
Other Expenditure By Type											
Collection costs		-	-	–	–	–	–	–	–	–	–
Contributions to 'other' provisions		-	-	–	–	–	–	–	–	–	–
Consultant fees		-	-	–	–	–	–	–	–	–	–
Audit fees		2,270,369.18	3,236,927.70	2,967	2,947	3,027	3,027	2,647	3,027	3,133	3,305
General expenses	3	65,147,518.70	35,604,985.47	61,240	59,481	60,688	60,688	34,653	64,057	62,895	66,026
List Other Expenditure by Type		-	-	–	–	–	–	–	–	–	–
		-	-	(0)	–	–	–	(0)	–	–	–
		10,762,097.32	14,476,627.41	–	–	–	–	–	–	–	–
		-	-	–	–	–	–	–	–	–	–
		-	-	–	–	–	–	–	–	–	–
		-	-	–	–	–	–	–	–	–	–
		135,133.60	-	–	–	–	–	–	–	–	–
		81,299,667.20									
		200.00									
					(7,532)						
Total 'Other' Expenditure	1	**159,614,986.00**	**53,318,540.58**	**64,207**	**54,895**	**63,714**	**63,714**	**37,300**	**67,083**	**66,028**	**69,331**
by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		51,359,628.49	50,705,738.74	93,253	112,356	113,526	113,526		121,960	128,676	135,896

Choose name from list - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Repairs and Maintenance Expenditure	9	51,359,628.49	50,705,738.74	93,253	112,356	113,526	113,526	–	121,960	128,676	135,896

Choose name from list - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and 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 - electricty	Vote 15 -	Total
R thousand	1																
Revenue By Source																	
Property rates		3,456		218,966	–	–	–	–		–	–	–	–	–	–		**222,422**
Service charges - electricity revenue		–		–	–	–	–	–		–	–	–	–	5	394,637		**394,642**
Service charges - water revenue		1,070		–	–	–	–	–		–	–	–	–	213,234	–		**214,304**
Service charges - sanitation revenue		–		–	–	–	–	–		–	44,378	–	–	–	–		**44,378**
Service charges - refuse revenue		1,084		–	–	–	–	–		–	–	39,963	–	–	–		**41,047**
Rental of facilities and equipment		–		–	–	–	–	–		–	–	–	–	–	–		**–**
Interest earned - external investments		–		13,736	–	–	–	–		–	–	–	–	–	–		**13,736**
Interest earned - outstanding debtors		–		7,829	–	–	–	–		–	–	–	–	–	–		**7,829**
Dividends received		–		–	–	–	–	–		–	–	–	–	–	–		**–**
Fines, penalties and forfeits		–		–	–	–	27	50,177		–	–	–	–	126	23		**50,353**
Licences and permits		–		–	–	–	–	43		–	–	–	–	–	–		**43**
Agency services		–		–	–	–	–	–		–	–	–	–	–	–		**–**
Other revenue		289	1,915	2,559	4,016	–	881	913		–	751	–	–	1	–		**11,324**
Transfers and subsidies		22,801		45,697	–	6,605	11,564	–		3,081	17,030	8,187	–	29,516	3,462		**147,943**
Gains on disposal of PPE		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Total Revenue (excluding capital transfers and contributio		**28,699**	**1,915**	**288,788**	**4,016**	**6,605**	**12,472**	**51,132**	**–**	**3,081**	**62,159**	**48,150**	**–**	**242,882**	**398,122**	**–**	**1,148,020**
Expenditure By Type																	
Employee related costs		25,028	32,998	31,696	22,395	4,153	31,944	45,881		2,980	22,914	28,023	18,807	18,794	34,260		**319,875**
Remuneration of councillors		12,390		–	–	–	–	–		–	–	–	–	–	–		**12,390**
Debt impairment		1,536		17,353	–	–	–	40,126		–	2,442	2,413	–	24,512	3,370		**91,751**
Depreciation & asset impairment		860	3,337	169	1,250	425	5,842	2,808		211	10,772	3,655	32,727	7,535	53,517		**123,106**
Finance charges		37	848	1,997	663	–	709	630		–	5,122	–	3,501	3,054	4,985		**21,547**
Bulk purchases		3,237		–	–	–	–	–		–	–	–	–	125,005	289,799		**418,042**
Other materials		570	1,316	763	386	348	2,092	1,836		141	1,288	2,832	1,165	1,859	1,127		**15,722**
Contracted services		17,426	8,756	11,964	9,011	1,017	11,222	14,899		72	11,531	8,190	15,732	14,123	14,781		**138,723**
Transfers and subsidies		587		–	–	–	–	–		–	–	–	–	–	–		**587**
Other expenditure		6,482	11,660	14,301	1,665	1,086	6,629	2,280		195	1,445	8,781	5,054	2,112	5,394		**67,083**
Loss on disposal of PPE		–	–	–	–	–	–	–		–	–	–	–	–	–		**–**
Total Expenditure		**68,151**	**58,916**	**78,242**	**35,369**	**7,029**	**58,439**	**108,459**	**–**	**3,599**	**55,513**	**53,895**	**76,985**	**196,994**	**407,233**	**–**	**1,208,825**
Surplus/(Deficit)		**(39,452)**	**(57,001)**	**210,546**	**(31,353)**	**(424)**	**(45,967)**	**(57,327)**	**–**	**(517)**	**6,646**	**(5,744)**	**(76,985)**	**45,887**	**(9,111)**	**–**	**(60,804)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		450	–	–	–	–	**19,475**	–		–	**13,653**	–	–	**30,020**	**28,658**		**92,256**
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		**(39,002)**	**(57,001)**	**210,546**	**(31,353)**	**(424)**	**(26,493)**	**(57,327)**	**–**	**(517)**	**20,299**	**(5,744)**	**(76,985)**	**75,907**	**19,547**	**–**	**31,451**

Choose name from list - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Call investment deposits											
Call deposits		–	–	–	–	–	–	–	–	–	–
Other current investments		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	–	–	–	–	–	–	–	–	–	–
Consumer debtors											
Consumer debtors		216,021	221,392	199,811	276,285	253,874	253,874	272,348	558,527	586,990	616,905
Less: Provision for debt impairment		(113,157)	(104,821)	(73,030)	(151,877)	(151,877)	(151,877)	(142,375)	(451,225)	(473,787)	(497,476)
Total Consumer debtors	2	**102,864**	**116,572**	**126,781**	**124,409**	**101,998**	**101,998**	**129,973**	**107,301**	**113,203**	**119,429**
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision		(113,157)	(104,821)	(73,030)	(151,877)	(151,877)	(151,877)	(142,375)	(451,225)	(473,787)	(497,476)
Bad debts written off											
Balance at end of year		**(113,157)**	**(104,821)**	**(73,030)**	**(151,877)**	**(151,877)**	**(151,877)**	**(142,375)**	**(451,225)**	**(473,787)**	**(497,476)**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		2,885,275	2,970,201	3,085,240	2,257,741	2,270,456	2,270,456	2,502,486	2,284,648	2,295,801	2,307,891
Leases recognised as PPE	3	35,793	35,793	62,932	28,286	29,181	29,181	37,178	27,066	26,556	29,586
Less: Accumulated depreciation		908,932	1,024,044	1,143,620	267,568	267,568	267,568	560,790	267,568	268,374	268,374
Total Property, plant and equipment (PPE)	2	**2,012,136**	**1,981,950**	**2,004,552**	**2,018,459**	**2,032,068**	**2,032,068**	**1,978,874**	**2,044,146**	**2,053,983**	**2,069,103**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		21,996	22,163	28,401	12,805	9,750	9,750	7,310	8,587	8,052	8,500
Current portion of long-term liabilities		–	–	–	26,273	26,273	26,273	10,930	27,868	31,101	33,000
Total Current liabilities - Borrowing		**21,996**	**22,163**	**28,401**	**39,078**	**36,023**	**36,023**	**18,240**	**36,454**	**39,153**	**41,500**
Trade and other payables											
Trade Payables	5	103,287	96,342	114,412	114,756	114,756	114,756	27,567	129,549	136,674	144,191
Other creditors		–	–	3,236	–	–	–	35,597	–	–	–
Unspent conditional transfers		24	–	208	356	–	–		–	–	–
VAT		(8,791)	(7,953)	913	(8,693)	8,389	8,389				
Total Trade and other payables	2	**94,520**	**88,389**	**118,769**	**106,419**	**123,145**	**123,145**	**63,164**	**129,549**	**136,674**	**144,191**
Non current liabilities - Borrowing											
Borrowing	4	129,044	124,640	145,657	127,362	117,612	117,612	145,003	134,334	127,083	121,833
Finance leases (including PPP asset element)		15,704	12,918	16,178	27,173	38,996	38,996	16,314	15,507	16,365	19,073
Total Non current liabilities - Borrowing		**144,748**	**137,558**	**161,836**	**154,535**	**156,608**	**156,608**	**161,318**	**149,840**	**143,447**	**140,905**
Provisions - non-current											
Retirement benefits		16,444	16,142	833	17,830	16,331	16,331				
List other major provision items											
Refuse landfill site rehabilitation		–	–	29,904	39,753	48,746	48,746	46,453	51,312	54,134	57,112
Other		29,769	35,989	31,241	–	–	–	15,525	17,149	18,092	19,087
Total Provisions - non-current		**46,213**	**52,131**	**61,978**	**57,584**	**65,077**	**65,077**	**61,978**	**68,461**	**72,226**	**76,198**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1,771,891	1,645,426	1,994,130	1,995,192	2,044,706	2,044,706	1,936,992	2,079,027	2,115,383	2,156,231
GRAP adjustments											
Restated balance		1,771,891	1,645,426	1,994,130	1,995,192	2,044,706	2,044,706	1,936,992	2,079,027	2,115,383	2,156,231
Surplus/(Deficit)		(16,630)	23,644	50,576	543	20,587	20,587	159,610	31,451	39,848	49,529
Appropriations to Reserves		(15)	(21)	–	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets			(7,953)			(60,087)	(60,087)	100,879	(13,733)	(18,638)	(19,638)
Other adjustments											
Accumulated Surplus/(Deficit)	1	**1,755,246**	**1,661,097**	**2,044,706**	**1,995,735**	**2,005,207**	**2,005,207**	**2,197,480**	**2,096,745**	**2,136,593**	**2,186,122**
Reserves											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		(229)	1,110	–	–	–	–	–	–	–	–
Self-insurance		219,259	329,742	–	–	–	–	–	–	–	–
Other reserves		0	2,182	0	0	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	**219,030**	**333,034**	**0**	**0**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,974,277**	**1,994,130**	**2,044,706**	**1,995,735**	**2,005,207**	**2,005,207**	**2,197,480**	**2,096,745**	**2,136,593**	**2,186,122**

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services											
		-0.14	2,181,603.10	1.17	0.60	-60,086,727.00	-60,086,895.90				

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
KPA 1: Good Governance and Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders			47,803	55,378	5,724	5,760	5,760	5,760	6,225	6,517	6,827
KPA 2: Safety and Environment	To create a sustainable environment safe from harm			20,393	27,968	38,881	51,103	51,103	51,103	51,159	54,229	57,211
KPA 3: Social and Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable			8,800	8,876	43,200	51,879	58,185	58,185	73,443	49,560	51,389
KPA 4: Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives			180,548	188,123	296	500	500	500	530	562	593
KPA 5: Financial Sustainability.	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements			554,337	627,040	232,824	263,695	269,695	269,695	290,166	318,268	341,966
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community			44,981	45,057	115,591	105,722	131,123	131,123	120,319	123,086	130,126
KPA 7: Services and Customer Care	To deliver inclusive and excellent services to the community			2,509	2,585	604,421	627,854	616,165	616,165	694,418	758,912	807,521
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation					3,349	3,789	3,789	3,789	4,016	7,757	7,991
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**859,371**	**955,028**	**1,044,287**	**1,110,302**	**1,136,320**	**1,136,320**	**1,240,276**	**1,318,891**	**1,403,624**

Choose name from list - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
KPA 1: Good Governance and Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders			23,232	28,751	23,287	26,233	33,836	33,836	32,109	32,924	34,657
KPA 2: Safety and Environment	To create a sustainable environment safe from harm			40,502	42,918	45,907	58,117	58,065	58,065	57,745	58,191	59,232
KPA 3: Social and Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable			15,220	31,066	29,944	34,865	28,349	28,349	31,968	30,737	37,916
KPA 4: Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives			214,810	246,135	10,764	12,057	12,637	12,637	14,336	14,916	15,711
KPA 5: Financial Sustainability.	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements			42,842	45,767	475,965	510,902	513,134	513,134	552,078	582,848	615,341
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community			493,215	482,147	381,316	456,637	458,286	458,286	506,567	544,807	575,960
KPA 7: Services and Customer Care	To deliver inclusive and excellent services to the community			35,982	41,216	20,970	1,502	1,487	1,487	3,053	3,120	3,187
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation			10,199	13,383	5,559	9,446	9,938	9,938	10,968	11,500	12,092
Allocations to other priorities												
Total Expenditure			1	**876,001**	**931,383**	**993,711**	**1,109,759**	**1,115,733**	**1,115,733**	**1,208,825**	**1,279,043**	**1,354,095**

Choose name from list - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
KPA 1: Good Governance and Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders	A		338	8,204	735	90	1,882	1,882	5,430	230	730
KPA 2: Safety and Environment	To create a sustainable environment safe from harm	B		1,039	5,731	6,458	3,807	4,612	4,612	2,793	3,558	2,548
KPA 3: Social and Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable	C		8,681	3,448	25,985	16,325	14,061	14,061	22,285	14,275	19,967
KPA 4: Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	D		1,396	10,422	1,161	800	860	860	1,382	1,350	1,400
KPA 5: Financial Sustainability.	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	E		71,091	56,508	199	529	2,529	2,529	30	32	35
KPA 6: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	F		371	100	67,177	23,800	49,699	49,699	38,601	42,650	53,868
KPA 7: Services and Customer Care	To deliver inclusive and excellent services to the community	G			6,530	48,927	64,791	71,098	71,098	64,403	73,494	68,777
KPA 8: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and	H				208	20	20	20	260	3,510	3,520
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	**82,916**	**90,942**	**150,849**	**110,162**	**144,761**	**144,761**	**135,184**	**139,099**	**150,845**

Choose name from list - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Corporate Services										
Administration										
KFA 1: Governance Structures										
Council Meetings	Number of meetings	11	10	9	-	-	-	-	-	-
Ward Committee Meetings	Number of meetings	56	56	45	60	60	60	60	60	60
KFA 2: Stakeholder Participation										
External Stakeholder Events arranged per year	Number of events	10	5	6	7	3	3	3	3	3
Plan drafted on targeted stakeholder engagements per	Report			New	New	New	1	1	1	1
Development & Planning										
Administration										
Partnership and Stakeholder engagements	Number of reports			New	New	New	New	New	4	4
Corporate Services										
KFA 3: Inter-Governmental Relations										
IGR Fora meetings	Number of reports	-	-	4	4	4	4	4	4	4
Corporate Services										
KFA 4: Communications (Internal &										
Implementation Plan of Communication & Marketing	Report	-	-	New	1 x strategy	1 x	1 x	1 x	0	0
Customer satisfaction outcome survey distributed to	Number of reports	1	1	4	4	4	4	4	4	4
Compliance to Section 75 - MFMA requirements ito	Percentage	-	-	100%	87.50%	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)										
Prevention Intervention	Number of meetings	-	-	7	-	-	-	-	-	-
Actions implemented of the Crime Prevention	Number	-	-	99.9%	6	6	6	6	6	6
Disaster Management Plan	Reviewed annually	1	1	1	1	1	1	1	1	1
Implementation of alternative traffic law enforcement	Number			New	New	New	1	1	?	?
Municipal Health Services										
KFA 6: Emergency Services										
Environmental Management	Number of actions executed	3 x industries	4	15	16	9	9	9	9	9
Parks & Recreation										
KFA 7: Sport & Recreation Programmes,										
Completion of Phase 4 (Construction of the Ablution	Phase 3 completed	Phase 1	Phase 2	New	Phase 3	Phase 4	Phase 4	Phase 4	-	-
Public Safety										
KFA 8: Libraries, Arts, Culture & Special										
Emergency vehicles dispatched	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	-	-	New	2	2	2	2	2	2
Day Mothers	Number established	-	-	New	5	5	5	5	5	5
Libraries										

Completion of Phase 1 of Savannah City Library/ Book security systems installed	Number installed	-	-	New	2	-	-	-	-	-
Corporate Services										
Taining & Skills Development										
KFA 9: Human Capital & Skills Development										
Workplace Skills Plan (Previously KFA 15: Human	Percentage expenditure	92%	99.80%	93.84%	97.84%	92.5%	92.5%	92.5%	91%	92%
Employment Equity Target groups employed	Number of reports submitted	1	1	10	1	1	1	1	1	1
Performance Management										
KFA 10: Performance Management										
Performance Management)	Number of reports	4	4	4	4	4	4	4	4	4
Development & Planning										
Development & Planning										
KFA 10: Performance Management										
Implementation of the Project Prioritisation Model	Number of reports			New	New	New	New	New	4	4
Corporate Services										
ICT										
KFA 11: Systems & Technology (Previously										
& Technology)	Percentage uptime	-	-	98.69%	98.56%	92.50%	92.50%	92.50%	92.50%	92.50%
KFA 12: Policies, Processes & Procedures										
Legal										
Processes & Procedures)	Number of average days	14	6	4	2.56	6	6	6	6	6
Development & Planning										
Building & Land Use										
(development principles) in to new/revised policies	Number of reports	-	-	New	New	New	New	New	4	4
decentralisation of bulk infrastructure to unlock green	Number of reports			New	New	New	New	New	1	1
KFA 13: Financial Management										
Finance Services										
Financial Reporting										
Annual Cost Coverage	Number of months	1.47 months	1.77 months	2.16 months	3.04 months	2 months	2 month	2 months	2 month	2 months
Annual Liquidity ratio	Ratio	1.78:1	1.68:1	2.12:1	2.3:1	1.1	1.1	1.1	2:1	2:1
Audit Opinion issued by Auditor-General	Number of report			Clean	Clean	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
Debt Coverage	Number of times	17 times	15 times	20.59 times	24.87 times	17	17	17	17	16
Budget Consultation meetings held with stakeholders	Number of meetings	Clean	Clean	New	New	New	New	New	1	1
KFA 14: Revenue Management										
Outstanding Service Debtors	Percentage	27.10%	33%	28.22%	29.26%	33%	33%	33%	33%	34%
Collection Rate	Percentage	93.06%	93%	93.76%	93.08%	93%	93.50%	93.50%	95%	95%
(Previously KFA 20)	Percentage	100% of 460	100% of 1 166	100% of 3 753	100% of 4 080	100%	90%	90%	95%	95%
Induction of new payment channels for the community		-	-	New	New	New	New	New	1	1
committee finance representatives regarding proposed	Number of meetings			New	New	New	New	New	5	5
increasing tourism within the borders of Midvaal Local	Number			New	New	New	New	New	0	1
improving collection rate	Number			New	New	New	New	New	4	4
Financial Reporting										
KFA 15: Supply Chain Management										
Capital Budget	Percentage actually spent	93.47%	90%	91.17%	93.61%	90%	90%	90%	90%	90%
Economics	Percentage spent	-	-	New	3.51%	10%	5%	5%	5%	5%
enterprises	Percentage spent	-	-	New	2.14%	5%	3%	3%	4.0%	5%
KFA 16: Asset Management										
Maintenance	Percentage	5.5%	5.8%	5.50%	9.53%	5.5%	8%	8%	8%	8%

Engineering Department										
Electricity										
KFA 17: Electricity & Energy Efficiency										
Electricity Losses not to exceed target annually	Percentage loss	11.5%	11.83%	11.79%	11.20%	11.50%	11.50%	11.50%	11.50%	11.50%
June	Feasibility study signed off	-	-	New	1 x Council	1	1	1	1	1
basic electricity	Percentage of households	-	-	79.33%	55.77%	55.00%	55.00%	55.00%	55.50%	56.50%
KFA 18: Roads & Stormwater Infrastructure										
Tarred roads resurfaced annually	Square meters tarred	70 000 m²	65 471 m²	47 237.46 m²	58 779.23 m²	45 000 m²	45 000 m²	45 000 m²	45 000 m²	45 000 m²
Gravel roads converted to tarred roads	Number of km			New	New	New	New	New	?	?
and the implementation plan on the viable and cost	Number of reports			New	New	New	New	New	?	?
Water & Sanitation										
KFA 19: Water & Sanitation Infrastructure										
annum	Percentage loss	28.77%	28.61%	28.01%	28.77%	28.50%	26.50%	26.50%	24.50%	24.50%
Households with access to basic sanitation	Percentage	87.2%	84.1%	77.93%	67.04%	49%	65%	65%	67%	67%
Households with access to basic water	Percentage	-	-	90.90%	75.39%	54%	70%?	70%?	72%	72%
on the alternative water supply to informal settlements	Number of reports	1	1	New	New	New	New	New	?	?
KFA 20: Landfill Sites & Transfer Stations										
implementation plan on landfill sites by 30 Jun 19	Number of reports			New	1 x status quo	1	1	1	-	-
according to new regulations	Number			New	New	New	New	New	?	?
Phase 1 of planning a new Landfill Site Facility	Number			New	New	New	New	New	?	?
Community Services										
Waste										
KFA 20: Landfill Sites & Transfer Stations										
Station completed	Phase 1	-	-	New	Phase 1	Phase 1	Phase 1	Phase 1	-	-
Acquisition of 1 x Skip Bin Loader	1 x loader	-	-	1	-	-	-	-	-	-
assessed quarterly	Percentage assessed	76% of 1 300	100% of number	100%	-	-	-	-	-	-
Municipal Buildings										
KFA 21: Municipal & Public Facilities										
management unit	Outcome fo feasibility study	-	-	-	-	-	-	-	0	0
Building Maintenance projects completed	Number of projects	95%	20%	5	-	-	-	-	-	-
Water & Sanitation										
KFA 22: Water & Sanitation										
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%
sanitation	*Number*			1,011	1,227	1,500	1,100	1,100	1,000	1,500
level of water	Number of formal	-	-	1,778	789	1,500	1,100	1,100	1,000	1,500
KFA 23: Electricity										
Additional formal Households with access to basic	Number of formal	79.3%	79.3%	1,108	587	500	200	200	500	500
Investigation Report with implementation plan on the	Number of reports			New	New	New	New	New	?	?
Community Services										
Waste Section										
KFA 24: Cleansing & Waste Management										
basic level of solid waste removal	Percentage of households	83.1%	83.1%	83.10%	86.90%	86%	86%	86%	86%	86%
level of solid waste removal per annum	Number of formal			1,029	1,486	1,500	1,015	1,015	350	350
Phases of buy-back centre establishment completed	Phases completed	-	-	-	1	-	-	-	-	-
Zero waste to landfill site separation at source	Number of households			New	New	New	New	New	?	?
Development & Planning										
LED										
KFA 25: LED & Capacity Building										
respect to building plan approvals considered by HOD	Draft Policy	-	-	New	1 x policy	1 x	1 x	1 x	Implentation of	-
processes conducted quarterly	Number of reports	-	-	New	4	4	4	4	4	4

Jobs created through municipality's local economic	Number of jobs	-	-	1,932	1,352	1,200	1,200	1,200	1,200	1,300
implemented	Report on programme	-	-	1	-	-	-	-	-	-
Revised LED Strategy approved by Council	Report	-	1	1	-	-	-	-	-	-
Land Invasion complaints responded to within 48	Percentage			New	New	90%	90%	90%	95%	95%
partnership to stimulate growth and employability	Number of reports			New	New	1	1	1	0	0
Establishment of Invetment Development Committee	Number of reports			New	New	New	New	New	0	0
Formulation of the Economic Analysis Study	Number of reports			New	New	New	New	New	1	0
Kgatelopele Cooperatives incubated/trained/absorbed	Number			New	New	New	New	New	?	?
Community Services										
Community Services										
Number of youth internship programmes implemented	Number trained	-	-	New	134	2	2	2	0	0
Corporate Services										
Human Resources										
reflect a bias towards appointing youth younger than	Implementation Plan	-	-	New	1 x Draft	1 x	1 x	1 x	0	0
partnership to stimulate growth and employability	Number of report			New	New	New	1	1	0	0
Development & Planning										
Spatial Development and Planning										
KFA 26: Spatial Development & Planning										
Compliance in terms of turn around time maintained to	Percentage compliance	-	-	97%	97%	95%	100% within 14	100% within 14	100% within 14	100% within 14
consider building plan applications	Percentage compliance			98.5%	100%	95%	100%	100%	100%	100%
Implement Single Land Use Scheme in line with	Number of reports	-	-	New	1 x draft Single	4 x	4 x	4 x	Considered by	Promulgated
Certificate of Occupancy's (COO) issued	Percentage			New	New	90%	90%	90%	-	-
Map3's (SPLUMA equivalent) signed off by DD:LUM	Percentage			New	New	90%	90%	90%	-	-
Land Use Applications promulgated after	Quarterly percentage			New	New	90%	90%	90%	95%	95%
Formulation of the Draft Myerton CBD Urban Design	Number of reports			New	New	1	1	1	0	0
Granting of incentives for developments	Number of reports			New	New	New	New	New	4	4
Development Boundary	Number of reports			New	New	New	New	New	4	4
Conceptualisation of Economic Development Centres	Number of reports			New	New	New	New	New	4	4
Revised De Deur Precinct Plan	Plan Approved	-	-	1		-	-	-	-	-
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

Choose name from list - Entities measureable performance objectives

	Unit of measurement	2015/16	2016/17	2017/18		Current Year 2018/19			2019/20 Medium Term Revenue	
		Audited Outcome	Audited Outcome	Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
#REF!										
Entity 3 - (name of entity)										
#REF!										
And so on for the rest of the Entities										

Choose name from list - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.5%	4.2%	4.2%	5.2%	5.2%	5.2%	2.1%	4.8%	4.9%	5.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.2%	4.8%	4.8%	6.2%	6.3%	6.3%	2.2%	5.8%	5.7%	6.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	36.9%	64.6%	71.0%	62.1%	62.1%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	66.1%	41.3%	##########	##########	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.7	2.1	2.3	1.8	1.8	1.8	5.1	2.2	2.3	2.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	2.1	2.3	1.8	1.8	1.8	5.1	2.2	2.3	2.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	1.0	1.2	0.8	0.8	0.8	2.9	1.1	1.2	1.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		86.1%	86.3%	90.6%	94.4%	97.2%	97.2%	100.3%	89.1%	89.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		86.1%	86.3%	90.6%	94.4%	97.2%	97.2%	100.3%	89.1%	89.6%	89.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.0%	16.0%	17.4%	14.8%	17.0%	17.0%	23.3%	16.3%	16.0%	15.8%
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%	74.1%	56.6%	85.3%	58.3%	58.3%	9.7%	61.4%	57.4%	52.7%
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)	24.9%	23.3%	23.2%	27.6%	27.7%	27.7%	24.9%	27.8%	27.5%	27.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25.9%	24.4%	24.4%	28.8%	28.9%	28.9%		28.9%	28.6%	28.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.3%	5.6%	9.6%	10.8%	10.9%	10.9%		10.6%	10.4%	10.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	16.2%	14.8%	14.4%	13.7%	13.7%	13.7%	12.8%	12.6%	12.3%	12.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17.8	16.5	18.8	17.8	17.8	17.8	13.2	15.9	15.3	16.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19.5%	19.8%	21.7%	18.1%	21.3%	21.3%	27.6%	20.4%	19.6%	19.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	2.1	3.0	1.8	2.6	2.6	5.1	2.5	2.7	2.9

Choose name from list - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Narritive report 1.1		685	95,301	95,301	112	112	115	118	122	126
Females aged 5 - 14		Source: Community Survey 2016 for 2016/17		95	6,717	6,717	9	9	9	9	10	10
Males aged 5 - 14		Source: STATS SA Census for 2001 and 2011 Census		112	7,011	7,011	9	9	9	9	10	10
Females aged 15 - 34		2018/2019 and outer years data projected by 3% growth		169	16,080	16,080	18	18	18	19	19	20
Males aged 15 - 34				204	17,970	17,970	19	19	20	20	21	22
Unemployment		As per broad definition= 18.8%	7		8,619	8,619	21	21	22	22	23	24
Monthly household income (no. of households)	1, 12											
No income					4,350	4,350	5,326	5,326	5,486	5,650	5,820	5,994
R1 - R1 600					6,867	6,867	8,719	8,719	8,981	9,250	9,527	9,813
R1 601 - R3 200					4,917	4,917	6,243	6,243	6,430	6,623	6,822	7,027
R3 201 - R6 400					3,720	3,720	4,723	4,723	4,865	5,011	5,161	5,316
R6 401 - R12 800		2016/17 Data Projected as per 2011 % distribution			3,078	3,078	3,908	3,908	4,025	4,146	4,270	4,398
R12 801 - R25 600					3,273	3,273	4,155	4,155	4,280	4,408	4,540	4,676
R25 601 - R51 200					2,496	2,496	3,169	3,169	3,264	3,362	3,463	3,567
R52 201 - R102 400					933	933	1,184	1,184	1,220	1,256	1,294	1,333
R102 401 - R204 800					195	195	247	247	254	262	270	278
R204 801 - R409 600					135	135	171	171	176	181	187	192
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			64,643	83,433	95,301	95	112	112	112	115	118	122
Number of poor people in municipal area					42,777		54	54	54	56	58	59
Number of households in municipal area		2016 Data Projected as per 2011 % distribution	20,760		29,964	30	38	38	38	39	40	42
Number of poor households in municipal area					11,216	11	14	14	14	15	15	16
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	31,546	31,546	31,546	32,492	33,467	34,471
Informal		Midvaal IDP 2005/2006	4,845		5,922	5,922	6,500	6,303	6,303	6,492	6,687	6,887
Total number of households			20,760	-	29,964	29,964	38,046	37,849	37,849	38,984	40,154	41,359
Dwellings provided by municipality	4						-	-	-	-	-	
Dwellings provided by province/s		Savanna City, Lakeside and Sicelo				387	947	975	547	563	580	598
Dwellings provided by private sector	5						166	116	386	398	410	422
Total new housing dwellings			-	-	-	387	1,113	1,091	933	961	990	1,020
Economic	6											
Inflation/inflation outlook (CPIX)						6.0%	6.0%	6.1%	5.2%	5.5%	5.5%	5.5%
Interest rate - borrowing						10.0%	10.0%	10.5%	10.0%	10.0%	10.0%	10.0%
Interest rate - investment						6.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Remuneration increases						6.0%	7.4%	7.4%	7.0%	6.0%	6.0%	6.0%
Consumption growth (electricity)						-1.6%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Consumption growth (water)						-13.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates	7											
Property tax/service charges						92.9%	93.8%	94.0%	95.0%	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%	60.0%	60.0%	60.0%	60.0%
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		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.		2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		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 entity services	Ref.		2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		Household service targets (000)									
Name of municipal entity		***Water:***									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Name of municipal entity		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Name of municipal entity		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Name of municipal entity		***Refuse:***									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–

Services provided by 'external mechanisms'	Ref.		2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Names of service providers		**Household service targets (000)**									
		Water:									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Names of service providers		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Names of service providers		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Names of service providers		***Refuse:***									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–

Detail of Free Basic Services (FBS) provided			2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Electricity	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (50 kwh per indigent household per month Rands)**	190,733	418,178	418,178	4,235,531	4,235,531	4,235,531	2,023,920	2,917,143	7,672,087
		Number of HH receiving this type of FBS	360	360	360	6,000	6,000	6,000	3,000	4,000	5,000
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		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 Rands)**	8,133,720	9,286,352	9,286,352	12,187,314	12,187,314	12,187,314	12,320,640	17,823,859	24,106,770
		Number of HH receiving this type of FBS	1,166	3,753	3,753	18,100	18,100	18,100	6,000	8,000	10,000
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		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)**	2,269,782	7,817,348	7,817,348	15,443,968	15,443,968	15,443,968	16,524,720	23,575,267	31,531,920
		Number of HH receiving this type of FBS	1,166	3,753	3,753	6,000	6,000	6,000	6,000	8,000	10,000
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		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)**	1,030,651	3,549,566	3,549,566	6,648,840	6,648,840	6,648,840	7,944,282	11,347,294	15,351,466
		Number of HH receiving this type of FBS	1,166	3,753	3,753	6,000	6,000	6,000	6,000	8,000	10,000

	Informal settlements (Rands) *Number of HH receiving this type of FBS* **Informal settlements targeted for upgrading (Rands)** *Number of HH receiving this type of FBS* **Living in informal backyard rental agreement (Rands)** *Number of HH receiving this type of FBS* **Other (Rands)** *Number of HH receiving this type of FBS*										
	Total cost of FBS - Refuse Removal for informal settlements	–	–	–	–	–	–	–	–	–	

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	100,000	130,091	201,973	134,558	196,848	196,848	283,781	210,853	238,245	273,595
Cash + investments at the yr end less applications - R'000	18(1)b	2	26,094	99,140	76,730	14,341	76,730	76,730	324,687	127,470	148,142	173,989
Cash year end/monthly employee/supplier payments	18(1)b	3	1.8	2.1	3.0	1.8	2.6	2.6	5.1	2.5	2.7	2.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(16,630)	15,692	50,576	543	(39,499)	(39,499)	260,489	17,718	21,210	29,891
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	9.4%	1.6%	3.1%	(8.0%)	(6.0%)	(17.4%)	4.1%	3.5%	0.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	87.2%	86.8%	91.7%	89.6%	91.9%	91.9%	99.2%	89.1%	89.5%	89.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	13.3%	12.6%	9.5%	10.3%	10.5%	10.5%	3.1%	10.0%	9.5%	9.2%
Capital payments % of capital expenditure	18(1)c;19	8	96.6%	84.6%	93.2%	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	0.0%	36.9%	64.6%	71.0%	62.1%	62.1%	0.0%	0.0%	0.0%	0.0%
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.	17.4%	17.8%	(8.8%)	15.2%	0.0%	14.6%	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	2.6%	2.6%	4.7%	5.6%	5.6%	5.6%	6.2%	6.0%	6.3%	6.6%
Asset renewal % of capital budget	20(1)(vi)	14	22.2%	(63.2%)	25.8%	35.6%	(28.6%)	(28.6%)	0.0%	48.5%	48.0%	66.4%

Choose name from list - Supporting Table SA11 Property rates summary

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Valuation:	1									
Date of valuation:		2010/07/01	2010/07/01							
Financial year valuation used		**2011/2018**	**2011/2018**		**2018/2019**			**2019/2020**		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes		Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		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**	2	**2**	**2**	3		
No. of data collectors (FTE)	3	3	3	3	3	3	3	3		
No. of internal valuers (FTE)	3	–	–	–	–	–	–	–	–	–
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		
Implementation time of new valuation roll (mths)					12 Mths			12 Mths		
No. of properties	5	34,295	34,981	35,681	35,714	35,714	35,714	35,714	35,714	35,714
No. of sectional title values	5	33,493,138	360,563,001	367,774,261	375,129,746	375,129,746	375,129,746	375,129,746		
No. of unreasonably difficult properties s7(2)		4	5	6	–	6	6	–		
No. of supplementary valuations		576	588	600	809	809	809	820	820	820
No. of valuation roll amendments		–	–	–	–	–	–	–		
No. of objections by rate payers		7	8	9	490	490	490	–		
No. of appeals by rate payers		–	–	–	54	54	54	–		
No. of successful objections	8	1	–	–	436	436	436			
No. of successful objections > 10%	8	1								
Supplementary valuation		1	1		1	1	1	1		
Public service infrastructure value (Rm)	5	75	76		60	60	60	60	60	60
Municipality owned property value (Rm)			284		282	282	282	282	282	282
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	22,906	23,365	23,832	24,233	24,233	24,233	24,233	24,233	24,233
Total land value (Rm)	5	–	–	–	–	–	–	–		
Total value of improvements (Rm)	5	–	–	–	–	–	–	–		
Total market value (Rm)	5	22,906	23,365	23,832	29,741	29,741	29,741	29,741	29,741	29,741
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes		Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes		Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Special rating area used? (Y/N)		No	No	No	Yes			Yes		
Phasing-in properties s21 (number)		0	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%							
Rate revenue:										
Rate revenue budget (R '000)	6	197,079	216,776	230,861	241,128	238,974	238,974	257,802	273,270	289,667
Rate revenue expected to collect (R'000)	6	183,283	201,602	214,701	194,227	193,554	193,554	246,201	260,973	276,632
Expected cash collection rate (%)		93.0%	93.0%	93.0%	94.0%	94.0%	94.0%	95.5%	95.5%	95.5%
Special rating areas (R'000)	7	–	–	–	–	–	–	–		
Rebates, exemptions - indigent (R'000)		–	–	833	891	833	833	891	944	944
Rebates, exemptions - pensioners (R'000)		–	–	289	566	566	566	606	666	713
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		62,298	70,789	75,484	33,937	32,500	32,500	34,775	38,252	40,930
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–		
Total rebates,exemptns,reductns,discs (R'000)		**62,298**	**70,789**	**76,606**	**35,394**	**33,899**	**33,899**	**36,272**	**39,863**	**42,588**

Choose name from list - 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 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		##########															
No. of unreasonably difficult properties s7(2)			2	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		791	–	10	3	–	1	3	–	–	–	–	–	–	–	1	–
Supplementary valuation (Rm)		360,152,800	–	5,831,000	7,240,000	–	1,025,000	3,000	–	–	–	–	–	–	–	8,545,000	–
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)**		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
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	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)		25,612	–	–	8,200												
Rebates, exemptions - pensioners (R'000)		566	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		126	–	–	–	–	–										
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)																	

Choose name from list - 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 2019/20																	
Valuation:																	
No. of properties		22,244	684	951	1,955	363	843	263	1	–	15	–	–	62	1	1	6
No. of sectional title property values		1,000															
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	0.008239	0.164780	0.016478	0.002060	0.016478	–	–	0.008239	–	–	–	–	–	–	–	0.016478
Rate revenue budget (R '000)		120,276	35,510	34,980	19,080	8,268	–	–	–	–	–	–	–	–	–	–	148
Rate revenue expected to collect (R'000)		114,262	33,735	33,231	18,126	7,855	–	–	–	–	–	–	–	–	–	–	141
Expected cash collection rate (%)	4	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)		27,148	–	–	8,692												
Rebates, exemptions - bona fide farm. (R'000)		600	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		134	–	–	–	–	–										
Total rebates,exemptns,reductns,discs (R'000)																	

Choose name from list - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Property rates *(rate in the Rand)*	1								
Residential properties			0.0144	0.0154	0.0169	0.0077	0.0082	0.0091	0.0097
Residential properties - vacant land			0.0144	0.0179	0.0229	0.0154	0.0165	0.0181	0.0194
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			0.0019	0.0020	0.0022	0.0077	0.0082	0.0091	0.0097
Farm properties - used			0.0019	0.0020	0.0022	0.0024	0.0026	0.0029	0.0031
Farm properties - not used			0.0019	0.0020	0.0022	0.0019	0.0021	0.0023	0.0024
Industrial properties			0.0144	0.0154	0.0169	0.0154	0.0165	0.0181	0.0194
Business and commercial properties			0.0144	0.0154	0.0169	0.0154	0.0165	0.0181	0.0194
Communal land - residential			-	-	-	-	-	-	-
Communal land - small holdings			-	-	-	-	-	-	-
Communal land - farm property			-	-	-	-	-	-	-
Communal land - business and commercial			-	-	-	-	-	-	-
Communal land - other			-	-	-	-	-	-	-
State-owned properties			0.0144	0.0154	0.0169	0.0154	0.0165	0.0181	0.0194
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			-	-	-	-	-	-	-
Privately owned towns serviced by the owner			0.0144	0.0154	0.0169	0.0077	0.0082	0.0091	0.0097
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	17	20	24	26	29	31	33
Water usage - life line tariff		0-2	-	-	-	-	-	-	-
Water usage - Block 1 (c/kl)		3-12	19	22	24	26	29	31	33
Water usage - Block 2 (c/kl)		13-20	21	24	27	29	31	34	37
Water usage - Block 3 (c/kl)		21-30	22	26	30	33	36	39	42
Water usage - Block 4 (c/kl)		31-45	24	28	32	35	38	41	44
Other	2	45+	25	29	33	36	39	42	46
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		Developed land	171	183	196	215	230	246	263
Service point - vacant land *(Rands/month)*		Undeveloped land	87	93	99	109	117	125	133
Waste water - flat rate tariff *(c/kl)*									
Volumetric charge - Block 1 (c/kl)									
Volumetric charge - Block 2 (c/kl)									
Volumetric charge - Block 3 (c/kl)									
Volumetric charge - Block 4 (c/kl)									
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			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	2	2
Meter - IBT Block 3 (c/kwh)		351-600	2	2	2	2	2	2	2
Meter - IBT Block 4 (c/kwh)		>600	2	2	2	2	2	3	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	2	2
Prepaid - IBT Block 3 (c/kwh)		351-600	2	2	2	2	2	2	2
Prepaid - IBT Block 4 (c/kwh)		>600	2	2	2	2	2	3	3
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)						-	-
Other	2							-	-
Waste management tariffs									
Domestic									
Street cleaning charge			147	158	169	185	198	217	239
Basic charge/fixed fee								-	-
80l bin - once a week			74	79	84	92	99	109	120
250l bin - once a week									

Choose name from list - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
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	135,000	135,000	135,000	135,000	135,000	135,000
Additional Improved Residential Rebate		35% of the tariff	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	1	1	1
Agricultural Holdings used for Residential purposes		As per Property Rates Policy	1	1	1	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	144	80	-	-	-	-	-
Business Consumption Charge		R/kl	20	23	30	33	36	39	42
Industrial Availability Charge		Fixed Charge	144	80	-	-	-	-	-
Industrial Consumption Charge		R/kl	20	23	30	33	36	39	42
Charitable Institutions Availability Charge		Fixed Charge	48	27	-	-	-	-	-
Charitable Institutions Consumption Charge		R/kl	17	20	23	25	27	29	32
Vaal Marina Availability Charge		Fixed Charge	48	27	-	-	-	-	-
Vaal Marina Availability Charge 0 - 30kl		R/kl	13	16	19	21	23	25	27
Vaal Marina Availability Charge > 30kl		R/kl	19	22	26	29	31	34	36
Vaal Marina Flats		R/kl	13	15	18	20	21	23	25
Water Leak Tariff		R/kl	11	12	13	15	16	17	19
Township Developers		R/kl	15	17	20	22	24	26	28
Sport Club Leasing Land from Council		R/kl	11	12	14	16	17	18	20
Waste water tariffs									
Business Basic Charge		Fixed Rate	87	93	99	109	117	125	133
Service Point		Fixed Rate	84	90	96	106	113	121	129
Flat and Business Premises under one Roof Up to 2000		Fixed Rate	84	90	96	106	113	121	129
Flat and Business Premises under one Roof Over 2000		Fixed Rate	842	901	964	1,056	1,130	1,209	1,294
Private Hotels and Boarding Houses		Fixed Rate	84	90	96	106	113	121	129
Hotels and Clubs		Fixed Rate	127	136	146	159	171	182	195
Churches		Fixed Rate	78	83	89	98	105	112	120
Halls		Fixed Rate	84	90	96	106	113	121	129
Chartable Institutions		Fixed Rate	35	37	40	44	47	50	53
Schools, Creches, Nurseries and Kolleges		Fixed Rate	73	78	83	91	97	104	111
Boarding Schools and School Hostels		Fixed Rate	104	110	118	129	138	148	158

Sports Clubs excluding school sports ground		Fixed Rate	244	261	279	305	327	350	374
Hospitals and Nursing Homes		Fixed Rate	47	50	54	59	63	67	72
Prison		Fixed Rate	84	90	96	106	113	121	129
Private Owned Compouns or Hostels		Fixed Rate	84	90	96	106	113	121	129
Power Stations		Fixed Rate	84	90	96	106	113	121	129
Public Conveniences		Fixed Rate	84	90	96	106	113	121	129
Storage Premises		Fixed Rate	84	90	96	106	113	121	129
Hotels and Clubs		Fixed Rate	127	136	146	159	171	182	195
Churches		Fixed Rate	78	83	89	98	105	112	120
Chartable Institutions		Fixed Rate	35	37	40	44	47	50	53
Schools, Creches, Nurseries and Kolleges		Fixed Rate	73	78	83	91	97	104	111
Boarding Schools and School Hostels		Fixed Rate	104	110	118	129	138	148	158
Sports Clubs excluding school sports ground		Fixed Rate	244	261	279	305	327	350	374
Hospitals and Nursing Homes		Fixed Rate	47	50	54	59	63	67	72
Electricity tariffs									
Business Basic Charge.		Fixed Charge	505	272	-	-	-	-	-
Unit Charge		c/Kwh	2	2	2	2	2	2	3
R/KvA Low Voltage		R/KvA	112	120	123	131	148	160	168
R/KvA Med Voltage		R/KvA	109	118	120	128	145	157	165
Time of Use: Off Peak Supply Basic Charge		Fixed Charge	820	441	-	-	-	-	-
Low Voltage Demand		R/KvA	241	260	265	283	320	346	364
Medium Voltage Demand		R/KvA	230	248	252	270	305	330	347
Unit Charge		c/Kwh	70	75	85	90	102	110	116
Midvaal Megaflex Basic Charge		Fixed Charge	274	148	-	-	-	-	-
SUMMER PERIOD (SEPTEMBER TO MAY)								-	-
Peak hours c per kWh		c/Kwh	168	187	198	212	240	259	272
Standard hours c per kWh		c/Kwh	69	80	89	95	108	116	122
Off-peak hours c per kWh		c/Kwh	54	64	73	75	85	91	96
Maximum demand charge per kVA (30 minute integrating		R/KvA	71.31.	77	78	84	95	102	108
WINTER PERIOD (JUNE TO AUGUST)						-	-	-	-
Peak hours c per kWh		c/Kwh	260	286	297	317	358	387	408
Standard hours c per kWh		c/Kwh	103	117	124	132	150	162	170
Off-peak hours c per kWh		c/Kwh	60	71	75	80	91	98	103
Maximum demand charge R per kVA (30 minute		R/KvA	71	77	78	84	95	102	108
Reactive energy charge R per kVArh		R/KvA	0	0	37	40	45	49	51
Midvaal Miniflex Basic Charge		Fixed Charge	316	170	-	-	-	-	-
SUMMER PERIOD (SEPTEMBER TO MAY)								-	-
Peak hours c per kWh		c/Kwh	186	207	218	233	264	285	300
Standard hours c per kWh		c/Kwh	87	100	110	117	133	143	151
Off-peak hours c per kWh		c/Kwh	50	60	69	74	84	90	95
WINTER PERIOD (JUNE TO AUGUST)								-	-
Peak hours per kWh		c/Kwh	391	427	443	473	535	578	608
Standard hours per kWh		c/Kwh	123	138	148	159	179	194	204
Off-peak hours per kWh		c/Kwh	60	70	80	85	96	104	109
Reactive energy charge per kVArh supplied in excess of		c/Kwh	10	17	25	27	31	33	35
General Lighting and Itenererant Supplies Basic Charge		Fixed Charge	890	479	488	521	590	637	671
Unit Charge		c/Kwh	275	302	308	329	372	402	423
Agricultural Supply		c/Kwh	169	188	199	213	241	260	273
Single phase supplies		Fixed Charge	125	67	-	-	-	-	-
Three Phase Supplies		Fixed Charge	344	185	-	-	-	-	-
Bulk Supplies								-	-
KVA Demand Charge Basic		Fixed Charge	1,755	945	-	-	-	-	-
Low Voltage Demand		R/KvA	112	120	123	131	148	160	168
Medium Voltage Demand		R/KvA	109	118	120	128	145	157	165
Unit Charge		c/Kwh	112	126	137	145	164	177	186
Notified Maximum Demand		R/KvA	22	23	24	25	29	31	33

Choose name from list - Supporting Table SA14 Household bills

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		428.97	459.00	504.88	352.92	352.92	352.92	7.0%	377.62	415.38	444.46
Electricity: Basic levy		107.27	57.67	–	–	–	–	–	–	–	–
Electricity: Consumption		1,447.11	1,616.42	1,645.94	1,758.52	1,758.52	1,758.52	13.1%	1,988.36	2,149.42	2,261.19
Water: Basic levy		47.86	26.78	–	–	–	–	–	–	–	–
Water: Consumption		458.70	582.71	706.50	773.61	773.61	773.61	7.9%	891.84	967.65	1,046.99
Sanitation		171.10	183.08	195.89	214.50	214.50	214.50	7.0%	229.51	245.58	262.77
Refuse removal		147.31	157.62	168.66	184.68	184.68	184.68	7.0%	197.61	217.37	239.11
Other											
sub-total		**2,808.32**	**3,083.28**	**3,221.87**	**3,284.24**	**3,284.24**	**3,284.24**	**12.2%**	**3,684.95**	**3,995.40**	**4,254.52**
VAT on Services		333.11	367.40	407.55	439.70	439.70	439.70	7.9%	496.10	537.00	571.51
Total large household bill:		**3,141.43**	**3,450.68**	**3,629.41**	**3,723.93**	**3,723.93**	**3,723.93**	**12.3%**	**4,181.05**	**4,532.40**	**4,826.03**
% increase/-decrease			**9.8%**	**5.2%**	**2.6%**	**–**	**–**		**12.3%**	**8.4%**	**6.5%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		204.63	459.00	504.88	352.92	352.92	352.92	7.0%	377.62	415.38	444.46
Electricity: Basic levy		107.27	57.67	–		–	–	–		–	–
Electricity: Consumption		587.19	643.25	655.21	700.03	700.03	700.03	13.1%	791.52	855.63	900.13
Water: Basic levy		47.86	26.78	–		–	–	–		–	–
Water: Consumption		433.22	453.62	556.20	609.04	609.04	609.04	7.9%	714.24	774.95	838.50
Sanitation		171.10	183.07	195.89	214.50	214.50	214.50	7.0%	229.51	245.58	262.77
Refuse removal		147.31	157.62	168.66	184.68	184.68	184.68	7.0%	197.61	217.37	239.11
Other								6.0%			
sub-total		**1,698.58**	**1,981.01**	**2,080.84**	**2,061.16**	**2,061.16**	**2,061.16**	**12.1%**	**2,310.51**	**2,508.92**	**2,684.96**
VAT on Services		209.15	213.08	236.39	256.24	256.24	256.24	8.4%	289.93	314.03	336.08
Total small household bill:		**1,907.74**	**2,194.09**	**2,317.23**	**2,317.40**	**2,317.40**	**2,317.40**	**12.2%**	**2,600.44**	**2,822.95**	**3,021.04**
% increase/-decrease			**15.0%**	**5.6%**	**0.0%**	**–**	**–**		**12.2%**	**8.6%**	**7.0%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		318.72	343.07	392.46	419.30	419.30	419.30	13.1%	474.10	512.50	539.15
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		275.00	324.53	357.63	391.60	391.60	391.60	7.9%	422.54	458.45	496.05
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		–	–	–	–	–	–	–	–	–	–
Other											
sub-total		**593.72**	**667.60**	**750.08**	**810.90**	**810.90**	**810.90**	**10.6%**	**896.64**	**970.96**	**1,035.20**
VAT on Services		83.12	93.46	112.51	121.63	121.63	121.63	8.1%	134.50	145.64	155.28
Total small household bill:		**676.84**	**761.06**	**862.59**	**932.53**	**932.53**	**932.53**	**10.6%**	**1,031.13**	**1,116.60**	**1,190.48**
% increase/-decrease			**12.4%**	**13.3%**	**8.1%**	**–**	**–**		**10.6%**	**8.3%**	**6.6%**

Choose name from list - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality										
Securities - National Government		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Listed Corporate Bonds		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Bank		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Public Investment Commissioners		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Corporation for Public Deposits		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bankers Acceptance Certificates		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Negotiable Certificates of Deposit - Banks		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Guaranteed Endowment Policies (sinking)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Repurchase Agreements - Banks		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Municipal Bonds		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Municipality sub-total	1	–	–	–	–	–	–	–	–	–
Entities										
Securities - National Government		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Listed Corporate Bonds		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Bank		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Public Investment Commissioners		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits - Corporation for Public Deposits		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bankers Acceptance Certificates		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Negotiable Certificates of Deposit - Banks		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Guaranteed Endowment Policies (sinking)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Repurchase Agreements - Banks		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		–	–	–	–	–	–	–	–	–

Choose name from list - 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	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
Municipality sub-total										–		–	–	–
Entities														
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	1									–		–	–	–

Choose name from list - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality										
Annuity and Bullet Loans		129,044	171,384	169,691	153,635	143,885	155,933	162,201	158,184	154,833
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		15,704	18,853	23,922	39,978	48,746	23,624	24,093	24,416	27,573
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	**144,748**	**190,237**	**193,613**	**193,613**	**192,631**	**179,558**	**186,295**	**182,600**	**182,405**
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	**144,748**	**190,237**	**193,613**	**193,613**	**192,631**	**179,558**	**186,295**	**182,600**	**182,405**

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		7,487	6,670	5,121						
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	**7,487**	**6,670**	**5,121**	–	–	–	–	–	–
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	**7,487**	**6,670**	**5,121**	–	–	–	–	–	–

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**73,248**	**80,455**	**90,385**	**101,351**	**101,351**	**101,351**	**113,174**	**123,016**	**135,978**
Local Government Equitable Share		68,291	76,401	86,316	97,192	97,192	97,192	107,047	118,363	131,229
Integrated National Electrification Programme		930	–	–	–	–	–	–	–	–
Finance Management		1,450	1,475	1,550	1,550	1,550	1,550	1,550	1,550	1,550
EPWP Incentive		1,327	1,279	1,119	1,181	1,181	1,181	1,564	–	–
		–	–	–	–	–	–	1,500	1,500	1,500
		–	–	–	–	–	–	–	–	–
		1,250	1,300	1,400	1,428	1,428	1,428	1,513	1,603	1,699
Provincial Government:		**8,536**	**9,143**	**10,181**	**13,115**	**13,165**	**13,165**	**16,605**	**14,829**	**15,681**
Health subsidy		4,196	4,101	3,916	6,365	6,365	6,365	6,605	6,949	7,336
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
DAC		4,340	5,042	6,265	6,750	6,800	6,800	10,000	7,880	8,345
District Municipality:		**2,393**	**2,458**	**2,669**	**3,486**	**3,081**	**3,081**	**3,081**	**3,081**	**3,081**
		–	–	–	–	–	–	–	–	–
Environ Health & Safety Grant		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Other grant providers:		**–**	**–**	**1,939**	**1,851**	**14,138**	**14,138**	**16,583**	**–**	**–**
		–	–	–	–	–	–	–	–	–
Developers Contribution		–	–	1,939	1,851	14,138	14,138	16,583	–	–
Total Operating Transfers and Grants	5	**84,177**	**92,056**	**105,174**	**119,802**	**131,735**	**131,735**	**149,443**	**140,927**	**154,741**
Capital Transfers and Grants										
National Government:		**36,305**	**38,039**	**59,389**	**52,773**	**59,226**	**59,226**	**79,931**	**75,224**	**81,037**
		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant (MIG)		29,563	29,039	36,389	29,773	29,773	29,773	41,273	31,799	34,029
		2,742	–	–	–	–	–	–	–	–
Integrated National Electrification Programme		4,000	9,000	8,000	8,000	14,453	14,453	25,158	25,600	27,008
		–	–	15,000	15,000	15,000	15,000	13,500	14,325	16,500
Neighbourhood Development Grant		–	–	–	–	–	–	–	3,500	3,500
Provincial Government:		**2,054**	**3,758**	**1,550**	**4,300**	**4,250**	**4,250**	**6,875**	**9,620**	**4,420**
Other capital transfers/grants [insert description]		2,054	3,758	1,550	4,300	4,250	4,250	6,875	9,620	4,420
District Municipality:		**345**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		–	–	–	–	–	–	–	–	–
Environ Health & Safety Grant		345	–	–	–	–	–	–	–	–
Other grant providers:		**5,504**	**12,896**	**10,731**	**8,150**	**26,601**	**26,601**	**3,950**	**1,500**	**1,500**
		–	–	–	–	–	–	–	–	–
Developers Contribution		5,504	12,896	10,731	8,150	26,601	26,601	3,950	1,500	1,500
Total Capital Transfers and Grants	5	**44,208**	**54,694**	**71,670**	**65,223**	**90,077**	**90,077**	**90,756**	**86,344**	**86,957**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**128,385**	**146,750**	**176,844**	**185,025**	**221,812**	**221,812**	**240,199**	**227,270**	**241,697**

Choose name from list - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**73,248**	**80,455**	**90,385**	**101,351**	**101,351**	**101,351**	**113,174**	**123,016**	**135,978**
Local Government Equitable Share		68,291	76,401	86,316	97,192	97,192	97,192	107,047	118,363	131,229
Integrated National Electrification Programme		930	–	–	–	–	–	–	–	–
Finance Management		1,450	1,475	1,550	1,550	1,550	1,550	1,550	1,550	1,550
EPWP Incentive		1,327	1,279	1,119	1,181	1,181	1,181	1,564	–	–
		–	–	–	–	–	–	1,500	1,500	1,500
		–	–	–	–	–	–	–	–	–
0		1,250	1,300	1,400	1,428	1,428	1,428	1,513	1,603	1,699
Provincial Government:		**8,536**	**9,143**	**10,181**	**13,115**	**13,165**	**13,165**	**16,605**	**14,829**	**15,681**
Health subsidy		4,196	4,101	3,916	6,365	6,365	6,365	6,605	6,949	7,336
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
DAC		4,340	5,042	6,265	6,750	6,800	6,800	10,000	7,880	8,345
District Municipality:		**2,393**	**2,458**	**2,669**	**3,486**	**3,081**	**3,081**	**3,081**	**3,081**	**3,081**
		–	–	–	–	–	–	–	–	–
Environ Health & Safety Grant		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Other grant providers:		**–**	**–**	**1,939**	**1,851**	**14,138**	**14,138**	**16,583**	**–**	**–**
		–	–	–	–	–	–	–	–	–
Developers Contribution		–	–	1,939	1,851	14,138	14,138	16,583	–	–
Total operating expenditure of Transfers and Grants:		**84,177**	**92,056**	**105,174**	**119,802**	**131,735**	**131,735**	**149,443**	**140,927**	**154,741**
Capital expenditure of Transfers and Grants										
National Government:		**36,305**	**36,305**	**36,305**	**36,305**	**36,305**	**36,305**	**79,931**	**75,224**	**81,037**
		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant (MIG)		29,563	29,563	29,563	29,563	29,563	29,563	41,273	31,799	34,029
		2,742	2,742	2,742	2,742	2,742	2,742	–	–	–
Integrated National Electrification Programme		4,000	4,000	4,000	4,000	4,000	4,000	25,158	25,600	27,008
		–	–	–	–	–	–	13,500	14,325	16,500
Neighbourhood Development Grant		–	–	–	–	–	–	–	3,500	3,500
Provincial Government:		**2,054**	**3,758**	**1,550**	**4,300**	**4,250**	**4,250**	**6,875**	**9,620**	**4,420**
Other capital transfers/grants [insert description]		2,054	3,758	1,550	4,300	4,250	4,250	6,875	9,620	4,420
District Municipality:		**345**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		–	–	–	–	–	–	–	–	–
Environ Health & Safety Grant		345	–	–	–	–	–	–	–	–
Other grant providers:		**5,504**	**12,896**	**10,731**	**8,150**	**26,601**	**26,601**	**3,950**	**1,500**	**1,500**
		–	–	–	–	–	–	–	–	–
Developers Contribution		5,504	12,896	10,731	8,150	26,601	26,601	3,950	1,500	1,500
Total capital expenditure of Transfers and Grants		**44,208**	**52,960**	**48,586**	**48,755**	**67,156**	**67,156**	**90,756**	**86,344**	**86,957**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**128,385**	**145,016**	**153,760**	**168,557**	**198,891**	**198,891**	**240,199**	**227,270**	**241,697**

Choose name from list - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		73,248	80,455	90,385	101,351	101,351	101,351	113,174	123,016	135,978
Conditions met - transferred to revenue		**73,248**	**80,455**	**90,385**	**101,351**	**101,351**	**101,351**	**113,174**	**123,016**	**135,978**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		8,536	9,143	10,181	13,115	13,165	13,165	16,605	14,829	15,681
Conditions met - transferred to revenue		**8,536**	**9,143**	**10,181**	**13,115**	**13,165**	**13,165**	**16,605**	**14,829**	**15,681**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		2,393	2,458	2,669	3,486	3,081	3,081	3,081	3,081	3,081
Conditions met - transferred to revenue		**2,393**	**2,458**	**2,669**	**3,486**	**3,081**	**3,081**	**3,081**	**3,081**	**3,081**
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		–	–	1,939	1,851	14,138	14,138	16,583	–	–
Conditions met - transferred to revenue		**–**	**–**	**1,939**	**1,851**	**14,138**	**14,138**	**16,583**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		**84,177**	**92,056**	**105,174**	**119,802**	**131,735**	**131,735**	**149,443**	**140,927**	**154,741**
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		36,305	36,305	36,305	36,305	36,305	36,305	79,931	75,224	81,037
Conditions met - transferred to revenue		**36,305**	**36,305**	**36,305**	**36,305**	**36,305**	**36,305**	**79,931**	**75,224**	**81,037**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		2,054	3,758	1,550	4,300	4,250	4,250	6,875	9,620	4,420
Conditions met - transferred to revenue		**2,054**	**3,758**	**1,550**	**4,300**	**4,250**	**4,250**	**6,875**	**9,620**	**4,420**
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		5,504	12,896	10,731	8,150	26,601	26,601	3,950	1,500	1,500
Conditions met - transferred to revenue		**5,504**	**12,896**	**10,731**	**8,150**	**26,601**	**26,601**	**3,950**	**1,500**	**1,500**
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		**44,208**	**52,960**	**48,586**	**48,755**	**67,156**	**67,156**	**90,756**	**86,344**	**86,957**
Total capital transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**128,385**	**145,016**	**153,760**	**168,557**	**198,891**	**198,891**	**240,199**	**227,270**	**241,697**
TOTAL TRANSFERS AND GRANTS - CTBM		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Choose name from list - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Transfers to other municipalities											
Insert description	1	-	–	–	–	–	–	–	–	–	–
		-	–	–	–	–	–	–	–	–	–
			0	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		-	0	–	–	–	–	–	–	–	–
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	-	0	–	–	–	–	–	–	–	–
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											
Insert description	5	220,619.00	477	275	487	587	587	472	587	607	637
		-	–	–	(200)	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		220,619.00	477	275	287	587	587	472	587	607	637
TOTAL NON-CASH TRANSFERS AND GRANTS		220,619.00	477	275	287	587	587	472	587	607	637
TOTAL TRANSFERS AND GRANTS	6	220,619.00	477	275	287	587	587	472	587	607	637

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		9,549	10,628	11,726	12,390	12,427	12,427	12,390	13,133	13,921
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		–	–	–	–	–	–	–	–	–
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		**9,549**	**10,628**	**11,726**	**12,390**	**12,427**	**12,427**	**12,390**	**13,133**	**13,921**
% increase	4		**11.3%**	**10.3%**	**5.7%**	**0.3%**	**–**	**(0.3%)**	**6.0%**	**6.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		-	-	7,540,108.10	8,081,366.00	8,081,366.00	8,081,366.00	7,366,745.00	7,808,750.00	8,277,275.00
Pension and UIF Contributions		-	-	1,044,413.16	1,172,111.00	1,172,111.00	1,172,111.00	1,146,234.00	1,204,753.00	1,266,780.00
Medical Aid Contributions		-	-	62,275.64	61,966.00	111,966.00	111,966.00	185,243.00	189,858.00	194,750.00
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	385,514.00	385,514.00	385,514.00
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	361,277.41	150,000.00	150,000.00	150,000.00	150,000.00	159,000.00	168,538.00
Housing Allowances	3	–	–	864	900	900	900	924	979	1,038
Other benefits and allowances	3	–	–	1	1	1	1	1	1	1
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**–**	**–**	**9,873**	**10,366**	**10,416**	**10,416**	**10,158**	**10,728**	**11,332**
% increase	4		**–**	**–**	**5.0%**	**0.5%**	**–**	**(2.5%)**	**5.6%**	**5.6%**
Other Municipal Staff										
Basic Salaries and Wages		163,034	168,434	147,935	191,174	191,910	191,910	211,561	224,255	237,710
Pension and UIF Contributions		1,050	1,114	1,429	2,079	2,099	2,099	2,251	2,387	2,530
Medical Aid Contributions		10,050	10,959	39,086	50,559	50,851	50,851	58,909	62,443	66,190
Overtime		9,178	10,288	11,866	14,990	14,894	14,894	15,500	16,430	17,416
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	15,424	15,803	12,864	15,836	15,904	15,904	17,794	18,862	19,994
Cellphone Allowance	3	192	186	–	–	–	–	–	–	–
Housing Allowances	3	1,194	1,117	1,308	1,961	1,982	1,982	2,082	2,207	2,339
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	1,498	1,520	1,368	1,627	1,649	1,649	1,619	1,716	1,819
Sub Total - Other Municipal Staff		**201,621**	**209,421**	**215,855**	**278,227**	**279,287**	**279,287**	**309,716**	**328,299**	**347,997**
% increase	4		**3.9%**	**3.1%**	**28.9%**	**0.4%**	**–**	**10.9%**	**6.0%**	**6.0%**
Total Parent Municipality		**211,169**	**220,048**	**237,454**	**300,982**	**302,131**	**302,131**	**332,264**	**352,160**	**373,250**
			4.2%	**7.9%**	**26.8%**	**0.4%**	**–**	**10.0%**	**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		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		A	B	C	D	E	F	G	H	I
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		**211,169**	**220,048**	**237,454**	**300,982**	**302,131**	**302,131**	**332,264**	**352,160**	**373,250**
% increase	4		**4.2%**	**7.9%**	**26.8%**	**0.4%**	**–**	**10.0%**	**6.0%**	**6.0%**
TOTAL MANAGERS AND STAFF	5,7	**201,621**	**209,421**	**225,728**	**288,593**	**289,703**	**289,703**	**319,875**	**339,027**	**359,329**

Choose name from list - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		530,556		224,360			754,916
Chief Whip			277,483		140,002			417,485
Executive Mayor			663,197		268,574			931,771
Deputy Executive Mayor								–
Executive Committee			2,486,992		1,066,537			3,553,529
Total for all other councillors			4,300,625		2,431,210			6,731,835
Total Councillors	8	–	**8,258,853**	**–**	**4,130,683**			**12,389,536**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,652,472	288,911	174,000			2,115,383
Chief Finance Officer			1,362,179	289,438	168,000			1,819,617
Deputy Municipal Manager/ HOD - Corporate Services			1,943,477	1,986	84,000			2,029,463
HOD - Engineering Services			565,252	225,205	204,000	192,757		1,187,214
HOD - Community Services			1,278,113	301,290	240,000			1,819,403
HOD - Development and Planning			565,252	225,205	204,000	192,757		1,187,214
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**7,366,745**	**1,332,035**	**1,074,000**	**385,514**		**10,158,294**
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	–	**15,625,598**	**1,332,035**	**5,204,683**	**385,514**		**22,547,830**

Choose name from list - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
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	6	–	6	6	–	5	6	–	5
Other Managers	7	–	–	–	37	27	7	37	27	7
Professionals		*72*	*66*	*6*	*43*	*39*	*1*	*43*	*39*	*1*
Finance		11	11	–	6	6	–	6	6	–
Spatial/town planning		8	8	–	7	6	–	7	6	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		2	1	1	1	1	–	1	1	–
Electricity		4	3	1	2	2	–	2	2	–
Water		2	2	–	2	2	–	2	2	–
Sanitation		1	1	–	1	1	–	1	1	–
Refuse		2	2	–	1	1	–	1	1	–
Other		41	37	4	22	19	1	22	19	1
Technicians		*9*	*4*	*5*	*10*	*10*	–	*10*	*10*	–
Finance		1	1	–	–	–	–	–	–	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		7	2	5	7	7	–	7	7	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	1	1	–	1	1	–
Water		1	1	–	1	1	–	1	1	–
Sanitation		–	–	–	1	1	–	1	1	–
Refuse		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)		194	183	11	191	170	4	191	170	4
Service and sales workers		122	94	28	158	99	33	158	99	33
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		101	101	–	99	82	–	99	82	–
Plant and Machine Operators		104	104	–	125	88	–	125	88	–
Elementary Occupations		244	244	–	242	209	–	242	209	–
TOTAL PERSONNEL NUMBERS	9	**852**	**796**	**56**	**911**	**724**	**50**	**911**	**724**	**50**
% increase					6.9%	(9.0%)	(10.7%)	–	–	–
Total municipal employees headcount	6, 10	**852**	**796**	**63**	**911**	**724**	**50**	**911**	**724**	**50**
Finance personnel headcount	8, 10	**852**	**796**	**63**	**911**	**724**	**50**	**911**	**724**	**50**
Human Resources personnel headcount	8, 10	**852**	**796**	**63**	**911**	**724**	**50**	**911**	**724**	**50**

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source																
Property rates		18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	222,422	244,664	261,790
Service charges - electricity revenue		32,866	32,866	32,866	33,116	32,866	32,866	32,866	32,866	32,866	32,866	32,866	32,866	394,642	432,341	454,864
Service charges - water revenue		17,838	17,838	17,838	18,088	17,838	17,838	17,838	17,838	17,838	17,838	17,838	17,838	214,304	232,516	249,069
Service charges - sanitation revenue		3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	44,378	48,815	53,697
Service charges - refuse revenue		3,310	3,310	3,310	3,310	3,310	3,310	3,310	3,310	3,310	3,310	3,310	4,641	41,047	45,152	49,667
Rental of facilities and equipment		115	115	115	115	115	115	115	115	115	115	115	115	1,378	1,461	1,541
Interest earned - external investments		1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	13,736	14,561	15,361
Interest earned - outstanding debtors		652	652	652	652	652	652	652	652	652	652	652	652	7,829	8,148	8,457
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	50,353	53,374	56,309
Licences and permits		4	4	4	4	4	4	4	4	4	4	4	4	43	46	48
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	13,829	149,443	140,927	154,741
Other revenue		(3,149)	(3,149)	(3,149)	(3,149)	(3,149)	(3,149)	(3,149)	(3,149)	(3,149)	(3,149)	(3,149)	44,580	9,946	10,543	11,123
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributio		**91,538**	**91,538**	**91,538**	**92,038**	**91,538**	**91,538**	**91,538**	**91,538**	**91,538**	**91,538**	**91,538**	**142,099**	**1,149,520**	**1,232,547**	**1,316,668**
Expenditure By Type																
Employee related costs		26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	319,875	339,027	359,329
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		7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	91,751	95,275	97,938
Depreciation & asset impairment		10,259	10,259	10,259	10,259	10,259	10,259	10,259	10,259	10,259	10,259	10,259	10,259	123,106	129,262	135,725
Finance charges		1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	21,547	21,994	23,635
Bulk purchases		34,837	34,837	34,837	34,837	34,837	34,837	34,837	34,837	34,837	34,837	34,837	34,837	418,042	452,416	478,613
Other materials		1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	15,722	16,272	22,686
Contracted services		11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	138,723	145,029	152,280
Transfers and subsidies		49	49	49	49	49	49	49	49	49	49	49	49	587	607	637
Other expenditure		5,549	5,549	5,549	6,049	5,549	5,549	5,549	5,549	5,549	5,549	5,549	5,548	67,083	66,028	69,331
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**100,694**	**100,694**	**100,694**	**101,194**	**100,694**	**100,694**	**100,694**	**100,694**	**100,694**	**100,694**	**100,694**	**100,693**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit)		**(9,156)**	**(9,156)**	**(9,156)**	**(9,156)**	**(9,156)**	**(9,156)**	**(9,156)**	**(9,156)**	**(9,156)**	**(9,156)**	**(9,156)**	**41,406**	**(59,304)**	**(46,496)**	**(37,427)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	9,809	90,756	86,344	86,957
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		329	329	329	329	329	329	329	329	329	329	329	(3,621)	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**47,594**	**31,451**	**39,848**	**49,529**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**(1,468)**	**47,594**	**31,451**	**39,848**	**49,529**

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote																
Vote 1 - executive council		2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	29,149	12,970	13,764
Vote 2 - corporate services		24,225	24,225	24,225	24,225	24,225	24,225	24,225	24,225	24,225	24,225	24,225	(264,563)	1,915	2,030	2,141
Vote 3 - financial services		24,066	24,066	24,066	24,066	24,066	24,066	24,066	24,066	24,066	24,066	24,066	24,066	288,788	316,807	340,425
Vote 4 - development & planning		335	335	335	335	335	335	335	335	335	335	335	335	4,016	7,757	7,991
Vote 5 - health		550	550	550	550	550	550	550	550	550	550	550	550	6,605	6,949	7,336
Vote 6 - community & social services		2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	31,947	21,863	19,281
Vote 7 - public safety		4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	51,132	54,200	57,181
Vote 8 -													–	–	–	–
Vote 9 - environmental protection		257	257	257	257	257	257	257	257	257	257	257	257	3,081	3,081	3,081
Vote 10 - waste water management		6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	6,318	75,812	84,441	88,117
Vote 11 - solid waste management		4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	48,150	54,442	62,419
Vote 12 - roads & transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - water services		22,721	22,721	22,721	22,971	22,721	22,721	22,721	22,721	22,721	22,721	22,721	22,721	272,902	291,125	308,392
Vote 14 - electricty		35,544	35,544	35,544	35,794	35,544	35,544	35,544	35,544	35,544	35,544	35,544	35,544	426,780	463,226	493,496
Vote 15 -													–	–	–	–
Total Revenue by Vote		**127,380**	**127,380**	**127,380**	**127,880**	**127,380**	**127,380**	**127,380**	**127,380**	**127,380**	**127,380**	**127,380**	**(161,407)**	**1,240,276**	**1,318,891**	**1,403,624**
Expenditure by Vote to be appropriated																
Vote 1 - executive council		5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	68,151	71,165	75,174
Vote 2 - corporate services		11,388	11,388	11,388	11,888	11,388	11,388	11,388	11,388	11,388	11,388	11,388	(66,854)	58,916	62,000	65,505
Vote 3 - financial services		6,520	6,520	6,520	6,520	6,520	6,520	6,520	6,520	6,520	6,520	6,520	6,520	78,242	82,414	86,775
Vote 4 - development & planning		2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	35,369	37,321	39,418
Vote 5 - health		586	586	586	586	586	586	586	586	586	586	586	586	7,029	7,395	7,804
Vote 6 - community & social services		4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	58,439	58,850	62,073
Vote 7 - public safety		9,038	9,038	9,038	9,038	9,038	9,038	9,038	9,038	9,038	9,038	9,038	9,038	108,459	111,812	115,933
Vote 8 -													–	–	–	–
Vote 9 - environmental protection		300	300	300	300	300	300	300	300	300	300	300	300	3,599	3,801	4,021
Vote 10 - waste water management		4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	55,513	57,536	60,856
Vote 11 - solid waste management		4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	53,895	56,487	64,966
Vote 12 - roads & transport		6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	76,985	80,936	85,217
Vote 13 - water services		16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	196,994	210,520	223,110
Vote 14 - electricty		33,936	33,936	33,936	33,936	33,936	33,936	33,936	33,936	33,936	33,936	33,936	33,936	407,233	438,805	463,244
Vote 15 -													–	–	–	–
Total Expenditure by Vote		**107,214**	**107,214**	**107,214**	**107,714**	**107,214**	**107,214**	**107,214**	**107,214**	**107,214**	**107,214**	**107,214**	**28,971**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit) before assoc.		**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**(190,378)**	**31,451**	**39,848**	**49,529**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**20,166**	**(190,378)**	**31,451**	**39,848**	**49,529**

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional																
Governance and administration		**26,601**	**26,601**	**26,601**	**26,601**	**26,601**	**26,601**	**26,601**	**26,601**	**26,601**	**26,601**	**26,601**	**26,601**	**319,211**	**331,557**	**357,975**
Executive and council		518	518	518	518	518	518	518	518	518	518	518	518	6,218	6,510	6,819
Finance and administration		26,083	26,083	26,083	26,083	26,083	26,083	26,083	26,083	26,083	26,083	26,083	26,083	312,993	325,047	351,156
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**3,263**	**3,263**	**3,263**	**3,263**	**3,263**	**3,263**	**3,263**	**3,263**	**3,263**	**3,263**	**3,263**	**3,263**	**39,159**	**28,956**	**24,797**
Community and social services		1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	17,332	17,985	13,277
Sport and recreation		1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	14,615	3,378	3,504
Public safety		51	51	51	51	51	51	51	51	51	51	51	51	608	644	680
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		550	550	550	550	550	550	550	550	550	550	550	550	6,605	6,949	7,336
Economic and environmental services		**5,209**	**5,209**	**5,209**	**5,209**	**5,209**	**5,209**	**5,209**	**5,209**	**5,209**	**5,209**	**5,209**	**5,209**	**62,509**	**74,231**	**73,640**
Planning and development		335	335	335	335	335	335	335	335	335	335	335	335	4,016	7,757	7,991
Road transport		4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	55,412	63,393	62,568
Environmental protection		257	257	257	257	257	257	257	257	257	257	257	257	3,081	3,081	3,081
Trading services		**68,241**	**68,241**	**68,241**	**68,741**	**68,241**	**68,241**	**68,241**	**68,241**	**68,241**	**68,241**	**68,241**	**68,241**	**819,398**	**884,146**	**947,213**
Energy sources		35,418	35,418	35,418	35,668	35,418	35,418	35,418	35,418	35,418	35,418	35,418	35,418	425,272	461,628	491,802
Water management		22,810	22,810	22,810	23,060	22,810	22,810	22,810	22,810	22,810	22,810	22,810	22,810	273,966	292,280	309,629
Waste water management		5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	5,910	70,925	74,604	82,050
Waste management		4,103	4,103	4,103	4,103	4,103	4,103	4,103	4,103	4,103	4,103	4,103	4,103	49,234	55,634	63,731
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		**103,315**	**103,315**	**103,315**	**103,815**	**103,315**	**103,315**	**103,315**	**103,315**	**103,315**	**103,315**	**103,315**	**103,315**	**1,240,276**	**1,318,891**	**1,403,624**
Expenditure - Functional																
Governance and administration		**20,005**	**20,005**	**20,005**	**20,505**	**20,005**	**20,005**	**20,005**	**20,005**	**20,005**	**20,005**	**20,005**	**20,005**	**240,564**	**252,777**	**266,750**
Executive and council		3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605	43,263	44,824	47,307
Finance and administration		16,400	16,400	16,400	16,900	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400	197,302	207,953	219,443
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**7,173**	**7,173**	**7,173**	**7,173**	**7,173**	**7,173**	**7,173**	**7,173**	**7,173**	**7,173**	**7,173**	**7,173**	**86,080**	**87,495**	**92,351**
Community and social services		1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	19,982	18,346	19,348
Sport and recreation		2,344	2,344	2,344	2,344	2,344	2,344	2,344	2,344	2,344	2,344	2,344	2,344	28,124	29,608	31,218
Public safety		2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	30,945	32,145	33,980
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		586	586	586	586	586	586	586	586	586	586	586	586	7,029	7,395	7,804
Economic and environmental services		**15,756**	**15,756**	**15,756**	**15,756**	**15,756**	**15,756**	**15,756**	**15,756**	**15,756**	**15,756**	**15,756**	**15,756**	**189,077**	**197,087**	**205,702**
Planning and development		2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	35,369	37,321	39,418
Road transport		12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	12,509	150,110	155,965	162,263
Environmental protection		300	300	300	300	300	300	300	300	300	300	300	300	3,599	3,801	4,021
Trading services		**57,759**	**57,759**	**57,759**	**57,759**	**57,759**	**57,759**	**57,759**	**57,759**	**57,759**	**57,759**	**57,759**	**57,758**	**693,103**	**741,684**	**789,292**
Energy sources		32,225	32,225	32,225	32,225	32,225	32,225	32,225	32,225	32,225	32,225	32,225	32,225	386,700	417,140	440,360
Water management		16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	16,416	196,994	210,520	223,110
Waste water management		4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	55,513	57,536	60,856
Waste management		4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	4,491	53,895	56,487	64,966
Other		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**–**	**–**	**–**
Total Expenditure - Functional		**100,694**	**100,694**	**100,694**	**101,194**	**100,694**	**100,694**	**100,694**	**100,694**	**100,694**	**100,694**	**100,694**	**100,693**	**1,208,825**	**1,279,043**	**1,354,095**
Surplus/(Deficit) before assoc.		**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,622**	**31,451**	**39,848**	**49,529**
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,621**	**2,622**	**31,451**	**39,848**	**49,529**

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Multi-year expenditure ***to be appropriated***	1															
Vote 1 - executive council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - corporate services		5	5	5	5	5	5	5	5	5	5	5	(25)	30	30	30
Vote 3 - financial services		3	3	3	3	3	3	3	3	3	3	3	3	30	32	35
Vote 4 - development & planning		1	1	1	1	1	1	1	1	1	1	1	1	10	10	20
Vote 5 - health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	3,705	22,465	6,035	6,585
Vote 7 - public safety		4	4	4	4	4	4	4	4	4	4	4	4	50	65	150
Vote 8 -													–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		183	183	183	183	183	183	183	183	183	183	183	183	2,200	2,470	8,050
Vote 11 - solid waste management		445	445	445	445	445	445	445	445	445	445	445	445	5,340	12,730	18,130
Vote 12 - roads & transport		777	777	777	777	777	777	777	777	777	777	777	777	9,325	12,447	10,017
Vote 13 - water services		808	808	808	808	808	808	808	808	808	808	808	808	9,700	12,525	13,700
Vote 14 - electricty		259	259	259	259	259	259	259	259	259	259	259	259	3,110	3,110	8,110
Vote 15 -													–	–	–	–
Capital multi-year expenditure sub-total	2	**4,191**	**4,191**	**4,191**	**4,191**	**4,191**	**4,191**	**4,191**	**4,191**	**4,191**	**4,191**	**4,191**	**6,161**	**52,260**	**49,454**	**64,827**
Single-year expenditure ***to be appropriated***																
Vote 1 - executive council		71	71	71	71	71	71	71	71	71	71	71	71	850	–	500
Vote 2 - corporate services		532	532	532	532	532	532	532	532	532	532	532	(1,468)	4,382	1,550	1,600
Vote 3 - financial services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - development & planning		21	21	21	21	21	21	21	21	21	21	21	21	250	3,500	3,500
Vote 5 - health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - community & social services		155	155	155	155	155	155	155	155	155	155	155	155	1,860	9,140	5,920
Vote 7 - public safety		229	229	229	229	229	229	229	229	229	229	229	229	2,743	3,493	2,398
Vote 8 -													–	–	–	–
Vote 9 - environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - waste water management		897	897	897	897	897	897	897	897	897	897	897	897	10,766	8,100	3,000
Vote 11 - solid waste management		55	55	55	55	55	55	55	55	55	55	55	55	660	5,700	10,592
Vote 12 - roads & transport		503	503	503	503	503	503	503	503	503	503	503	502	6,030	5,000	6,500
Vote 13 - water services		2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	25,520	23,062	20,500
Vote 14 - electricty		2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	29,863	30,100	31,508
Vote 15 -													–	–	–	–
Capital single-year expenditure sub-total	2	**7,077**	**7,077**	**7,077**	**7,077**	**7,077**	**7,077**	**7,077**	**7,077**	**7,077**	**7,077**	**7,077**	**5,077**	**82,924**	**89,645**	**86,018**
Total Capital Expenditure	2	**11,268**	**11,268**	**11,268**	**11,268**	**11,268**	**11,268**	**11,268**	**11,268**	**11,268**	**11,268**	**11,268**	**11,238**	**135,184**	**139,099**	**150,845**

Choose name from list - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional	1															
Governance and administration		**1,234**	**1,234**	**1,234**	**1,234**	**1,234**	**1,234**	**1,234**	**1,234**	**1,234**	**1,234**	**1,234**	**(7,968)**	**5,602**	**2,772**	**5,295**
Executive and council		33	33	33	33	33	33	33	33	33	33	33	33	400	–	500
Finance and administration		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	(8,002)	5,202	2,772	4,795
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**1,903**	**1,903**	**1,903**	**3,903**	**1,903**	**1,903**	**1,903**	**1,903**	**1,903**	**1,903**	**1,903**	**1,903**	**24,840**	**17,005**	**11,333**
Community and social services		615	615	615	615	615	615	615	615	615	615	615	615	7,375	9,620	4,420
Sport and recreation		1,225	1,225	1,225	3,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	16,700	4,405	4,965
Public safety		64	64	64	64	64	64	64	64	64	64	64	64	765	2,980	1,948
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1,470**	**1,470**	**1,470**	**1,470**	**1,470**	**1,470**	**1,470**	**1,470**	**1,470**	**1,470**	**1,470**	**1,470**	**17,643**	**20,485**	**18,087**
Planning and development		22	22	22	22	22	22	22	22	22	22	22	22	260	3,510	3,520
Road transport		1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	17,383	16,975	14,567
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**7,258**	**7,258**	**7,258**	**7,258**	**7,258**	**7,258**	**7,258**	**7,258**	**7,258**	**7,258**	**7,258**	**7,258**	**87,099**	**98,837**	**116,130**
Energy sources		2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	32,913	33,200	39,608
Water management		2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	35,220	35,587	34,200
Waste water management		1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,081	12,966	11,620	13,600
Waste management		500	500	500	500	500	500	500	500	500	500	500	500	6,000	18,430	28,722
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	2	**11,865**	**11,865**	**11,865**	**13,865**	**11,865**	**11,865**	**11,865**	**11,865**	**11,865**	**11,865**	**11,865**	**2,663**	**135,184**	**139,099**	**150,845**
Funded by:																
National Government		6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661	**6,661**	**79,931**	**75,224**	**81,037**
Provincial Government		573	573	573	573	573	573	573	573	573	573	573	573	6,875	9,620	4,420
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**7,234**	**7,234**	**7,234**	**7,234**	**7,234**	**7,234**	**7,234**	**7,234**	**7,234**	**7,234**	**7,234**	**7,234**	**86,806**	**84,844**	**85,457**
Borrowing		2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	33,700	38,060	48,970
Internally generated funds		1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	14,678	16,195	16,418
Total Capital Funding		**11,265**	**11,265**	**11,265**	**11,265**	**11,265**	**11,265**	**11,265**	**11,265**	**11,265**	**11,265**	11,265	11,265	135,184	139,099	150,845

Choose name from list - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source															
Property rates	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	222,421,542.00	244,663,696.00	261,790,155.00
Service charges - electricity revenue	32,866	32,866	32,866	33,116	32,866	32,866	32,866	32,866	32,866	32,866	32,866	(47,343)	314,432,840.17	348,860,381.92	369,368,199.50
Service charges - water revenue	17,838	17,838	17,838	18,088	17,838	17,838	17,838	17,838	17,838	17,838	17,838	(2,054)	194,411,814.00	211,430,664.60	226,823,740.10
Service charges - sanitation revenue	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	3,698	44,377,691.00	48,815,460.00	53,697,007.00
Service charges - refuse revenue	3,421	3,421	3,421	3,421	3,421	3,421	3,421	3,421	3,421	3,421	3,421	3,421	41,047,378.00	45,152,118.00	49,667,331.00
Rental of facilities and equipment	115	115	115	115	115	115	115	115	115	115	115	115	1,378,000.00	1,460,680.00	1,541,017.00
Interest earned - external investments	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	13,736,434.00	14,560,620.00	15,361,454.00
Interest earned - outstanding debtors	652	652	652	652	652	652	652	652	652	652	652	652	7,829,010.00	8,147,551.00	8,457,065.00
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	-	-	-
Fines, penalties and forfeits	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	50,352,688.00	53,373,850.00	56,309,411.00
Licences and permits	4	4	4	4	4	4	4	4	4	4	4	4	42,953.00	45,531.00	48,035.00
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	-	-	-
Transfer receipts - operational	12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	12,329	147,942,675.00	139,426,554.00	153,240,735.00
Other revenue	829	829	829	829	829	829	829	829	829	829	829	829	9,946,066.00	10,542,830.00	11,122,686.00
Cash Receipts by Source	**95,627**	**95,627**	**95,627**	**96,127**	**95,627**	**95,627**	**95,627**	**95,627**	**95,627**	**95,627**	**95,627**	**(4,475)**	**1,047,919,091.17**	**1,126,479,936.52**	**1,207,426,835.60**
Other Cash Flows by Source															
Transfer receipts - capital	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	88,305,831.00	86,343,828.00	86,956,696.00
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)	329	329	329	329	329	329	329	329	329	329	329	329	3,950,000.00	1,500,000.00	1,500,000.00
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	-	-	-
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	-	-	-
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	-	-	-
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	-	-	-
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	-	-	-
Total Cash Receipts by Source	**103,315**	**103,315**	**103,315**	**103,815**	**103,315**	**103,315**	**103,315**	**103,315**	**103,315**	**103,315**	**103,315**	**3,213**	**1,140,174,922.17**	**1,214,323,764.52**	**1,295,883,531.60**
Cash Payments by Type															
Employee related costs	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	26,656	319,874,728.00	339,027,317.00	359,329,061.00
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	12,389,536.00	13,132,907.00	13,920,884.00
Finance charges	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	21,546,697.00	21,993,595.00	23,634,628.00
Bulk purchases - Electricity	24,150	24,150	24,150	24,150	24,150	24,150	24,150	24,150	24,150	24,150	24,150	24,150	289,799,215.00	313,272,952.00	329,563,145.00
Bulk purchases - Water & Sewer	10,687	10,687	10,687	10,687	10,687	10,687	10,687	10,687	10,687	10,687	10,687	10,687	128,242,316.00	139,142,913.00	149,049,888.00
Other materials	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	15,722,165.00	16,272,447.00	22,686,079.00
Contracted services	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	138,722,992.00	145,028,981.00	152,280,423.00
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	-	-	-
Transfers and grants - other	49	49	49	49	49	49	49	49	49	49	49	49	586,520.00	607,048.00	637,401.00
Other expenditure	13,691	13,691	13,691	14,191	13,691	13,691	13,691	13,691	13,691	13,691	13,691	(93,332)	57,765,423.54	55,336,349.76	55,236,179.09
Cash Payments by Type	**90,931**	**90,931**	**90,931**	**91,431**	**90,931**	**90,931**	**90,931**	**90,931**	**90,931**	**90,931**	**90,931**	**(16,093)**	**984,649,592.54**	**1,043,814,509.76**	**1,106,337,688.09**
Other Cash Flows/Payments by Type															
Capital assets	11,265	11,265	11,265	13,265	11,265	11,265	11,265	11,265	11,265	11,265	11,265	9,265	135,183,831.00	139,098,828.00	150,844,696.00

Repayment of borrowing	(15,525)	(15,525)	(15,525)	(15,525)	(15,525)	(15,525)	(15,525)	(15,525)	(15,525)	(15,525)	(15,525)	206,857	36,086,629.00	40,254,466.00	47,664,695.71
Other Cash Flows/Payments	(5,705)	(5,705)	(5,705)	(5,705)	(5,705)	(5,705)	(5,705)	(5,705)	(5,705)	(5,705)	(5,705)	33,006	-29,750,000.00	-36,236,655.00	-44,313,878.65
Total Cash Payments by Type	**80,967**	**80,967**	**80,967**	**83,467**	**80,967**	**80,967**	**80,967**	**80,967**	**80,967**	**80,967**	**80,967**	**233,035**	**1,126,170,052.54**	**1,186,931,148.76**	**1,260,533,201.15**
NET INCREASE/(DECREASE) IN CASH HELD	**22,348**	**22,348**	**22,348**	**20,348**	**22,348**	**22,348**	**22,348**	**22,348**	**22,348**	**22,348**	**22,348**	**(229,821)**	**14,004,869.63**	**27,392,615.76**	**35,350,330.45**
Cash/cash equivalents at the month/year begin:	196,848	219,195	241,543	263,891	284,239	306,587	328,935	351,283	373,630	395,978	418,326	440,674	196,847,654.00	210,852,523.63	238,245,139.39
Cash/cash equivalents at the month/year end:	219,195	241,543	263,891	284,239	306,587	328,935	351,283	373,630	395,978	418,326	440,674	210,853	210,852,523.63	238,245,139.39	273,595,469.84

Choose name from list - NOT REQUIRED - municipality does not have entities

Description R million	Ref	2015/16 Audited Outcome	2016/17 Audited Outcome	2017/18 Audited Outcome	Current Year 2018/19 Original Budget	 Adjusted Budget	 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework Budget Year 2019/20	 Budget Year +1 2020/21	 Budget Year +2 2021/22
Financial Performance										
Property rates		148	167	164	159	164	164	184	202	216
Service charges		481	540	614	691	669	669	733	801	853
Investment revenue		20	19	25	16	22	22	23	24	25
Transfers recognised - operational		84	92	105	120	132	132	148	139	153
Other own revenue		83	82	63	60	60	60	60	64	67
Contributions recognised - capital & contributed assets		1	0	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**817**	**900**	**972**	**1,045**	**1,046**	**1,046**	**1,148**	**1,231**	**1,315**
Employee costs		202	209	226	289	290	290	320	339	359
Remuneration of Board Members		10	11	12	12	12	12	12	13	14
Depreciation & asset impairment		113	116	123	117	117	117	123	129	136
Finance charges		17	17	17	26	26	26	22	22	24
Materials and bulk purchases		250	339	361	387	384	384	434	469	501
Transfers and grants		25	0	0	0	1	1	1	1	1
Other expenditure		83	91	74	88	88	88	92	95	98
Total Expenditure		**700**	**784**	**812**	**920**	**918**	**918**	**1,003**	**1,068**	**1,132**
Surplus/(Deficit)		**117**	**116**	**161**	**125**	**128**	**128**	**145**	**163**	**183**
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - operational										
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										

Choose name from list - 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
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	**N/A**

Choose name from list - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	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													
Contract 1		2,767	1,428	1,428	1,428	1,506	1,602							10,158
Contract 2			1,000	1,052	1,110	1,176	1,247							5,584
Contract 3 etc														–
Total Operating Expenditure Implication		2,767	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		**2,767**	**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		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–

Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**-**	**60,894,550.00**	**37,087**	**12,770**	**110,042**	**110,042**	**30,645**	**25,200**	**11,667**
Roads Infrastructure		-	6,644,892.00	12,897	–	44,708	44,708	7,887	1,500	3,567
Roads		-	6,644,892.00	12,897	–	44,708	44,708	7,887	1,500	3,567
Road Structures		-	-	–	–	–	–	–	–	–
Road Furniture		-	-	–	–	–	–	–	–	–
Capital Spares		-	-	–	–	–	–	–	–	–
Storm water Infrastructure		-	-	–	–	–	–	–	500	500
Drainage Collection		-	-	–	–	–	–	–	–	–
Storm water Conveyance		-	-	–	–	–	–	–	500	500
Attenuation		-	-	–	–	–	–	–	–	–
Electrical Infrastructure		-	19,545,161.00	9,721	9,270	20,269	20,269	21,758	22,200	6,600
Power Plants		-	-	–	–	–	–	–	–	–
HV Substations		-	-	–	–	–	–	–	–	–
HV Switching Station		-	-	–	–	–	–	–	–	–
HV Transmission Conductors		-	-	–	–	–	–	–	–	–
MV Substations		-	19,458,161.00	9,721	9,270	20,269	20,269	–	–	–
MV Switching Stations		-	-	–	–	–	–	–	–	–
MV Networks		-	-	–	–	–	–	20,658	21,100	5,500
LV Networks		-	87,000.00	–	–	–	–	1,100	1,100	1,100
Capital Spares		-	-	–	–	–	–	–	–	–
Water Supply Infrastructure		-	18,644,630.00	–	2,000	30,538	30,538	–	–	–
Dams and Weirs		-	-	–	–	–	–	–	–	–
Boreholes		-	-	–	–	–	–	–	–	–
Reservoirs		-	-	–	–	–	–	–	–	–
Pump Stations		-	-	–	–	–	–	–	–	–
Water Treatment Works		-	-	–	–	–	–	–	–	–
Bulk Mains		-	-	–	–	–	–	–	–	–
Distribution		-	18,644,630.00	–	2,000	30,538	30,538	–	–	–
Distribution Points		-	-	–	–	–	–	–	–	–
PRV Stations		-	-	–	–	–	–	–	–	–
Capital Spares		-	-	–	–	–	–	–	–	–
Sanitation Infrastructure		-	1,339,125.00	14,469	1,500	14,527	14,527	1,000	1,000	1,000
Pump Station		-	-	–	–	–	–	–	–	–
Reticulation		-	1,339,125.00	14,469	1,500	14,527	14,527	–	–	–
Waste Water Treatment Works		-	-	–	–	–	–	1,000	1,000	1,000
Outfall Sewers		-	-	–	–	–	–	–	–	–
Toilet Facilities		-	-	–	–	–	–	–	–	–
Capital Spares		-	-	–	–	–	–	–	–	–
Solid Waste Infrastructure		-	14,720,742.00	–	–	–	–	–	–	–
Landfill Sites		-	7,378,568.00	–	–	–	–	–	–	–
Waste Transfer Stations		-	7,342,174.00	–	–	–	–	–	–	–
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										

Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Spares										
Information and Communication Infrastructure		-	-	–	–	–	–	–	–	–
Data Centres		-	-	–	–	–	–	–	–	–
Core Layers		-	-	–	–	–	–	–	–	–
Distribution Layers		-	-	–	–	–	–	–	–	–
Capital Spares		-	-	–	–	–	–	–	–	–

Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Community Assets		-	3,264,431.00	7,300	3,277	7,357	7,357	1,375	–	–
Community Facilities		-	2,141,861.00	7,300	3,277	3,556	3,556	1,375	–	–
Halls		-	-	–	–	–	–	–	–	–
Centres		-	-	–	–	–	–	–	–	–
Crèches		-	-	–	–	–	–	–	–	–
Clinics/Care Centres		-	-	–	–	–	–	–	–	–
Fire/Ambulance Stations		-	-	–	3,277	–	–	–	–	–
Testing Stations		-	-	–	–	–	–	–	–	–
Museums		-	-	–	–	–	–	–	–	–
Galleries		-	-	–	–	–	–	–	–	–
Theatres		-	-	–	–	–	–	–	–	–
Libraries		-	1,592,300.00	48	–	865	865	–	–	–
Cemeteries/Crematoria		-	-	–	–	–	–	–	–	–
Police		-	-	564	–	–	–	–	–	–
Parks		-	-	1,470	–	2,500	2,500	–	–	–
Public Open Space		-	-	–	–	–	–	–	–	–
Nature Reserves		-	-	–	–	–	–	–	–	–
Public Ablution Facilities		-	-	–	–	–	–	–	–	–
Markets		-	-	–	–	–	–	–	–	–
Stalls		-	-	–	–	–	–	1,375	–	–
Abattoirs		-	-	–	–	–	–	–	–	–
Airports		-	-	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		-	-	–	–	–	–	–	–	–
Capital Spares		-	549,561.00	5,219	–	191	191	–	–	–
Sport and Recreation Facilities		-	1,122,570.00	–	–	3,801	3,801	–	–	–
Indoor Facilities		-	-	–	–	–	–	–	–	–
Outdoor Facilities		-	1,122,570.00	–	–	3,801	3,801	–	–	–
Capital Spares		-	-	–	–	–	–	–	–	–
Heritage assets		-	-	–	–	–	–	–	–	–
Monuments		-	-	–	–	–	–	–	–	–
Historic Buildings		-	-	–	–	–	–	–	–	–
Works of Art		-	-	–	–	–	–	–	–	–
Conservation Areas		-	-	–	–	–	–	–	–	–
Other Heritage		-	-	–	–	–	–	–	–	–
Investment properties		9,939.65	31,634.62	9,631	1,560	2,024	2,024	–	–	–
Revenue Generating		-	-	–	–	–	–	–	–	–
Improved Property		-	-	–	–	–	–	–	–	–
Unimproved Property		-	-	–	–	–	–	–	–	–
Non-revenue Generating		9,939.65	31,634.62	9,631	1,560	2,024	2,024	–	–	–
Improved Property		9,939.65	31,634.62	9,631	1,560	2,024	2,024	–	–	–
Unimproved Property		-	-	–	–	–	–	–	–	–
Other assets		17,744,767.00	10,969,773.00	955	13,629	5,050	5,050	2,000	3,500	3,500
Operational Buildings		17,744,767.00	10,969,773.00	955	13,629	5,050	5,050	2,000	–	–
Municipal Offices		17,744,767.00	10,969,773.00	955	13,629	5,050	5,050	2,000	–	–
Pay/Enquiry Points		-	-	–	–	–	–	–	–	–
Building Plan Offices		-	-	–	–	–	–	–	–	–
Workshops		-	-	–	–	–	–	–	–	–
Yards		-	-	–	–	–	–	–	–	–
Stores		-	-	–	–	–	–	–	–	–
Laboratories		-	-	–	–	–	–	–	–	–
Training Centres		-	-	–	–	–	–	–	–	–
Manufacturing Plant		-	-	–	–	–	–	–	–	–
Depots		-	-	–	–	–	–	–	–	–
Capital Spares		-	-	–	–	–	–	–	–	–
Housing		-	-	–	–	–	–	–	3,500	3,500
Staff Housing		-	-	–	–	–	–	–	–	–
Social Housing		-	-	–	–	–	–	–	3,500	3,500
Capital Spares		-	-	–	–	–	–	–	–	–
Biological or Cultivated Assets		-	-	–	–	–	–	–	–	–
Biological or Cultivated Assets		-	-	–	–	–	–	–	–	–

Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Intangible Assets		435,686.00	4,328,909.00	255	1,640	–	–	455	2,000	1,000
Servitudes		435,686.00	4,328,909.00	255	1,640	–	–	455	1,000	–
Licences and Rights		-	-	–	–	–	–	–	1,000	1,000
Water Rights		-	-	–	–	–	–	–	–	–
Effluent Licenses		-	-	–	–	–	–	–	–	–
Solid Waste Licenses		-	-	–	–	–	–	–	–	–
Computer Software and Applications		-	-	–	–	–	–	–	1,000	1,000
Load Settlement Software Applications		-	-	–	–	–	–	–	–	–
Unspecified		-	-	–	–	–	–	–	–	–
Computer Equipment		-	-	–	–	–	–	500	300	200
Computer Equipment		-	-	–	–	–	–	500	300	200
Furniture and Office Equipment		-	3,697,986.00	665	–	1,995	1,995	2,156	636	525
Furniture and Office Equipment		-	3,697,986.00	665	–	1,995	1,995	2,156	636	525
Machinery and Equipment		-	813,637.00	3,729	–	4,129	4,129	1,198	2,045	3,338
Machinery and Equipment		-	813,637.00	3,729	–	4,129	4,129	1,198	2,045	3,338
Transport Assets		-9,940.00	3,853,852.00	8,009	–	12,764	12,764	5,400	7,500	9,580
Transport Assets		-9,940.00	3,853,852.00	8,009	–	12,764	12,764	5,400	7,500	9,580
Land		-	-	–	–	–	–	3,450	–	–
Land		-	-	–	–	–	–	3,450	–	–
Zoo's, Marine and Non-biological Animals		-	-	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		-	-	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**18,180,452.65**	**87,854,772.62**	**67,632**	**32,876**	**143,361**	**143,361**	**47,179**	**41,181**	**29,810**

Choose name from list - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**13,785,774.87**	**-53,476,142.50**	**31,603**	**33,900**	**(39,742)**	**(39,742)**	**45,820**	**56,287**	**84,970**
Roads Infrastructure		-	-6,725,687.18	4,889	–	(24,226)	(24,226)	–	–	–
Roads		-	-	4,889,132.59	–	(24,226)	(24,226)	–	–	–
Road Structures		-	-6,618,006.13	-	–	–	–	–	–	–
Road Furniture		-	-107,681.05	-	–	–	–	–	–	–
Capital Spares		-	-	-	–	–	–	–	–	–
Storm water Infrastructure		-	-	–	–	–	–	–	–	–
Drainage Collection		-	-	–	–	–	–	–	–	–
Storm water Conveyance		-	-	–	–	–	–	–	–	–
Attenuation		-	-	–	–	–	–	–	–	–
Electrical Infrastructure		307,705.60	-27,758,941.57	4,449	5,650	–	–	10,000	8,500	30,508
Power Plants		-	-	–	–	–	–	–	–	–
HV Substations		-	-	–	–	–	–	–	–	–
HV Switching Station		-	-	–	–	–	–	–	–	–
HV Transmission Conductors		-	-	–	–	–	–	–	–	–
MV Substations		-	-16,891,814.02	3,949	5,650	–	–	1,000	1,000	1,000
MV Switching Stations		-	-	–	–	–	–	–	–	–
MV Networks		307,705.60	-136,156.28	500	–	–	–	8,000	6,500	29,508
LV Networks		-	-10,730,971.27	–	–	–	–	–	–	–
Capital Spares		-	-	–	–	–	–	1,000	1,000	–
Water Supply Infrastructure		10,014,314.00	-11,425,665.78	18,997	25,600	(8,501)	(8,501)	31,720	31,587	31,200
Dams and Weirs		-	-	–	–	–	–	–	–	–
Boreholes		-	-	–	–	–	–	–	–	–
Reservoirs		-	-250,000.00	1,196	–	–	–	–	–	–
Pump Stations		-	-	–	–	–	–	–	–	–
Water Treatment Works		-	-	–	–	–	–	–	–	–
Bulk Mains		-	-	–	–	–	–	–	–	–
Distribution		10,014,314.00	-11,175,665.78	17,802	25,600	(8,501)	(8,501)	31,720	31,587	31,200
Distribution Points		-	-	–	–	–	–	–	–	–
PRV Stations		-	-	–	–	–	–	–	–	–
Capital Spares		-	-	–	–	–	–	–	–	–
Sanitation Infrastructure		3,463,755.27	-346,759.27	3,268	2,650	(7,016)	(7,016)	1,500	1,700	1,700
Pump Station		567,622.34	-496,430.46	547	–	–	–	1,000	1,000	1,000
Reticulation		-	333,713.34	2,217	2,650	(7,016)	(7,016)	500	500	500
Waste Water Treatment Works		2,896,132.93	-184,042.15	505	–	–	–	–	200	200
Outfall Sewers		-	-	–	–	–	–	–	–	–
Toilet Facilities		-	-	–	–	–	–	–	–	–
Capital Spares					–	–	–	–	–	–
Solid Waste Infrastructure		-	-7,219,088.70	–	–	–	–	2,600	14,500	21,562
Landfill Sites		-	-7,219,088.70	–	(3,000)	–	–	2,000	12,000	17,000
Waste Transfer Stations		-	-	–	3,000	–	–	600	2,500	4,562
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		-	-	–	–	–	–	–	–	–

Choose name from list - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Community Assets		**4,884,835.64**	**-4,027,063.67**	**5,682**	**2,640**	**1,400**	**1,400**	**15,480**	**6,480**	**8,400**
Community Facilities		2,837,982.64	-4,027,063.67	929	40	1,400	1,400	2,880	3,580	5,400
Halls		-	-	–	–	–	–	–	–	–
Centres		-	-	–	–	–	–	–	–	–
Crèches		-	-	–	–	–	–	–	–	–
Clinics/Care Centres		-	-	–	–	–	–	–	–	–
Fire/Ambulance Stations		-	-3,734,217.45	–	(3,277)	–	–	–	–	–
Testing Stations		-	-	–	–	–	–	–	–	–
Museums		-	-	–	–	–	–	–	–	–
Galleries		-	-	–	–	–	–	–	–	–
Theatres		-	-	–	–	–	–	–	–	–
Libraries		512,073.00	-	929	1,900	1,400	1,400	2,380	3,080	2,900
Cemeteries/Crematoria		-	-	–	–	–	–	500	–	–
Police		-	-	–	–	–	–	–	–	–
Parks		-	-	–	2,500	–	–	–	500	2,500
Public Open Space		-847,710.36	-284,186.10	–	–	–	–	–	–	–
Nature Reserves		-	-	–	–	–	–	–	–	–
Public Ablution Facilities		-	-8,660.12	–	–	–	–	–	–	–
Markets		-	-	–	–	–	–	–	–	–
Stalls		-	-	–	–	–	–	–	–	–
Abattoirs		-	-	–	(1,360)	–	–	–	–	–
Airports		-	-	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		-	-	–	–	–	–	–	–	–
Capital Spares		3,173,620.00	-	–	277	–	–	–	–	–
Sport and Recreation Facilities		2,046,853.00	-	4,753	2,600	–	–	12,600	2,900	3,000
Indoor Facilities		-	-	–	–	–	–	–	–	–
Outdoor Facilities		2,046,853.00	-	4,753	2,600	–	–	12,600	2,900	3,000
Capital Spares					–	–	–	–	–	–
Heritage assets		-	-	–	–	–	–	–	–	–
Monuments		-	-	–	–	–	–	–	–	–
Historic Buildings		-	-	–	–	–	–	–	–	–
Works of Art		-	-	–	–	–	–	–	–	–
Conservation Areas		-	-	–	–	–	–	–	–	–
Other Heritage		-	-	–	–	–	–	–	–	–
Investment properties		**-**	**-**	**–**	**150**	**–**	**–**	**–**	**–**	**2,600**
Revenue Generating		-	-	–	–	–	–	–	–	–
Improved Property		-	-	–	–	–	–	–	–	–
Unimproved Property		-	-	–	–	–	–	–	–	–
Non-revenue Generating		-	-	–	150	–	–	–	–	2,600
Improved Property		-	-	–	150	–	–	–	–	–
Unimproved Property		-	-	–	–	–	–	–	–	2,600
Other assets		**-13,996,353.00**	**-**	**–**	**(13,229)**	**(400)**	**(400)**	**–**	**–**	**–**
Operational Buildings		-13,996,353.00	-	–	(13,229)	(400)	(400)	–	–	–
Municipal Offices		-14,121,421.80	-	–	(13,229)	(400)	(400)	–	–	–
Pay/Enquiry Points		-	-	–	–	–	–	–	–	–
Building Plan Offices		-	-	–	–	–	–	–	–	–
Workshops		-	-	–	–	–	–	–	–	–
Yards		125,068.80	-	–	–	–	–	–	–	–
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		-	-	–	–	–	–	1,350	1,350	1,400

Choose name from list - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Computer Equipment		-	-	–	–	–	–	1,350	1,350	1,400
Furniture and Office Equipment		3,908,209.00	16,400.00	263	1,904	–	–	89	104	75
Furniture and Office Equipment		3,908,209.00	16,400.00	263	1,904	–	–	89	104	75
Machinery and Equipment		382,036.00	-	11	395	(2,684)	(2,684)	–	–	–
Machinery and Equipment		382,036.00	-	11	395	(2,684)	(2,684)	–	–	–
Transport Assets		9,405,604.00	-	1,316	13,430	–	–	2,850	2,560	2,790
Transport Assets		9,405,604.00	-	1,316	13,430	–	–	2,850	2,560	2,790
Land		-	-	–	–	–	–	–	–	–
Land		-	-	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		-	-	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		-	-	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	**18,370,106.51**	**-57,486,806.17**	**38,875**	**39,190**	**(41,426)**	**(41,426)**	**65,589**	**66,781**	**100,235**
Renewal of Existing Assets as % of total capex		*0.40*	*-0.63*	*25.8%*	*35.6%*	*-28.6%*	*-28.6%*	*48.5%*	*48.0%*	*66.4%*
Renewal of Existing Assets as % of deprecn"		*0.16*	*-0.49*	*31.7%*	*33.4%*	*-35.3%*	*-35.3%*	*53.3%*	*51.7%*	*73.9%*

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**34,297**	**36,386**	**81,031**	**94,649**	**95,374**	**95,374**	**102,808**	**108,564**	**114,747**
Roads Infrastructure		17,586	17,249	26,469	30,507	30,884	30,884	32,790	34,494	36,382
Roads		17,586	–	–	–	–	–	–	–	–
Road Structures		0	17,249	17,236	18,506	18,905	18,905	19,625	20,539	21,589
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	9,232	12,001	11,979	11,979	13,165	13,955	14,792
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,087	5,727	18,744	19,938	20,052	20,052	22,450	23,745	25,117
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		4,087	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		0	5,727	6,575	4,423	4,556	4,556	5,049	5,300	5,566
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	12,169	15,515	15,496	15,496	17,400	18,444	19,551
Water Supply Infrastructure		4,709	4,452	15,387	18,715	18,537	18,537	20,416	21,607	22,873
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	32	32	32	33	35	37
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		4,709	4,452	2,978	3,306	3,156	3,156	3,042	3,191	3,351
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	12,409	15,377	15,349	15,349	17,341	18,382	19,485
Sanitation Infrastructure		7,914	7,793	20,430	25,489	25,902	25,902	27,151	28,718	30,376
Pump Station		–	7,793	4,901	3,853	4,112	4,112	4,276	4,489	4,714
Reticulation		7,914	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	8,460	10,840	11,136	11,136	11,570	12,244	12,958
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	7,069	10,796	10,653	10,653	11,306	11,984	12,704
Solid Waste Infrastructure		–	1,165	–	–	–	–	–	–	–
Landfill Sites		–	1,165	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**2**	**–**	**53**	**498**	**504**	**504**	**446**	**468**	**492**
Community Facilities		2	–	53	498	504	504	446	468	492
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Libraries		–	–	35	335	341	341	296	310	326
Cemeteries/Crematoria		–	–	17	163	163	163	150	158	166
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
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		**17,061**	**3,931**	**2,925**	**4,432**	**4,357**	**4,357**	**4,439**	**4,661**	**4,894**
Operational Buildings		17,061	3,931	2,925	4,432	4,357	4,357	4,439	4,661	4,894
Municipal Offices		17,061	3,931	2,925	4,432	4,357	4,357	4,439	4,661	4,894
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		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	11	96	76	76	40	42	44
Computer Equipment		–	–	11	96	76	76	40	42	44
Furniture and Office Equipment		–	26	55	365	448	448	465	487	511
Furniture and Office Equipment		–	26	55	365	448	448	465	487	511
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Transport Assets		–	10,362	9,179	12,316	12,766	12,766	13,762	14,454	15,208
Transport Assets		–	10,362	9,179	12,316	12,766	12,766	13,762	14,454	15,208
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**51,360**	**50,706**	**93,253**	**112,356**	**113,526**	**113,526**	**121,960**	**128,676**	**135,896**
R&M as a % of PPE		*2.6%*	*2.6%*	*4.7%*	*5.6%*	*5.6%*	*5.6%*	*6.2%*	*6.3%*	*6.6%*
R&M as % Operating Expenditure		*5.9%*	*5.4%*	*9.4%*	*10.1%*	*10.2%*	*10.2%*	*15.1%*	*10.6%*	*10.6%*

Choose name from list - Supporting Table SA34d Depreciation by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Depreciation by Asset Class/Sub-class										
Infrastructure		**47,192**	**48,182**	**98,711**	**99,837**	**98,812**	**98,812**	**99,619**	**105,159**	**110,975**
Roads Infrastructure		46,136	47,106	29,851	30,301	30,301	30,301	31,334	32,901	34,546
Roads		46,136	47,106	29,851	30,301	30,301	30,301	31,334	32,901	34,546
Road Structures		–	–	–	–	–	–	-	-	-
Road Furniture		–	–	–	–	–	–	-	-	-
Capital Spares		–	–	–	–	–	–	-	-	-
Storm water Infrastructure		–	–	–	–	–	–	-	-	-
Drainage Collection		–	–	–	–	–	–	-	-	-
Storm water Conveyance		–	–	–	–	–	–	-	-	-
Attenuation		–	–	–	–	–	–	-	-	-
Electrical Infrastructure		–	–	53,091	53,825	53,825	53,825	51,862	55,347	59,006
Power Plants		–	–	–	–	–	–	-	-	-
HV Substations		–	–	–	–	–	–	-	-	-
HV Switching Station		–	–	–	–	–	–	-	-	-
HV Transmission Conductors		–	–	–	–	–	–	-	-	-
MV Substations		–	–	53,091	53,825	53,825	53,825	51,862	55,347	59,006
MV Switching Stations		–	–	–	–	–	–	-	-	-
MV Networks		–	–	–	–	–	–	-	-	-
LV Networks		–	–	–	–	–	–	-	-	-
Capital Spares		–	–	–	–	–	–	-	-	-
Water Supply Infrastructure		–	–	6,474	6,291	5,266	5,266	6,648	6,648	6,648
Dams and Weirs		–	–	–	–	–	–	-	-	-
Boreholes		–	–	–	–	–	–	-	-	-
Reservoirs		–	–	–	–	–	–	-	-	-
Pump Stations		–	–	–	–	–	–	-	-	-
Water Treatment Works		–	–	–	–	–	–	-	-	-
Bulk Mains		–	–	–	–	–	–	-	-	-
Distribution		–	–	6,474	6,291	5,266	5,266	6,648	6,648	6,648
Distribution Points		–	–	–	–	–	–	-	-	-
PRV Stations		–	–	–	–	–	–	-	-	-
Capital Spares		–	–	–	–	–	–	-	-	-
Sanitation Infrastructure		1,057	1,075	9,291	9,417	9,417	9,417	9,775	10,263	10,776
Pump Station		–	–	–	–	–	–	-	-	-
Reticulation		1,057	1,075	9,291	9,417	9,417	9,417	9,775	10,263	10,776
Waste Water Treatment Works		–	–	–	–	–	–	-	-	-
Outfall Sewers		–	–	–	–	–	–	-	-	-
Toilet Facilities		–	–	–	–	–	–	-	-	-
Capital Spares		–	–	–	–	–	–	-	-	-
Solid Waste Infrastructure		–	–	4	4	4	4	-	-	-
Landfill Sites		–	–	4	4	4	4	-	-	-
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		**58,029**	**60,117**	**11,277**	**567**	**567**	**567**	**9,113**	**9,568**	**10,047**
Community Facilities		58,029	60,117	11,277	567	567	567	9,113	9,568	10,047

Choose name from list - Supporting Table SA34d Depreciation by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Halls		–	–	–	–	–	–	-	-	-
Centres		56,762	58,503	11,277	119	119	119	9,098	9,553	10,031
Crèches		–	–	–	–	–	–	-	-	-
Clinics/Care Centres		–	–	–	–	–	–	-	-	-
Fire/Ambulance Stations		–	–	–	–	–	–	-	-	-
Testing Stations		–	–	–	–	–	–	-	-	-
Museums		–	–	–	–	–	–	-	-	-
Galleries		–	–	–	–	–	–	-	-	-
Theatres		–	–	–	–	–	–	-	-	-

Choose name from list - Supporting Table SA34d Depreciation by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Libraries		1,267	1,613	–	448	448	448	14	15	16
Cemeteries/Crematoria		–	–	–	–	–	–	-	-	-
Police		–	–	–	–	–	–	-	-	-
Parks		–	–	–	–	–	–	-	-	-
Public Open Space		–	–	–	–	–	–	-	-	-
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		**4,043**	**4,253**	**4**	**15,308**	**15,308**	**15,308**	**30**	**31**	**33**
Operational Buildings		4,043	4,253	4	15,308	15,308	15,308	30	31	33
Municipal Offices		4,043	4,253	4	15,308	15,308	15,308	30	31	33
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		–	–	119	–	–	–	2	2	2
Servitudes		–	–	119	–	–	–	2	2	2
Licences and Rights		–	–	–	–	–	–	-	-	-
Water Rights		–	–	–	–	–	–	-	-	-
Effluent Licenses		–	–	–	–	–	–	-	-	-
Solid Waste Licenses		–	–	–	–	–	–	-	-	-
Computer Software and Applications		–	–	–	–	–	–	-	-	-
Load Settlement Software Applications		–	–	–	–	–	–	-	-	-
Unspecified		–	–	–	–	–	–	-	-	-
Computer Equipment		370	807	1,642	941	941	941	1,954	2,052	2,154
Computer Equipment		370	807	1,642	941	941	941	1,954	2,052	2,154
Furniture and Office Equipment		315	470	881	591	1,616	1,616	1,214	1,275	1,338
Furniture and Office Equipment		315	470	881	591	1,616	1,616	1,214	1,275	1,338
Machinery and Equipment		1,385	1,363	2,065	–	–	–	2,233	2,233	2,233
Machinery and Equipment		1,385	1,363	2,065	–	–	–	2,233	2,233	2,233
Transport Assets		1,424	1,295	7,804	–	–	–	8,942	8,942	8,942
Transport Assets		1,424	1,295	7,804	–	–	–	8,942	8,942	8,942
Land		–	–	–	–	–	–	-	-	-

Choose name from list - Supporting Table SA34d Depreciation by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	-	-	-
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	-	-	-
Total Depreciation	1	**112,759**	**116,486**	**122,503**	**117,244**	**117,244**	**117,244**	**123,106**	**129,261**	**135,725**

Choose name from list - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**44,809**	**56,547**	**42,493**	**36,076**	**39,742**	**39,742**	**19,266**	**24,437**	**19,000**
Roads Infrastructure		13,863	6,726	12,238	18,226	24,226	24,226	6,000	14,337	8,500
Roads		–	–	12,238	18,226	24,226	24,226	6,000	14,337	8,500
Road Structures		13,863	6,618	–	–	–	–	–	–	–
Road Furniture		–	108	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		28,137	29,851	10,233	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		21,944	18,984	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	136	–	–	–	–	–	–	–
LV Networks		6,192	10,731	10,233	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	11,911	6,324	7,310	8,501	8,501	3,500	3,000	3,000
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	250	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	11,661	6,324	7,310	8,501	8,501	3,500	3,000	3,000
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		1,310	840	6,269	7,540	7,016	7,016	9,766	7,100	7,500
Pump Station		–	496	–	–	–	–	1,000	1,000	1,000
Reticulation		1,310	160	5,606	7,540	7,016	7,016	8,766	6,100	6,500
Waste Water Treatment Works		–	184	663	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		1,500	7,219	7,429	3,000	–	–	–	–	–
Landfill Sites		1,500	7,219	7,429	3,000	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–

Choose name from list - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Community Assets		**1,556**	**4,027**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities		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		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		1,362	284	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	9	–	–	–	–	–	–	–
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		**–**	**–**	**–**	**400**	**400**	**400**	**3,150**	**6,700**	**1,800**
Operational Buildings		–	–	–	400	400	400	3,150	6,700	1,800
Municipal Offices		–	–	–	400	400	400	3,150	6,700	1,800
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		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–

Choose name from list - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	1,550	1,620	2,684	2,684	–	–	–
Machinery and Equipment		–	–	1,550	1,620	2,684	2,684	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	1	**46,365**	**60,574**	**44,043**	**38,096**	**42,826**	**42,826**	**22,416**	**31,137**	**20,800**
Upgrading of Existing Assets as % of total capex		*0.0%*	*66.6%*	*29.3%*	*34.6%*	*29.6%*	*29.6%*	*16.6%*	*22.4%*	*13.8%*
Upgrading of Existing Assets as % of deprecn"		*41.1%*	*52.0%*	*36.0%*	*32.5%*	*36.5%*	*36.5%*	*18.2%*	*24.1%*	*15.3%*

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

Vote Description	Ref	2019/20 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
Capital expenditure	1							
Vote 1 - executive council		850	–	500				
Vote 2 - corporate services		4,412	1,580	1,630				
Vote 3 - financial services		30	32	35				
Vote 4 - development & planning		260	3,510	3,520				
Vote 5 - health		–	–	–				
Vote 6 - community & social services		24,325	15,175	12,505				
Vote 7 - public safety		2,793	3,558	2,548				
Vote 8 -		–	–	–				
Vote 9 - environmental protection		–	–	–				
Vote 10 - waste water management		12,966	10,570	11,050				
Vote 11 - solid waste management		6,000	18,430	28,722				
Vote 12 - roads & transport		15,355	17,447	16,517				
Vote 13 - water services		35,220	35,587	34,200				
Vote 14 - electricty		32,973	33,210	39,618				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**135,184**	**139,099**	**150,845**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - executive council		4,250	–	2,500				
Vote 2 - corporate services		22,060	7,900	8,150				
Vote 3 - financial services		150	160	175				
Vote 4 - development & planning		1,300	17,550	17,600				
Vote 5 - health		–	–	–				
Vote 6 - community & social services		121,623	75,875	62,525				
Vote 7 - public safety		13,965	17,790	12,740				
Vote 8 -		–	–	–				
Vote 9 - environmental protection		–	–	–				
Vote 10 - waste water management		64,830	52,850	55,250				
Vote 11 - solid waste management		30,000	92,150	143,610				
Vote 12 - roads & transport		76,777	87,234	82,583				
Vote 13 - water services		176,100	177,935	171,000				
Vote 14 - electricty		164,865	166,050	198,090				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total future operational costs		675,919	695,494	754,223	–	–	–	–
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**811,103**	**834,593**	**905,068**	**–**	**–**	**–**	**–**

Choose name from list - Supporting Table SA36 Detailed capital budget

R thousand													2019/20 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality:																
List all capital projects grouped by Function																
01106400320F5G81ZZWM	Ptn 102 Farm Kookfontein				yes		Intangible Assets						0	–	–	–
16056400320FQG71ZZWM	Hoewe 34 Ironsyde				yes		Intangible Assets						1	–	–	–
16056400320FQG72ZZWM	12 Homestead Apple Orchards				yes		Intangible Assets						1	–	–	–
16056400320FQG73ZZWM	218 Homestead Apple Orchards				yes		Intangible Assets						1	–	–	–
16056400320FQG74ZZWM	115 Homestead Apple Orchards				yes		Intangible Assets						1	–	–	–
16056400320FQG75ZZWM	14868 Portion 13 Savanna City Ext1				yes		Intangible Assets						1	–	–	–
16056400320FQG76ZZWM	Holding 24 Homestead Apple Orchards				yes		Intangible Assets						1	–	–	–
16056400320FQG77ZZWM	624 Savanna City				yes		Intangible Assets						1	–	–	–
16056400320FQG78ZZWM	685 Savanna City				yes		Intangible Assets						1	–	–	–
16056400320FQG79ZZWM	281 Homestead Apple Orchards Ptn1				yes		Intangible Assets						1	–	–	–
16056400320FQG80ZZWM	Erf 37 Ged 31 Riversdale				yes		Intangible Assets						1	–	–	–
01106400320F5G93ZZWM	Holding 3 Ironsyde				yes		Intangible Assets						2	–	–	–
01106460020F5G60ZZHO	Camera				yes		Furniture and Office Equipment						2	–	–	–
08056456020F5G49ZZWM	Compressor				yes		Investment Properties						3	–	–	–
05356460020F5G96ZZWM	Office Furniture				yes		Furniture and Office Equipment						5	–	–	–
17056456020F5G49ZZWM	Compressor				yes		Investment Properties						5	–	–	–
05306460020F5G96ZZWM	Office Furniture				yes		Furniture and Office Equipment						5	–	–	–
05206460020F5G96ZZWM	Office Furniture				yes		Furniture and Office Equipment						5	–	–	–
05256460020F5G96ZZWM	Office Furniture				yes		Furniture and Office Equipment						5	–	–	–
05156460020F5G96ZZWM	Office Furniture				yes		Furniture and Office Equipment						5	–	–	–
01106400320F5G82ZZWM	Holding 201 Ophir Ah Ext1				yes		Intangible Assets						5	–	–	–
16056460020FQC15ZZWM	Brush cutters				yes		Upgrading						8	–	–	–
11056456020F5H16ZZWM	Welding Machine				yes		Machinery and Equipment						–	8	–	–
05106460020F5G96ZZWM	Office Furniture				yes		Furniture and Office Equipment						9	–	–	–
02106460020F5C84ZZHO	Minor capital items (previously non-capi				yes		Furniture and Office Equipment						10	–	–	–
05056460020F5G96ZZWM	Office Furniture				yes		Furniture and Office Equipment						10	–	–	–
08056460020F5R14ZZHO	Air cons				yes		Renewal						10			
01106460020F5G28ZZHO	Recording equipment				yes		Computer Equipment						13	–	–	–
07106460020F5H30ZZWM	Replacement of chairs				yes		Renewal						–	–	15	–
12056456420F5D09ZZWM	Portable Water Pumps				yes		Machinery and Equipment						19	–	–	–
05406460020F5C84ZZHO	Minor capital items (previously non-capi				yes		Furniture and Office Equipment						20	–	–	–
08056460020F5H33ZZHO	Air cons				yes		Renewal						–	10	10	–
05056460020GBH70ZZ09	Meyerton library furniture				yes		Computer Equipment						–		10	10
03056460020F5C50ZZHO	Furniture and equipment new				yes		Renewal						20			
05256460020GBH72ZZ10	Library furniture - Sicelo - New				yes		Furniture and Office Equipment						–		10	10
05056460020LBG19ZZ14	Meyerton library furniture				yes		Computer Equipment						24			
01106460020F5R49ZZHO	Office Furniture For New Appointee				yes		Computer Equipment						25	–	–	–
11056456020F5H15ZZWM	Water Pumps				yes		Machinery and Equipment						–	25	–	–
01356460020F5R14ZZHO	Air Cons				yes		Renewal						26			
12056460020F5D40ZZWM	Roller compactor wacker				yes		Upgrading						26	–	–	–
01106400320F5G83ZZWM	Holding 215 Ophir				yes		Intangible Assets						27	–	–	–
02156460020F5G36ZZHO	Shelves for stores				yes		Computer Equipment						27	–	–	–
01106460020F5R17ZZHO	High back swivel & tilt office chairs-re				yes		Renewal						28	–	–	–
07056460020F5H02ZZWM	2 x Aircons (new)				yes		Furniture and Office Equipment						–	14	14	–
07056460020F5H28ZZWM	2 x Aircons - replacement (E Lensley and A Mhpai)				yes		Renewal						–	14	14	–
01106400320F5G84ZZWM	697 Ptn 15golf Park				yes		Intangible Assets						28	–	–	–
15056460020F5H36ZZHO	Furniture & equipment				yes		Furniture and Office Equipment						–	10	10	10
08056456020F5H07ZZWM	Chain sharpener				yes		Machinery and Equipment						–	30	–	–
08056456020F5H08ZZWM	Chainsaws				yes		Machinery and Equipment						–	30	–	–
11056456020F5H12ZZWM	Plate compactor				yes		Machinery and Equipment						–	30	–	–
11056456020F5H54ZZWM	Concrete cutter trolley				yes		Machinery and Equipment						–	30	–	–
02056460020F5C49ZZHO	Furniture and equipment				yes		Renewal						30			
05406460020F5R16ZZHO	Furniture & equipment				yes		Renewal						30			
01106400320F5G85ZZWM	Holding 211 Ophir X1				yes		Intangible Assets						30	–	–	–
08056460020F5C10ZZWM	Air Cons				yes		Renewal						31	–	–	–
01356460020F5H03ZZHO	Air Cons				yes		Renewal						–	32	–	–
16056460020FQC51ZZ11	Furniture; equipment & small tools				yes		Furniture and Office Equipment						35	–	–	–
11056456020F5H10ZZWM	Jack Hammer				yes		Machinery and Equipment						–	35	–	–
01106400320F5G86ZZWM	Holding 226 Ophir				yes		Intangible Assets						36	–	–	–
03056460020F5H38ZZHO	Furniture and equipment new				yes		Renewal						–	10	10	20
08056456020F5H06ZZWM	Canopies for LDV				yes		Machinery and Equipment						–	40	–	–
11056456020F5H09ZZWM	Drilling Machine				yes		Machinery and Equipment						–	40	–	–
01106400320F5G87ZZWM	Holding 217 Ophir Ah				yes		Intangible Assets						50	–	–	–
15056460020F5H34ZZWM	Building Air Conditioners				yes		Furniture and Office Equipment						–	50	–	–
10056456020F5R24ZZWM	Sewer trailer				yes		Renewal						55	–	–	–
08056420420F5D76ZZWM	Telescopic pole pruners				yes		Machinery and Equipment						56			
05306460020LBG41ZZ06	Lakeside library children sec furniture				yes		Computer Equipment						59	–	–	–
02206460020F5G96ZZHO	Office Furniture & Equipment				yes		Furniture and Office Equipment						60	–	–	–
16056474020FQG58ZZWM	Skip bins				yes		Machinery and Equipment						60	–	–	–
05406460020F5H32ZZHO	Furniture & equipment				yes		Renewal						–	20	20	20

14056456020F5H53ZZWM	Brush cutters - new				yes		Machinery and Equipment						–	20	20	20
17056460020F5H39ZZWM	Furniture for transfer station				yes		Furniture and Office Equipment						–	60	–	–
08056420420F5C14ZZWM	Brush cutters				yes		Machinery and Equipment						60			
15056460020F5C48ZZHO	Furniture & equipment				yes		Furniture and Office Equipment						60			
02156456020F5G42ZZHO	Cable stand				yes		Investment Properties						62	–	–	–
08056456020F5H52ZZWM	Telescopic pole pruners				yes		Machinery and Equipment						–	25	25	25
08056420420F5D73ZZWM	Swing axle water cart				yes		Transport Assets						80	–	–	–
01106400320F5G88ZZWM	Holding 112 Ophir Ext1 Ah				yes		Intangible Assets						88	–	–	–
01106460020F5H40ZZHO	Office furniture				yes		Furniture and Office Equipment						–	30	30	30
08056420420F5C70ZZWM	Large Chainsaws				yes		Other Assets						93	–	–	–
02056460020F5H37ZZHO	Furniture and equipment				yes		Renewal						–	30	32	35
01106460020F5R15ZZHO	Aircon				yes		Furniture and Office Equipment						99	–	–	–
07106456020F5H04ZZWM	Swift Water Rescue Equipment (training centre)				yes		Machinery and Equipment						–	–	–	100
07106460020F5H42ZZ01	Fire and rescue Equipment - New Vaalmarina				yes		Machinery and Equipment						–	100	–	–
05106460020GBH69ZZ15	Air cons - HOK - New				yes		Furniture and Office Equipment						–		100	–
01106400320F5G89ZZWM	190 De Deur				yes		Intangible Assets						101	–	–	–
01106400320F5G90ZZWM	Portion 176 NooitgeDACht				yes		Intangible Assets						102	–	–	–
13056154020F5G68ZZWM	Elec Servitute Erf 93 Ophir Estates				yes		Intangible Assets						104	–	–	–
01106400320F5G91ZZWM	Portion 1 Farm Roodepoort 149				yes		Intangible Assets						130	–	–	–
05056460020FKD46ZZWM	Server - meyerton library				yes		Intangible Assets						150	–	–	–
07106460020F5H41ZZWM	Radios and repeater				yes		Upgrading						–	50	50	50
05406474020F5H01ZZHO	Carports				yes		Upgrading						–	150	–	–
05106475020FKC56ZZ15	HOK library books (DAC)				yes		Renewal						150			
05206475020FKD14ZZ04	Randvaal library books (DAC)				yes		Renewal						150			
07106460020F5G56ZZWM	Replacement of cctv cameras				yes		Renewal						150			
05156475020FKC30ZZ11	De deur library books (DAC)				yes		Renewal						150			
11056456020F5H14ZZWM	Roller compactor				yes		Machinery and Equipment						–	–	160	–
05406474020F5H31ZZHO	Refurbishment of De Deur Offices				yes		Upgrading						–	80	80	–
07106473520FGC45ZZ01	Fire station vaal marina (MIG)				yes		Community Assets						182	–	–	–
12056448020F5C21ZZWM	Cathodic protection of steel pipes				yes		Renewal						194			
07106460020F5H35ZZWM	Small gear Meyerton Fire Station				yes		Machinery and Equipment						–	–	100	100
08056456020F5H48ZZWM	Kudus				yes		Machinery and Equipment						–	–	100	100
10106449420F5R52ZZWM	Servitute - rothdene to meyerton wwtw				yes		Intangible Assets						200	–	–	–
13056420420F4J08ZZWM	Half ton LDV (metering)				yes		Transport Assets						–	200	–	–
05056470020GBH68ZZ14	Library furniture & equipment-Meyerton				yes		Furniture and Office Equipment						–	200		
05106460020GBJ56ZZ15	Library furniture & equipment-HOK				yes		Furniture and Office Equipment						–	200		
05156460020GBJ57ZZ11	Library furniture & equipment-De Deur				yes		Furniture and Office Equipment						–	200		
05206460020GBJ58ZZ04	Library furniture & equipment-Randvaal				yes		Furniture and Office Equipment						–	200		
05256460020GBJ54ZZ10	Library furniture & equipment-Sicelo				yes		Furniture and Office Equipment						–	200		
05306460020GBJ59ZZ01	Library furniture & equipment-Lakeside				yes		Furniture and Office Equipment						–	200		
07106461020F5D90ZZWM	Radios and repeater				yes		Upgrading						200			
17056456420F5D67ZZWM	Street litter bins				yes		Upgrading						200			
01106400320F5G92ZZWM	Portion 55 Farm Kookfontein 545iq				yes		Intangible Assets						200	–	–	–
10106449420F5C46ZZWM	Flow meters				yes		Renewal						220			
07106460020F5H29ZZWM	Replacement of cctv cameras				yes		Renewal						–	75	75	75
10056449420F5G61ZZWM	Sewerage extension				yes		Sanitation Infrastructure						230	–	–	–
11056600420F4C72ZZWM	LDV				yes		Transport Assets						230	–	–	–
17056456020F5H51ZZWM	Street litter bins - New				yes		Machinery and Equipment						–	–	120	120
10056449420F5G63ZZWM	Extension to henley on klip sewer				yes		Sanitation Infrastructure						250	–	–	–
03056420420F4J11ZZHO	New Vehicle - LDV - Law Enforcement				yes		Transport Assets						–	250	–	–
05306475020FKC67ZZ06	Lakeside library books (DAC)				yes		Renewal						250			
05256475020FKD55ZZ10	Sicelo library books (DAC)				yes		Renewal						250			
05056600420LBG14ZZWM	Vehicle				yes		Transport Assets						259	–	–	–
12056446020FNR69ZZ01	Relocation-vaalmarina ringfeed in mamelo				yes		Upgrading						261	–	–	–
13056600420F4G31ZZWM	Half ton LDV (metering)				yes		Transport Assets						290			
07106473520F5H25ZZ01	Vaal Marina Fire Station Paving				yes		Community Assets						–	300	–	–
05256151020GBJ53ZZ10	ITC hardware (Computors) - Sicelo				yes		Intangible Assets						–	300		
05356475020LBR43ZZ01	Bantu bonke library books (DAC)				yes		Transport Assets						300			
05406473520FGR58ZZ10	Park fencing&jungle gym (ECD - sicelo)				yes		Investment Properties						300			
07056600420F4G11ZZWM	Vehicle replacements				yes		Renewal						300			
11056600420F4C01ZZWM	1 ton LDV (bakkie) foreman roads				yes		Transport Assets						320	–	–	–
13056433020F5D31ZZWM	Replacement of test equipment				yes		Electrical Infrastructure						20	100	100	100
10056600420F4G64ZZWM	Kombi				yes		Transport Assets						328	–	–	–
12056448020F5D75ZZWM	Telemetry of water supply and distributi				yes		Renewal						342	–	–	–
16056600420FQG70ZZ11	Water - Isuzu 4x4				yes		Intangible Assets						345	–	–	–
13056600420F4G32ZZWM	2 x 1 ton LDV				yes		Transport Assets						350			
05406420420F4J21ZZHO	Avanza				yes		Transport Assets						–	–	350	–
01106400320F5G94ZZWM	The Farm Driefontein No 146 Ir				yes		Intangible Assets						372	–	–	–
05256460020GBJ55ZZ01	Library furniture & equipment-Bantu B				yes		Furniture and Office Equipment						–	375		
01106420420F4J03ZZHO	Vehicle replacements				yes		Renewal						–	–	200	200
05406420420F4J19ZZHO	16 Seater Combi				yes		Transport Assets						–	–	–	400
05406420420F4J25ZZHO	Small motor vehicle				yes		Transport Assets						–	–	200	200
07106420420F4J10ZZWM	New LDV for training purpose				yes		Transport Assets						–	–	–	400
10106449420F5H18ZZWM	Flow meters				yes		Renewal						–	–	200	200
07106461020F5D91ZZWM	Thermal and night vision cameras				yes		Upgrading						400	–	–	–
12056600420F4D87ZZWM	Vehicles water demand management				yes		Transport Assets						400	–	–	–
12056600420F4G27ZZWM	1 ton doublecabs - replacement				yes		Transport Assets						400	–	–	–
17056456020F5H55ZZWM	Street litter bins				yes		Upgrading						–	120	140	140
01206420420F4J13ZZHO	New vehicle for Speaker				yes		Transport Assets						–	400	–	–

05056474020GBJ60ZZ01	Ext Meyerton Lib building - Upgrading				yes		Upgrading						–	400		
05106474020GBJ61ZZ01	Ext HOK Lib building - Upgrading				yes		Upgrading						–	400		
05156474020GBJ62ZZ01	Ext De Deur Lib building - Upgrading				yes		Upgrading						–	400		
05206474020GBJ63ZZ01	Ext Randvaal Lib building - Upgrading				yes		Upgrading						–	400		
05306474020GBJ64ZZ01	Ext Lakeside Lib building - Upgrading				yes		Upgrading						–	400		
16056456020FQR62ZZ11	Dev-walkways and boulevards (spineroad)				yes		Community Assets						430	–	–	–
08156420420F5D35ZZWM	Ride on lawnmowers with trailers				yes		Upgrading						437			
10106449420F5G62ZZWM	Refurbishment of bantu bonke wwtw				yes		Sanitation Infrastructure						450	–	–	–
16056400320FQH76ZZ11	New Land - SAVANNA				yes		Intangible Assets						–	450	–	–
05056475020FKC81ZZ14	Meyerton library books (DAC)				yes		Renewal						450			
17056474020F5D60ZZWM	Skip bins 6 cubic meters				yes		Upgrading						450			
07106456020F5H46ZZWM	Portable Water Pumps				yes		Machinery and Equipment						–	–	–	483
01456420420F4J12ZZHO	New vehicle for Mayoral Bodyguards				yes		Transport Assets						–	–	–	500
07106456020F5H13ZZWM	Portable Pump				yes		Machinery and Equipment						–	–	–	500
17056450020F4H98ZZWM	Bobcat (waste transfer station)				yes		Transport Assets						–	–	500	–
12056446020F5R37ZZWM	PRV's - w/l programme				yes		Upgrading						500	–	–	–
12056446020F5R66ZZWM	Bulk water meters - water loss programme				yes		Upgrading						500	–	–	–
08206473520F5H26ZZ03	Extention of Kookrus Cemetry Fencing				yes		Upgrading						–	500	–	–
13056420420F4J20ZZWM	2 x 1 ton LDV				yes		Transport Assets						–	500	–	–
05056470020GBH68ZZ09	ITC hardware (Computors) - New				yes		Intangible Assets						–		300	200
12056446020FPG25ZZWM	Replacement-prepaid&conventional water m				yes		Renewal						500			
13056433020FPD57ZZ10	Sicelo reticulation network (erf 204)				yes		Electrical Infrastructure						500			
08156456020F5H49ZZWM	Ride on lawnmowers with trailers				yes		Upgrading						–	250	260	–
12056446020FGR32ZZ01	Mamello bulk water (MIG)				yes		Upgrading						527	–	–	–
10056600420F4C34ZZWM	Double cabs				yes		Transport Assets						543	–	–	–
11056600420F4C04ZZWM	4 ton truck (current rental) & new post				yes		Transport Assets						544	–	–	–
17056456020F5H05ZZWM	Skip bins 6 cubic meters - New				yes		Machinery and Equipment						–	–	300	300
05206473520GBH63ZZ04	Randvaal library books (DAC)				yes		Renewal						–	200	200	200
05106473520GBH60ZZ15	HOK library books (DAC)				yes		Renewal						–	200	200	200
05156473520GBH59ZZ11	De deur library books (DAC)				yes		Renewal						–	200	200	200
08156473520F5C68ZZ06	Lakeside sport centre (MIG)				yes		Renewal						601	–	–	–
12056447020F5G03ZZWM	Refurbishment of klip river reservoir				yes		Renewal						604	–	–	–
14056420420F4J23ZZWM	LDV's - new				yes		Transport Assets						–	–	300	330
05106473520LBG55ZZ15	Refurbishment of library - HOK library				yes		Upgrading						657	–	–	–
10106449420FPR44ZZ11	Spare pumps and pump replacement				yes		Upgrading						678	–	–	–
01356460020F5C63ZZHO	Networks & computer related hardware				yes		Intangible Assets						697			
08056420420F4H99ZZWM	Double Cab Tipper Truck (replacement)				yes		Renewal						–	700	–	–
07106460020F5H44ZZWM	New CCTV cameras				yes		Upgrading						–	240	240	240
12056446020F5R56ZZWM	Reservior refurbishment - w/l programme				yes		Upgrading						730			
13056449420F5R55ZZWM	Land acquisitions&serv-59 development				yes		Intangible Assets						740			
01456600420F5G57ZZHO	Vehicle & strobe lights				yes		Transport Assets						750	–	–	–
17056420420F4J09ZZWM	LDV				yes		Transport Assets						–	350	–	400
10056449420FQC39ZZWM	Extend sewer network				yes		Renewal						750			
11056456020F5H11ZZWM	Milling Machine				yes		Machinery and Equipment						–	–	400	400
14056420420F4J26ZZWM	Tipper truck - new				yes		Transport Assets						–	–	800	–
07106600420F4R29ZZ01	Land cruiser vaal marina				yes		Transport Assets						800	–	–	–
08056456020F5H47ZZWM	Brush cutters				yes		Machinery and Equipment						–	65	70	700
05256473520GBH64ZZ10	Sicelo library books (DAC)				yes		Renewal						–	300	300	300
05306473520GBH61ZZ06	Lakeside library books (DAC)				yes		Renewal						–	300	300	300
05356473520GBH58ZZ01	Bantu bonke library books (DAC)				yes		Transport Assets						–	300	300	300
05356474020GBH66ZZ01	Ext Bantu Bonke Lib building - Upgrading				yes		Upgrading						–	500	200	200
16056600420FQG69ZZ11	Electrical - Cherry Picker				yes		Intangible Assets						945	–	–	–
11156473020FPH96ZZWM	Construction of stormwater system				yes		Intangible Assets						–	–	500	500
12056420420F4J28ZZWM	Water Tanker - new				yes		Renewal						–	–	1,000	–
12056444420F5H20ZZWM	Cathodic protection of steel pipes				yes		Renewal						–	–	500	500
13056420420F4J06ZZWM	Land Cruisers				yes		Transport Assets						–	–	–	1,000
13056430020FPH81ZZWM	Replacement of conventional meters with pre-paid meters				yes		Renewal						–	–	500	500
13056600420F4G65ZZWM	Vehicle with equipment				yes		Transport Assets						1,000	–	–	–
05706473520GBH56ZZ01	Mamello library books (DAC) - New				yes		Community Assets						–	–	500	500
05606473520GBH57ZZ11	Savanna City library books (DAC) - New				yes		Community Assets						–	–	500	500
12056446020FNG26ZZWM	Refurbishment/replacement-supply valves				yes		Renewal						1,000			
17056456020F4G50ZZWM	Backhoe loader (TLB) for illegal dumping				yes		Investment Properties						1,021	–	–	–
13056600420F4D77ZZWM	TLB				yes		Transport Assets						1,041	–	–	–
13056433020FPD21ZZWM	Replace redundant switchgear				yes		Renewal						1,077			
07106461020F5D92ZZWM	New CCTV cameras				yes		Upgrading						1,080			
11156420420F4J22ZZWM	LDV - new				yes		Transport Assets						–	–	550	550
11056420420F4J16ZZWM	TLB				yes		Transport Assets						–	1,300	–	–
08056420420F4J17ZZWM	LDV's (replacements)				yes		Renewal						–	400	440	490
17056456020F5H50ZZWM	Skip bins 6 cubic meters				yes		Upgrading						–	450	450	450
05056473520GBH62ZZ14	Meyerton library books (DAC)				yes		Renewal						–	500	500	400
05056460020LBG30ZZ14	Rfid security system-meyerton				yes		Computer Equipment						1,400			
13056151020F5H45ZZWM	Land acquisitions&serv-59 development				yes		Intangible Assets						–	455	1,000	–
10056473520FPD30ZZWM	Replacement of pumps				yes		Renewal						1,475			
12056446020F5R57ZZWM	Water pipe installation - w/l programme				yes		Upgrading						1,490	–	–	–
11056420420F4J24ZZWM	New water tanker				yes		Transport Assets						–	–	–	1,500
11156420420F4J27ZZWM	TLB - new				yes		Transport Assets						–	–	–	1,500
07106600420FPR33ZZ01	Fire engine refurbishment				yes		Transport Assets						1,500	–	–	–
10056449420FQH79ZZWM	Extend sewer network				yes		Renewal						–	500	500	500
12056444420F5H22ZZWM	Reservior refurbishment - w/l programme				yes		Upgrading						–	500	500	500

13056430020F5H23ZZWM	H/mast&street lights:un-serviced areas				yes		Electrical Infrastructure						–	500	500	500
13056430020FPH94ZZ10	Sicelo reticulation network (erf 204)				yes		Electrical Infrastructure						–	500	500	500
07056460020F5H43ZZWM	Equipment for Traffic Law Enforcement				yes		Furniture and Office Equipment						–	1,500	–	–
07056420420F4J04ZZWM	Vehicle replacements				yes		Renewal						–	500	550	600
13056433020FPR54ZZ08	Sicelo reticulation network (erf 78)				yes		Renewal						173	500	500	500
10106449420FPD13ZZWM	Pumpstation refurbishment and upgrade -				yes		Sanitation Infrastructure						1,725			
17056420420F4J18ZZWM	10 Cubic meter Truck				yes		Transport Assets						–	–	1,800	–
08056420420F4J02ZZWM	Tractors (replacements)				yes		Renewal						–	550	600	650
17056450020F5H19ZZ02	Refurbishment of BLackwood tranfer station				yes		Upgrading						–	600	600	600
13056433020FQC93ZZWM	New connections				yes		Electrical Infrastructure						396	500	500	500
13056433020FPR51ZZ02	Risiville sub-ripple injection equip				yes		Renewal						1,918	–	–	–
02156460020F5G67ZZHO	SCM system				yes		Furniture and Office Equipment						2,000	–	–	–
13056430020FPH82ZZWM	Replace Meters for TID compliance				yes		Renewal						–	1,000	1,000	–
13056430020FQH77ZZ02	Cable feeders-cons emfuleni connections				yes		Renewal						–	2,000	–	–
05056151020GBH74ZZ09	RFID security system-meyerton				yes		Computer Equipment						–		1,000	1,000
11056472420FPG23ZZWM	Construction of gravel roads				yes		Upgrading						2,000			
13056600420FQR59ZZ02	Cable feeders-cons emfuleni connections				yes		Renewal						2,000			
08056460020F5C43ZZWM	Parks and Infrastructure development				yes		Machinery and Equipment						–	2,000		
12056446020FNR70ZZ06	Installation:domestic w/meters(lakeside)				yes		Water Supply Infrastructure						2,009	–	–	–
10056600420F4C23ZZWM	Combination high presure jetty machine -				yes		Transport Assets						2,028	–	–	–
16056456420FQR12ZZ11	Development of parks				yes		Community Assets						2,070	–	–	–
13056433020FQC38ZZWM	Electricity metering				yes		Renewal						604	500	500	500
10056449420FPC41ZZ01	Extension to daleside sewer (pumpstation				yes		Renewal						2,211	–	–	–
10056420420F4J01ZZWM	Double cab truck (replacement)				yes		Renewal						–	700	770	850
17056420420F4J15ZZWM	Skip bin loader with trailer				yes		Transport Assets						–	2,400	–	–
17056600420F4G45ZZWM	1 x 30 m3 tipper trucks-transfer station				yes		Transport Assets						2,479	–	–	–
12056446020FNR47ZZWM	Pressure management infrastructure				yes		Upgrading						2,495			
07106420420F4J14ZZ01	Rescue Vehicle Vaalmarina				yes		Transport Assets						–	–	2,500	–
12056444420FPH88ZZWM	Replacement-prepaid&conventional water m				yes		Renewal						–	1,000	1,000	500
14056456020F4J05ZZ11	Landfill Compactor new				yes		Machinery and Equipment						–	–	–	2,600
17056420420F4J07ZZWM	Compactor (Refuse Truck)				yes		Machinery and Equipment						–	–	–	2,800
10056449420FGR46ZZ01	Mamello sewage scheme augmentation				yes		Upgrading						1,938	966	–	–
05406473520FGJ40ZZ10	Park fencing&jungle gym (ECD - sicelo)				yes		Investment Properties						–	–	500	2,500
13056474020FPH97ZZWM	Ablution facilities for workshop				yes		Other Assets						–	–	1,500	1,500
10056449420F5H24ZZWM	New sewerage connections				yes		Upgrading						–	1,000	1,000	1,000
10056449420FPH85ZZWM	Replacement of pumps				yes		Renewal						–	1,000	1,000	1,000
10106449420FPH93ZZWM	Pumpstation refurbishment and upgrade -				yes		Sanitation Infrastructure						–	1,000	1,000	1,000
13056430020FPH84ZZWM	Replace redundant switchgear				yes		Renewal						–	1,000	1,000	1,000
01106400320F5G99ZZWM	Strategic Land Purchases				yes		Intangible Assets						–	3,000	–	–
08156473520FGC68ZZ06	Lakeside sport centre (MIG)				yes		Renewal						3,200			
12056446020F5D89ZZWM	Water meter replacement programme				yes		Renewal						1,150	700	700	700
12056444420FNJ47ZZWM	Pressure management infrastructure				yes		Upgrading						–	1,500	1,000	1,000
01356470020F5H27ZZHO	Networks & computer related hardware				yes		Intangible Assets						–	1,350	1,350	1,400
12056444420FNJ45ZZWM	Refurbishment/replacement-supply valves				yes		Renewal						–	1,500	1,500	1,500
11056472420FPH90ZZWM	Construction of gravel roads				yes		Upgrading						–	2,000	1,500	1,500
17056450020FGJ32ZZ09	Galloway Transfer Station (Buy Back centre)				yes		Solid Waste Infrastructure						–	–	1,400	3,962
10056449420FGJ37ZZWM	Extension to daleside sewer Phase 2				yes		Upgrading						–	–	–	5,500
05256474020GBH67ZZ10	Ext Sicelo Library building - Upgrading				yes		Upgrading						–	500	5,000	100
10056449420FGJ38ZZ15	Extension to henley on klip sewer				yes		Upgrading						–	2,000	2,600	1,000
13056430020FGJ31ZZ11	Highmast lights - Savanna City				yes		Electrical Infrastructure						–	–	–	6,000
14056450020F5G97ZZ15	Rehabilitation of Henley (closing june 2021)				yes		Renewal						–	–	3,000	3,000
11056472420FPH95ZZWM	Gravel to tar (External loans) NEW				yes		Roads Infrastructure						–	3,000	1,500	1,500
13056430020FTJ29ZZWM	Savanna City electrification network				yes		Renewal						6,453			
12056446020FNR25ZZWM	Bulk water meters				yes		Upgrading						1,997	1,500	1,500	1,500
11056472420FGD94ZZWM	Gravel to Tar(MIG)NEW				yes		Roads Infrastructure						–	4,887	–	2,067
03056474020NDJ43ZZWM	Economic Infrastructure / Urban Regeneration				yes		Transport Assets						–	–	3,500	3,500
12056446020FNC08ZZWM	Aged bulk water pipe replacement				yes		Renewal						7,237			
14056450020F5G98ZZ05	Rehabilitation of Walker (closing june 2022)				yes		Renewal						–	–	4,000	4,000
13056433020FTR41ZZ08	Sicelo electrification network				yes		Electrical Infrastructure						8,000			
08156473520FGJ42ZZ06	Lakeside sport centre (MIG)				yes		Renewal						–	2,600	2,900	3,000
12056444420FPH87ZZWM	Pre-paid water meter project				yes		Renewal						–	4,500	2,000	2,000
11056472420FPG21ZZWM	Rebuilding of roads				yes		Upgrading						4,000	2,000	1,500	1,500
12056448020FGD58ZZWM	Sicelo/highbury (valley settlements) res				yes		Renewal						9,000			
08156473520FGJ41ZZ01	Bantu Bonke sport centre (MIG)				yes		Community Assets						–	10,000	–	–
12056444420FPH89ZZ02	Rissiville water network (new)				yes		Water Supply Infrastructure						–	–	4,500	7,500
11056472420FPG22ZZWM	Road resurfacing				yes		Upgrading						8,000	2,000	1,500	1,500
10056449420FGR34ZZ08	Sicello north outfall sewer				yes		Upgrading						4,400	5,800	3,500	–
14056450020FPH86ZZWM	Landfill Cell Development (Expansion)				yes		Renewal						–	2,000	5,000	10,000
12056446420FQR75ZZWM	Upgrade rothdene pump station				yes		Water Supply Infrastructure						18,948	–	–	–
11056472420FGC53ZZWM	Gravel to tar (MIG) - separate line for				yes		Upgrading						10,226	–	9,837	4,000
12056444420FNJ44ZZWM	Aged bulk water pipe replacement				yes		Renewal						–	9,000	10,325	12,500
13056430020FTJ29ZZ11	Savanna City electrification network				yes		Renewal						–	5,000	5,000	22,008
12056444420FGJ33ZZWM	Sicelo/highbury (valley settlements) res				yes		Renewal						–	15,020	11,062	6,000
13056430020FTJ30ZZ08	Sicelo electrification network				yes		Electrical Infrastructure						–	20,158	20,600	5,000
Parent Capital expenditure													**–**	**144,761**	**135,184**	**139,099**	**150,845**
Entities:																	
List all capital projects grouped by Entity																	
Entity A																	

Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure													–	–	–	–	–
Total Capital expenditure													–	**144,761**	**135,184**	**139,099**	**150,845**

Choose name from list - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand												Previous target year to complete	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude		Original Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality:																	
List all capital projects grouped by Function																	
Entities:																	
List all capital projects grouped by Entity																	
Entity Name																	
Project name																	

Choose name from list - Supporting Table SA38 Consolidated detailed operational projects

R thousand Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Prior year outcomes		2019/20 Medium Term Revenue & Expenditure Framework		
												Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality: *List all operational projects grouped by Function*																
Parent Operational expenditure												–	–	–	–	–
Entities: *List all Operational projects grouped by Entity*																
Entity A Water project A																
Entity B Electricity project B																
Entity Operational expenditure												–	–	–	–	–
Total Operational expenditure												–	–	–	–	–

ANNEXURE B TABLED CAPITAL BUDGET SUMMARY cover

TABLED CAPITAL BUDGET: 2018/2019 - 2020/2021: SUMMARY

	2019/2020	2020/2021	2021/2022
Capital expenditure per Department			
Council	400,000	-	500,000
Municipal Manager	-	-	-
Corporate Services	4,412,000	1,580,000	1,630,000
Development and Planning	260,000	3,510,000	3,520,000
Finance	30,000	32,000	35,000
Community Services	31,097,524	24,043,000	23,825,000
Engineering	93,534,307	104,933,828	99,326,696
Savanna City	5,450,000	5,000,000	22,008,000
Total Expenditure	**135,183,831**	**139,098,828**	**150,844,696**
Capital expenditure per SOF			
Accumulated Surplus	5,000,000	7,000,000	7,000,000
CRR	9,678,000	9,195,000	9,418,000
DAC Grant	6,874,524	9,620,000	4,420,000
Developer Contributions	3,950,000	1,500,000	1,500,000
External Loans	21,500,000	26,000,000	32,500,000
HP	8,250,000	10,560,000	14,970,000
INEP	25,158,000	25,600,000	27,008,000
MIG	41,273,307	31,798,828	34,028,696
Water Service Infrastructure Grant	13,500,000	14,325,000	16,500,000
Neigbourhood Development Partnership Grant (NDPG)	-	3,500,000	3,500,000
Public Donations (UMG)	-	-	-
Total Expenditure	**135,183,831**	**139,098,828**	**150,844,696**
	-	-	-

ANNEXURE C – TABLED CAPITAL BUDGET PROJECT LIST

DEPARTMENT	SECTION	SOURCE OF FUNDING	PROJECT DESCRIPTION	Budget F01 2019-2020	Budget F02 2020-2021	Budget F03 2021-2022	MTREF
Community Services	Cemeteries	CRR	Extention of Kookrus Cemetry Fencing	500,000.00	0	0	500,000
Community Services	Fire	CRR	Replacement of chairs	0	15,000	0	15,000
Community Services	Fire	CRR	Swift Water Rescue Equipment (training centre)	0	0	100,000	100,000
Community Services	Fire	CRR	Fire and rescue Equipment - New Vaalmarina	100,000.00	0	0	100,000
Community Services	Fire	CRR	Radios and repeater	50,000.00	50,000	50,000	150,000
Community Services	Fire	CRR	Small gear Meyerton Fire Station	0	100,000	100,000	200,000
Community Services	Fire	CRR	Replacement of cctv cameras	75,000.00	75,000	75,000	225,000
Community Services	Fire	CRR	Vaal Marina Fire Station Paving	300,000.00	0	0	300,000
Community Services	Fire	HP	New LDV for training purpose	0	0	400,000	400,000
Community Services	Fire	CRR	Portable Pump	0	0	500,000	500,000
Community Services	Fire	CRR	New CCTV cameras	240,000.00	240,000	240,000	720,000
Community Services	Fire	HP	Rescue Vehicle Vaalmarina	0	2,500,000	0	2,500,000
Community Services	Library Bantu Bonke	DAC Grant	Library furniture & equipment-Bantu B	374,524.00			374,524
Community Services	Library Bantu Bonke	DAC Grant	Bantu bonke library books (DAC)	300,000.00	300,000	300,000	900,000
Community Services	Library Bantu Bonke	DAC Grant	Ext Bantu Bonke Lib building - Upgrading	500,000.00	200,000	200,000	900,000
Community Services	Library Henley On Klip	DAC Grant	Air cons - HOK - New		100,000	0	100,000
Community Services	Library Henley On Klip	DAC Grant	Library furniture & equipment-HOK	200,000.00			200,000
Community Services	Library Henley On Klip	DAC Grant	Ext HOK Lib building - Upgrading	400,000.00			400,000
Community Services	Library Henley On Klip	DAC Grant	HOK library books (DAC)	200,000.00	200,000	200,000	600,000
Community Services	Library Lakeside	DAC Grant	Library furniture & equipment-Lakeside	200,000.00			200,000
Community Services	Library Lakeside	DAC Grant	Ext Lakeside Lib building - Upgrading	400,000.00			400,000
Community Services	Library Lakeside	DAC Grant	Lakeside library books (DAC)	300,000.00	300,000	300,000	900,000
Community Services	Library Mamello	DAC Grant	Mamello library books (DAC) - New	-	500,000	500,000	1,000,000
Community Services	Library Meyerton	DAC Grant	Meyerton library furniture		10,000	10,000	20,000
Community Services	Library Meyerton	DAC Grant	Library furniture & equipment-Meyerton	200,000.00			200,000
Community Services	Library Meyerton	DAC Grant	Ext Meyerton Lib building - Upgrading	400,000.00			400,000
Community Services	Library Meyerton	DAC Grant	ITC hardware (Computors) - New		300,000	200,000	500,000
Community Services	Library Meyerton	DAC Grant	Meyerton library books (DAC)	500,000.00	500,000	400,000	1,400,000
Community Services	Library Meyerton	DAC Grant	RFID security system-meyerton		1,000,000	1,000,000	2,000,000
Community Services	Library Randvaal	DAC Grant	Library furniture & equipment-Randvaal	200,000.00			200,000
Community Services	Library Randvaal	DAC Grant	Ext Randvaal Lib building - Upgrading	400,000.00			400,000
Community Services	Library Randvaal	DAC Grant	Randvaal library books (DAC)	200,000.00	200,000	200,000	600,000
Community Services	Library Savanna City	DAC Grant	Savanna City library books (DAC) - New	-	500,000	500,000	1,000,000
Community Services	Library Sicelo	DAC Grant	Library furniture - Sicelo - New		10,000	10,000	20,000
Community Services	Library Sicelo	DAC Grant	Library furniture & equipment-Sicelo	200,000.00			200,000
Community Services	Library Sicelo	DAC Grant	ITC hardware (Computors) - Sicelo	300,000.00			300,000
Community Services	Library Sicelo	DAC Grant	Sicelo library books (DAC)	300,000.00	300,000	300,000	900,000
Community Services	Library Sicelo	DAC Grant	Ext Sicelo Library building - Upgrading	500,000.00	5,000,000	100,000	5,600,000
Community Services	Library Walkerville	DAC Grant	Library furniture & equipment-De Deur	200,000.00			200,000
Community Services	Library Walkerville	DAC Grant	Ext De Deur Lib building - Upgrading	400,000.00			400,000
Community Services	Library Walkerville	DAC Grant	De deur library books (DAC)	200,000.00	200,000	200,000	600,000
Community Services	Parks	CRR	Air cons	10,000.00	10,000	0	20,000
Community Services	Parks	CRR	Chain sharpener	30,000.00	0	0	30,000
Community Services	Parks	CRR	Chainsaws	30,000.00	0	0	30,000
Community Services	Parks	CRR	Canopies for LDV	40,000.00	0	0	40,000
Community Services	Parks	CRR	Telescopic pole pruners	25,000.00	25,000	25,000	75,000
Community Services	Parks	CRR	Kudus	0	100,000	100,000	200,000
Community Services	Parks	HP	Double Cab Tipper Truck (replacement)	700,000.00	0	0	700,000
Community Services	Parks	CRR	Brush cutters	65,000.00	70,000	700,000	835,000
Community Services	Parks	HP	LDV's (replacements)	400,000.00	440,000	490,000	1,330,000
Community Services	Parks	HP	Tractors (replacements)	550,000.00	600,000	650,000	1,800,000
Community Services	Parks	CRR	Parks and Infrastructure development	2,000,000.00			2,000,000
Community Services	Social Services Admin	CRR	Furniture & equipment	20,000.00	20,000	20,000	60,000
Community Services	Social Services Admin	CRR	Carports	150,000.00	0	0	150,000
Community Services	Social Services Admin	CRR	Refurbishment of De Deur Offices	80,000.00	80,000	0	160,000
Community Services	Social Services Admin	HP	Avanza	0	350,000	0	350,000
Community Services	Social Services Admin	HP	16 Seater Combi	0	0	400,000	400,000
Community Services	Social Services Admin	HP	Small motor vehicle	0	200,000	200,000	400,000
Community Services	Social Services Admin	MIG	Park fencing&jungle gym (ECD - sicelo)	0	500,000	2,500,000	3,000,000
Community Services	Social Services Admin	CRR	Ride on lawnmowers with trailers	250,000.00	260,000	0	510,000
Community Services	Social Services Admin	MIG	Lakeside sport centre (MIG)	2,600,000.00	2,900,000	3,000,000	8,500,000
Community Services	Social Services Admin	MIG	Bantu Bonke sport centre (MIG)	10,000,000.00	0	0	10,000,000
Community Services	Traffic	CRR	2 x Aircons (new)	14,000.00	14,000	0	28,000
Community Services	Traffic	CRR	2 x Aircons - replacement (E Lensley and A Mhpai)	14,000.00	14,000	0	28,000
Community Services	Traffic	CRR	Portable Water Pumps	0	0	483,000	483,000
Community Services	Traffic	CRR	Equipment for Traffic Law Enforcement	1,500,000	0	0	1,500,000
Community Services	Traffic	HP	Vehicle replacements	500,000.00	550,000	600,000	1,650,000
Community Services	Waste Management	CRR	Furniture for transfer station	60,000.00	0	0	60,000
Community Services	Waste Management	CRR	Street litter bins - New	0	120,000	120,000	240,000
Community Services	Waste Management	CRR	Street litter bins	120,000.00	140,000	140,000	400,000
Community Services	Waste Management	HP	Bobcat (waste transfer station)	0	500,000	0	500,000
Community Services	Waste Management	CRR	Skip bins 6 cubic meters - New	0	300,000	300,000	600,000
Community Services	Waste Management	HP	LDV	350,000.00	0	400,000	750,000
Community Services	Waste Management	CRR	Skip bins 6 cubic meters	450,000.00	450,000	450,000	1,350,000
Community Services	Waste Management	HP	10 Cubic meter Truck	0	1,800,000	0	1,800,000
Community Services	Waste Management	CRR	Refurbishment of BLackwood tranfer station	600,000.00	600,000	600,000	1,800,000
Community Services	Waste Management	HP	Skip bin loader with trailer	2,400,000.00	0	0	2,400,000
Community Services	Waste Management	HP	Compactor (Refuse Truck)	0	0	2,800,000	2,800,000
Community Services	Waste Management	MIG	Galloway Transfer Station (Buy Back centre)	0	1,400,000	3,962,000	5,362,000
Corporate Services	Corporate Services	CRR	Office furniture	30,000.00	30,000	30,000	90,000
Corporate Services	Corporate Services	HP	Vehicle replacements	0	200,000	200,000	400,000
Corporate Services	Corporate Services	Accumulated Surplus	Strategic Land Purchases	3,000,000.00	0	0	3,000,000
Corporate Services	IT Services	CRR	Air Cons	32,000.00	0	0	32,000
Corporate Services	IT Services	CRR	Networks & computer related hardware	1,350,000.00	1,350,000	1,400,000	4,100,000
Council	Council	HP	New vehicle for Speaker	400,000.00	0	0	400,000
Council	Office Of The Mayor	HP	New vehicle for Mayoral Bodyguards	0	0	500,000	500,000
Development and Planning	Development and Planning	CRR	Furniture and equipment new	10,000.00	10,000	20,000	40,000
Development and Planning	Development and Planning	HP	New Vehicle - LDV - Law Enforcement	250,000.00	0	0	250,000
Development and Planning	Development and Planning	urhood Development Partnership Grant (	Economic Infrastructure / Urban Regeneration	0	3,500,000	3,500,000	7,000,000
Engineering	Electricity Network	HP	Half ton LDV (metering)	200,000.00	0	0	200,000
Engineering	Electricity Network	CRR	Replacement of test equipment	100,000.00	100,000	100,000	300,000
Engineering	Electricity Network	HP	2 x 1 ton LDV	500,000.00	0	0	500,000
Engineering	Electricity Network	HP	Land Cruisers	0	0	1,000,000	1,000,000
Engineering	Electricity Network	External Loans	Replacement of conventional meters with pre-paid me	0	500,000	500,000	1,000,000
Engineering	Electricity Network	CRR	Land acquisitions&serv-59 development	455,000.00	1,000,000	0	1,455,000
Engineering	Electricity Network	CRR	H/mast&street lights:un-serviced areas	500,000.00	500,000	500,000	1,500,000
Engineering	Electricity Network	External Loans	Sicelo reticulation network (erf 204)	500,000.00	500,000	500,000	1,500,000
Engineering	Electricity Network	External Loans	Sicelo reticulation network (erf 78)	500,000.00	500,000	500,000	1,500,000
Engineering	Electricity Network	Developer Contributions	Electricity metering	500,000.00	500,000	500,000	1,500,000
Engineering	Electricity Network	Developer Contributions	New connections	500,000.00	500,000	500,000	1,500,000
Engineering	Electricity Network	External Loans	Replace Meters for TID compliance	1,000,000.00	1,000,000	0	2,000,000
Engineering	Electricity Network	Developer Contributions	Cable feeders-cons emfuleni connections	2,000,000.00	0	0	2,000,000
Engineering	Electricity Network	External Loans	Ablution facilities for workshop	0	1,500,000	1,500,000	3,000,000
Engineering	Electricity Network	External Loans	Replace redundant switchgear	1,000,000.00	1,000,000	1,000,000	3,000,000
Engineering	Electricity Network	MIG	Highmast lights - Savanna City	0	0	6,000,000	6,000,000
Engineering	Electricity Network	INEP	Sicelo electrification network	20,158,000.00	20,600,000	5,000,000	45,758,000
Engineering	Engineering Admin	CRR	Furniture & equipment	10,000.00	10,000	10,000	30,000
Engineering	Engineering Admin	CRR	Building Air Conditioners	50,000.00	0	0	50,000
Engineering	Landfill sites	CRR	Brush cutters - new	20,000.00	20,000	20,000	60,000
Engineering	Landfill sites	HP	LDV's - new	0	300,000	330,000	630,000
Engineering	Landfill sites	HP	Tipper truck - new	0	800,000	0	800,000
Engineering	Landfill sites	HP	Landfill Compactor new	0	0	2,600,000	2,600,000
Engineering	Landfill sites	Accumulated Surplus	Rehabilitation of Henley (closing june 2021)	0	3,000,000	3,000,000	6,000,000
Engineering	Landfill sites	Accumulated Surplus	Rehabilitation of Walker (closing june 2022)	0	4,000,000	4,000,000	8,000,000
Engineering	Landfill sites	External Loans	Landfill Cell Development (Expansion)	2,000,000.00	5,000,000	10,000,000	17,000,000
Engineering	Roads	CRR	Welding Machine	8,000.00	0	0	8,000
Engineering	Roads	CRR	Water Pumps	25,000.00	0	0	25,000
Engineering	Roads	CRR	Plate compactor	30,000.00	0	0	30,000
Engineering	Roads	CRR	Concrete cutter trolley	30,000.00	0	0	30,000
Engineering	Roads	CRR	Jack Hammer	35,000.00	0	0	35,000
Engineering	Roads	CRR	Drilling Machine	40,000.00	0	0	40,000
Engineering	Roads	CRR	Roller compactor	0	160,000	0	160,000
Engineering	Roads	CRR	Milling Machine	0	400,000	400,000	800,000
Engineering	Roads	HP	TLB	1,300,000.00	0	0	1,300,000
Engineering	Roads	HP	New water tanker	0	0	1,500,000	1,500,000

Engineering	Roads	External Loans	Rebuilding of roads	2,000,000.00	1,500,000	1,500,000	5,000,000
Engineering	Roads	External Loans	Road resurfacing	2,000,000.00	1,500,000	1,500,000	5,000,000
Engineering	Roads	External Loans	Construction of gravel roads	2,000,000.00	1,500,000	1,500,000	5,000,000
Engineering	Roads	External Loans	Gravel to tar (External loans) NEW	3,000,000.00	1,500,000	1,500,000	6,000,000
Engineering	Roads	MIG	Gravel to Tar(MIG)NEW	4,887,307.00	0	2,066,696	6,954,003
Engineering	Roads	MIG	Gravel to tar (MIG) - separate line for	0	9,836,828	4,000,000	13,836,828
Engineering	Sanitation Network	MIG	Mamello sewage scheme augmentation	966,000.00	0	0	966,000
Engineering	Sanitation Network	Developer Contributions	Extend sewer network	500,000.00	500,000	500,000	1,500,000
Engineering	Sanitation Network	HP	Double cab truck (replacement)	700,000.00	770,000	850,000	2,320,000
Engineering	Sanitation Network	CRR	New sewerage connections	1,000,000.00	1,000,000	1,000,000	3,000,000
Engineering	Sanitation Network	External Loans	Replacement of pumps	1,000,000.00	1,000,000	1,000,000	3,000,000
Engineering	Sanitation Network	MIG	Extension to daleside sewer Phase 2	0	0	5,500,000	5,500,000
Engineering	Sanitation Network	MIG	Extension to henley on klip sewer	2,000,000.00	2,600,000	1,000,000	5,600,000
Engineering	Sanitation Network	MIG	Sicello north outfall sewer	5,800,000.00	3,500,000	0	9,300,000
Engineering	Stormwater	External Loans	Construction of stormwater system	0	500,000	500,000	1,000,000
Engineering	Stormwater	HP	LDV - new	0	550,000	550,000	1,100,000
Engineering	Stormwater	HP	TLB - new	0	0	1,500,000	1,500,000
Engineering	Waste Water Treatment	CRR	Flow meters	0	200,000	200,000	400,000
Engineering	Waste Water Treatment	External Loans	Pumpstation refurbishment and upgrade -	1,000,000.00	1,000,000	1,000,000	3,000,000
Engineering	Water Network	HP	Water Tanker - new	0	1,000,000	0	1,000,000
Engineering	Water Network	CRR	Cathodic protection of steel pipes	0	500,000	500,000	1,000,000
Engineering	Water Network	CRR	Reservior refurbishment - w/l programme	500,000.00	500,000	500,000	1,500,000
Engineering	Water Network	CRR	Water meter replacement programme	700,000.00	700,000	700,000	2,100,000
Engineering	Water Network	External Loans	Replacement-prepaid&conventional water m	1,000,000.00	1,000,000	500,000	2,500,000
Engineering	Water Network	Water Service Infrastructure Grant	Pressure management infrastructure	1,500,000.00	1,000,000	1,000,000	3,500,000
Engineering	Water Network	Water Service Infrastructure Grant	Refurbishment/replacement-supply valves	1,500,000.00	1,500,000	1,500,000	4,500,000
Engineering	Water Network	Water Service Infrastructure Grant	Bulk water meters	1,500,000.00	1,500,000	1,500,000	4,500,000
Engineering	Water Network	External Loans	Pre-paid water meter project	4,500,000.00	2,000,000	2,000,000	8,500,000
Engineering	Water Network	External Loans	Rissiville water network (new)	0	4,500,000	7,500,000	12,000,000
Engineering	Water Network	Water Service Infrastructure Grant	Aged bulk water pipe replacement	9,000,000.00	10,325,000	12,500,000	31,825,000
Engineering	Water Network	MIG	Sicelo/highbury (valley settlements) res	15,020,000.00	11,062,000	6,000,000	32,082,000
Finance	Financial Services - Administration	CRR	Furniture and equipment	30,000.00	32,000	35,000	97,000
Savanna City	Savanna City	Developer Contributions	New Land - SAVANNA	450,000.00	0	0	450,000
Savanna City	Savanna City	INEP	Savanna City electrification network	5,000,000.00	5,000,000.00	22,008,000	32,008,000
				135,183,831	**139,098,828**	**150,844,696**	425,127,356

ANNEXURE D TARIFF SCHEDULE 2019/2020 cover

ANNEXURE "D"

TARIFFS

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

INDEX

1. Property Rates Tariffs
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14.1 Cemeteries Tariffs – Meyerton South & Kookrus New
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PROPERTY RATES TARIFFS FOR 2019/2020 FINANCIAL YEAR, EFFECTIVE 1 JULY 2019

No	Tariff Code	Policy Ref	Property Category	Rate Ratio (to residential rate)	Tariff 2019/2020	Impermissible	Reductions	Exemptions	Rebate
CATEGORIES OF PROPERTIES AS PER PROPERTY RATES POLICY									
1	RES001	9.1.8	Residential properties	1:1	0,008239	15,000		135,000	
2	IND001		Industrial properties	1:2	0,016478				
3	BUS001		Business and Commercial properties	1:2	0,016478				
4	AGR001		Agricultural properties	1:0.25	0,002060				
5	MIN001		Mining Properties	1:2	0,016478				
6	POS001		Properties owned by an organ of state and used for public service purposes	1:2	0,016478				
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	0,016478				
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	0,024717				
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

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019							13,07
								%
	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							

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	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
	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, VAO460, WAO441, EELLOW							
	0 to 50 units- c/per unit		98,20	c		111,03	c	13,07%
	51 to 350 units-c/ per unit		123,40	c		139,53	c	13,07%
	351 to 600 units-c/ per unit		187,15	c		211,61	c	13,07%
	Above 600 units-c/ per unit		217,84	c		246,31	c	13,07%
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		197,81	c		223,66	c	13,07%
	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			R			
	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		189,17	c		213,89	c	13,07%
	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			R			
2.1.4	Provincial Hospitals (EEL048) c/ per unit		189,17	c		213,89	c	13,07%
	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			R			
2.1.5	Churches and Church halls (EEL049) per unit		189,17	c		213,89	c	13,07%
	Availability charges for complex per meter per month if the maximum demand is < 100 KVA	R			R			
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)(EEL069) (WAO442) (VA0052)(VA0462)c/ per unit		197,81	c		223,66	c	13,07%
	Availability charges per meter per month	R			R			
	Provided that if the notified or registered maximum demand exceeds 100 kVA, the charge shall be calculated in terms of 3.3							

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
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)		197,81	c		223,66	c	13,07%
	Availability charge per meter per month	R			R			
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),(EEL034) (EEL077)(EEL065)	R	130,92		R	148,03		13,07%
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	128,08		R	144,82		13,07%
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), (WA0443)		144,81			163,74	c	13,07%
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) (EEL075)(EEL054)		145,84	c		164,90	c	13,07%
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	283,08		R	320,08		13,07%
(b)	**Medium Voltage Demand.** When the supply is furnished at a nominal phase to phase of 11 000 volts, per kVA (EEL066)	R	269,62		R	304,86		13,07%

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
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		90,36	c		102,17	c	13,07%
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
4.2.1	**SUMMER PERIOD (SEPTEMBER TO MAY)**							
(a)	Peak hours c per kWh (EEL081)		211,89	c		239,59	c	13,07%
(b)	Standard hours c per kWh (EEL82) .		95,09	c		107,52	c	13,07%
(c)	Off-peak hours c per kWh (EEL083)		74,84	c		84,62	c	13,07%
(d)	Maximum demand charge per kVA (EEL---) (30 minute integrating period)	R	83,70		R	94,63		13,07%
4.2.3	**WINTER PERIOD (JUNE TO AUGUST)**							
(a)	Peak hours c per kWh (EEL085)		316,97	c		358,40	c	13,07%
(b)	Standard hours c per kWh (EEL086) .		132,36	c		149,66	c	13,07%
(c)	Off-peak hours c per kWh (EEL087) .		80,13	c		90,60	c	13,07%
(d)	Maximum demand charge R per kVA (EEL088) (30 minute integration period)	R	83,70		R	94,63		13,07%
4.2.4	Reactive energy charge R per kVArh (EEL089)		39,72	c		44,91	c	13,07%
	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 (EEL091)		233,24	c		263,72	c	13,07%
(b)	Standard hours c per kWh (EEL092)		117,38	c		132,72	c	13,07%
(c)	Off-peak hours c per kWh (EEL093)		73,94	c		83,60	c	13,07%
4.3.2	**WINTER PERIOD (JUNE TO AUGUST)**							
(a)	Peak hours per kWh (EEL094)		473,11	c		534,94	c	13,07%
(b)	Standard hours per kWh (EEL095)		158,64	c		179,38	c	13,07%
(c)	Off-peak hours per kWh (EEL096)		84,95	c		96,06	c	13,07%
4.3.3	Reactive energy charge per kVArh (EEL097) 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.		26,98	c		30,51	c	13,07%
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:							

ITEM	DESCRIPTION				2018/2019			2019/2020		PERCENTAGE
	Electricity				[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	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									
	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	521,49		R	589,65		13,07%
5,2	Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading per kWh (EEL055)				328,60	c		371,55	c	13,07%
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)(EEL058)									
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)				212,70	c		240,50	c	13,07%

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	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		212,70	c		240,50	c	13,07%
7.2.2	For all electricity consumed between 22:00 and 06:00 during weekdays, over weekends and during Megaflex public holidays, per kWh		104,08	c		117,68	c	13,07%
8	**BULK SUPPLIES**							
	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	130,92		R	148,03		13,07%
(b)	**Medium Voltage Demand.** When the supply is furnished at a nominal phase to phase voltage of 11 000 volts, R per kVA (EEL072)	R	128,08		R	144,82		13,07%
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)		144,81			163,74	c	13,07%
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)		145,84	c		164,90	c	13,07%
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	25,48		R	28,81		13,07%

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	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.							
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)		140,43	c		158,78	c	13,07%
Part II	**PART II : GENERAL CHARGES**							
1.	**TESTING AND INSPECTION**							6,00
								%
	Meters will be tested upon requests by the consumers after payment of the following fees per meter							
1.1	Single phase meter	R	573,05		R	607,43		6,00%
1.2	Three phase meter	R	573,05		R	607,43		6,00%
1.2.1	Electro mechanical	R	906,00		R	960,36		6,00%
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	520,95		R	552,21		6,00%
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	537,94		R	570,22		6,00%
4,2	Business and industrial	R	716,88		R	759,89		6,00%
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.							

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
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	6472,09		R	6,860,42		6,00%
5,4	New or upgrading to a three phase 60 A connection	R	13913,02		R	14,747,80		6,00%
	Three phase pre-paid meter/Conventional (business only)	R	2007,53		R	2,127,99		6,00%
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	3553,05		R	3,766,23		6,00%
5.6.2	New or upgrading to a three phase 60 A connection	R	7877,45		R	8,350,10		6,00%
	Three phase pre-paid meter/Conventional (business only)	R	2007,53		R	2,127,99		6,00%
5,7	Change over to Prepaid electrical meter	R	2007,53		R	2,127,99		6,00%
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	2007,53		R	2,127,99		6,00%
5.7.3	Single phase pre-paid meter including labour and transport	R	1088,85		R	1,154,18		6,00%
5,8	Registration and sealing of meters if consumer obtain meter from contractor	R	399,61		R	423,58		6,00%
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.							

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
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	3120,71		R	3307,95		6,00%
	The above also apply after completion of a project and the consumer within the development request an increase in capacity.							
	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.							

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	Electricity	[R] VAT EXCL	[R] VAT EXCL	INCREASE %
	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			
(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			

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	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)							
(i)	**Low-voltage connections**							
(a)	For connections made at a metering cubicle/distribution kiosk, per kVA	R	3091,26		R	3,276,73		6,00%
(b)	For connections made to the low-voltage distribution network, per kVa	R	2870,08		R	3,042,28		6,00%
(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	2506,71		R	2,657,11		6,00%
(ii)	**Medium-voltage connections**							
	For connections made at the 11kV distribution network:							
(a)	Taken from the 11 kV distribution network, per kVA	R	2246,03		R	2,380,80		6,00%
(b)	Taken directly from the 11 kV switchgear of a satellite- or 88kV substation, per kVA	R	1969,56		R	2,087,73		6,00%
(c)	Taken directly from the 11 kV switchgear of a 88kV substation where the developer provides the substation, per kVA	R	1790,51		R	1,897,94		6,00%
	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.							

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
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	1611,46		R	1,708,14		6,00%
	and a further amount per hour or part thereoff or each additional hour that the Council's employee spends in testing the equipment	R	805,73		R	854,07		6,00%
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.**							
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	2,506,71		R	2,657,11		6,00%
			-			-		
9,6	Consumers of flats (excluding users with pre-paid meters) an initial deposit,	R	1,611,46		R	1,708,14		6,00%
	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.							

ITEM	DESCRIPTION		2018/2019			2019/2020		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %

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 tariffs, no rounding off will take place. On the Residential sliding scale tariffs, no rounding off is applicable.

S MOSIDI
ACTING EXECUTIVE DIRECTOR ENGINEERING

MIDVAAL LOCAL MUNICIPALITY					
ITEM	TARIFF CODE	DESCRIPTION WATER	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	Percentage Increase
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			7,90%
		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: Conventional and Prepaid			
	WAIND	0-6 Indigent households	-	-	0,00%
		7-12 Indigent households	26,43	28,52	7,90%
	RV0331, DD0331, EWA001, WA0331, RV0380, SAVWA; SICELO; WAIND;	0-2 Non indigent households	-	-	0,00%
		3-12 Non indigent households	26,43	28,52	7,90%
		13 - 20kl	29,13	31,43	7,90%
		21 - 30kl	32,92	35,52	7,90%
		31 - 45kl	34,94	37,70	7,90%
		45+kl	36,29	39,16	7,90%
(b)	VA0450	Vaal Marina Holiday Township			
		0 - 30 kl	21,16	22,83	7,90%
		31 kl +	28,72	30,99	7,90%
(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			

ITEM	TARIFF CODE	DESCRIPTION	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	Percentage Increase
		WATER			
(a)	EWA012	Residential Areas	24,66	26,61	7,90%
(b)	RV0012	Vaal Marina Holiday Town	19,55	21,09	7,90%
	VA0451				
	VA0452				
(3.3)	EWA007	Charitable institutions, NGO's, PBO's, NPO's, churches, church halls,			
	RVO007	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	24,66	26,61	7,90%
(3.4)	EWA003	The water supplied to any Manufacturing, Industrial or			
	VAO002	Business which interalia includes the following:			
	WAO002	Shops, offices, banks, garages, tearooms, butcheries,			
	DDO002	bakeries, laundries, restaurants, hotels, private hostels,			
	EIK002	boarding houses, lodging-houses, industrial compounds,			
	EWA002	married and single quarters (if supplied through one meter),			
	RVO002	race courses, sport grounds or halls used for profit, theatres,			
	EWA008	workshops and temporary supplies per kl or part thereof.	32,92	35,52	7,90%
	EWA013				
(3.5)	RVO006	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	32,92	35,52	7,90%
(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	9,75	10,52	7,90%
(3.10)		Water Leak Adjustment Tariff applicable to residential tariffs	14,66	15,82	7,90%
(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.	21,90	23,63	7,90%
		(The tariff is based on Business/Industrial Tariff Less 25%)			
(3.12)	EWA015	Sport Clubs leasing land from Council	15,54	16,76	7,90%
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	2,979	3,214	7,90%
		25 mm	4,245	4,580	7,90%
		50 mm	14,112	15,226	7,90%
		80 mm	20,106	21,695	7,90%
		100 mm	26,213	28,283	7,90%
(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	7,447	8,035	7,90%
5.		**CHARGES IN CONNECTION WITH METERS**			
(5.1)		For a special or unnecessary duplication reading of a meter	231	249	7,90%
(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	1,489	1,607	7,90%
(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	1,117	1,205	7,90%
		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	195	210	7,90%

ITEM	TARIFF CODE	DESCRIPTION WATER	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	Percentage Increase
(5.7)		Refundable deposit per portable meter	6,337	6,837	7,90%
(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.	690	744	7,90%
6.		**DEPOSITS**			6,00%
		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.	1,267	1,343	6,00%
(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.	4,827	5,116	6,00%
(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.	1,267	1,343	6,00%
(6.4) a.		Beneficiaries of Provincial funded RDP housing is exempted from			
		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.	521	553	6,00%
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)			
		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%

ITEM	TARIFF CODE	DESCRIPTION WATER	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	Percentage Increase
		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)			
		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%

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.

D MKHONTO
EXECUTIVE DIRECTOR: ENGINEERING SERVICES

11/03/2019.

MIDVAAL

2019/02/22

Capital Contribution Unit Rates (all excl. VAT)

(As proposed 2019/20)

			Streets		Stormwater		Water		Sewer	
			Unit	Rate	Unit	Rate	Unit	Rate	Unit	Rate
Vacant / Open Space	01	POS / Agricultural / Road Reserves	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Residential	10a	Res 1 (>= 4 001m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10b	Res 1 (4 000 - 2 001m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10c	Res 1 (2 000 - 1 751m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10d	Res 1 (1 750 - 1 501m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10e	Res 1 (1 500 - 1 001m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10f	Res 1 (1 000 - 751m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10g	Res 1 (750 - 551m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10h	Res 1 (550 - 450m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10i	Res 1 Give Away/RDP (<450m²)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	10j	Res 1 (2nd dwelling / granny flat)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	11	Res 2 Duplexes & Simplexes	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	12	Res 3 Flats	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	13	Retirement Village	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	14	Holiday home	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	15	Mobile home or park	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Accommodation	21	Hostel	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	22	Guest house	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	23	Boarding house	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	24	Economy hotel	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	25	Hotel or Lodge	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	26	Motel	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Community Facilities	31	Public Library	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Educational	41	Créche or Nursery School	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	42	Preparatory School	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	43	Primary school	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	44	Secondary school	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	45	Day-care / After-school centre	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	46	Private school	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	47	Technical College	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	48	University	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Places of Public Worship	51	Church	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	52	Synagogue	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Places of Refreshment	61	Restaurants	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	62	Drive-in Restaurant	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	63	Take-away / Fast Food	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Recreation & Entertainment	71	Cinema	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Sport	81	Fitness centre / Gym	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	82	Golf course	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	83	Sport stadiums	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	84	Tennis Courts	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Medical	91	Private hospital	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	92	Public hospital	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	93	Nursing home	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	94	Medical Centre	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	95	CBD medical office	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	96	Suburban medical office	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	97	Dentist	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Offices	101	CBD offices	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	102	Sub-urban offices	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	103	Research & Development Centres	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Businesses	111	Conference Centres	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	112	Financial (Banks etc)	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	113	Building materials	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	114	Bakery / Dairy	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	115	Hardware/Paint Shop	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	116	Nursery	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Shopping Centres	121a	Local < 1 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	121b	Local < 2 500m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	122a	Neighbourhood < 5 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	122b	Neighbourhood < 10 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	122c	Neighbourhood < 15 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	123a	Community < 20 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	123b	Community < 30 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	124a	Regional < 50 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	124b	Regional < 75 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	124c	Regional < 100 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Motor related	131	Filling Station	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	132	Garage	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	133	New & Used car sales	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	134	Vehicle spares / tyres	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Commercial	141	Warehousing	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	142	Wholesale	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
Industrial	151	Light Industries	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	152	Factory	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	153	Transport undertaking	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	154	Industrial Park	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	155	Small industries < 10 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00
	156	Medium industries < 35 000m²	trip	2 756.00	100m² area	954.00	kl	2 650.00	kl	7 526.00

13/03/2019

MIDVAAL LOCAL MUNICIPALITY

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	% Increase
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
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			
		such sewer pay to the Council the following charges per month.			

11/3/2019

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	% Increase
(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	108,90	116,52	7,00%
(a)	RV0440	Approved Indigents			0,00%
	RV0440	Developed residential land - all areas			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			
(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	347,47	371,79	7,00%
(d)	EBS111	In respect of every piece of land other than those specified	108,90	116,52	7,00%
4	RV0440	in (a), (b) or (c) above, per 1000 m² or part thereof	97,78	104,62	7,00%
		Kliprivier Business Park	1,340,42	1,434,25	7,00%
		Provided that no such charges shall exceed this			
	EBS123	amount per month for Meyerton, Risiville	3,309,35	3,541,00	7,00%
		Provided that no such charges shall exceed this amount per			
	RV0441	month for Randvaal, Walkerville, De Deur end Vaal Marina	1,127,44	1,206,36	7,00%
(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	2018/2019 [R] VAT EXCL	2019/2020 [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**	214,50	229,51	7,00%
		Approved Indigents			
3.2		**Residential 2, 3 & 4 erven for each flat/ townhouse**	181,34	194,04	7,00%
		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)	ESE263, RV0205, VA0225	Up to 2000 m², per 100 m² or part thereof:	105,60	112,99	7,00%
(b)	ESE233, RV0205	Over 2000 m², per 2000 m² or part thereof:	1,055,95	1,129,87	7,00%
		Provided that no such charges shall exceed this amount per month for			
(i)	ESE233	Meyerton, Risiville and Duncanville	13,328,23	14,261,21	7,00%
(ii)	RV0205	Randvaal, Walkerville, De Deur and Vaal Marina	3,701,05	3,960,12	7,00%
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	105,60	112,99	7,00%
(b)	ESE243	Over 2000 m², per 2000 m² or part thereof	1,055,95	1,129,87	7,00%
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.	105,60	112,99	7,00%

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2018/2019 [R] VAT EXCL	2019/2020 [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.	159,36	170,52	7,00%
3.7	ESE282	**For each church**	97,78	104,62	7,00%
3.8	ESE292	**Church hall** per hall	97,78	104,62	7,00%
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.	105,60	112,99	7,00%
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.	43,62	46,68	7,00%
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.	91,00	97,37	7,00%
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.	129,37	138,42	7,00%
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.	305,32	326,69	7,00%
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	58,67	62,77	7,00%
(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	28,30	30,28	7,00%
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	105,60	112,99	7,00%

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2018/2019 [R] VAT EXCL	2019/2020 [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.	105,60	112,99	7,00%
		(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 m² or pert thereof of the total area of the building at each floor, including basement	105,60	112,99	7,00%
3.18	ESE393	**Public conveniences.** For every 10 m² or part thereof occupied	105,60	112,99	7,00%
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.	105,60	112,99	7,00%
4.		**VOLUME CHARGE**			
		A user discharging effluent per kl	14,30	15,30	7,00%
5.		**INDUSTRIAL EFFLUENTS**			
5.1		Industrial Effluent Discharge Permit			7,00%
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	2018/2019 [R] VAT EXCL	2019/2020 [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	2018/2019 [R] VAT EXCL	2019/2020 [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			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	% Increase
		Qi = Sewage flow(as defined in the Council's Sanitation Services by-laws)			
		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.			

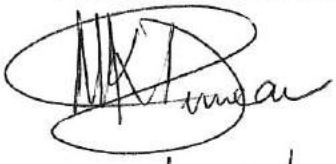
ITEM	TARIFF CODE	DESCRIPTION SANITATION	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	% Increase
		For calculating of the treatment charges according to the above			
		formula the following system values will apply:			
		Qt 7			
		CODt 551			
		Pt 5.8			
		Nt 25.5			
		SSt 259			
		a 0.29			
		b 0.46			
		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	8,29	8,87	7,00%
		201 - 1 000 kl/month	6,51	6,97	7,00%
		1 001 - 2 500 kl/month	3,82	4,09	7,00%
		2 501 - 5 000 kl/month	1,87	2,00	7,00%
		5 001 - 25 000 kl/month	1,68	1,80	7,00%
		25 001 - 50 000 kl/month	1,57	1,68	7,00%
		50 001 or more kl/month	0,84	0,90	7,00%
		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	3,77	4,03	7,00%
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	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	% Increase
		1 ton	22,34	23,90	7,00%
		Above 1 ton and up to 3 tons	41,70	44,62	7,00%
		Above 3 tons and up to 6 tons	86,38	92,43	7,00%
		Above 6 tons	127,34	136,25	7,00%
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**	528,04	565,01	7,00%
		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	557,02	596,01	7,00%
		2nd follow-up inspection subsequent to the notice of rectification intended above	1,654,67	1,770,50	7,00%
		3rd or subsequent follow-up inspection subsequent			
		to the notice of rectification intended above	4,512,74	4,828,64	7,00%
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	557,02	596,01	7,00%
		First follow-up inspection on the site intended above	1,654,67	1,770,50	7,00%
		3rd follow-up inspection on the site intended above	4,512,74	4,828,64	7,00%

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2018/2019 [R] VAT EXCL	2019/2020 [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.	495,96	530,67	7,00%

The abovementioned tariffs exclude VAT

D MKHONTO
EXECUTIVE DIRECTOR ENGINEERING



11/03/2019.

MIDVAAL LOCAL MUNICIPALITY

ITEM	TARIFF CODE	DESCRIPTION	2018/2019 [R] VAT EXCL	2019/2020 [R] VAT EXCL	PERCENTAGE INCREASE %
		CLEANSING AND SOLID WASTE			
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			7,00%
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	184,68	197,61	7,0%
b.	DL5001, SAVARFL	Lakeside Estates / Sicelo/ Bantu Bonke / Savanna Low Cost Housing	92,34	98,81	7,0%
c.	VA0111	Resorts in Vaal Marina and Suikerbosrand (Bulk Resorts)	137,03	146,62	7,0%
1.2	ERF541	From flats and other (res 2, 3 and 4): once per week per residential unit	137,03	146,62	7,0%
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	184,68	197,61	7,0%
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	184,68	197,61	7,0%
1.5	ERF522	Non-Sectional Title properties containing Living Rooms with shared facilities	37,95	40,61	7,0%
1.6		Replacement of lost/damaged and worn out 240lt bin	1,002,93	1073,14	7,0%
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	214,50	229,51	7,00%
b.	ERF514	Two removals per week	411,06	439,84	7,00%
c.	ERF515	Three removals per week	600,20	642,22	7,00%
d.	ERF516	Daily removals	1,130,41	1209,54	7,00%
2.2		In containers with a conserving capacity of not more than 2.5 m³ p/month			

a.	ERF561	One removal per week	1,747,01	1869,30	7,00%
b.		Two removals per week	2,911,61	3115,42	7,00%
c.		Three removals per week	4,624,45	4948,16	7,00%
d.		Daily removals	8,735,07	9346,52	7,00%
2.3		Rental of the above mentioned container with a conservancy capacity of not			
		more than 2.5 m³ per month	461,70	494,01	7,00%
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	147,44	157,76	7,00%
b.	EBINS	Rental per month	548,08	586,45	7,00%
c.	ERF512	Removal by means of compactor, per removal	789,35	844,61	7,00%
d.	ERF513	Removal by means of a skip loader, per removal	1,079,78	1155,36	7,00%
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	2,226,58	2382,44	7,00%
b.		Removal of 18 m³ skip bin, per removal	2,740,41	2932,24	7,00%
c.		Removal of 30 m³ skip bin, per removal	4,453,17	4764,89	7,00%
5.		REMOVAL AND DISPOSAL OF CONDEMNED FOODSTUFFS			
5.1	EBINS	Per removal, per m³ or part thereof	196,60	210,36	7,00%
6.		REMOVAL AND DISPOSAL OF BUILDING RUBBLE			
6.1		Per removal, per m³ or part thereof	163,83	175,30	7,00%
7.		REMOVAL AND DISPOSAL OF GARDEN REFUSE			
7.1		Per removal, per m³ or part thereof	144,47	154,59	7,00%
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	144,47	154,59	7,00%
9.	REHAB	DUMPING AT TRANSFER STATIONS/LANDFILL SITES(NON-WEIGHBRIDGE)			
9.1	BRREHA	(INCLUDES A TARIFF PER TON REHABILITATION LEVY)	17,88	19,13	7,00%
9.2	DISPOSAL	Dumping of household and garden refuse by residents of Midvaal			
9.3	BRDISP	Dumping of waste by Non-residents per 1m3	123,61	132,27	7,00%

9.4		Dumping of waste by Non-residents			
a.		Per skip bin non municipal per bin	1,161,70	1243,02	7,00%
b.		Non-household or garden refuse - 1 ton vehicle with/without trailer	123,61	132,27	7,00%
c.		3 ton vehicle	315,74	337,85	7,00%
d.		Larger than 3 ton vehicle	1,060,43	1134,66	7,00%
e.		Single Axle Tipper	872,77	933,86	7,00%
f.		Double Axle Tipper	1,060,43	1134,66	7,00%
g.		Articulated Tipper Trailer	1,519,68	1626,06	7,00%
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	241,28	258,17	7,00%
c.		Disposal of clean compostable garden refuse by the general public			
		and contractors in excess of 1000 kg	65,52	70,11	7,00%
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	613,62	656,57	7,00%
e.		Clean building rubble up to 1000kg			
f.		Clean soil, usable as cover material up to 5000kg			
g.		Clean building rubble in excess of 1000kg	163,83	175,30	7,00%
h		Clean soil, usable as cover material in excess of 5000kg	327,66	350,59	7,00%
11.		**DISPOSAL OF WASTE BY REGISTERED LANDFILL USERS**			
11.1		**Non-Weighbridge**			
a.		Per skip bin non municipal	946,51	1012,76	7,00%
b.		Non-household or garden refuse - 1 ton vehicle with/without trailer	69,60	74,47	7,00%
c.		3 ton vehicle	175,39	187,66	7,00%
d.		Larger than 3 ton vehicle	615,24	658,30	7,00%
e.		Single Axle Tipper	512,22	548,07	7,00%
f.		Double Axle Tipper	535,89	573,41	7,00%
g.		Articulated Tipper Trailer	779,48	834,04	7,00%
12		**ILLEGAL DUMPING**			
12.1		Cleaning of Illegal Dumping on private vacant stands & Open Spaces (Rate per hour)	1,288,82	1379,03	7,00%

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.			

S M MOSIDI
EXECUTIVE DIRECTOR SOCIAL SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE	2019/2020
	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 2019				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	424,00	449,44	6%	516,90
	1.1 A refundable breakage deposit is payable on all Halls/side halls	503,50	533,71	6%	533,70
	bookings confirm on deposit (NO VAT)				
2	Concerts and films	212,00	224,72	6%	258,40
3	Bazaars, fun-fairs, selling and promotions, per occasion	212,00	224,72	6%	258,40
4	Church services and meetings per occasion:				
	4.1 Church services and non-political meetings	212,00	224,72	6%	258,40
	4.2 Political meeting or gatherings	212,00	224,72	6%	258,40
5	Gatherings/functions in support of a religion, educational and bona fide	25% Disc	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	320,00	339,20	6%	390,10
	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)	503,50	533,71	6%	533,70
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	R371/function	R371/function	R371/function	R371/function
10	Hiring of the moveable stage	Not available	Not available	Not available	Not available
	1. A refundable breakage deposit is payable (NO VAT)				
11	Hiring for bona fide community activities relevant to youth, elderly,	106,00	112,36	6%	129,20
	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	R50.00/table	R50.00/table	0%	57,50
	Square Tables	R38.26/table	R38.26/table	0%	44,00
	Chairs	Free	Free	Free	Free
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	286,20	303,37	6%	303,40
	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

T PETERS
DEPUTY MUNICIPAL MANAGER

11/3/2019

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE	2019/2020
	MEYERTON CITY HALL	[R] VAT EXCL	[R] VAT EXCL	INCREASE	[R] VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	R2,120,00	R2,247,20	6%	R2,584,30
	1.1 A refundable breakage deposit is payable on all Halls/side halls	R503,50	R533,71	6%	R533,70
	bookings confirm on deposit				
2	Concerts and films	R742,00	R786,52	6%	R904,50
3	Bazaars, fun-fairs, selling and promotions, per occasion	R742,00	R786,52	6%	R904,50
4	Church services and meetings per occasion:				
	4.1 Church services and non-political meetings	R742,00	R786,52	6%	R904,50
	4.2 Political meeting or gatherings	R742,00	R786,52	6%	R904,50
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	R1,060,00	R1,060,00	6%	R1,219,00
	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	R503,50	R533,71	6%	R533,70
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	R371,00	R393,26	6%	R452,20
10	Hiring of the moveable stage	R114,50	R121,37	6%	R139,60
	1. A refundable breakage deposit is payable (NO VAT)	R503,50	R533,71	6%	R533,70
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	R50.00/table	R50.00/table	0%	R57,50
	Square Tables	R38.00/table	R38.00/table	0%	R43,70
	Chairs	Free	Free		Free
14	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R286,20	R303,37	6%	R303,40
	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

T PETERS
DEPUTY MUNICIPAL MANAGER

11/3/2019

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE	2019/2020
	ROTHDENE HALL	[R] VAT EXCL	[R] VAT EXCL	INCREASE	[R] VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	742	786,52	6%	904,50
	1.1 A refundable breakage deposit is payable on all Halls/side halls	475	503,5	6%	503,50
	bookings confirm on deposit				
2	Concerts and films	475	503,5	6%	579,00
3	Bazaars, fun-fairs, selling and promotions, per occasion	475	503,5	6%	579,00
4	Church servies and meetings per occasion:		0		
	4.1 Church services and non-political meetings	475	503,5	6%	579,00
	4.2 Political meeting or gatherings	475	503,5	6%	579,00
5	Gatherings/functions in support of a religion, educational and bona fide	25% Disc	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	575	609,5	6%	700,90
	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	Free
8	Hring 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	R371	393,26	6%	452,20
10	Hiring of the moveable stage				
	1. A refundable breakage deposit is payable	Not available	Not available	Not available	Not available
11	Hiring for bonafide community activities relevant to youth, elderly,				
	disabled, gender @ R100 per occasion, maximum 2 hours once	100	106	6%	121,90
	a week. Permission will be denied for future use if facility is left dirty				
	damaged				
12	Hiring of tables and chairs, Round Tables	R50.00/table	R50.00/table	0%	57,50
	Square Tables	R38.00/table	R38.00/table	0%	43,70
	Chairs	Free	Free	Free	Free
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R270	286	6%	286,20
	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

T PETERS
DEPUTY MUNICIPAL MANAGER

11/3/2019

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	Percentage	2019/2020
	VAAL MARINA COMMUNITY HALL	[R] VAT EXCL	VAT EXCL	% Increase	VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	610	646,6	6%	743,60
	1.1 A refundable breakage deposit is payable on all Halls/side halls	475	503,5	6%	503,50
	bookings confirm on deposit				
2	Concerts and films	350	371	6%	426,70
3	Bazaars, fun-fairs, selling and promotions, per occasion	350	371	6%	426,70
4	Church servies and meetings per occasion:				
	4.1 Church services and non-political meetings	350	371	6%	426,70
	4.2 Political meeting or gatherings	350	371	6%	426,70
5	Gatherings/functions in support of a religion, educational and bona fide	25% Disc	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	610	646,6	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	503,5	533,71	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	Not available
9	Levying of fees for the cleaning of the hall and accessories	R371	R393	6%	452,20
10	Hiring of the moveable stage	Not available	Not available	Not available	Not available
	1. A refundable breakage deposit is payable	Not available	Not available	Not available	Not available
11	Hiring for bonafide community activities relevant to youth, elderly,	R108	114,48	6%	131,70
	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	Free	Free
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R270,00	286,2	6%	286,20
	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

T PETERS
DEPUTY MUNICIPAL MANAGER

11/3/2019

MIDVAAL LOCAL MUNICIPALITY				
ITEM	DESCRIPTION	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
1.	**CLASS 1 ADVERTISMENTS**			
	SUPER BILLBOARDS, CUSTOM-MADE BILLBOARDS, LARGE			
1.1.	**NEW APPLICATIONS**	R 1,928	R 2,043	6,00%
	Application fee per sign			
1.2.	**APPLICATIONS FOR AMENDMENTS**	R 965	R 1,023	6,00%
	Application fee per sign			
1.3.	**APPLICATIONS FOR EXTENSION OF TIME PERIOD**	R 674	R 715	6,00%
	Application fee per sign			
	Inspection fee per m² of the total face of each sign applicable to class 1	R 192	R 203	6,00%
2	**CLASS 2 ADVERTISMENTS**			
	LARGE POSTERS AND ADVERTISEMENTS ON STREET FURNITURE			
2,1	**NEW APPLICATIONS**	R 546	R 579	6,00%
	Application fee per poster or sign			
2,2	**APPLICATIONS FOR AMENDMENTS**	R 274	R 290	6,00%
	Application fee per poster or sign			
2,3	**APPLICATIONS FOR EXTENSION OF TIME PERIOD**	R 419	R 444	6,00%
	Application fee per poster or sign			
3	**BANNERS AND FLAGS FOR FUNCTIONS OR EVENTS**			
	LAW ENFORCEMENT UNIT			

ITEM	DESCRIPTION	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	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	R 924	R 980	6,00%
	per enterprise per sign with a minimum fee of			
4,2	APPLICATIONS FOR AMENDMENTS			
	Application fee	R 637	R 676	6,00%
	per enterprise per sign with a minimum fee of			
4,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 546	R 579	6,00%
	Application fee per enterprise per sign with a minimum fee of			
5	SUBURBAN ADVERTISEMENTS			
5,1	NEW APPLICATIONS	R 272	R 289	6,00%
	Application fee per sign			
5,2	APPLICATIONS FOR AMENDMENTS	R 182	R 193	6,00%
	Application fee per sign			
5,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 138	R 146	6,00%
	Application fee per sign			
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	2018/2019 [R] VAT INCL	2018/2019 [R] VAT INCL	PERCENTAGE INCREASE = 6%
9	PROJECT AND DEVELOPMENT BOARDS (If not exempted under section 9)			
9,1	NEW APPLICATIONS	R 924	R 980	6,00%
	Application fee			
	per m2 of the total face of the display with a minimum fee of			
9,2	APPLICATIONS FOR AMENDMENTS	R 637	R 676	6,00%
	Application fee			
	per m^2 of the total face of the display with a minimum fee of			
9,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 546	R 579	6,00%
	Application fee			
	per m^2 of the total face of the display with a minimum fee of			
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	R 924	R 980	6,00%
	Application fee			
	per m^2 of the total face of each sign with a minimum fee of			

ITEM	DESCRIPTION	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
13,2	APPLICATIONS FOR AMENDMENTS	R 637	R 676	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 546	R 579	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 924	R 980	6,00%
	Application fee			
15,2	*Inspection fee*	R 182	R 193	6,00%
	Applicatble to all roof Signes per m^2 of the total face of each sign			
15,3	APPLICATIONS FOR AMENDMENTS	R 637	R 676	6,00%
	Application fee			
15,4	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 546	R 579	6,00%
	Application fee			
16	FLAT SIGNS			
16,1	NEW APPLICATIONS	R 924	R 980	6,00%
	Application fee			
16,2	APPLICATIONS FOR AMENDMENTS	R 637	R 676	6,00%
	Application fee			

ITEM	DESCRIPTION	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
16,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 546	R 579	6,00%
	Application fee			
16,4	*Inspection fee*	R 182	R 193	6,00%
	per m^2 of the total face of each sign applicable to all flat signs			
17	PROJECTING SIGNS			
17,1	NEW APPLICATIONS	R 924	R 980	6,00%
	Application fee			
17,2	APPLICATIONS FOR AMENDMENTS	R 639	R 677	6,00%
	Application fee			
17,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 546	R 579	6,00%
	Application fee			
17,4	*Inspection fee*	R 182	R 193	6,00%
	per m^2 of the total face of each sign applicable to Projecting Signs			
18	VERANDA, BALCONY, CANOPY AND UNDERAWNING SIGNS			
	(If not exempted under Section 9)			
18,1	NEW APPLICATIONS	R 274	R 290	6,00%
	Application fee per sign			
18,2	APPLICATIONS FOR AMENDMENTS	R 182	R 193	6,00%
	Application fee per sign			
18,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 93	R 98	6,00%
	Application fee per sign			
19	SIGNS PAINTED ON WALLS AND ROOFS			
	Prohibited			

ITEM	DESCRIPTION	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[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 924	R 980	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 546	R 579	6,00%
	Application fee per sign			
23,2	APPLICATIONS FOR AMENDMENTS	R 274	R 290	6,00%
	Application fee per sign			
23,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 274	R 290	6,00%
	Application fee per sign			
24	ON-PREMISES BUSINESS SIGNS			
	NEW APPLICATIONS			
24,1	*Application fee*	R 168	R 178	6,00%
	Fee per m^2 of the total face of the advertisement with a minimum fee of R274.32			

ITEM	DESCRIPTION	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
24,2	APPLICATIONS FOR AMENDMENTS			
	Application fee	R 91	R 97	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 91	R 97	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 1,821	R 1,930	6,00%
	Application fee per sign			
25,2	APPLICATIONS FOR AMENDMENTS	R 513	R 544	6,00%
	Application fee per sign			
25,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 637	R 676	6,00%
	Application fee per sign			
25,4	Inspection fee	R 182	R 193	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 1,822	R 1,931	6,00%
	Application fee per sign			
27,2	APPLICATIONS FOR AMENDMENTS	R 910	R 964	6,00%
	Application fee per sign			

ITEM	DESCRIPTION	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
27,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 637	R 676	6,00%
	Application fee per sign			
27,4	***Inspection fee***	R 182	R 193	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 274	R 290	6,00%
	Application fee per sign			
28,2	APPLICATIONS FOR AMENDMENTS	R 182	R 193	6,00%
	Application fee per sign			
28,3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 138	R 146	6,00%
	Application fee per sign			
29	FUNCTIONAL ADVERTISEMENTS BY PUBLIC BODIES			
	Exempted			
30	CLASS 5 ADVERTISEMENTS			
	AERIAL SIGNS			
30,1	NEW APPLICATIONS	R 910	R 964	6,00%
	Application fee per sign			
30,2	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 546	R 579	6,00%
	Application fee per sign			

ITEM	DESCRIPTION	2018/2019	2018/2019	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	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.			

D CHAMBOKO
EXECUTIVE DIRECTOR DEVELOPMENT PLANNING AND HOUSING
04 MARCH 2019

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION BUILDING CONTROL APPLICATIONS	2018/2019 [R] VAT INCL	2019/2020 [R] VAT INCL	PERCENTAGE INCREASE = 6%
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
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 331	R 350	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 331	R 350	6,00%
	50m² to 100m²	R 661	R 701	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 661	R 701	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 727	R 771	6,00%
	101m² - 1 000m² = p/m²	R 11	R 11	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 661	R 701	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1322	R 1,402	6,00%
	1 001m² - 10 000m² = p/m²	R 9	R 9	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 661	R 701	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1322	R 1,402	6,00%
	10 001m² - 100 000m² (Fixed Rate)	R 112385	R 119,128	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 661	R 701	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1322	R 1,402	6,00%
	100 001m² - 200 000m² (Fixed Rate)	R 138829	R 147,158	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 661	R 701	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1322	R 1,402	6,00%
	200 000m² - No Limit (Fixed Rate)	R 165272	R 175,189	6,00%
	Inspection Fee (Residential) PER OCCUPANCY	R 661	R 701	6,00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1322	R 1,402	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%	

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
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 397	R 420	6,00%
	Callout for each additional inspection for building plan clearance	R 397	R 420	6,00%
4	TARIFFS FOR THE APPROVAL OF STATE (FULLY AND PARTLY) FUNDED HOUSING PROJECTS			
	Individual single units ≤ 50m² per type/unit	R 145	R 154	6,00%
	Callout inspection on a State/Municipal funded project ≤ 500 units ≤ 50m² per batch of 50 units	R 436	R 462	6,00%
	Callout inspection on a State/Municipal funded project ≥ 500 units ≤ 50m² per batch of 50 units	R 264	R 280	6,00%
	Individual single units ≥ 50m² per type/unit, Charges per type	R 282	R 298	6,00%
	Callout inspection on a State/Municipal funded project ≤ 500 units ≥ 50m² per batch of 50 units	R 727	R 771	6,00%
	Callout inspection on a State/Municipal funded project ≥ 500 units ≥ 50m² per batch of 50 units	R 727	R 771	6,00%
	Blocks of flats (Walk-up) with individual flats are ≤ 50m² per flat/occupancy	R 73	R 77	6,00%
	Blocks of flats (Walk-up) with individual flats are ≥ 50m² per flat/occupancy, charges per type	R 147	R 156	6,00%
	Callout inspection on each block of flats with units ≤ 50m² per flat	R 461	R 489	6,00%
	Callout inspection on each block of flats with units ≥ 50m² per flat	R 837	R 888	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 286	R 303	6,00%
	Boundary walls adjacent to any street front	R 286	R 303	6,00%
	Boundary walls along any side or rear boundary of a property	R 286	R 303	6,00%
	Poultry house not exceeding 10 m2 in area,	R 122	R 130	6,00%
	Aviary not exceeding 20 m2 in area,	R 122	R 130	6,00%
	Solid fuel store not exceeding 10 m2 in area and 2 m in height,	R 122	R 130	6,00%
	Tool shed not exceeding 10 m2 in area,	R 122	R 130	6,00%
	Child's playhouse not exceeding 5 m2 in area,	R 122	R 130	6,00%
	Cycle shed not exceeding 5 m2 in area,	R 122	R 130	6,00%
	Greenhouse not exceeding 15 m2 in area	R 122	R 130	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 122	R 130	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 529	R 561	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 529	R 561	6,00%
	Any pergola,	R 529	R 561	6,00%
	Private swimming pool,	R 529	R 561	6,00%
	Change room, not exceeding 10 m2 in area, at a private swimming pool;	R 529	R 561	6,00%
	The replacement of a roof or part thereof with the same or similar material;	R 529	R 561	6,00%
	The conversion of a door into a window or a window into a door without increasing the width of the opening	R 122	R 130	6,00%
	The making of an opening in a wall which does not affect the structural safety of the building concerned	R 122	R 130	6,00%

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
	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 122	R 130	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 245	R 260	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 245	R 260	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			
6	TARIFFS FOR THE EVALUATION OF PLANS FOR BUILDINGS/STRUCTURES THAT HAVE A SPECIAL CHARACTER ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL			
	Buildings or structures such as ; Factory shafts, elevators, chimneys, elevated security watchrooms, masts and towers.	R 3967	R 4,205	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 793	R 841	6,00%
	No inspection charge because the inspection is done by the fire department.	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			
	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 245	R 260	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%	

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
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 4628	R 4,905	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 4628	R 4,905	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 4628	R 4,859	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 926	R 981	6,00%
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
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
	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
	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
	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

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
	ADMINISTRATION FEE, PRINTS AND COPIES OF DOCUMENTATION AND MONTHLY STATISTICS			
19	Copies of monthly building statistics and schedules of approved plans per month per item copy	R 132	R 140	6,00%
	Copies of Archive documents from previously submitted Applications / documentation (Admin fee + paper size as per schedule 20 and /or 21	R 61	R 65	6,00%
	Softcopy record of own application documentation via e-mail / drop-box subject to formal application	No Cost	No Cost	No Cost
	B & W 2D/ LINE DRAWING ON BOND PAPER:			
20	Size A4 =	R 6	R 6	6,00%
	Size A3 =	R 9	R 9	6,00%
	Size A2 =	R 17	R 19	6,00%
	Size A1 =	R 26	R 28	6,00%
	Size A0 =	R 54	R 57	6,00%
	Colour 2D/Line/GIS/POSTER ON BOND/COATED PAPER:			
21	Size A4 =	R 7	R 7	6,00%
	Size A3 =	R 15	R 16	6,00%
	Size A2 =	R 53	R 56	6,00%
	Size A1 =	R 84	R 89	6,00%
	Size A0 =	R 160	R 169	6,00%
22	**All tariffs shown, includes VAT.**			
23	**All fees levied in terms hereof, are payable in advance.**			

Chamboko

D CHAMBOKO
EXECUTIVE DIRECTOR DEVELOPMENT PLANNING AND HOUSING

04 MARCH 2019

ITEM	DESCRIPTION Development & Planning (Land Use Applications)	2018/2019 VAT INCL	2019/2020 VAT INCL	PERCENTAGE 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.*	6557,05	6950	6,00
2	Application for an amendment of a township application.*	4135,95	4385	6,00
3	Application for extension of boundaries of an approved township.*	4791,65	5080	6,00
4	Application for phasing of Township application.*	4791,65	5080	6,00
5	Application for the merger of townships.*	4539,45	4810	6,00
6	Amendment or cancellation in whole or in part of a general plan.*	2269,75	2400	6,00
7	Application for rezoning (Amendment of a Land Use Scheme).*	4892,55	5190	6,00
8	Application for removal, amendment or suspension of a restrictive or obsolete condition, servitude or reservation registered against the title of the land.*	3530,70	1500	-57,52
9	Application for consolidation of any land.*	1563,60	1660	6,00
10	Application for subdivion of any land (10 or less portions).*	5043,85	5350	6,00
11	Application for subdivion of any land (11 or more portions).*	6304,85	6680	6,00
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.*	1765,35	1880	6,00
13	Application for written 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.*	New	950	
14	Application for excison.*	New	950	
15	The withdrawal of an approved subdivision/consolidation application.*	756,70	800	6,00
16	The amendment of the conditions on which the consolidation/subdivision was approved.*	807,00	850	6,00
17	An amendment of the approved consolidation or subdivision plan.*	807,00	850	6,00

18	Preparation of Town-planning Scheme if prepared by Council.*	4287,30	4550	6,00
19	Application for Council's reasons.*	807,00	850	6,00
20	Application for amendment of the conditions on which consent was given.*	756,70	800	6,00
21	The revoking of an approved scheme/ the revoking of a provision in an approved scheme.*	1967,10	2080	6,00
22	Relaxation of a building line provision/the approval of an encroachment on a building restriction area.*	756,70	800	6,00
23	Application for approval of site development plans.*	1664,45	1770	6,00
24	Application for approval of revised site development plans.*	756,70	800	6,00
25	Regulation 47 certificate (per certificate)- (SPLUMA equivalent of a Section 82) (Up to ten portions, then in batches of 50 portions).*	857,45	910	6,00
26	Regulation 46(11) certificate (per subdivided portion)- (SPLUMA equivalent of a Regulation 38) (Up to ten portions, then in batches of 50 portions).*	504,40	550	6,00
27	SPLUMA compliance letter.*	New	500	
28	Application that is not provided for elsewhere in this schedule.*	2219,30	2350	6,00
29	Appeals against decision of authorised local authority to MPT (Municipal Planning Tribunal).*	3026,35	3210	6,00
30	Extension of approval timeframes.*	605,25	650	6,00
31	Application for the granting of intervener status.*	1664,50	1770	6,00
32	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 M = Municipal valuation of the relevant land per square metre plus cost.			

	C. PROPERTY SECTION			
33	PARK CLOSURES.*	7061,40	7500	6,00
34	STREET CLOSURES.*	7061,40	7500	6,00
35	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.*	453,95	500	6,00
	D. PROVISION OF INFORMATION			
36	Extraction from LAND USE scheme, per page (Size A4).*	80,70	85	6,00
37	Issue of Zoning certificates, each.*	80,70	85	6,00
38	Inspection of any deed, document/any relative particulars, including the issuing of a printout.*	121,05	130	6,00
39	Issue of a Surveyor General (SG) Diagram.*	110,95	120	6,00
40	Compilation of a Locality Plan.*	121,05	130	6,00
41	Copy of a locality plan.*	25,20	30	6,00
	E. CHARGES FOR PLANS & MAPS - PLOTTING & PRINTING			
	(i) BLACK & WHITE 2D/LINE DRAWING ON BOND PAPER*			
42	SIZE A4	6,05	6	6,00
43	SIZE A3	10,10	12	6,00
44	SIZE A2	20,20	22	6,00
45	SIZE A1	25,20	30	6,00
46	SIZEA0	55,50	60	6,00
	(ii) COLOUR 2D/LINE/GIS/POSTER ON BOND/COATED PAPER*			
47	SIZE A3	7,60	10	6,00
48	SIZE A2	15,20	15	6,00
49	SIZE A1	55,50	60	6,00
50	SIZE A0	151,30	160	6,00

	(iii) COLOUR GIS/POSTER ON GLOSS PAPER*			
51	SIZE A3	70,60	75	6,00
52	SIZE A2	131,15	140	6,00
53	SIZE A1	252,20	260	6,00
54	SIZE A0	453,95	480	6,00

***NOTE: Applicable to all aplications - Areas forming part of Economic Transformation Zone as contained in the Draft Single land Use Scheme limited to 50% rebate.**

DEFINITION: "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 11/03/2019

D CHAMBOKO
EXECUTIVE DIRECTOR DEVELOPMENT AND PLANNING

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	Tariffs for Protection Services-(Fire) for 2019/2020	INCL VAT	INCL VAT	INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
1	EXTINGUISHING OF FIRES (As listed below)			
A	Call out fee per incident			
1	Industrial Fire (High Risk)	2,240,20	R 2374,60	6%
2	Industrial Fire (Low Risk)	R 1118,5	R 1185,60	6%
3	Residential	R 560,3	R 593,90	6%
4	Institutions	R 560,3	R 593,90	6%
5	Public Assembly	R 560,3	R 593,90	6%
6	Commercial	R 560,3	R 593,90	6%
7	Storage	R 560,3	R 593,90	6%
8	Shack or Informal housing	R 112,3	R 119,00	6%
9	Heavy Motor Vehicle Fire	R 560,3	R 593,90	6%
10	Motor vehicle, motor bike, trailer with content	R 225,65	R 239,20	6%
11	Train	R 1055,4	R 1118,70	6%
12	Lamp or electrical poles	R 225,65	R 239,20	6%
13	Transformers	R 560,3	R 593,90	6%
14	Tyres or Stacks of tyres	R 2240,2	R 2374,60	6%
15	Water used per Kilo litre	R 22,45	R 23,80	6%
16	Where damping down is necessary	R 448,05	R 474,90	6%
B	Personnel			
1	Per Senior Officer(DIV OFF & ABOVE)	R 210,65	R 223,30	6%
2	Per Officer	R 161,45	R 171,10	6%
3	Per Senior Fireman	R 129,4	R 137,20	6%
4	Per Junior Fireman	R 91,95	R 97,50	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	R 1127,05	R 1194,70	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 litre			
	Real cost of the fire extinguishing material used Silvex	R 99,45	R 105,40	6%
	including VAT and as certified by the Chief Fire Hi-Exp	R 80,2	R 85,00	6%
	Officer plus 20% Flame Block	R 57,75	R 61,20	6%
2	GRASS-, BUSH- AND RUBBISH FIRES			
A	Call out fee - Calculate the flat rate			
1	Grass fires - Flat rate (Sedibeng) per call	R 1571,9	R 1666,20	6%
2	Rubbish fires- Flat rate(Sedibeng) Per call	R 1571,9	R 1666,20	6%
3	Grass fires - Flat rate (residential) per call - account sent to owner	R 1571,9	R 1666,20	6%
4	Rubbish fires- Flat rate(Residential) Per call- Account sent to owner	R 1571,9	R 1666,20	6%
5	Bales of feed or Hey stacks	R 2240,2	R 2374,60	6%
6	Where dumping down is necessary	R 448,05	R 474,90	6%
3	HAZARDOUS MATERIAL INCIDENTS			
	OIL SPILLAGES ECT			
A	Call out fee	R 2240,2	R 2374,60	6%
B	Personnel			
1	Per Senior Officer	R 210,65	R 223,30	6%
2	Per Officer	R 161,45	R 171,10	6%
3	Per Senior Fireman	R 129,4	R 137,20	6%
4	Per Junior Fireman	R 91,95	R 97,50	6%

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	Tariffs for Protection Services-(Fire) for 2019/2020	INCL VAT	INCL VAT	INCREASE %
C	Vehicles - Per Vehicle	R 1127,05	R 1194,70	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 kilometre (Travelled to and from the incident per	R 5,35	R 5,70	6%
	utility vehicle) (AA Tariffs)			
2	Per portable pump (Real working time of pump per hour)	R 112,3	R 119,00	6%
3	Per Fire hose (Per hour or part thereof)	R 23,55	R 25,00	6%
4	Per ladder used per call	R 112,3	R 119,00	6%
4	PROTECTION SERVICES (STANDBY SERVICES)			
	Where the presence of the Fire department is compulsory with Fire Vehicle and crew the company responsible for the situation will be liable for the account			
A	Call out fee	R 1127,05	R 1194,70	6%
B	Personnel			
1	Per Senior Officer	R 210,65	R 223,30	6%
2	Per Officer	R 161,45	R 171,10	6%
3	Per Senior Fireman	R 129,4	R 137,20	6%
4	Per Junior Fireman	R 91,95	R 97,50	6%
C	Vehicles - Per Vehicle	R 1127,05	R 1194,70	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 kilometre (Travelled to and from the incident per	R 5,35	R 5,70	6%
	utility vehicle) (AA tariffs)			
2	Per portable pump (Real working time of pump per hour)	R 112,3	R 119,00	6%
3	Per Fire hose (Per hour or part thereof)	R 23,55	R 25,00	6%
4	Per ladder used per call	R 112,3	R 119,00	6%
5	FILLING OF SWIMMING POOLS AND WATER TANKS			
1	Flat rate of:	R 1716,25	R 1819,20	6%
2	Swimming Pools	R 1716,25	R 1819,20	6%
3	Water tanks drinking water less than 6kl charge per kl	R 22,45	R 23,80	6%
4	Water tanks drinking water more than 6kl charge per flat rate	R 1716,25	R 1819,20	6%
5	Water per Kilo Litre	R 22,45	R 23,80	6%
6	Assisting FPA in Combating Fires			
1	Reservoirs, Dams, rivers etc. relating to assist in grass fire combatting no charge for the FPA			
7	OTHER SERVICES			
A	Pumping of water from property:			
1	Light pump with a capacity of up to 1125 l/min,	R 844,75	R 895,40	6%
	per hour or part thereof			
2	Medium pump with a capacity of up to 2250 l/min,	R 1127,05	R 1194,70	6%
	per hour or part thereof			
3	Heavy pump with a capacity of up to 4500 l/min,	R 1127,05	R 1194,70	6%
	per hour or part thereof			
4	Per Officer	R 150,75	R 159,80	6%
5	Per Senior Fireman	R 120,85	R 126,10	6%
6	Per Junior Fireman	R 85,55	R 90,70	6%
B	Using Compressor per hour or part thereof	R 132,6	R 140,60	6%
1	Per Officer	R 161,45	R 171,10	6%
2	Per Senior Fireman	R 129,4	R 137,20	6%
3	Per Junior Fireman	R 91,95	R 97,50	6%
8	Any other duty not mentioned under item 6			

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	Tariffs for Protection Services-(Fire) for 2019/2020	INCL VAT	INCL VAT	INCREASE %
A	Call out Fee	R 225,65	R 239,20	6%
B	Personnel			
	Per Officer	R 161,45	R 171,10	6%
	Per Senior Fireman	R 129,4	R 137,20	6%
	Per Junior Fireman	R 91,95	R 97,50	6%
C	Vehicles - Per Vehicle	R 844,75	R 895,40	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 kilometre (Travelled to and from the incident per	R 5,35	R 5,70	6%
	utility vehicle) (AA tariffs)			
9	Firebreaks - where businesses and community needs Fire Breaks			
1	flat Rate	472,65	R 501,00	6%
2	Where the services of a Fire pump is needed- Flat Rate	472,65	R 501,00	6%
10	SPECIAL EVENTS			
	When a Fire Vehicle and Crew are required for standby purposes			
1	CALL OUT FEE PER EVENT	R 1127,05	R 1194,70	6%
2	FIRE VEHICLE	R 1127,05	R 1194,70	6%
3	PER OFFICER	R 161,45	R 171,10	6%
4	PER SENIOR FIRE FIGHTER	R 129,4	R 137,20	6%
5	PER JUNIOR FIRE FIGHTER	R 91,95	R 97,50	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	R 225,65	R 239,20	6%
2	Residential	R 166,8	R 176,80	6%
3	Institutions	R 166,8	R 176,80	6%
4	Public Assembly	R 166,8	R 176,80	6%
5	Commercial	R 225,65	R 239,20	6%
6	Storage	R 225,65	R 239,20	6%
7	Industry	R 225,65	R 239,20	6%
8	Per kilometre (Travelled to and from the incident per utility vehicle (AA Tariffs	R 5,35	R 5,70	6%
9	Inspection on request	R 225,65	R 239,20	6%
10	50% payable on re issue of Certificate of compliance			
B 1	Re-inspection of premises. After two inspections - per re-inspection			
1	Trade Licenses/Certificate of Compliance			
2	Residential	R 225,65	R 239,20	6%
3	Institutions	R 166,8	R 176,80	6%
4	Public Assembly	R 166,8	R 176,80	6%
5	Commercial	R 225,65	R 239,20	6%
6	Storage	R 225,65	R 239,20	6%
7	Industry	R 225,65	R 239,20	6%
C	Compiling & Issuing of :			
1	Compliance Certificate	R 225,65	R 239,20	6%
2	Occupancy Certificate	R 225,65	R 239,20	6%
3	Inspection on request	R 225,65	R 239,20	6%
4	Special event Clearance Certificate	R 219,2	R 232,40	6%
5	Km travelled to and from (AA Tariffs)	R 5,35	R 5,70	6%
D	Transport permits- Issuing of certificates			
	In respect of quantities in E1-E5			
	In respect of quantities			
1	Up to including 2500 litres	R 112,3	R 119,00	6%
2	Up to including 5000 litres	R 158,25	R 167,70	6%
3	Up to including 25 000 litres	R 243,8	R 258,40	6%
4	Up to including 50 000 litres	R 335,75	R 355,90	6%
5	Exceeding 50 000 litres	R 368,9	R 391,00	6%
6	Per kilometre (Travelled to and from the incident per utility vehicle (AA Tariffs	R 5,35	R 5,70	6%
7	Inspection on request	R 225,65	R 239,20	6%
8	50% payable on re issue of transport permits			

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	Tariffs for Protection Services-(Fire) for 2019/2020	INCL VAT	INCL VAT	INCREASE %
E	Certificate of Registration Flammable liquids/Gas			
	Class:0, I ,II,III - Issuing of certificates of registration			
1	Up to including 2500 litres	R 133,65	R 141,70	6%
2	Up to including 5000 litres	R 266,25	R 282,20	6%
3	Up to including 25 000 litres	R 1340,9	R 1421,40	6%
4	Up to including 50 000 litres	R 2685,	R 2846,10	6%
5	up to including 100 000 litres	R 3014,35	R 3195,20	6%
6	Bulk Depots exceeding 100 000	R 3386,45	R 3589,60	6%
7	Per Spray Booth	R 133,65	R 141,70	6%
8	Per Flammable liquid Store	R 133,65	R 141,70	6%
9	Per Spray Booth	R 133,65	R 141,70	6%
10	Per Flammable liquid / Paint Store	R 133,65	R 141,70	6%
11	Per kilometre (Travelled to and from the incident per utility vehicle (AA Tariffs	R 5,35	R 5,70	6%
12	Inspection on request	R 225,65	R 239,20	6%
13	50% payable on re-issue of Certificate of registration			
F	FIRE RISK ASSESSMENTS			
1	Fire Risk Assessment (PER HOUR)	R 583,85	R 618,90	6%
2	Fire Risk Assessment insurance (Per Hour)	R 583,85	R 618,90	6%
3	Fire Risk and insurance (PER DAY)	R 4840,7	R 5131,10	6%
G	COMPILING /PRINT REPORT			
1	Emergency Preparedness (evacuations)	R 415,95	R 440,90	6%
2	Fire Risk Assessment	R 654,4	R 693,70	6%
3	Fire Risk insurance report	R 654,4	R 693,70	6%
H	FIRE REPORT PUBLIC & INSURANCE			
1	Fire Investigation cause and origin determination full report per hour	R 415,95	R 440,90	6%
2	PRELIMANARY FIRE REPORT	R 104,8	R 111,10	6%
3	Compiling /print report full Fire investigation	R 654,4	R 693,70	6%
I	TRAINING			
1	Administration fee per person per course	R 267,35	R 283,40	6%

S MOSIDI
Executive Director Community Services

MIDVAAL LOCAL MUNICIPALITY

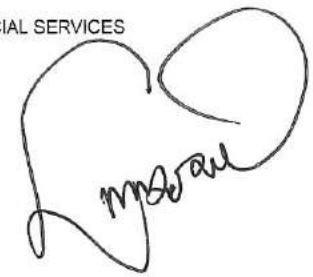
ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	Protection Services: Traffic Department	[R] VAT INCL	[R] VAT INCL	INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
1	Attendance of Traffic Officer/s per occasion for an hour or part			
	thereof + vehicle	100,50	106,50	6%
2	For an hour or part thereof after hours at time and half (@ 1-1/2)			
	and vehicle	160,40	170,00	6%
3	Attendance of Traffic Officer/s during public holidays/Sundays. Double	213,85	226,70	6%
	time (x2) + vehicle			
4	Patrol vehicle attendance of patrol for an hour or part thereof	560,30	593,90	6%
5	Towing fee cost plus 10% to defray handling costs:			
	Storage fees for impounded vehicles per day	143,30	151,90	6%
6	Copies of accident report	192,50	204,00	6%
7	**Traffic escorts per hour or part thereof**			
	Funerals	No Charge	No Charge	
	Abnormal vehicles: Vehicle cost + km traveling @ R4.50 per km	560,40	594,00	6%
8	**Temporary road closure:**			
	Filming	560,40	594,00	6%
	Flea markets	560,40	594,00	6%
9	Residential Road closure application fee: New Tariff	2,521,95	2,673,30	6%

S MOSIDI
EXECUTIVE DIRECTOR SOCIAL SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION Grass Cutting of Vacant Stands	2018/2019 VAT INCL	2019/2020 VAT INCL	PERCENTAGE INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
1	Grass cutting up to 1 000 m²	R 2,142,40	R 2,270,90	6%
2	Grass cutting over 1 000 m² per additional 1000 m²	R 734,55	R 778,60	6%

S MOSIDI
EXECUTIVE DIRECTOR SOCIAL SERVICES



MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	Percentage
	SWIMMING POOL TARIFFS	Vat Incl	Vat Incl	Increase
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
	(Children under 5 years: Free (must be accompanied by an Adult)			
1	Single Admission Ticket: Adult	**R 11,00**	12,00	6%
2	Single Admission Ticket: Scholars	**R 7,90**	8,50	6%
3	Season Tickets for School Groups (Monday - Friday: 10h00 to 14h00)	**R 1,401,90**	1,486,00	6%
4	Monthly Tickets: Adults	**R 105,80**	112,00	6%
5	Monthly Tickets: Scholars	**R 56,00**	60,00	6%
6	Clubs-Diving (Weekends: Sat 07h00 - 10h00 and Sun 07h00 - 12h00	**R 520,30**	552,00	6%
7	Clubs Hockey: Weekdays: Monday to Friday 19h00 - 22h00	**R 532,50**	565,00	6%
8	Clubs-Swimming Club: Weekdays: Monday to Friday 16h00 - 17h30	**R 532,50**	565,00	6%
9	Once off usage of Swimming Pool (Irregular Hours)	**R 1,401,90**	1,486,00	6%
	Closed on Mondays for General public			
	Tuesdays to Saturdays and Public Holidays: 10h00 - 18h00			
	Sundays 12h00 to 18h00			

S MOSIDI
EXECUTIVE DIRECTOR SOCIAL SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE
	Cemeteries: Meyerton ; Old Kookrus & Riversdal	VAT INCL	VAT INCL	INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
1	Plot Reservation	R511,75	R 542,50	6%
2	Transferral Rights	R511,75	R 542,50	6%
3	Permit: Headstone & Monumental Section	R511,75	R 542,50	6%
4	Ashes Burial or Scattered	R511,75	R 542,50	6%
5	Niché	R1380,95	R 1,463,80	6%
6	Exhumation	R6771,25	R 7,177,50	6%
	Weekday Openings & Re-openings (Monday to Friday)			
	Monumental			
1	Child Size	R2045,7	R 2,168,40	6%
2	Standard Opening & Re-Openings - 6ft	R3857,6	R 4,089,10	6%
3	8ft Opening & Re-Opening	R4740,25	R 5,024,70	6%
4	Casket Opening & Re-Openings	R4740,25	R 5,024,70	6%
5	Casket, 8ft Opening & Re-Openings	R5621,7	R 5,959,00	6%
	Headstone			
1	Child Size	R1654,	R 1,753,20	6%
2	Standard Opening & Re-Openings - 6ft	R1936,75	R 2,052,90	6%
3	8ft Opening & Re-Opening	R2819,4	R 2,988,60	6%
4	Casket Opening & Re-Openings	R2819,4	R 2,988,60	6%
5	Casket, 8ft Opening & Re-Openings	R3699,60	R 3,921,60	6%
	Weekend Openings & Re-Openings (Saterday & Sunday)			
	Monumental			
1	Child Size	R3884,55	R 4,117,60	6%
2	Standard Opening & Re-Openings - 6ft	R4530,95	R 4,802,80	6%
3	8ft Opening & Re-Opening	R5364,6	R 5,686,50	6%
4	Casket Opening & Re-Openings	R5364,6	R 5,686,50	6%
5	Casket, 8ft Opening & Re-Openings	R6194,65	R 6,566,30	6%
	Headstone			
1	Child Size	R3722,9	R 3,946,30	6%
2	Standard Opening & Re-Openings - 6ft	R3921,25	R 4,156,50	6%
3	8ft Opening & Re-Opening	R4803,95	R 5,092,20	6%
4	Casket Opening & Re-Openings	R4803,95	R 5,092,20	6%
5	Casket, 8ft Opening & Re-Openings	R5684,2	R 6,025,20	6%
	PLEASE NOTE TARIFF FOR NON-RESIDENT IS 30 % ADDED ON TO			

S MOSIDI
EXECUTIVE DIRECTOR SOCIAL SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	INCREASE
	Cemeteries: Meyerton South & Kookrus New - HEADSTONE ONLY	Vat Incl	Vat Incl	%
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019			
1	Plot Reservation	R 511,75	R 542,50	6%
2	Transferral Rights	R 511,75	R 542,50	6%
3	Permit: Headstone & Monumental Section	R 511,75	R 542,50	6%
4	Ashes Burial or Scattered	R 511,75	R 542,50	6%
5	Indigent	R 708,85	R 751,40	6%
6	Pauper	R 708,85	R 751,40	6%
7	Exhumation	R 6,771,25	R 7,177,50	6%
	Weekday Openings & Re-openings (Monday to Friday) Headstone only			
1	Child Size	R 677,00	R 717,60	6%
2	Standard Opening & Re-Openings - 6ft	R 795,75	R 843,50	6%
3	8ft Opening & Re-Opening	R 1,717,60	R 1,820,70	6%
4	Casket Opening & Re-Openings	R 1,717,60	R 1,820,70	6%
5	Casket, 8ft Opening & Re-Openings	R 2,597,85	R 2,753,70	6%
	Weekend Openings & Re-Openings (Saterday & Sundays) Headstone Only			
1	Child Size	R 1,472,75	R 1,561,10	6%
2	Standard Opening & Re-Openings - 6ft	R 1,654,00	R 1,753,20	6%
3	8ft Opening & Re-Opening	R 2,535,40	R 2,687,50	6%
4	Casket Opening & Re-Openings	R 2,535,40	R 2,687,50	6%
5	Casket, 8ft Opening & Re-Openings	R 3,416,85	R 3,621,90	6%
	PLEASE NOTE TARIFF FOR NON-RESIDENT IS 30 % ADDED ON TO NORMAL FEE			

S MOSIDI
EXECUTIVE DIRECTOR SOCIAL SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	PERCENTAGE	2019/2020
	ISSUING OF CERTIFICATES	[R] VAT Excl	[R] VAT Excl	INCREASE %	[R] VAT Incl
				6,00%	
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2019				
1	Copies of Voters roll of any Ward, for each copy	R543,87	R576,5	6,00%	R663,00
2	Copies of valuation roll, per copy	R464,91	R492,8	6,00%	R566,70
3	Any certificate in terms of the Local Government Ordinance, 1939,	R53,52	R56,7	6,00%	R65,20
	or any other Ordinance applicable to the Council, each:				
4	The furnishing, in writing in accordance with the records of the Council	R36,87	R39,1	6,00%	R44,90
	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	R36,87	R39,1	6,00%	R44,90
6	Endorsements on declaration by purchaser forms, each	R47,35	R50,2	6,00%	R57,70
7	For any certificate, information, extract from or perusal of a	R54,39	R57,7	6,00%	R66,30
	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	R368,39	R390,5	6,00%	R449,10
	singular extracts only will entail a search fee and cost per page				
	each:				
9	Alphabetical numerical computer printed address lists, each	R543,87	R576,5	6,00%	R663,00
	Alphabetical numerical address lists, each Compact Disk	R171,04	R181,3	6,00%	R208,50
10	Photocopies at one of the printing offices, each:				
	Size A4	R4,30	R4,6	6,00%	R5,20
	Size A3	R6,39	R6,8	6,00%	R7,80
11	Photocopies of Council documents, Size A4:	R4,39	R4,7	6,00%	R5,40
	Photocopies of Council documents, Size A3:	R6,52	R6,9	6,00%	R7,90
12	Requests for Access/ Information in terms of promotion of Access				
	to information Act, 2000:				
	Access fee	R51,13	R54,2	6,00%	R62,30
	Search fee	R51,13	R54,2	6,00%	R62,30
	Copy charges (as Above in Item 10.)				

T PETERS
DEPUTY MUNICIPAL MANAGER 11/3/2019.

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2018/2019	2019/2020	Comments	PERCENTAGE
	Midvaal Libraries	VAT INCL.	VAT INCL.		INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM 01 JULY 2019				
1	Adult Membership - Midvaal Residents	Free	Free		0,00%
2	Adult Membership - Non-Midvaal Residents	80,00	85,00		6,00%
3	Child Membership - Midvaal Residents	Free	Free		0,00%
4	Child Membership - Non-Midvaal Residents	42,00	45,00		6,00%
5	Family Membership - Midvaal Residents	Free	Free		0,00%
6	Family Membership - Non-Midvaal Residents	160,00	170,00		6,00%
7	Pensioners - Over 60	Free	Free		0,00%
8	Block Loans (Schools/Home Based Schools)	Free	Free		0,00%
9	Fines (Books, Videos, CDs etc) per item per week or part thereof	1,50	1,60		6,00%
10	Media Lost Items	Replacement Val	Replacement Value		Variable
11	Lost User Cards	28,00	30,00		6,00%
12	Photocopies A4 Black & White	1,00	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. 2016/2017-2020/2021	0,00%
13	Photocopies A4 Coloured	6,50	6,50	No increase for the next 3 years.	0,00%
14	Photocopies A3 Black & White	2,50	3,00	Due to coinbox and rounding it is recommended that 3.00 be charged.	
15	Photocopies A3 Coloured	13,00	14,00		0,00%
16	Fax transmissions local calls (016 & 0860) per page	6,00	6,50	Rounding	9,00%
17	Fax transmissions Long distance & 0861-0864 per page	7,00	7,50	Rounding	7,50%
18	Fax transmissions - fax to email & cellphones (0865-0869/082/072/083/073/060/061/081) per page	14,00	15,00	Rounding	7,50%
19	Fax transmissions received per page	6,30	7,00		
20	Computer printouts per page: black & white	1,00	1,00	Cost to council is the same for a photocopy as a print out.	0,00%
21	Computer printouts per page: coloured	7,00	7,50		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	5.00 for the first 10 pages (or part thereof) then 1.00 per page thereafter.	5.00 for the first 10 pages (or part thereof) then 1.00 per page thereafter.	No increase	0,00%

S MOSIDI
EXECUTIVE DIRECTOR SOCIAL SERVICES

MIDVAAL LOCAL MUNICIPALITY

FINANCE SUNDRY TARIFFS EFFECTIVE FROM 1 JULY 2019

ITEM	DESCRIPTION	2018/2019 EXCL VAT	2019/2020 EXCL VAT	PERCENTAGE INCREASE %
				6%
1.	Warning Notices (disconnection notice hand delivered)	131,07	138,93	6%
2.	Final Notices (handover to attorney - posted to customer)	45,88	48,63	6%
3.	Admin Fees Arrear account Water: Restrict	486,00	250,00	-49%
4.	Admin Fees Arrear account Electricity: Restrict	486,00	250,00	-49%
5.	Confirmation of disconnection status	45,88	48,63	6%
6.	Dishonoured Cheque: Bank Rate	127,00	134,62	6%
7.	Refer to Drawer Cheque: Bank rate	127,00	134,62	6%
8.	Post Dated Cheque: Bank Rate	127,00	134,62	6%
9.	Assessment Rates Admin Fee (requesting clearance figu	46,28	49,05	6%
10.	Clearance Certificate	68,72	72,84	6%
11.	Valuation Certificate	32,26	34,19	6%
12.	Unauthorised Consumption Admin Levy (illegal connectio	3 498,00	3 707,88	6%
13.	Meter reading on request of customer	136,31	144,49	6%
14.	Printed Bid Document Fees	325,44	344,97	6%
15.	E-mailed Bid Document Fees	0,00	0,00	0%
16.	Interest on arrears. Prime rate as at			
17.	**1st of July 2019** Plus 2%			

All abovementioned Tariffs excludes VAT

A van Schalkwyk
Executive Director: Finance

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION Development & Planning Department: Law Enforcement Unit	2018/2019 [R] VAT INCL	2019/2020 [R] VAT INCL	PERCENTAGE INCREASE = 6%
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2017	D&P Competency	D&P Competency	
	Trade license:			
1	Business premises (once off)	R 466	R 494	6.00%
	Food caravan	R 320	R 340	6.00%
	Monthly subscription	R 120	R 127	6.00%
	Health facilities or entertainment	R 287	R 304	6.00%
	Providing massage	R 479	R 508	6.00%
	Keeping three or more snooker/billiard tables/s	R 362	R 383	6.00%
	Night club	R 720	R 763	6.00%
	Cinema and theatre	R 362	R 383	6.00%
	Issuing of duplicate Trade licenses as above:			
	Premises	R 300	R 318	6.00%
	Food caravan	R 160	R 170	6.00%
	Amending or revoking licensing conditions:			
	Premises	R 300	R 318	6.00%
	Food caravan	R 160	R 170	6.00%
2	Hawkers license/application:			
	CBD	R 368	R 391	6.00%
	Outside areas	R 241	R 256	6.00%
	Monthly subscription:			
	CBD	R 89	R 95	6.00%
	Outside areas	R 72	R 76	6.00%
	Hawking at pension pay point (per day)	R 39	R 41	6.00%
	Impounding fee	R 350	R 371	6.00%
	Storage fee consumable	R 101	R 107	6.00%
	Storage fee non-consumable	R 101	R 107	6.00%
	Traveling distance per km from where impound takes place to Office	R 9	R 10	6.00%
	Posters impounded	R 40	R 42	6.00%
3	Mobile signs			
	Aerial signs:	R 184	R 195	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 184	R 195	6.00%
	Thereafter for each square metre or part thereof per month	R 27	R 29	6.00%
	Double sided trailer signs on which identical advertisements appear	R 184	R 195	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 27	R 29	6.00%
	Signs on trailers on which advertisements of different organizations appear	R 184	R 195	6.00%
	For the first square metre or part thereof the advertisement area, therafter for each square metre or part thereof per organization per month	R 27	R 29	6.00%
	Posters			
	Posters or any placard advertising any product or services or announcing the sale of goods.	R 184	R 195	6.00%
	Deposit (Refundable)	R 101	R 107	6.00%
	Rental	R 101	R 107	6.00%
	Posters for National, Provincial and Local Government Election and activities	R 11,442	R 12,128	6.00%

ITEM	DESCRIPTION Development & Planning Department: Law Enforcement Unit	2018/2019 [R] VAT INCL	2019/2020 [R] VAT INCL	PERCENTAGE INCREASE = 6%
5				
	Advertising board/signs:			
	Registration fee per annum	R 473	R 501	6.00%
	Sticker per board	R 9	R 10	6.00%
	Outdoor advertising:			
	Banners - Loch Street - Rental (no deposit)	R 395	R 418	6.00%
	Banner - Mimosa Street - Deposit and rental	R 395	R 418	6.00%
	Banner application - Henley on Klip - Deposit and rental	R 395	R 418	6.00%
	* Refundable deposit			

All tariffs are payable in advance with submission of the application or prior to the issuing of any permit / lisence and are VAT inclusive

D. Chamboko
Executive Director
Development & Planning

04/03/2019

ANNEXURE E – AR BUDGET RELATED POLICIES

TARIFF BY-LAW

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 2019.

TARIFF POLICY

2019/2020 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 2019.

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 as amended, 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.

PROPERTY RATES BY-LAWS

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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) as amended;

"**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 2019.

PROPERTY RATES POLICY

EFFECTIVE 1 JULY 2019

As per Section 3 of Local Government: Municipal Property Rates Act, 6 of 2004, as amended

MIDVAAL
LOCAL MUNICIPALITY

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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) as amended 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) as amended, 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) as amended 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 municipality but excludes such properties owned by or

Ref no	Category	Clarification (Must be read together with definitions)
		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. **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.**
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) where the usage is indicated as a residential dwelling, 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 first 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 track 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.

PROPERTY RATES ANNUAL BUDGET		
PROPERTY CATEGORY	**ANNUAL BUDGET**	**REBATES**
Agricultural property	R 19 260 000	-
State Owned properties	R 8 346 000	-
Residential properties: vacant land	R 30 495 000	-
Residential Properties: developed	R120 411 455	R30 565 712
Mining properties	R 149 800	-
Industrial properties	R 37 945 000	-
Business & Commercial properties	R 35 310 000	-
TOTALS	R251 917 255	R30 565 712

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. ANNUAL REVIEW OF RATES POLICY

The municipality will annually review, and if necessary amend its rates policy taking into accounts public comments and inputs.

21. THE EFFECTIVE DATES OF THE RATES POLICY

The rates policy takes effect from the start of the municipal financial year, 1 July 2019.

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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

MIDVAAL LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION
BY-LAWS

Date of Commencement: 1 July 2019

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 2019;

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 2019.

CREDIT CONTROL AND DEBT COLLECTION POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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. Failure to apply for the consumer agreement will result in services being disconnected.

(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) no payment was received in accordance with an agreement for payment of arrears;

(iii) fails to comply with a condition of supply imposed by the council;

(iv) obstructs the efficient supply of electricity, water, or any other municipal services to another customer;

(v) supplies such municipal service to a consumer / owner who is not entitled thereto or permits such service to continue;

(vi) causes a situation, which in the opinion of the council is dangerous, or a contravention of relevant legislation;

(vii) in any way bridges the supply or illegally reconnect previously disconnected municipal services;

(viii) 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);

(ix) 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 and or water 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 2019.

CASH MANAGEMENT POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 2019.

INVESTMENT POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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. 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.

5.1 A municipality may incur debt (short-term and long-term debt) only if:

5.1.1 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;

5.1.2 A council resolution is taken authorising the provision of security if security is to be provided by the municipality; and

5.1.3 The following ratios for Liability Management is favourable:

- Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

  Purpose/ Use of the Ratio

  The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure.

  Formula

  Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100

  Norm

  The norm is between 6% to 8%

  Interpretation of Results

  Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels. On the other hand, exceeding the Norm could pose a risk to the Municipality should changes or fluctuations in financing costs arise. When assessing this ratio, the cash flow requirements of the Municipality should also be considered.

- Debt (Total Borrowings)/ Total Operating Revenue

  Purpose/ Use of the Ratio

  The Ratio indicates the extent of Total Borrowings in relation to Total Operating Revenue. It indicates short and long term debt financing relative to operating revenue of the municipality. The purpose of the Ratio is to provide assurance that

sufficient Revenue will be generated to repay Liabilities. Alternatively stated, the Ratio indicates the affordability of the Total Borrowings.

Formula

Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant

Norm

The norm is 45%

Interpretation of Results

If the result of the Ratio analysis indicates less than 45% then the Municipality still has capacity to take increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality.

5.2 Short Term Debt

5.2.1 The Municipality may incur short-term debt only when necessary to bridge:

5.2.1.1 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

5.2.1.1 Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long- term debt commitments.

5.2.2 A municipality may incur short-term debt only if:

5.2.2.1 A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and

5.2.2.2 The AO has signed the agreement or other document which creates or acknowledges the debt.

5.2.3 The Municipality:

5.2.3.1 Must pay off short-term debt within a financial year; and

5.2.3.2 May not renew or refinance its short-term debt.

5.2.4 A short term debt transaction may be:

5.2.4.1 approved individually; or

5.2.4.2 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.

5.2.5 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 5.2.4.1 above.

5.2.6 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.

5.2.7 This does not apply if the lender:

5.2.7.1 Relied in good faith on written representations of the municipality as to the purpose of the borrowing; and

5.2.7.2 Did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt.

5.3 Long Term Debt

5.3.1 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:

5.3.1.1 Provide democratic and accountable government for local communities;

5.3.1.2 Ensure the provision of services to communities in a sustainable manner;

5.3.1.3 Promote social and economic development;

5.3.1.4 Promote a safe and healthy environment; and

5.3.1.5 Encourage the involvement of communities and community organizations in the matters

of local government.

5.3.2 A municipality may incur long-term debt only if:

5.3.2.1 A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and

5.3.2.2 The AO has signed the agreement or other document which creates or acknowledges the debt.

5.3.3 A municipality may incur long-term debt only if the AO of the municipality:

5.3.3.1 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

5.3.3.2 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.

5.3.4 Capital expenditure may include:

5.3.4.1 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.

5.3.4.2 Costs of professional services directly related to the capital expenditure; and

5.3.4.3 Such other costs as may be prescribed.

5.3.5 A municipality may borrow money for the purpose of refinancing existing long-term debt, provided that:

5.3.5.1 The existing long-term debt was lawfully incurred;

5.3.5.2 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;

5.3.5.3 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

5.3.5.4 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.

5.3.6 A municipality's long-term debt must be consistent with its capital budget referred.

5.4 The municipality may also incur long term debt in the form of a Finance lease (instalment sale agreement) for the purchase of various vehicles and equipment.

6. 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;

7. SECURITY

7.1 A municipality may by resolution of its council provide security for:

7.1.1 Any of its debt obligations; and

7.1.2 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.

7.2 A municipality may in terms of section 9.1 above provide any appropriate security, including by:

7.2.1 Giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating, an asset or right, or giving any other form of collateral;

7.2.2 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;

7.2.3 Undertaking to deposit funds with the lender, investor or third party as security;

7.2.4 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;

7.2.5 Ceding as security any category of revenue or rights to future revenue;

7.2.6 Undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms;

7.2.7 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;

7.2.8 Undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest;

7.2.9 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

7.2.10 Agreeing to such other arrangements as the municipality may consider necessary and prudent.

7.3 A council resolution authorising the provision of security:

7.3.1 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

7.3.2 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.

7.4 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.

7.5 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.

8. DISCLOSURE

8.1 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:

8.1.1 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

8.1.2 take reasonable care to ensure the accuracy of any information disclosed.

8.2 Information to be provided should include:

8.2.1 Audited financial statements for the preceding three (3) financial years with audited outcomes;

8.2.2 Approved annual budget;

8.2.3 The municipal integrated development plan;

8.2.4 Repayment schedules pertaining to existing short-term or long-term debt.

8.3 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.

9 MUNICIPAL GUARANTEES

9.1 A municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following condition:

9.1.1 The guarantee must be within limits specified in the municipality's approved budget.

9.2 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.

10 APPROVAL

10.1 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;

10.2 All municipal loan commitments must be recorded in a Loans Register reflecting at a minimum the:

10.2.1 Loan number;
10.2.2 Type of loan;
10.2.3 Financial institution;
10.2.4 Date issued;
10.2.5 Purpose of loan;
10.2.6 Loan period;
10.2.7 Interest rate;
10.2.8 Installments (capital and interest);
10.2.9 Due dates (quarterly / half-yearly / yearly);
10.2.10 Security (if any);
10.2.11 Final redemption date;
10.2.12 Opening balance at the beginning of the financial year;
10.2.13 Amounts received during the financial year;
10.2.14 Capital amounts redeemed during the financial year; and
10.2.15 Closing balance at the end of the financial year.

10.3 Sufficient provision must be made in the budget to depreciate assets linked to the loan.

11 DOCUMENTS TO BE KEPT ON RECORD

11.1 The following loan documentation and certificates, at a minimum, must be safeguarded at all times:

11.1.1 Loan agreements;

11.1.2 Any applicable security agreements;

11.1.3 Copy of annual loans register;

11.1.4 Signed copies of monthly reconciliations;

11.1.5 Copies of all repayments made;

11.1.6 Copies of amortization schedules;

11.1.7 Copies of quarterly National Treasury returns.

12 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.

13 APPROVAL AND EFFECTIVE DATE

The policy will be effective 1 July 2019.

FUNDING AND RESERVES POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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.

"Delegate" – means an official / person delegated to perform tasks on behalf of another person;

"Financial Statement" – means statements consisting of at least –

(a) Statement of financial position;
(b) 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.

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 2019.

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 Circulars
- MFMA Budget Circulars
- 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 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 (i.e. funded budget);

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 in compliance with mSCOA classification.

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 for annually.

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.

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.

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 operating 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 2019.

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 000-00 (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 000-00 (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 Director: Expenditure and the Deputy Director: Supply Chain 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.

Demand management must be co-ordinated by SCM officials of the municipality in consultation with end-users. This includes a detailed analysis of the goods, works or services required, such as:-

- the scope of the work to be executed;
- the time required to complete the project; and
- the material, resources, equipment required to execute the project.

The outcome of this activity should be a detailed planning document that outlines what goods, works or services should be procured, the manner in which they should be procured as well as the timelines to execute the procurement functions.

Procurement planning should take place at the beginning of the financial year when the municipality's IDP, Service Delivery and Budget Implementation Plan (SDBIP) and annual budget have been approved. Procurement plans cannot be developed in isolation; it should instead form part of the municipality's and other functional strategies. The SCM Unit must perform hand-in-hand with user departments / directorates in the formulation of procurement plans.

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.

11.3 Procurement of the following goods and services are exempted from normal procurement process as per Municipal SCM Framework 2018/2019 issued by Gauteng Provincial Treasury:

(a) Water from the municipality or municipal entity;

(b) Electricity from the municipality or municipal entity;

(c) Membership fees paid to professional bodies;

(d) Purchase of licence fees; and

(e) Tuition or enrolment payable through bursaries.

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 R2000-00 (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 R2000-00)

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 R2000-00 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 R2000-00 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.

(f) Tenders in respect of goods or services that have been designated for local production and content by the Department of Trade and Industry (DTI), must contain a specific tender condition that only locally produced goods or services with a stipulated minimum threshold for local production and content will be considered. The designated sectors and the minimum thresholds can be found on the DTI website. Procurement Practitioners need to ensure they know which materials have been designated in order to align with legislation.

The tender invitations must stipulate that the exchange rate to be used for the calculation of local content (local content and local production are used interchangeably) must be the exchange rate published by the SARB at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

Report to DTI and the Department of Economic Development all awards in terms of designated sectors.

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 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-

(j) 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 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.

27.5 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 amunicipal 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.

32.4 Report the award of the contract above R200,000 in terms of regulation 32 to the GPT within 10 working days of the award, on the template provided, signed off by the Accounting Officer.

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 No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

43.2 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 2019.

ASSET MANAGEMENT POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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

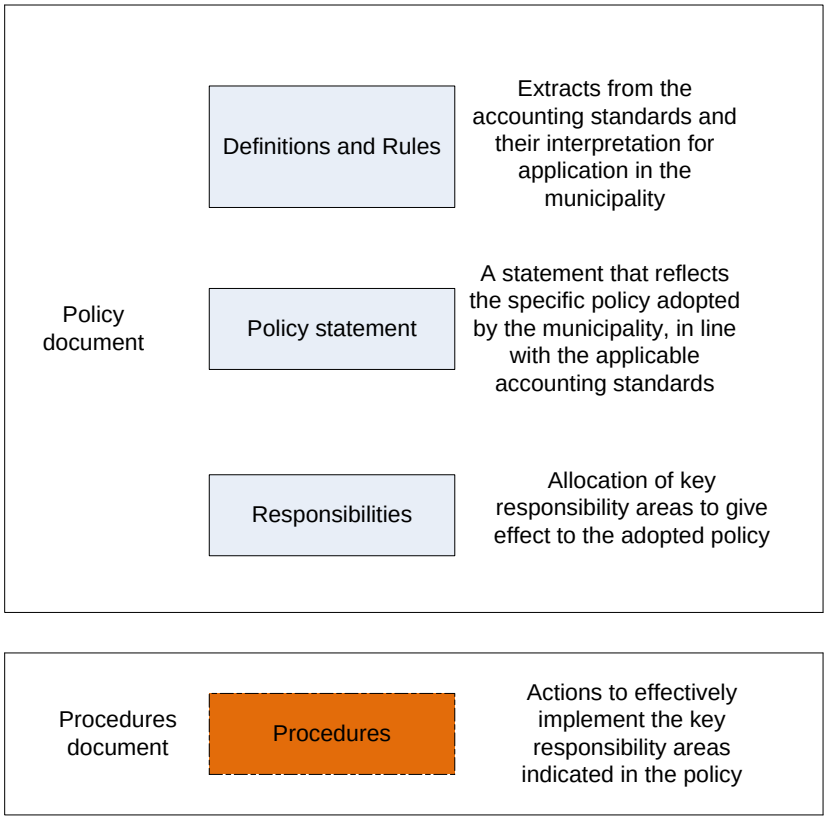
The following references were observed in compiling this document:

- 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.

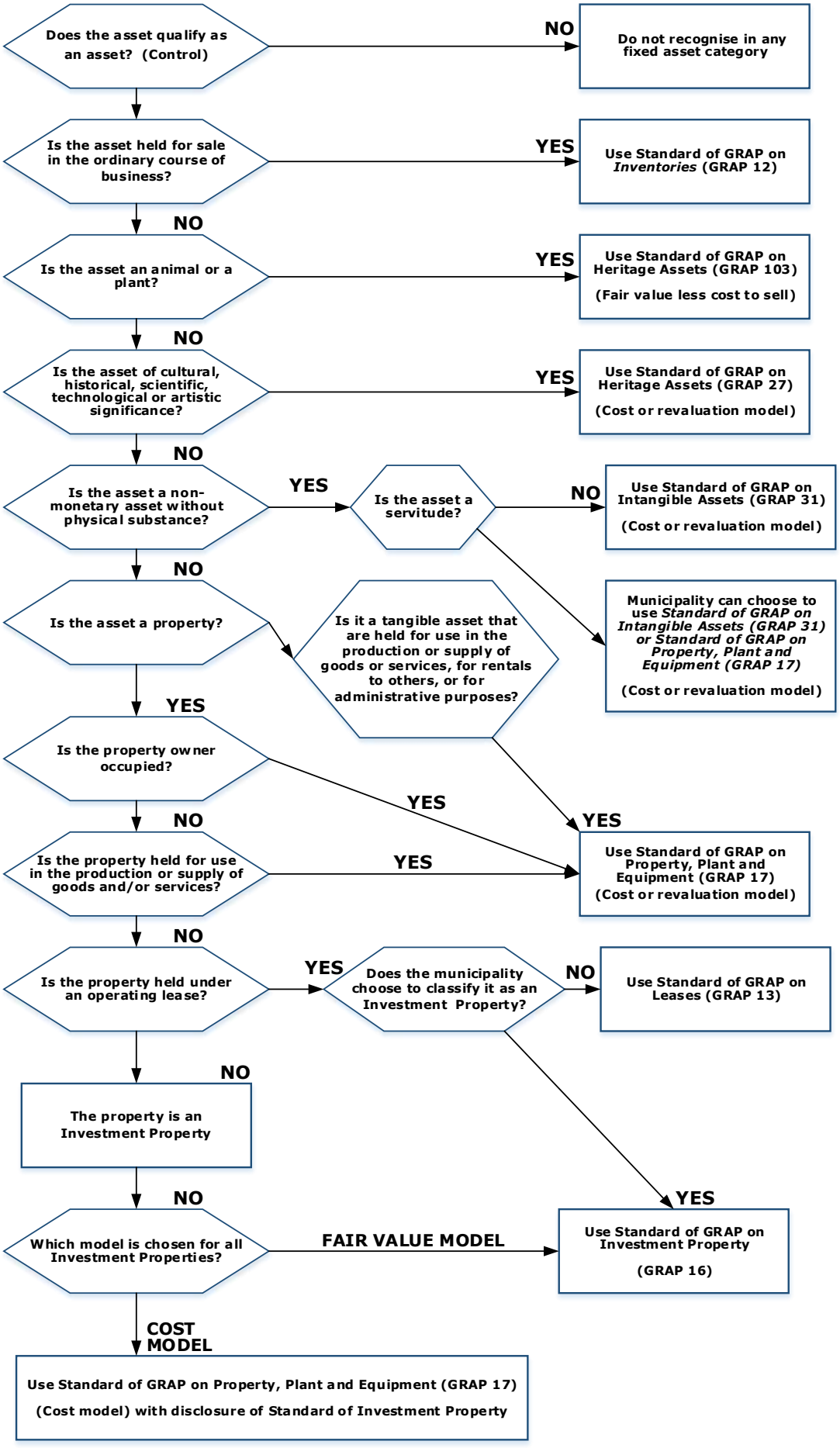
(b) Policy statement

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).

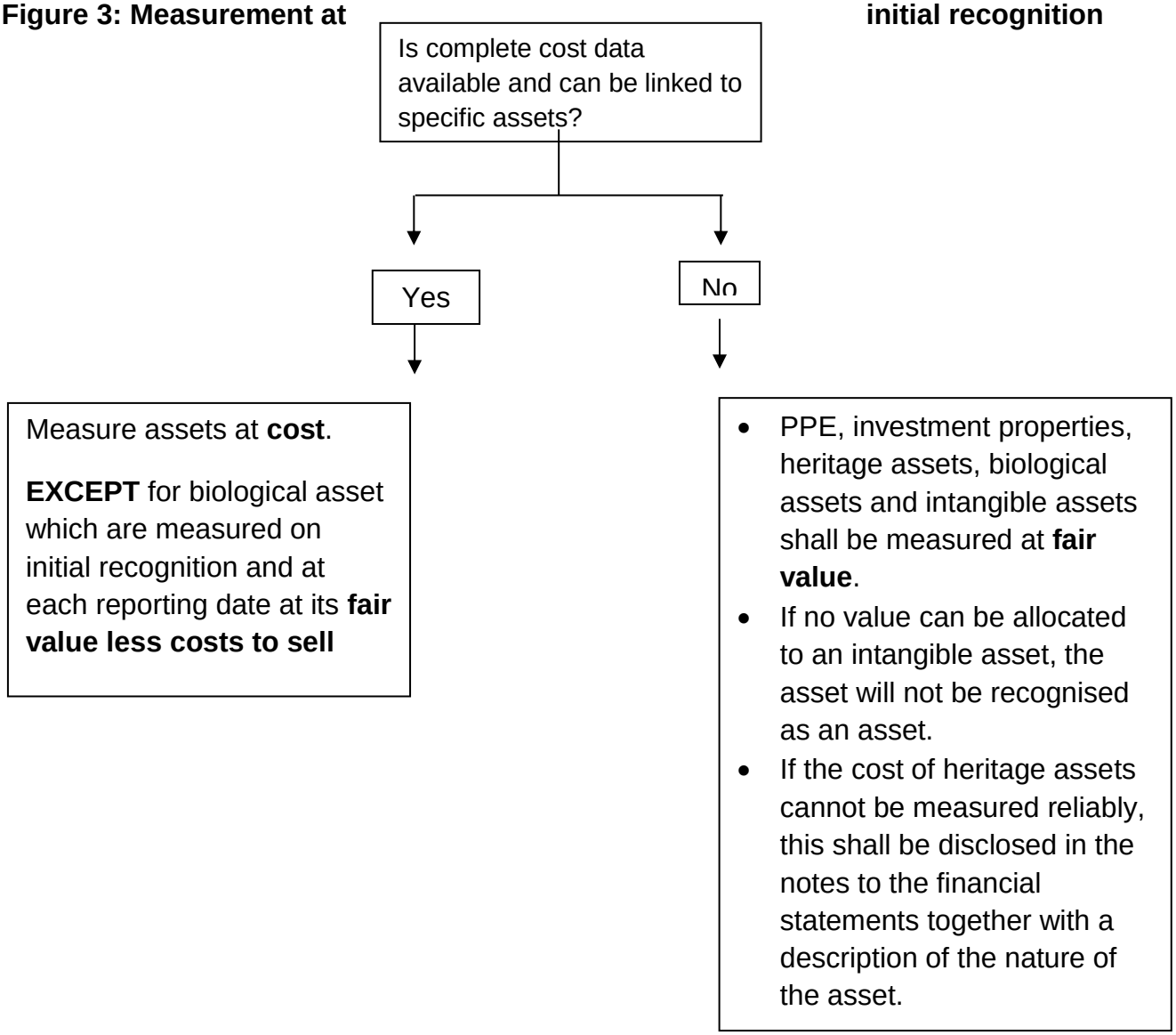
(b) Policy statement

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

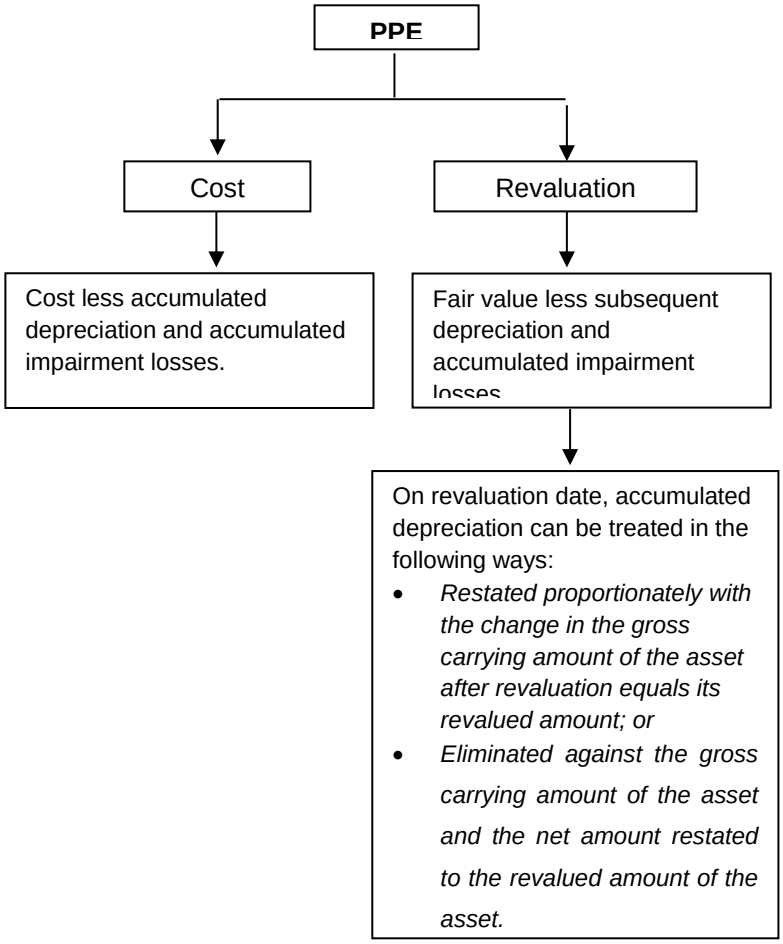


Figure 5: Measurement after recognition

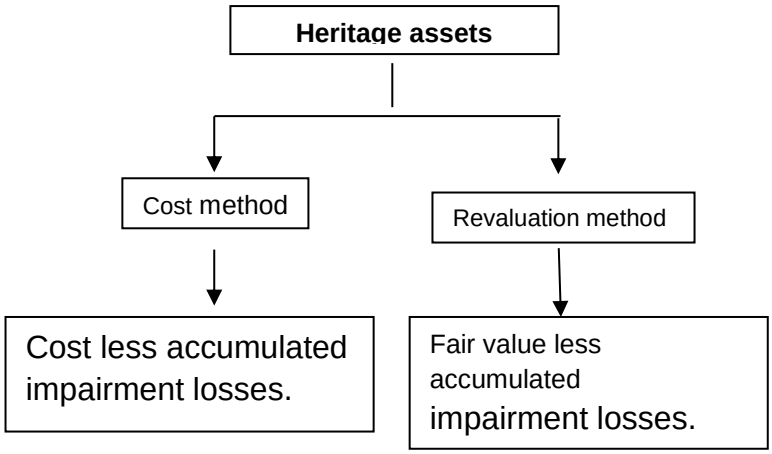


Figure 6: Measurement after recognition

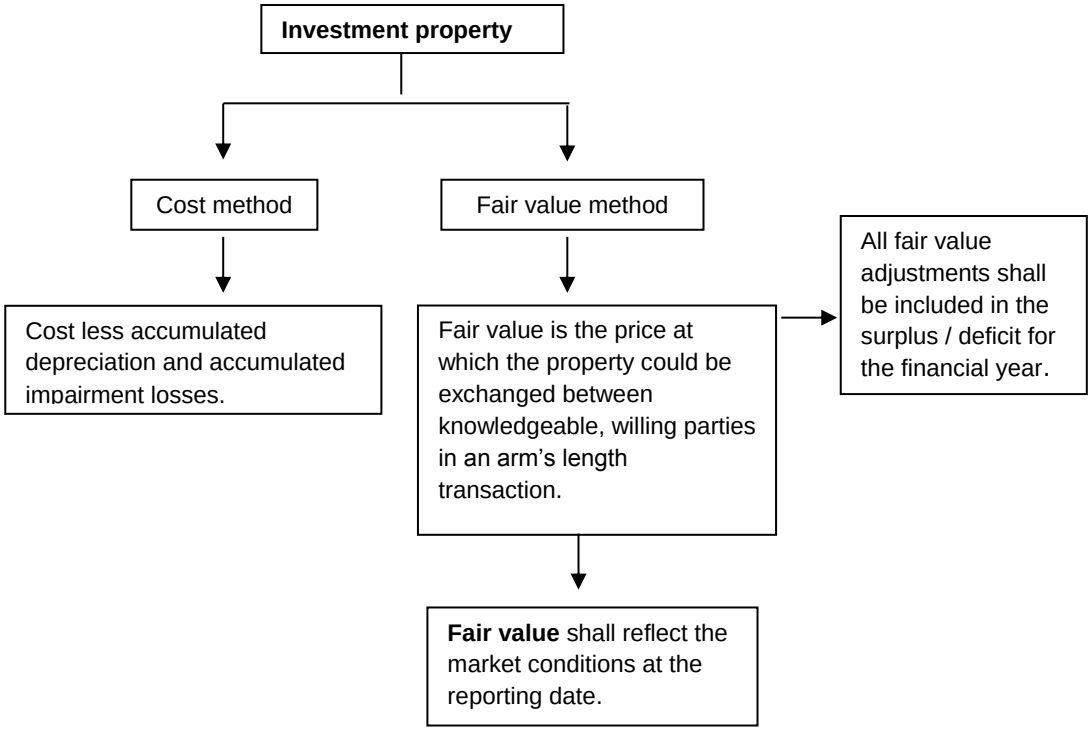


Figure 7: Measurement after recognition

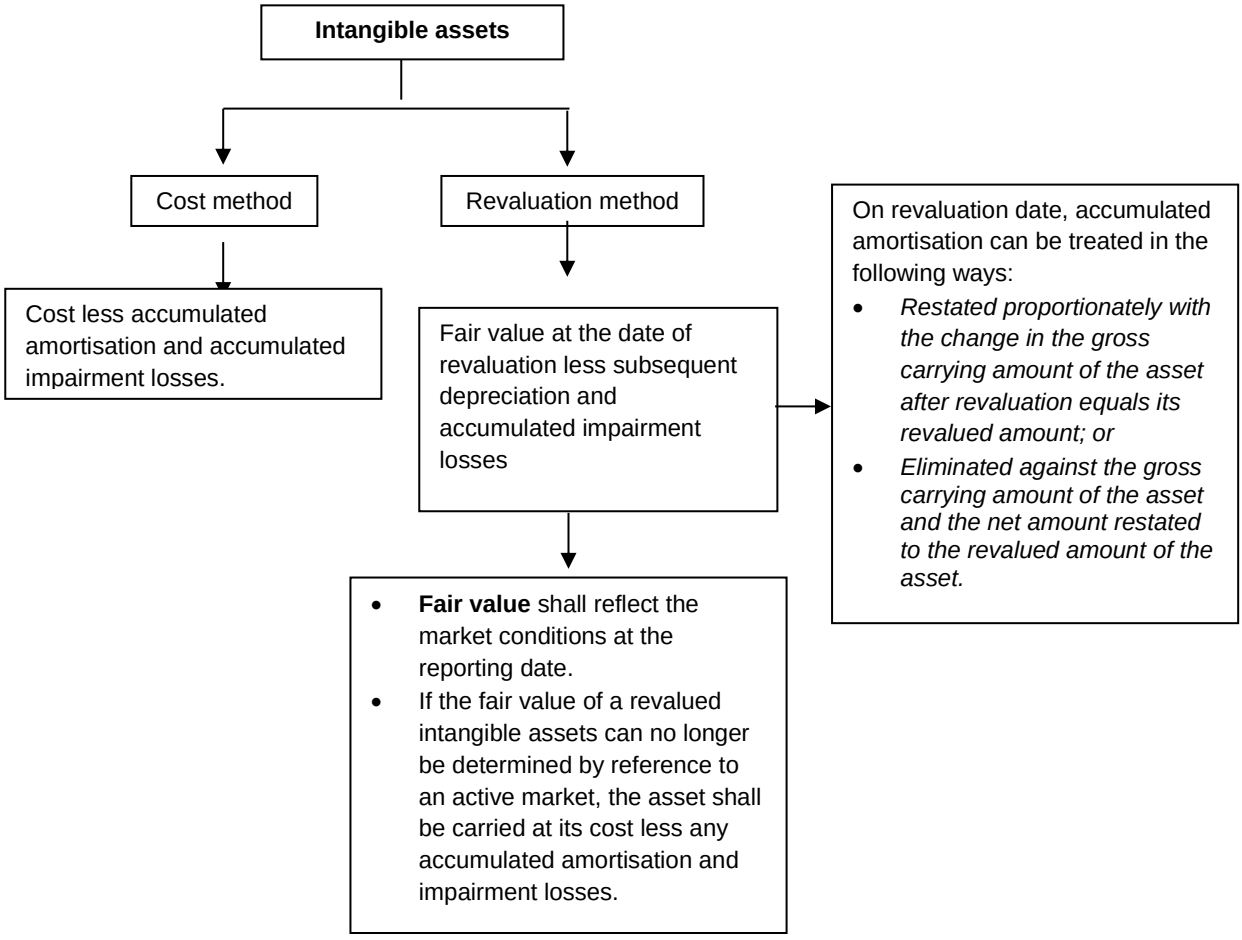
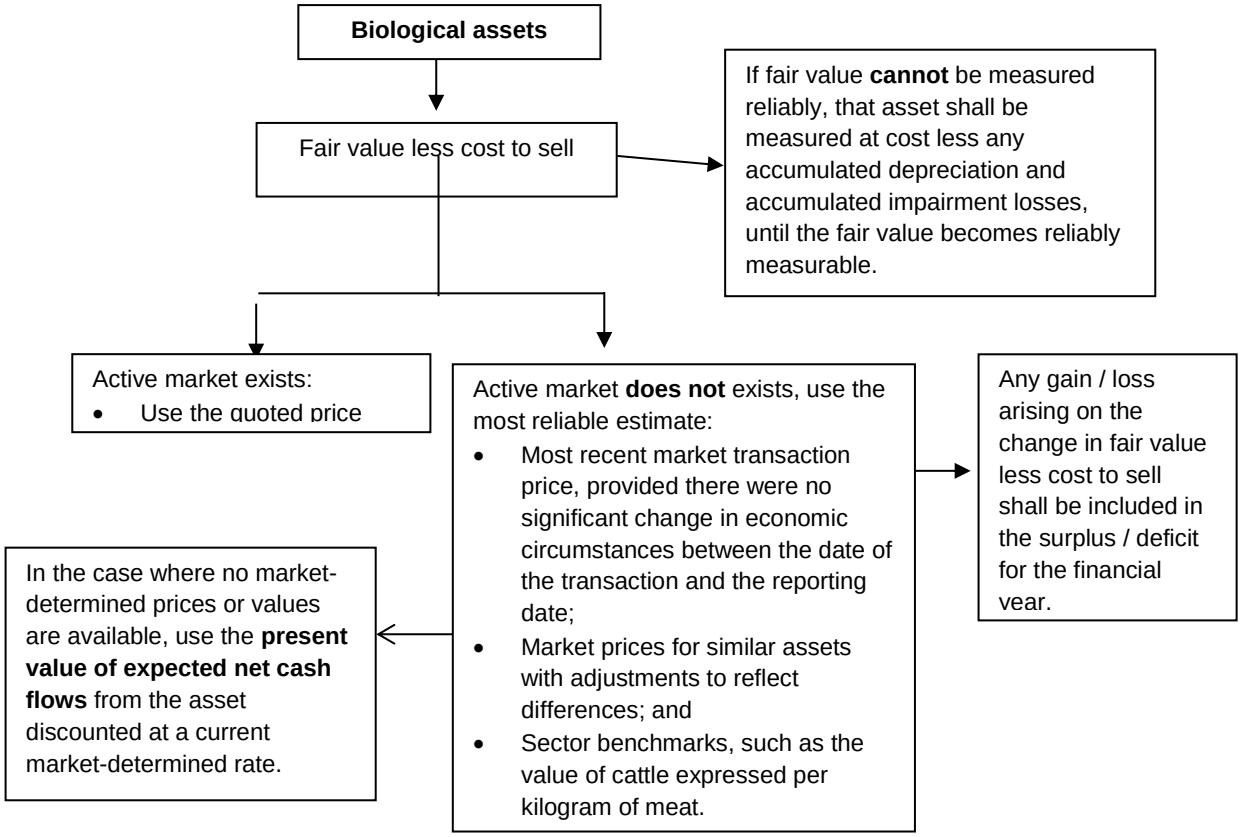


Figure 8: Measurement after recognition



(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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 2019.

INDIGENT POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 500.00 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 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 500** per month EXCLUDING **support from family and churches** (up to a maximum of **R2 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, 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 500**;

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.

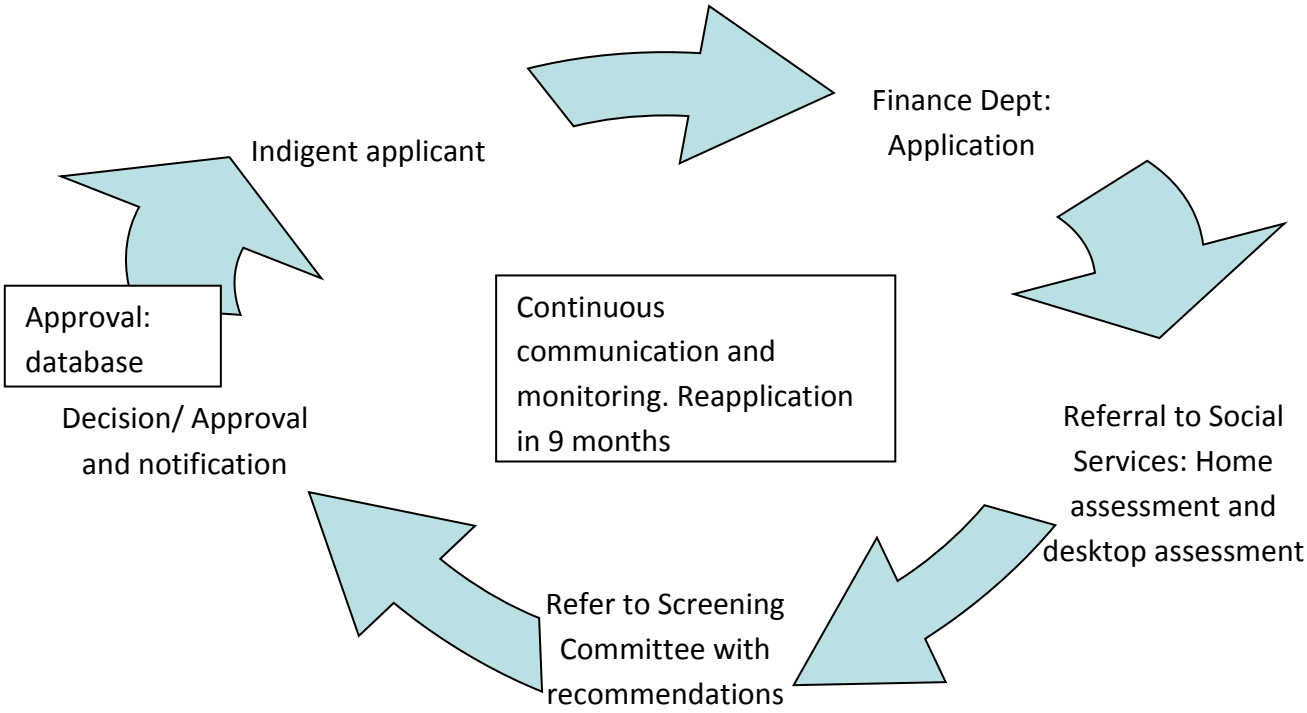
10.1.8 All outstanding account balances (including handovers) as at date of approval will be written off. **For first time applicant and new deemed indigents only. No future write offs of outstanding balances of such indigent person/s will be allowed.**

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.

10.1.12 An additional verification shall be done with credit vetting agencies as an internal control measures for all indigent applications.



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 (application based and deemed indigents).

11. BENEFITS OF REGISTERED INDIGENTS

11.1 All outstanding balances (including handovers) as at date of approval will be written off as contemplated in clause 10.1.8 above for first time applicant and new deemed indigents only. No future write offs of outstanding balances of such indigent person/s will be allowed.

The debt will never be written off again and on outstanding balances (including handovers) for such indigent customer will be payable when the indigent status is retracted or cancelled.

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 pre-paid 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 and subdivision subject to the Indigent Screening Committee;

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.

ADDENDUM TO INDIGENT POLICY

Clause 10.1.8: All outstanding account balances (including handovers) as at date of approval of the indigent status will be written off for the current financial year (2018/2019) only. No future writing off of outstanding balances of such indigent person/s will be allowed.

and

Clause 11.1: All outstanding account balances (including handovers) as at the date of approval of the indigent status of a person/s will be written off as contemplated in Clause 10.1.8 above, but only for that specific financial year (2018/2019). The debt will never be written off again and all outstanding balances (including handovers) for such indigent customer will be payable when the indigent status is retracted or cancelled.

An additional verification will be done with the ITC as an internal control measure, to all Indigent applicants.

14. EFFECTIVE DATE

The Policy is effective from 1 July 2019.

POLICY: PROVISION OF FREE BASIC ELECTRICITY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 2019.

POLICY: PROVISION OF FREE BASIC WATER

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 2 kl free per month to be phased out in 2020/2021.

5.2 Implementation Date

The policy will be effective as from 1 July 2019.

POLICY ON THE ACCEPTANCE OF GRANTS, GIFTS, DONATIONS AND SPONSORSHIPS

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 spon-sorships 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 Muni-cipality 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 Di-vision 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 De-partment 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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 2019.

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 Policies;
- 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.

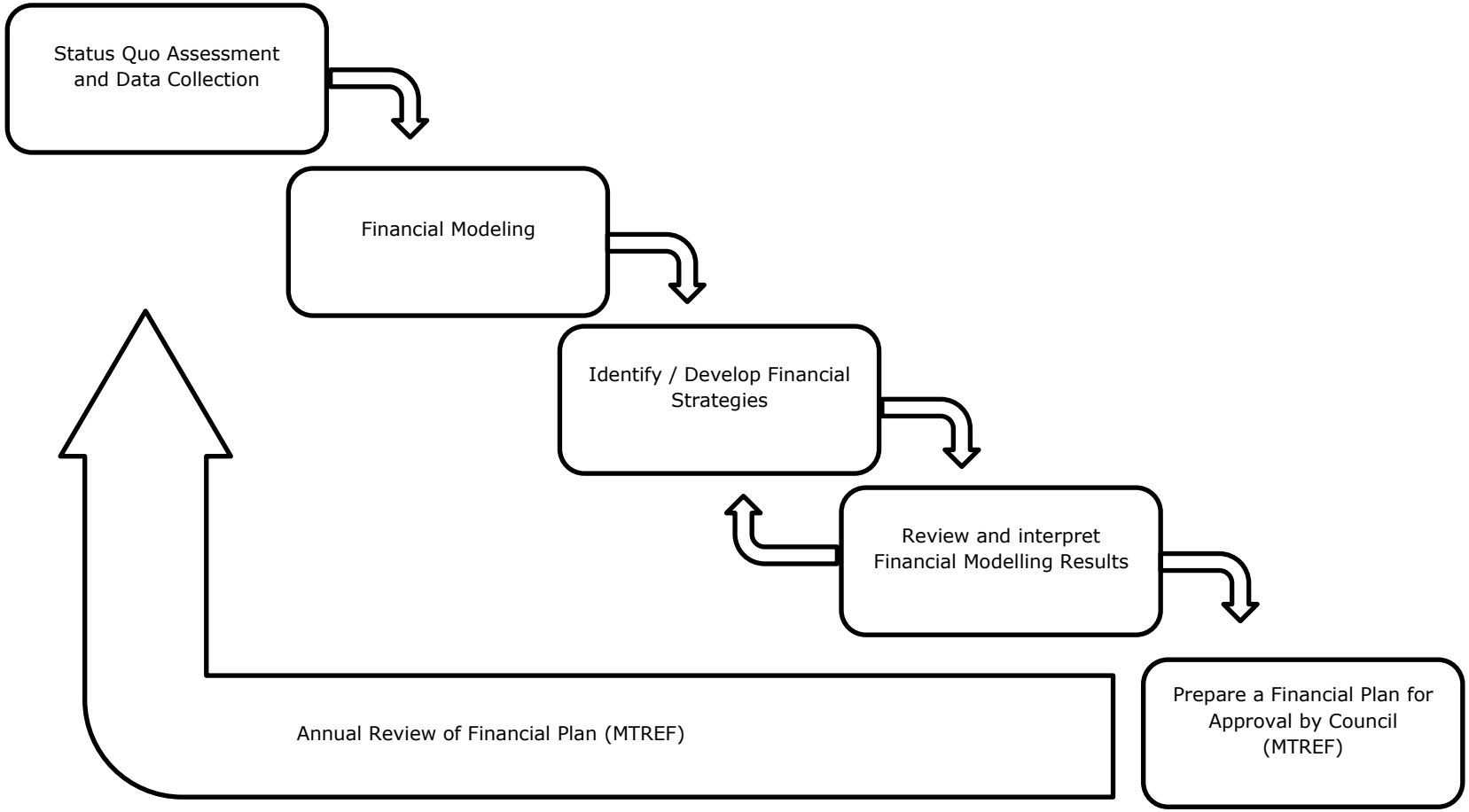
(d) A combination of technical analysis and strategising. Long-term forecasts and analysis are used to identify long-term imbalances and financial strategies are developed to counteract these imbalances or inequities.

(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 2019.

INCA
Portfolio Managers

MIDVAAL MUNICIPALITY

Long Term Financial Plan – ***Update 2019***

Prepared by
INCA Portfolio Managers
February 2019

REPORT OVERVIEW – INTRODUCTION AND BACKGROUND

The Midvaal Municipality appointed INCA Portfolio Managers in 2017 to prepare a Long Term Financial Plan (LTFP). The output of the assignment was a report entitled *Midvaal Municipality Long Term Financial Plan: 2016 – 2026*; December 2017. This *2019 Update* aims to update the LTFP based on the latest available information and report on the findings.

The objective 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.

A summary of the demographic-, economic- and household infrastructure perspective was updated with the latest available information as published by iHS Global Insight. The historic financial analysis was updated with the information captured in the municipality's audited financial statements of 30 June 2018. IPM's Long Term Financial Model (latest and updated version 21.1) was populated and run with this latest information, and the outcome thereof is reported herein. The model was re-calibrated against the municipality's MTREF for the 3 years from 2018/19 to 2020/21.

Unlike the original assignment, no renewed analysis of the Asset Register, review of municipal documents (viz. IDP, Master Plans, etc.) and conversations with management were undertaken. The conclusions reached in this report are complimentary to the recommendations made previously.

The contents of this report entail the following:

1	Planning Process
2	Updated Perspectives (Demographic, Economic, Household Infrastructure)
3	Updated Historic Financial Assessment
4	Future Revenues
5	Affordable Future Capital Investment
6	Scenario Analysis
7	Ratio Analysis
8	Conclusions

KEY FINDINGS AND CONCLUSIONS DRAWN FROM THE 2019 LTFP UPDATE

- An analysis of the socio-economic aspects reveal that Midvaal's overall performance is favourable when compared to the other two local municipalities in the Sedibeng District. This however does not deviate from the many challenges faced by the municipality such as slow local economy growth, high unemployment rates and low debt collection rates.

- The fact that 61.4% of all households earn an income of less than R 16 000 pm is an important factor when considering the potential upside of the municipal income potential. On the downside, the unemployment rate at the end of 2017 remained high at 36.2%.

- The number of people officially employed shown a substantial improvement since 2013 and at the end of 2017, 29% or 31 248 people of the total population were employed.

- The economy of Midvaal is well diversified with the five subsectors each contributing more than 10% to the GVA. The Manufacturing, Finance, Trade and Community services sectors are also the largest Employer with 20%, 20%, 19% and 17% respectively of Total Employment.

- The 4th consecutive clean audit at FYE2018 is a reflection of good governance.

- Service delivery challenges given the population growth is reflected in the 17% of households that experience electricity backlogs, 10% sanitation backlogs and 10% refuse removal backlogs.

- Total operating income increased by R 72.25 million or 7.9% to in FY2018, which is higher than the growth in Operating Expenditure (excluding capital grants) of R 62.33 or 6.7% in the same period.

- The Liquidity Ratio is healthy at 2.32 as at FYE2018; indicating that Midvaal has enough cash resources to cover short term obligations should they fall due. Cash and investment balances increased by R 71.89 million (55.3%). Net cash from operating activities compared to the previous year increased by R 51.08 million to R 123.02 million.

- The collection rate of 93% in FY2018, which is also the average rate for the past 7 years, is still below the minimum acceptable benchmark of 95%.

- Turning to the 10-year LTFP the following is observed:

    - The MTREF capex budget of the municipality is financially feasible. This is due to a conservative capex budget and the blended funding mix as projected during the MTREF period.
    - The LTFP indicates that should the financial improvement be maintained; a potential exists to accelerate capital expenditure from 2022 onwards to reach 13.8% of total expenditure by 2028. It is estimated that Midvaal will be able to invest R 2 149 million in a capital programme over the next ten years to FYE 2028 and will be able to sustain external borrowings that fund 37% of this capital spend.
    - The IPM model projects that the municipality will continue building a healthy bank balance in excess of the estimated minimum liquidity required over the 10-year period. The Liquidity Ratio will peak at 2.5:1 in 2023 before decreasing to 1.8:1 by the end of the 10-year planning period.
    - A pre-condition for this positive outlook is however that finances are managed with the needed care and discipline within the guidelines set in the LTFP.

1	**Planning Process**
2	Updated Perspectives (Demographic, Economic, Household Infrastructure)
3	Updated Historic Financial Assessment
4	Future Revenues
5	Affordable Future Capital Investment
6	Scenario Analysis
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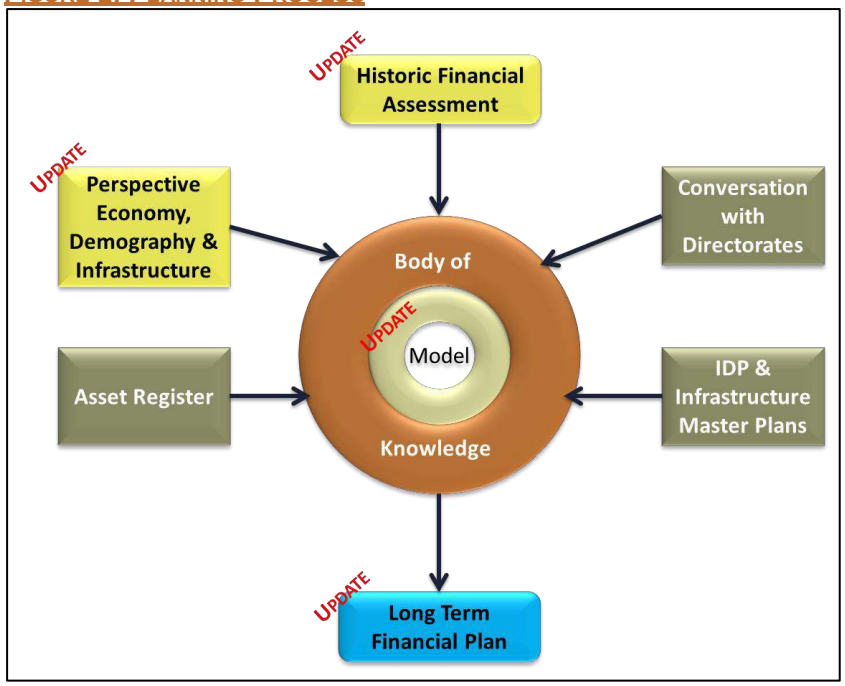
PROCESS

The diagram below illustrates the steps in the process that were followed in drafting the LTFP and the steps taken during this 2018 "LTFP Update":

FIGURE 1: PLANNING PROCESS

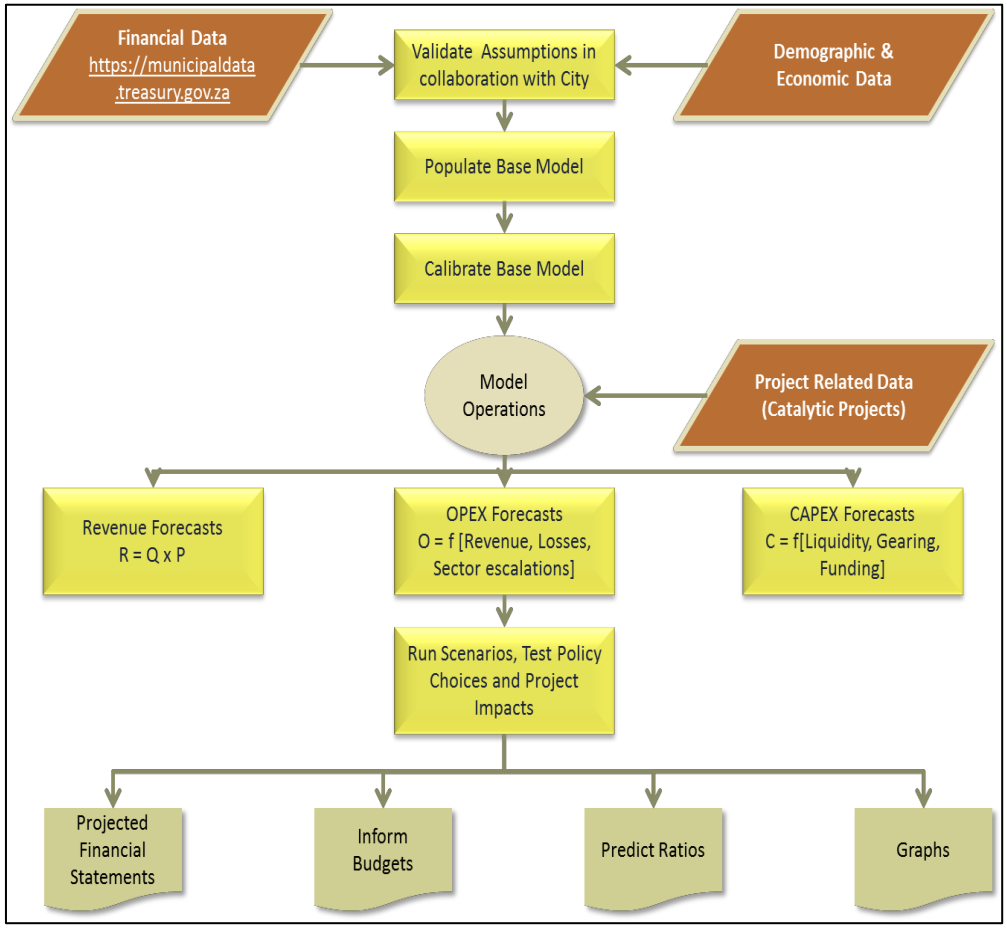


During the course of the past year IPM developed a new long term financial model[1], which was populated with the latest information of Midvaal and used to make a base case financial prediction of the future. The diagram below illustrates the outline of the model.

[1] Part of National Treasury's Cities Support Programme and with technical assistance from the World Bank Group.

The model was adapted for the purpose of this update in that no large infrastructure projects were assessed. The capital budget as presented in the MTREF was however included and predictions of affordable future capex were made.

FIGURE 2: FINANCIAL MODEL FRAMEWORK



1	Planning Process
2	**Updated Perspectives (Demographic, Economic, Household Infrastructure)**
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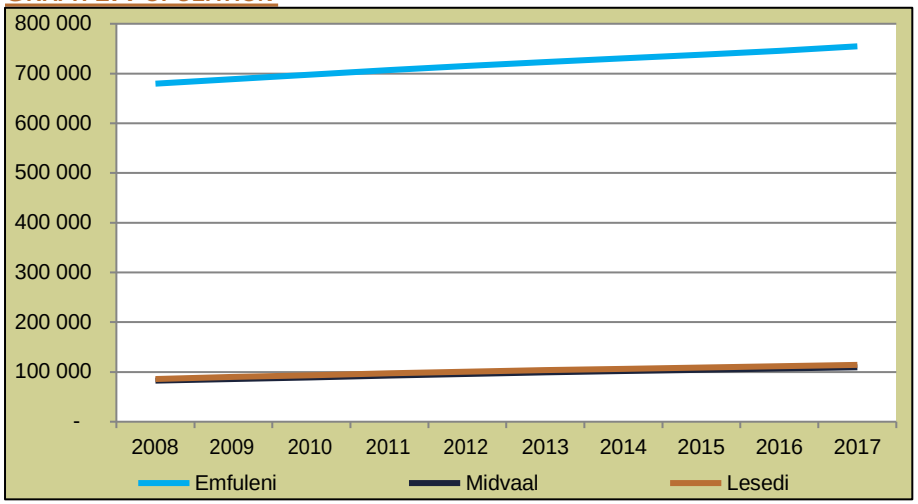
DEMOGRAPHY

The current ***Population*** of Midvaal is estimated at 109 422 (2017). This is on par with that of Lesedi (114 251) and respectively representing 11.2% and 11.7% of the people living in Sedibeng District Municipality. Midvaal and Lesedi currently have the same population growth rate (2.3%) in the District, while Emfuleni (1.2%) has the lowest. The population growth rate for Midvaal is higher than both Gauteng (2.0%) and National growth rates (1.5%).

GRAPH 1: POPULATION

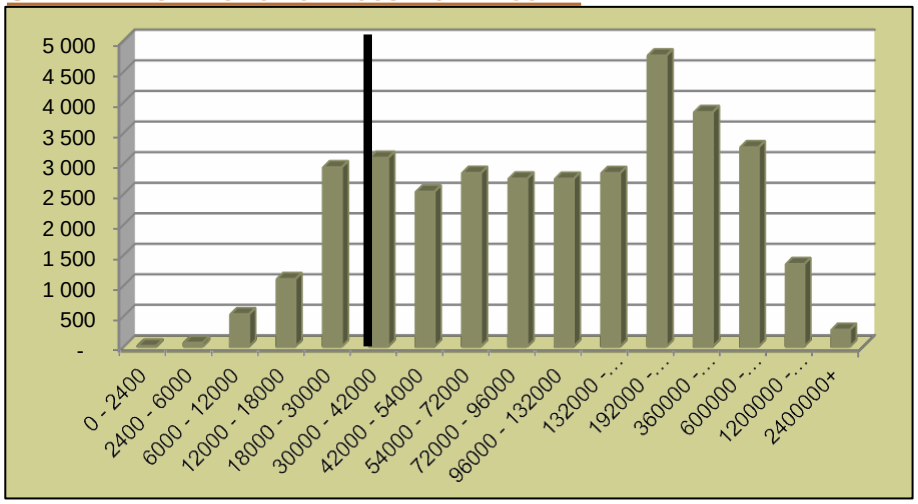


Households earning less than R30 000 p.a. represents a rough estimate of the number of indigent household in the municipal area, which qualify for and/or are largely reliant on government grants as source of income.

The ***Household Income*** distribution illustrates that the proportion of households earning less than R 30 000 p.a. constitute approx. 13.2% which is the lowest in the district and below the district average of 17.4%. 61.4% of all households earn an income of less than R 192 000 p.a. (R 16 000 p.m.). The extent to which these households can be levied in future needs to be specifically considered. The highest concentration of households (13.6%) fall within the economic income bracket of between R 192 000 and R 360 000 p.a. The average households' income for Midvaal is R 308 106 p.a (R 25 676 p.m). which is the highest of all three municipalities in the Sedibeng District, and higher than the national average of R 201 630 p.a.

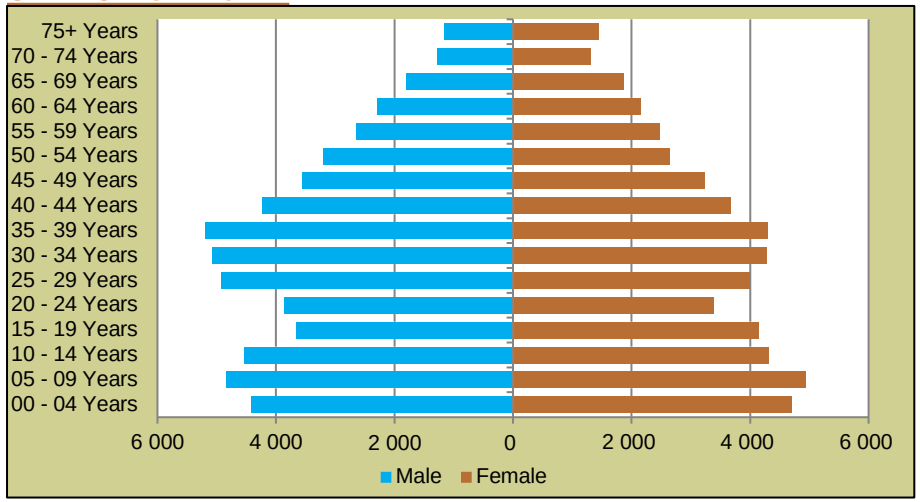
The average annual per capita income of Midvaal of R 99 906 is the highest in the district. Followed by Lesedi: R 64 313 and Emfuleni: R 61 488.

GRAPH 2: DISTRIBUTION OF HOUSEHOLD INCOME



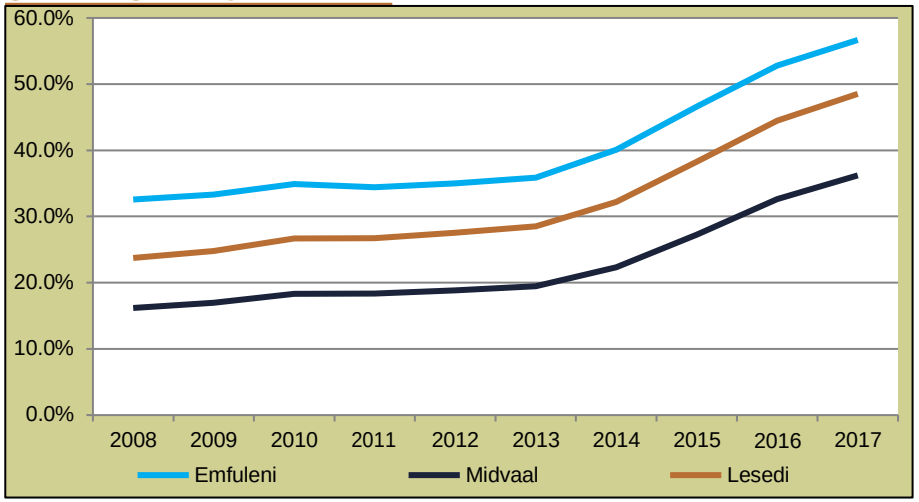
The ***Age Profile*** illustrates that proportionally Midvaal has the highest percentage of people falling within the 25 to 39-year age bracket for Male and within the 00 to 14 year age bracket for Female. The working age group of Midvaal represents a notable size of the population. This age profile of Midvaal is typical of a developing society.

GRAPH 3: AGE PROFILE



Although, the 36.2% ***Unemployment Rate*** for 2017 is the lowest of the three municipalities in the district, it remains very high and increased since 2013 and is higher than the Gauteng's 29.5% and the Country's 27.2%.

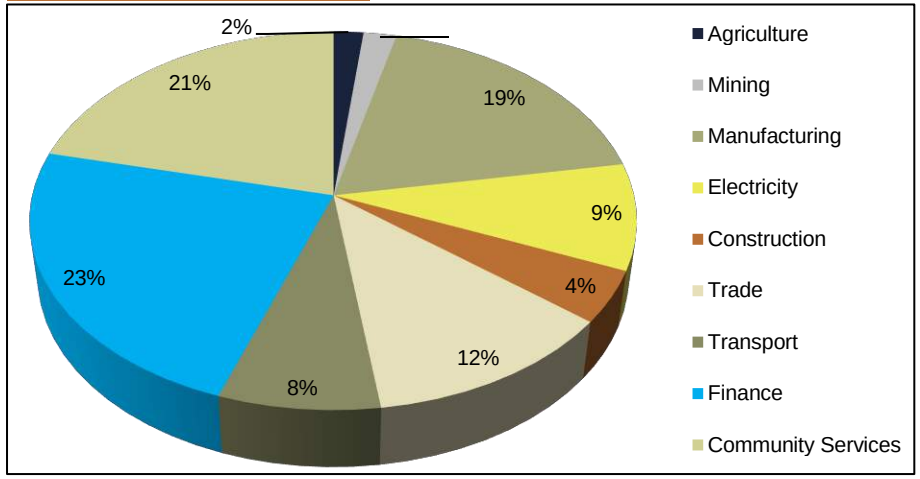
GRAPH 4: UNEMPLOYMENT RATE



ECONOMY

Finance remains the dominant ***Economic Sector*** with 23% of the output in 2017, followed by Community services (21%), Manufacturing (19%) and Trade (12%). The Midvaal economy is well diversified, which should provide economic stability. The services sector comprising trade, finance, manufacturing and community services not only contributes significantly to the economy (75% of output) but is also the main provider of employment.

GRAPH 5: ECONOMIC SECTORS



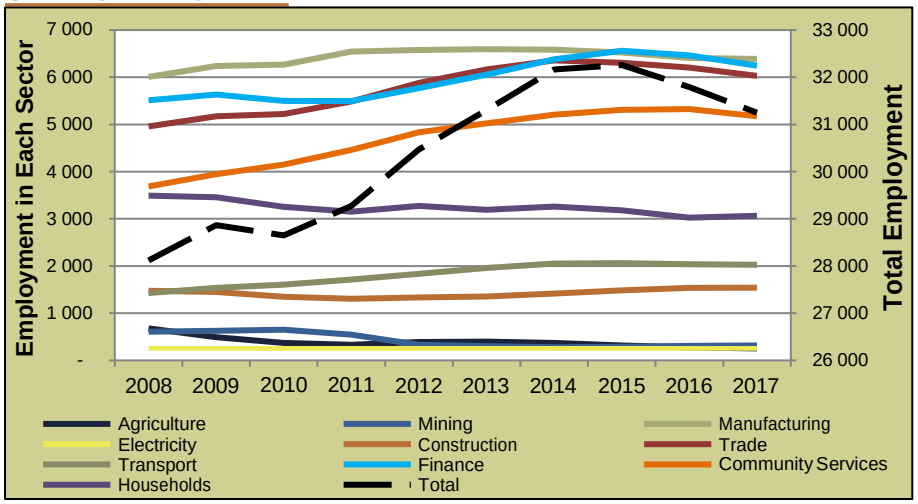
The changing nature and function of the area is reflected in the proportional growth figure of the key economic sectors. ***Proportional growth*** was experienced in the Finance, Community services and Trade sectors, with all other sectors experiencing stagnant or declining growth rate from 2008 to 2017. The proportional contribution of Manufacturing showed the greater declined over the period.

TABLE 1: PROPORTIONAL GROWTH OF ECONOMIC SECTORS

Sector	2008	2017
1 Agriculture	1.7%	1.8%
2 Mining	2.5%	2.0%
3 Manufacturing	21.9%	18.5%
4 Electricity	10.0%	9.0%
5 Construction	3.7%	4.4%
6 Trade	11.0%	12.1%
7 Transport	7.2%	7.6%
8 Finance	22.4%	23.3%
9 Community services	19.6%	21.3%

Changes in the economic structure of the region as reflected in the employment figures. The Manufacturing, Finance, Trade and Community services sectors are the largest Employer with 20%, 20%, 19% and 17% respectively of Total ***Employment***. Household, Transport and Construction sectors are also significant with the contribution of over 1 000 of employment. Total employment reflects a significant improvement between 2010 and 2015, and since then it reflected a decline. At the end of 2017 the officially registered workers came to 31 248 people or 29% of the population.

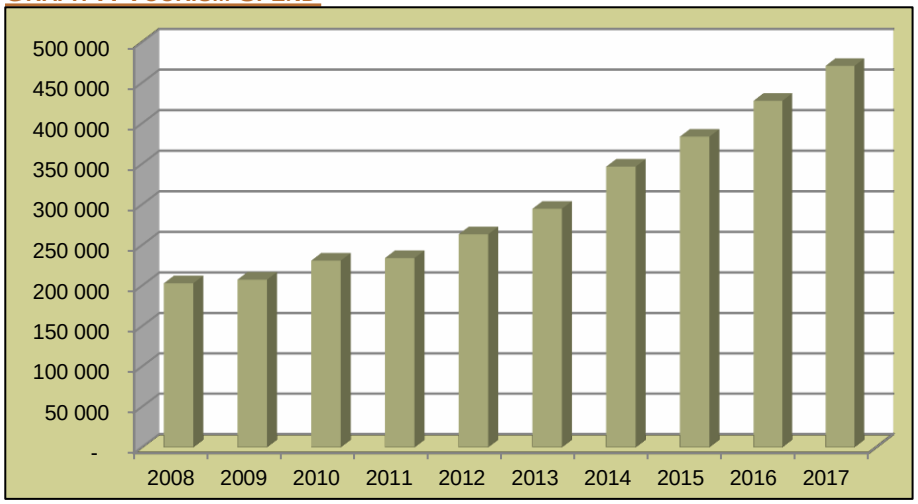
GRAPH 6: EMPLOYMENT



Tourism Spend in 2017 amounted to R 470.92 million, which equates to 9.5% of GVA (Current Prices).

GRAPH 7 reflects the increasing trend of Tourism Spend over the past ten years. Tourism remains an important economic driver for the local economy.

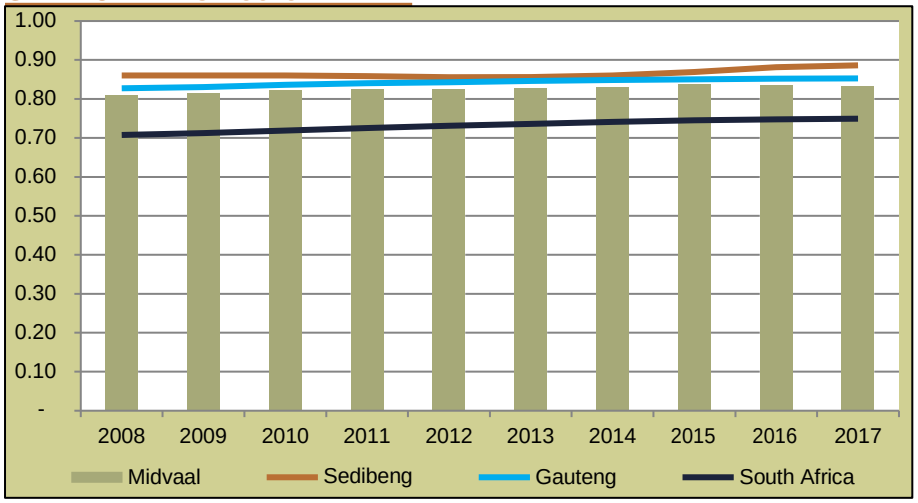
GRAPH 7: TOURISM SPEND



HOUSEHOLD INFRASTRUCTURE

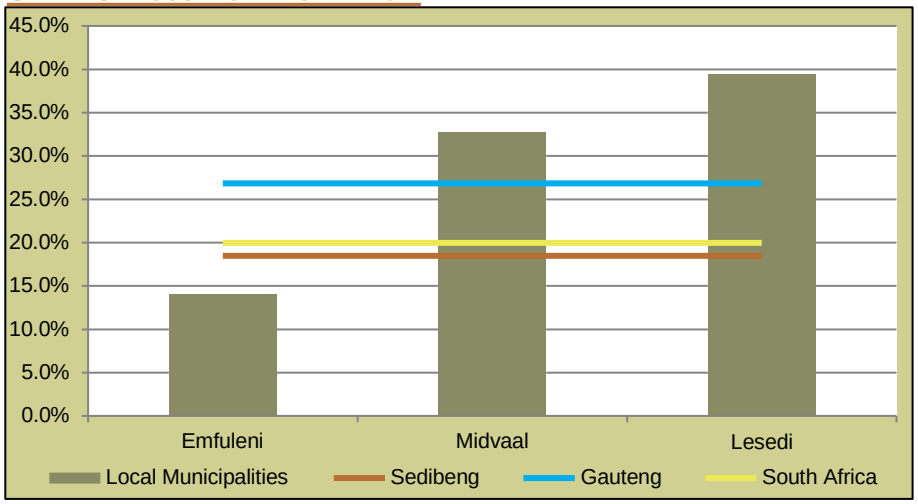
The ***Infrastructure Index*** of 0.83 is lower than the Province (0.85) and the District (0.89). When comparing the three municipalities in the Sedibeng District, it is noted the Midvaal has the lowest infrastructure index. This is due to the high population growth and household formation in recent times, exacerbating the infrastructure backlogs.

GRAPH 8: INFRASTRUCTURE INDEX



Growth in ***Household Formation*** between 2008 and 2017 was 33%, the second highest of all three municipalities in the district. In absolute numbers, the growth of households in Midvaal was 8 793 during the period.

GRAPH 9: HOUSEHOLD FORMATION



By comparing backlogs of ***Sanitation, Water, Refuse Removal and Electricity*** in urban as well as non-urban areas, Midvaal Municipality performed below the average service delivery in the Sedibeng District. Its service delivery challenge given the population growth is reflected in the 17% of households that experience electricity backlogs, 10% sanitation backlogs and 10% refuse removal backlogs.

TABLE 2: HOUSEHOLD INFRASTRUCTURE PROVISION

Infrastructure	Sedibeng DM	%	Midvaal	%
Above RDP Level				
Sanitation	287 949	93.7%	32 027	89.9%
Water	304 653	99.1%	34 986	98.2%
Electricity	283 238	92.1%	29 521	82.8%
Refuse Removal	289 146	94.1%	32 061	90.0%
Below RDP Level or None				
Sanitation	19 473	6.3%	3 610	10.1%
Water	2 769	0.9%	650	1.8%
Electricity	24 184	7.9%	6 116	17.2%
Refuse Removal	18 276	5.9%	3 575	10.0%
Total No. of Households	**307 421**	**100.0%**	**35 636**	**100.0%**

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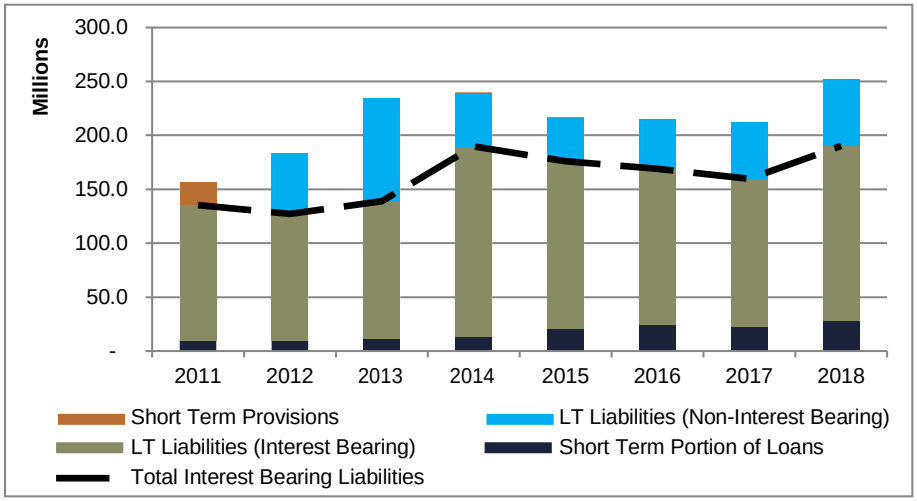
Financial Position

The financial position of Midvaal LM improved noticeably since the last assessment in FY2016. The balance sheet demonstrates this improvement by an increase in Total Assets from R 2.30 billion to R 2.43 billion as at 30 June 2018. (an increase of R 131.05 million, which includes an increase in Cash and Cash Equivalents of R 101.98 million). This positive growth in assets should also be viewed in the context of the increase in liabilities of only R 22.17 million for the past 2 years. To gain a deeper understanding of these movements the categories of assets and liabilities were analysed further.

Graph 10: Long Term Liabilities: Interest Bearing vs Non-Interest Bearing

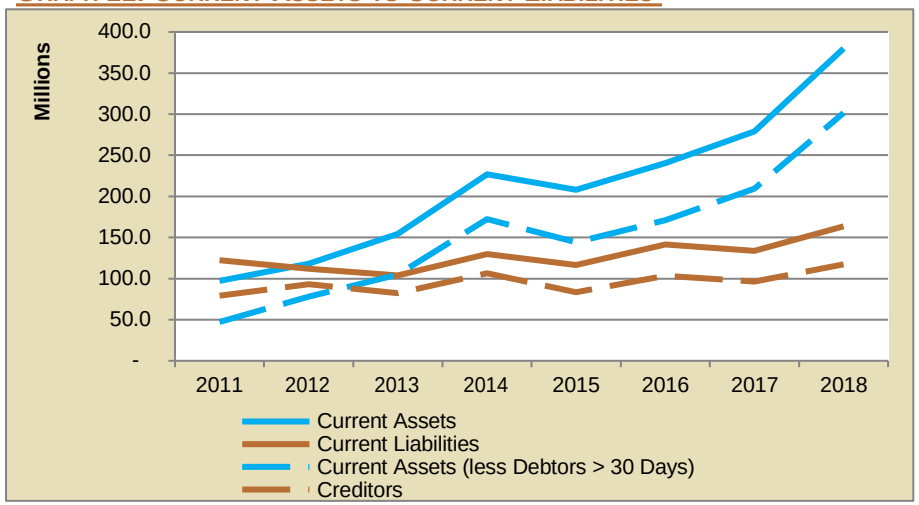


The Total Interest-bearing Liabilities have increased by R30.52 million (19.1%) from R 159.72 million as at FYE2017 to R 190.24 million as at FYE2018. This increase was driven by an additional borrowing of R 51.7 million during FY2018 as part of the funding mix utilised for Capital Expenditure.

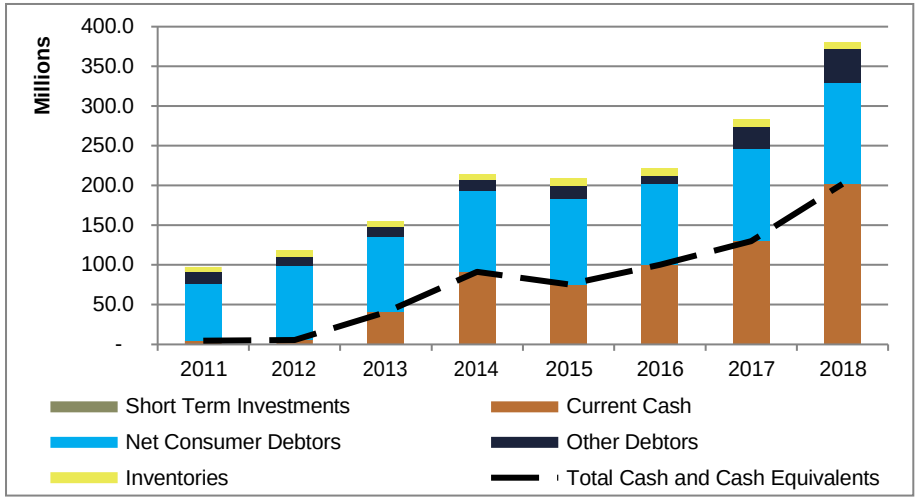
The additional take-up of external loans had no significant impact in the Gearing Ratio, which only increased by 1 percentage point to 19% as at FYE2018. This implicates that the Gearing Ratio remained below the maximum norm of 40% suggested by National Treasury. The debt service cover ratio (which measures the ability of the municipality to service its debt from cash generated by operations) came to a healthy 3.24, indicating that the current levels of debt are affordable to the municipality.

Long term Non-interest bearing liabilities increased by R9.85 million (18.9%).

Graph 11: Current Assets vs Current Liabilities



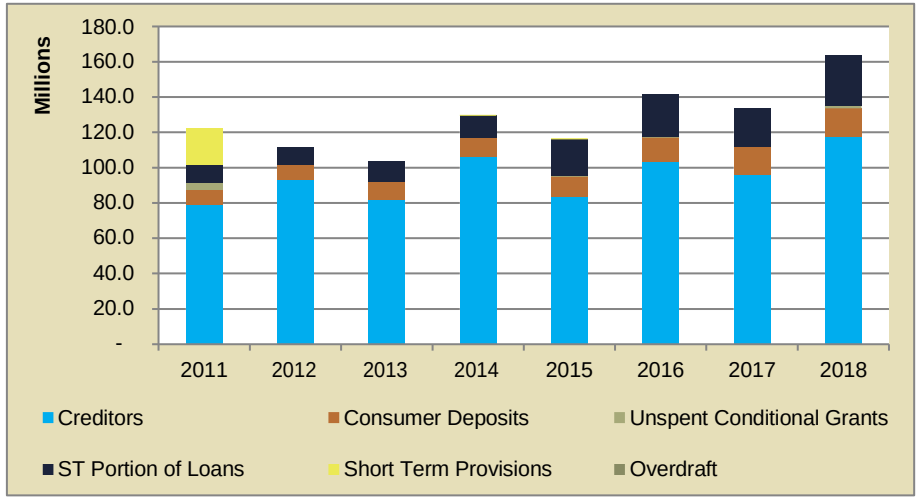
Graph 12: Current Assets



The Liquidity Ratio improved from 2.09 as at FYE2017 to 2.32 as at FYE2018. Should all debtors older than 30 days be excluded, this ratio reflects a healthy 1.84 as at FYE2018, compared to 1.56 as at FYE2017.

The increase in Current Assets of R100.74 million (36.1%) was mainly a result of increases in Cash and Cash Equivalents (R71.89 million or 55.3%) and Net Consumer Debtors (R 10.21 million or 8.8%).

GRAPH 13: CURRENT LIABILITIES

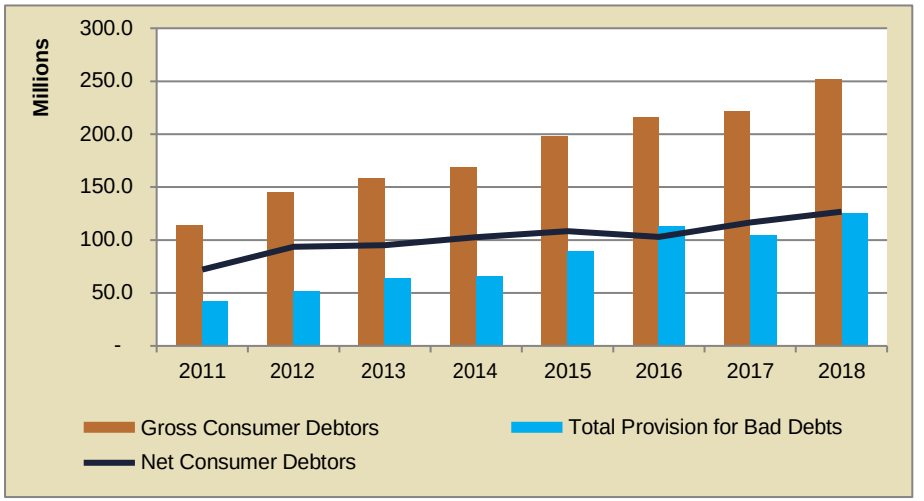


Notwithstanding these positive increases in Current Assets, Creditors increased by R 20.94 million (21.7%) during FY2018, which was the main reason for the R 29.77 million (22.2%) increase in Current Liabilities.

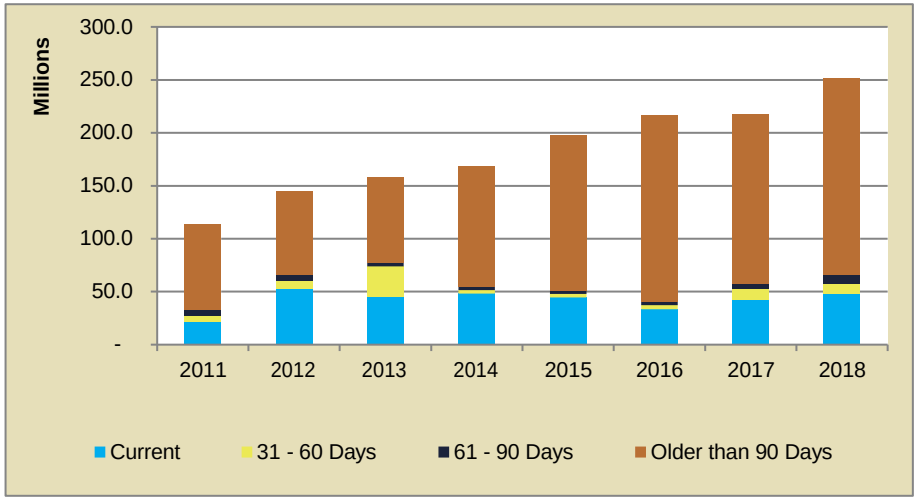
Debtors Management

In the past 2 years, Gross Consumer Debtors increased by R 30.63 million (13.8%) while Net Consumer Debtors increased at a smaller extent by R 10.21 million (8.8%), due the effect of an increase in the provision for doubtful debt of R 20.42 million (19.5%) to R 125.24 million as at FYE2018. This provision is still not sufficient to cover all debtors older than 90 days (R 185.85 million as at FYE2018).

GRAPH 14: GROSS CONSUMER DEBTORS VS NET CONSUMER DEBTORS



GRAPH 15: CONSUMER DEBTORS AGE ANALYSIS

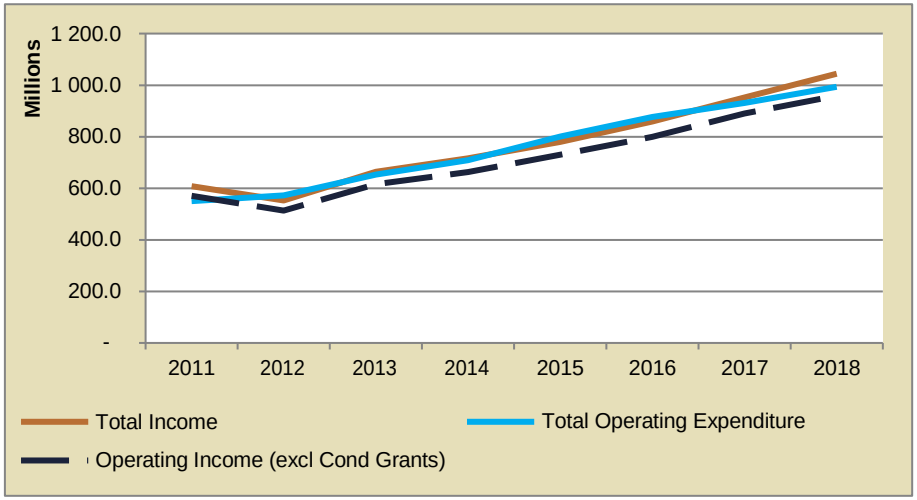


The collection rate of 93% in FY2018, which is also the average rate for the past 7 years, is still below the minimum acceptable benchmark of 95%. This has resulted in the ageing of the debtors' book and may result in higher consumer debtor write-offs in future.

Financial Performance

Surplus/Deficit

Graph 16: Total Income vs Total Expenditure



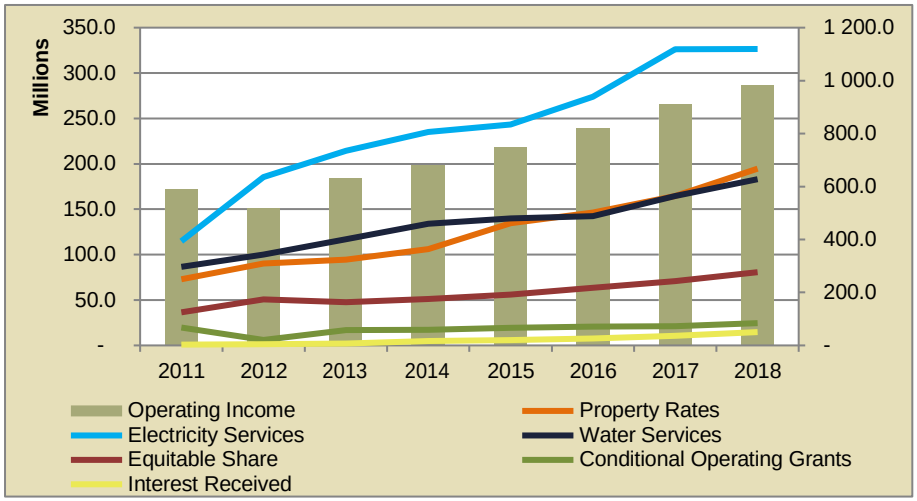
Total operating income increased by R 72.25 million or 7.9% in FY2018, which is higher than the growth in Operating Expenditure (excluding capital grants) of R 62.33 or 6.7% in the same period. This had a positive impact on Midvaal's profitability by reducing operating deficits to R 10.4 million in FY2018 from R 20.3 million in FY2017.

Revenue Management

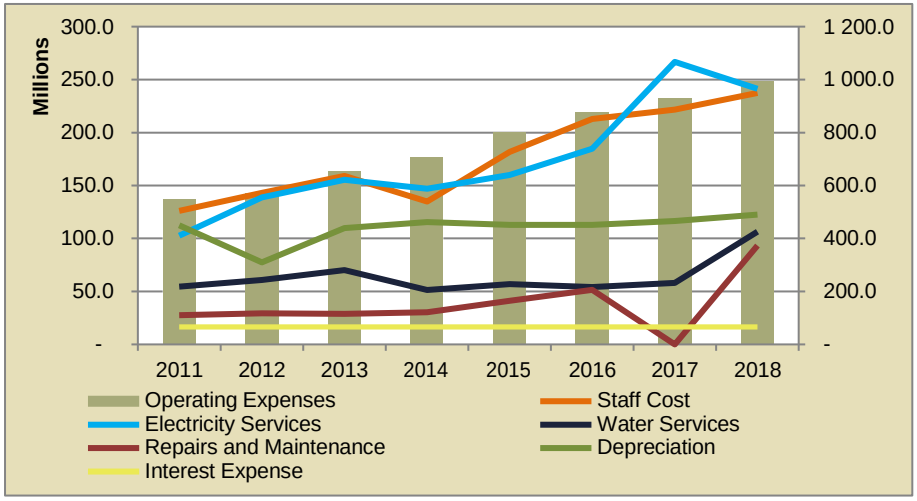
Total Income for FY2018 was R 1.04 billion against a Total Operating Expenditure of R 993.7 million, leading to an accounting surplus of R 50.6 million.

The increase in Total Income was mainly driven by increases in Property Rates (R 29.88 million or 18.1%), Water Services (R 18.62 million or 11.3%), Equitable Share (R 9.73 million or 13.7%), Interest Received (R 4.35 million or 41.9% and Conditional Operating Grants (R 3.39 million or 16.0%)

Graph 17: Contribution per Income Source



Graph 18: Contribution per Expenditure Item



Expenditure Management

The increase in operating expenditure was mainly driven by increases in Staff Costs of R 15.71 million (7.1%), Water Services (R 48.34 million or 83.2%), and Depreciation Charges (R 6.02 million or 5.2%).

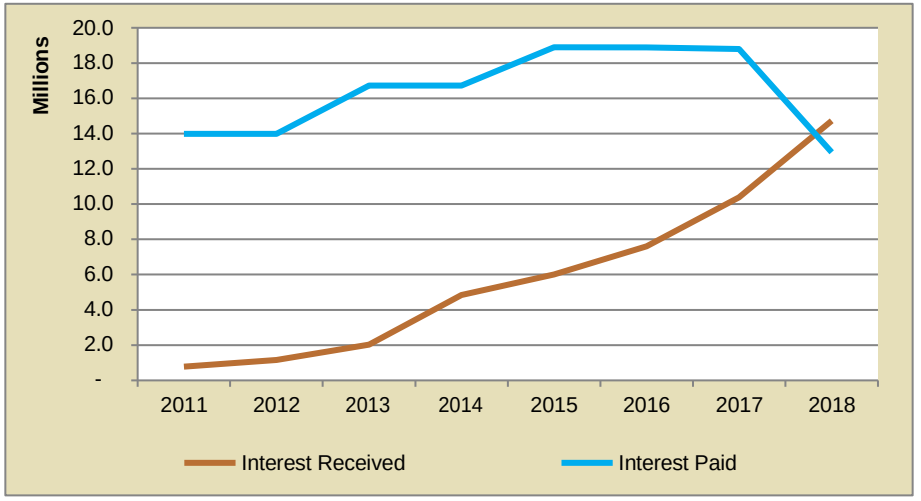
Positive to note is the decrease of R 25.53 million or 9.6% in Electricity bulk purchases for the current year; resulting in surplus margins increasing to 26% in FY2018 from 18% the previous year.

The electricity distribution losses decreased slightly from 11.79% in FY2017 to 11.16% in FY2018.

The water distribution losses remained high at 28.77% in FY2018.

The repairs and maintenance expense has increased to R 93.25 million or 5% of the carrying value of PPE and investment property.

GRAPH 19: INTEREST PAID VS INTEREST RECEIVED



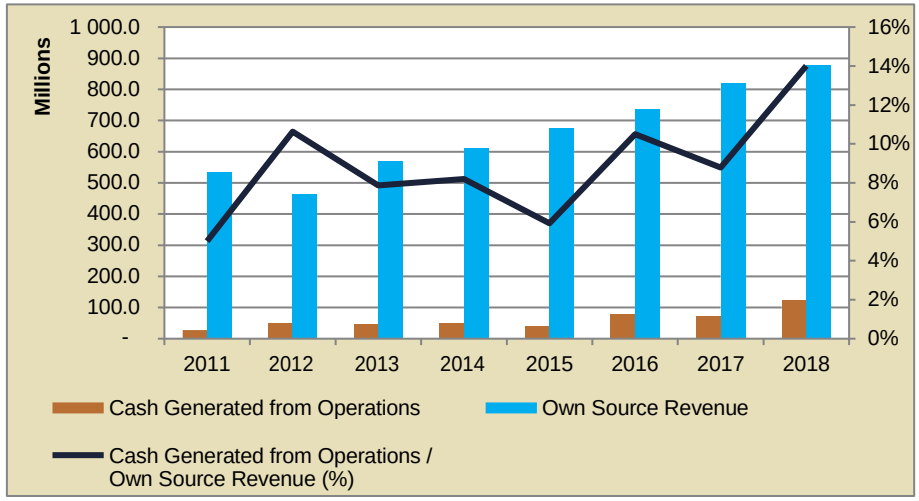
Noteworthy, although relatively small, is that the Interest Received from external investments exceeded Interest Paid on external loans for the first time during the 8-year assessment, resulting in a net interest inflow of R 1.79 million. The expectation is that the Interest Received will continue to increase as cash and investments grow in the future.

CASH FLOW

Cash Generated from Operations

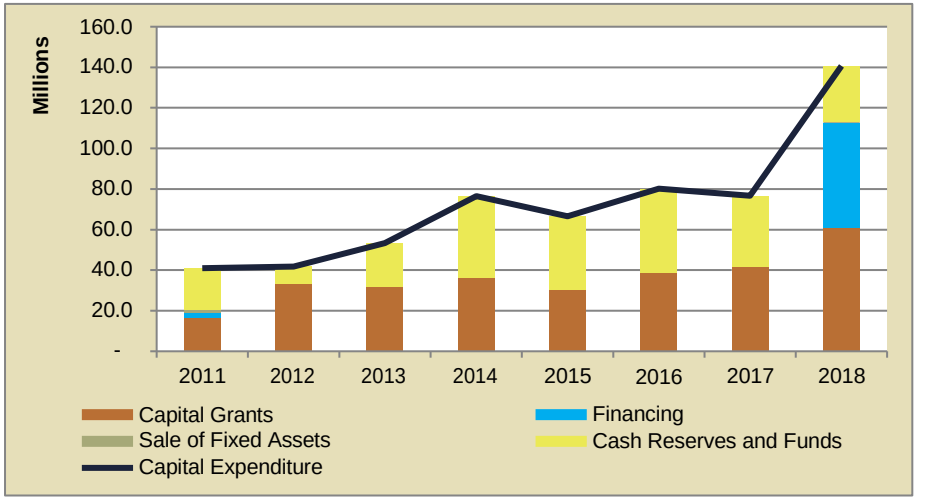
Cash generated from operations (excl Capital grants) for FY2018 increased by 71% (R 51.08 million) to R 123.02 million for the year.

GRAPH 20: CASH GENERATED FROM OPERATIONS / OWN SOURCE REVENUE



Capital Expenditure and Funding Mix

GRAPH 21: ANNUAL CAPITAL FUNDING MIX

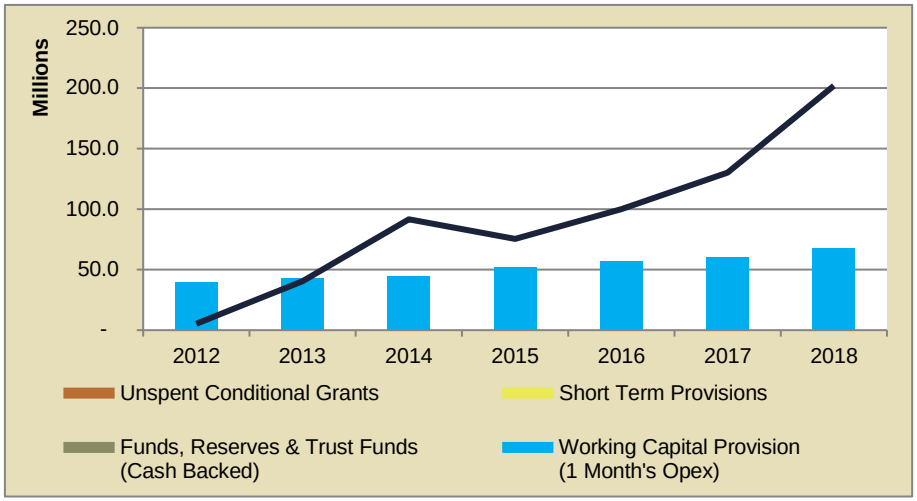


The positive cash generated from operations and the external loan liability of R 51.71 million taken up during the year enabled Midvaal to accelerate their capital expenditure program by R 64 million or 83.5% in FY2018. The other main funding source was Capital Grants which increased from R 41.80 million in FY2017 to R 60.94 million in FY2018. The funding mix appears more balanced as compared to the past 7 years of assessment.

The Capex was R 20.21 million less than budgeted and this was against the backdrop of an increase in capital grants received of R 19.14 million (46%).

Minimum Liquidity Requirements

GRAPH 22: MINIMUM LIQUIDITY REQUIRED



The ***unencumbered*** cash and cash equivalents of R 202 million as at FYE2018 was R 134.1 million more than the minimum liquidity required (including one month's operational expenditure) of R 67.9 million. The cash coverage improved from 1.8 in FY2016 to 3.0 in FY2018.

It is important to note that the table below reflects a distorted view of cash coverage ratio (excl working capital). This is because, except for the R1.5 million Unspent Conditional Grants, Midvaal's AFS did not reflect any statutory requirements to be cash backed. The inclusion of Short-Term Provisions, and Funds and reserves will increase statutory requirements and reduce the cash surpluses at the end of the year.

TABLE 3: MINIMUM LIQUIDITY LEVELS

	2011	2012	2013	2014	2015	2016	2017	2018
Unspent Conditional Grants	4.2	-	-	-	0.1	0.0	-	1.5
Short Term Provisions	20.7	-	-	0.4	0.5	-	-	-
Funds, Reserves & Trust Funds (Cash Backed)	-	-	-	-	-	-	-	-
Total Statutory Requirements	**25.0**	**-**	**-**	**0.4**	**0.6**	**0.0**	**-**	**1.5**
Unencumbered Cash * **	**4.7**	**5.4**	**40.5**	**91.5**	**75.5**	**100.0**	**130.1**	**202.0**
Cash Coverage Ratio (excl Working Capital) *	0.2			214.6	123.2	4 251.5		135.8
Working Capital Provision (1 Month's Opex) **	34.4	39.4	43.0	44.7	51.5	56.7	60.3	66.4
Cash Coverage Ratio (incl Working Capital) **	0.1	0.1	0.9	2.0	1.4	1.8	2.2	3.0
Minimum Liquidity Required *****	59.4	39.4	43.0	45.1	52.1	56.7	60.3	67.9
Cash Surplus/(Shortfall)	**(54.7)**	**(34.0)**	**(2.6)**	**46.4**	**23.4**	**43.3**	**69.8**	**134.1**

***Cash coverage ratio = Unencumbered cash and cash equivalents/Total statutory requirements

****Total Expenditure/12

*****Total cash and cash equivalents – ceded investments

******Total statutory requirements + working capital provision

*******Minimum liquidity required – Unencumbered cash and cash equivalents

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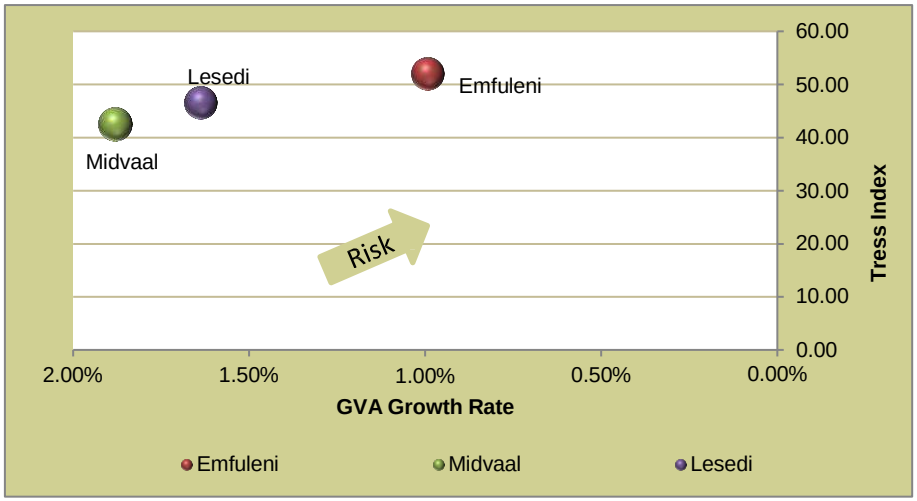
MUNICIPAL REVENUE RISK INDICATOR (MRRI) = "MEDIUM TO HIGH"

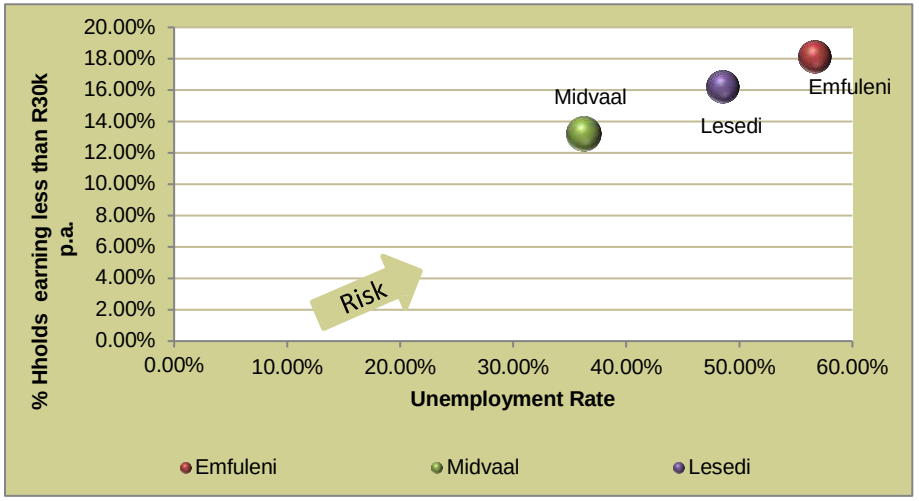
The latest iHS Global Insight update of the Midvaal economy reveals that the average economic growth rate during the past 5 years was on the higher end of the scale at 1.88% p.a. With a Tress Index of 43, the Midvaal economy is reasonably well diversified. This combination of factors produced an ***Economic Risk*** component of the MRRI for Midvaal of "Medium", representing the risk of capacity to generate own revenue in the future.

The Municipalities in Sedibeng district experience high unemployment rates and Midvaal is no exception, with a rate of 36.21%. The percentage of households earning less than R 30 000 p.a. is 13.24%, and these factors combine to return a ***Household Ability to Pay Risk*** component of the MRRI of "Medium to high", and the overall MRRI of "Medium to High".

GRAPH 23: ECONOMIC RISK COMPONENT OF MRRI

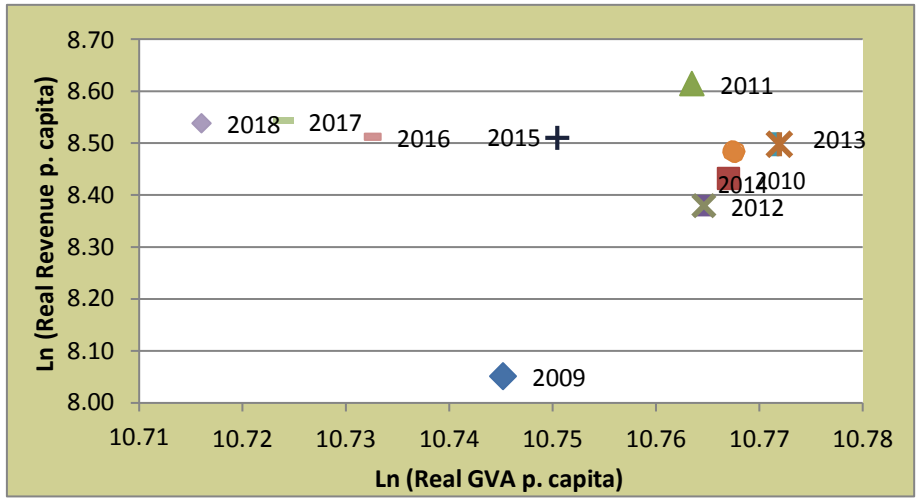


GRAPH 24: HOUSEHOLD ABILITY TO PAY RISK COMPONENT OF MRRI



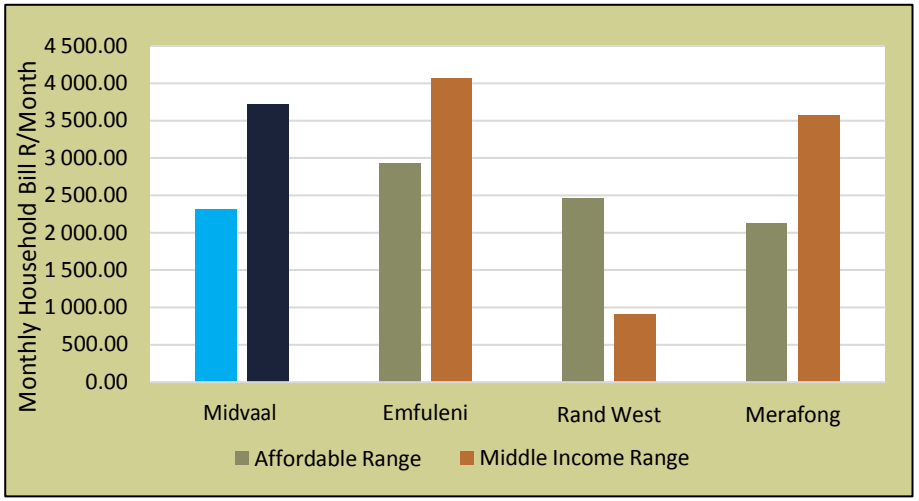
In 2018 both ***Real Municipal Revenue (excluding transfers) per Capita*** and ***Real GVA per Capita*** remained stable. The trend since 2013 reflects a consistent decrease in Real GVA per capita while Real Revenue per capita remained at the same level.

GRAPH 25: REAL REVENUES PER CAPITA VS REAL GVA PER CAPITA



A comparison of the ***Average Household Bill*** for the Middle Income- and Affordable Range of a selected number of local municipalities in Gauteng Province (extracted from Budget Table SA14), based on the 2017/18 tariffs reveals that Midvaal continued to be on the high end of the selected sample but it has been surpassed by Emfuleni since we last reported. The Monthly average household bill will most likely remain high as, according to Midvaal's projections, tariff increases for the MTREF period could not be contained within projected inflation targets due to the high cost of service provision.

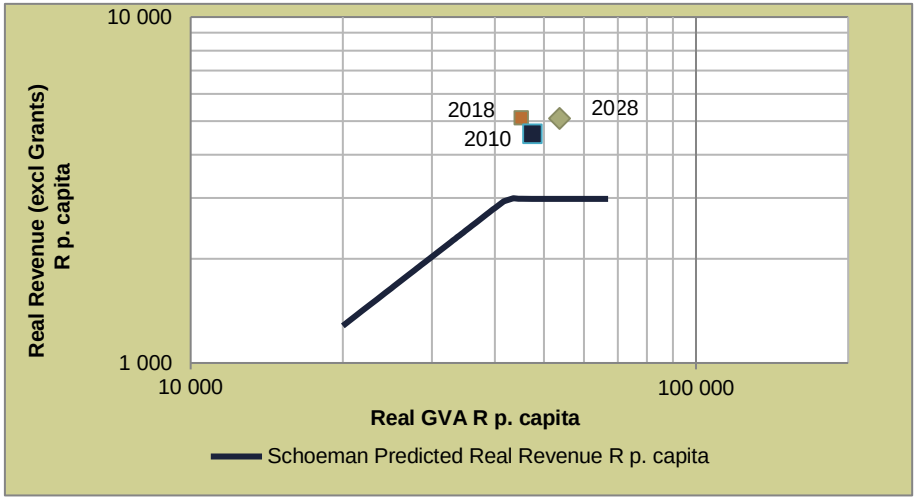
GRAPH 26: AVERAGE MONTHLY HOUSEHOLD BILL



Municipal Revenues

In 2018 the ***Real Revenue per Capita*** of R 5 107 p.a. exceeded the expected amount for the Real GVA per Capita as researched by Schoeman[2]. In real terms the projected revenue per capita of R 5 198 in 2028 is predicted to be at the same level as the revenue per capita in 2018. This correlates with the growing number of indigent households and high unemployment rates.

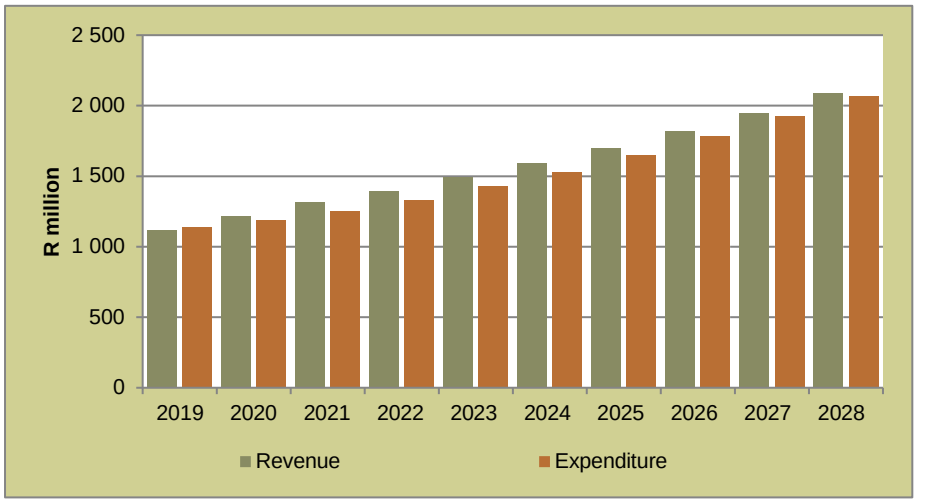
Graph 27: Real Revenue per Capita Across Time



Future Nominal Revenue is growing at an average rate of 7.1% p.a. This is a combination of (i) tariff increases (ii) increased sales and (iii) potentially additional revenue sources. This revenue growth is however still less than the average growth of 9% p.a. during the past 5 years, between 2013/14 and 2017/18. Revenue is expected to exceed expenditure for the duration of the planning period, with the gap narrowing in the later years.

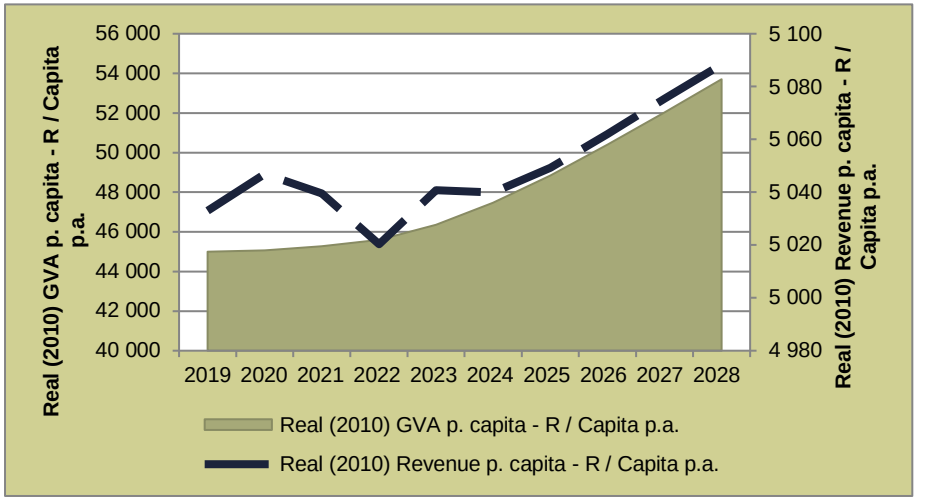
[2] *Fiscal Performance of Local Government in South Africa - an Empirical Analysis*; Niek Schoeman; UP 22 July 2011; https://editorialexpress.com/cgi-bin/conference/download.cgi?db_name=IIPF67&paper_id=40

Graph 28: Revenue and Expenditure



Both the Real ***GVA per Capita*** and the ***Real Revenue per Capita*** are expected to improve after a significant decline in 2022.

Graph 29: Projected Real GVA and Revenues per Capita



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Capex Affordability and Funding

The total Capex Demand was determined during the preparation of the LTFP in 2017 but is expected to have changed since then. However, for purposes of this report the affordability is of more concern and not so much the demand.

Total 10-year Capex **Demand**	**=**	R 5 910 million
Total 10-year Capex **Affordability:**	=	R 2 149 million

The Capex Demand exceeds the Capex Affordability by R 3 761 million. It needs to be stressed however that the capex demand estimates were based on the desk top estimates undertaken in 2017, which included an analysis of the Asset Registers and IPM's estimates of new capital investments. These estimates need to be revised pursuant to updated Master Plans.

MTREF Capital Funding Mix

Midvaal's MTREF budget 2018/19 to 2020/21 as tabled in its Adopted Budget 2018/19 expects a capital budget amounting to R 401 652 thousand and funded as follows:

Table 4: 3-Year MTREF Funding Mix R'000

R'000	*Total*	*2018/19*	*2019/20*	*2020/21*
Loans	**105 890**	32 650	33 300	39 940
Cash	**41 784**	12 289	15 190	14 305
Grants	**253 978**	65 223	89 468	99 287
Contributions	**0**	0	0	0
Total	**401 652**	**110 162**	**137 958**	**153 532**

IPM's model accommodated the intended borrowing of R 105.89 m, Internally Generated Funding of R 41.78 m and Capital Transfers of R 253.98 m for the MTREF period of 3 years to 2020/21 and allowed the model to calculate the future optimal funding mix.

The MTREF capex budget of the municipality is financially feasible. This is due to a conservative capex budget and the blended funding mix during the MTREF period. The cash surplus above the minimum liquidity levels is expected to reach its peak of R 246 million in 2025. These findings are illustrated in graph 30.

We have investigated a few alternatives in addition to this Base Case, which will be discussed in the following chapter on "Scenarios".

10-Year Capital Funding Mix

The 10-year capital funding mix is presented in the table below:

Table 5: Capital Funding Mix

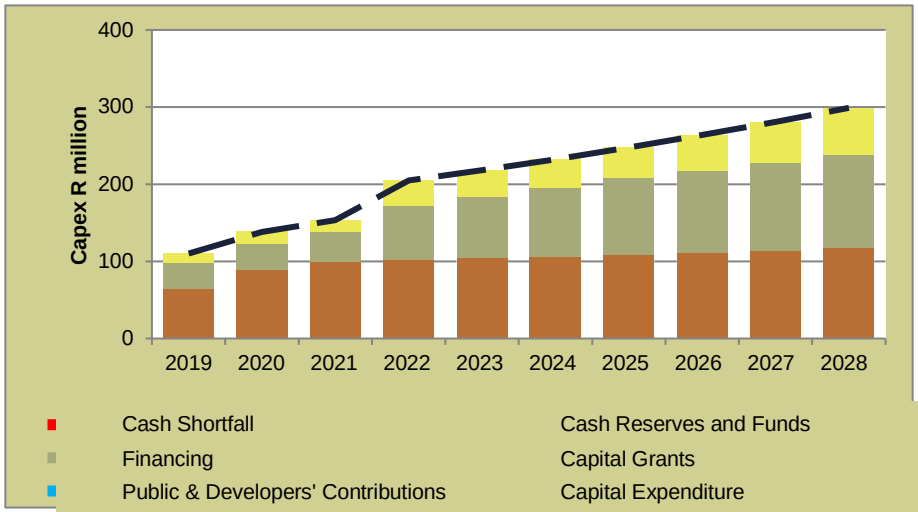
Source	Rm	%
Public & Developers' Contributions	0	0%
Capital Grants	1 017	47%
Financing	787	37%
Cash Reserves and Funds	345	16%
Capital Expenditure	**2 149**	**100%**

The capital funding mix reflects the MTREF budget for the first 3 years. An increase of capital expenditure thereafter is possible at an average annual growth rate of 6.5% which can be achieved by making use of the projected growing cash surpluses. Borrowings can also be increased more rapidly to allow for the capex program acceleration.

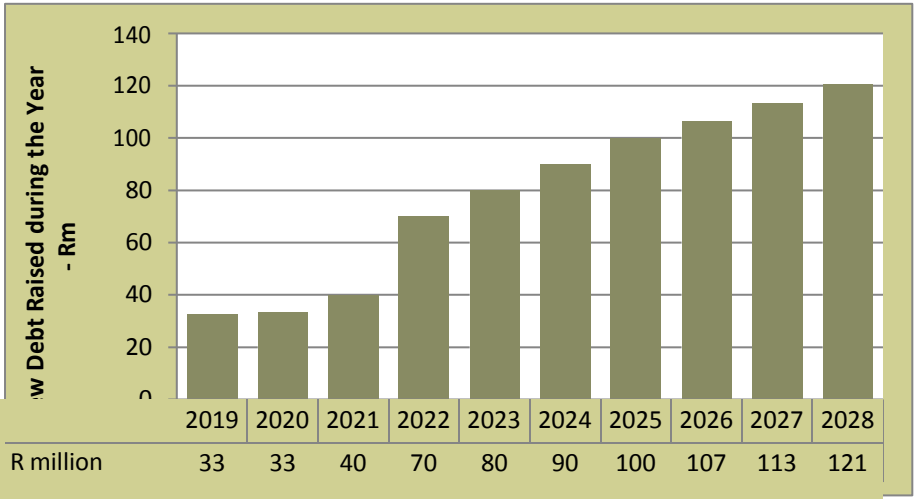
The distribution of the funding mix is illustrated as per **Graph 30** below:

The amount of annual external financing is estimated to be distributed as follows:

GRAPH 30: DISTRIBUTION OF FUTURE FUNDING



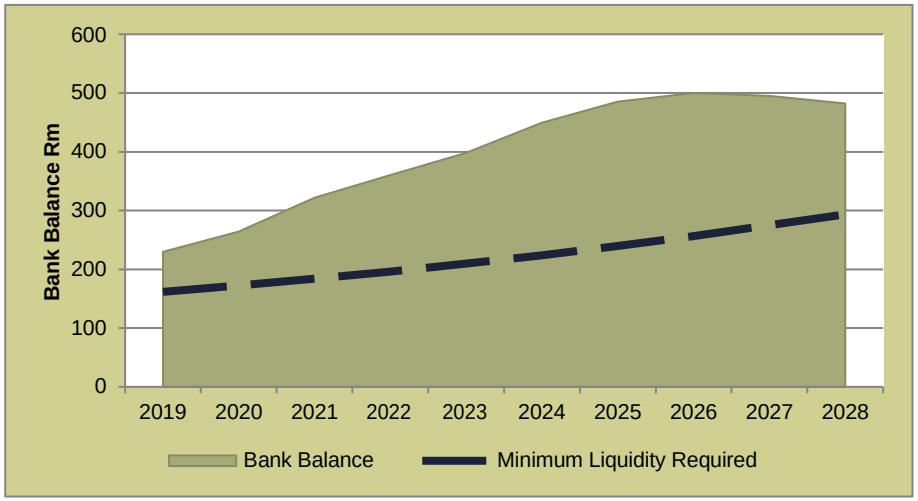
GRAPH 31: ESTIMATE OF FUTURE EXTERNAL FINANCING



LIQUIDITY AND CAPITAL REPLACEMENT RESERVE

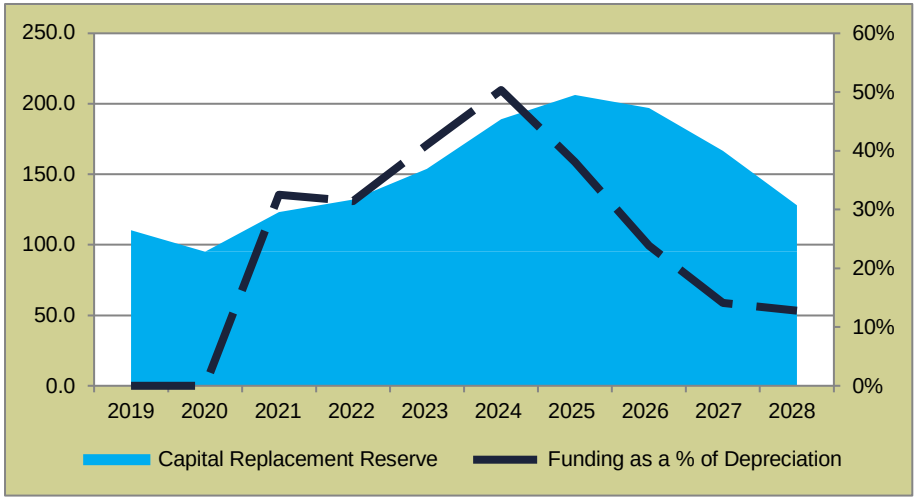
For purposes of this report the minimum required liquidity level caters for unspent conditional grants, reserves, short term provisions, and 1 month working capital. The municipality will build a healthy bank balance in excess of the estimated minimum liquidity required over the 10-year period. The Liquidity Ratio will peak at 2.5:1 in 2023 before decreasing to 1.8:1 by the end of the 10-year planning period.

GRAPH 32: BANK BALANCE VS PROPOSED CASH BACKED RESERVES



The accumulation of internally generated funds to fund capital expenditure will allow for a CRR to be fully funded for most of the planning period. Since Midvaal currently did not have a cash backed Capital Replacement Reserve in 2018, it would be prudent to start making this provision to cater for the growing capex demand.

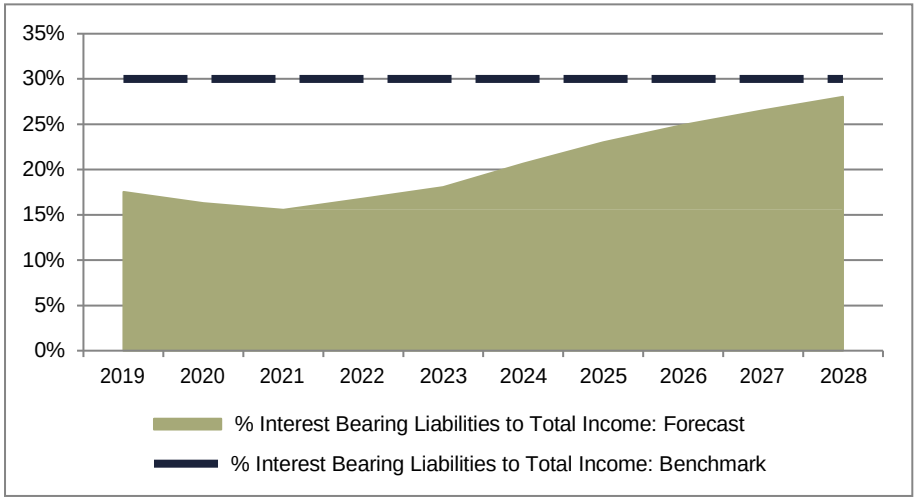
GRAPH 33: CAPITAL REPLACEMENT RESERVE



GEARING

The ratio of Long-Term Interest-Bearing Liabilities to Income is illustrated in the graph below. A level of gearing of 30% (NT Norm is 45%) is regarded appropriate for Midvaal currently. During the MTREF period Gearing increases gradually but never exceeds this threshold. Throughout the 10-year planning period the ratio remains in the range of 17.6% to 29.7%. The Debt Service Cover Ratio (Cash Generated by Operations / Debt Service) which should at least be 1:1 and preferably 2:1 peaks at 3.5:1 in 2021 before decreasing to 1.8:1 at the end of the planning period.

GRAPH 34: GEARING



1	Planning Process
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SCENARIOS

Realistic Upside and Downside Scenarios were compared to the Base Case Scenario.

TABLE 6: VARIABLES ASSESSED IN A SCENARIO ANALYSIS

VARIABLE	BASE CASE	UPSIDE	DOWNSIDE
	% of Base Case		
Population Growth Rate	100%	98.0%	102.0%
GVA Growth Rate	100%	120.0%	80.0%
Employee related cost escalation (Margin above Inflation rate)	100%	100.0%	120.0%
Bulk electricity cost escalation (Margin above Inflation rate)	100%	100.0%	120.0%
Bulk water cost escalation (Margin above Inflation rate)	100%	80.0%	120.0%
Collection Rate of customer billings	100%	80.0%	120.0%

For the 10-year period, the Accumulated Accounting Surplus will be positive for the Upside but negative for the Downside. The same applies with Cash generated by Operations. The cash position after 10 years of R 482 million in the Base Case and R 473 million for the Upside are both above the minimum required liquidity but in the case of the Downside, the municipality will experience a R 1 271 million cash shortfall.

Whereas the 10-year capital investment for the Base Case is R 2 149 million, this may increase to almost R 2 989 million in the Upside.

The great variation of outcome for a realistic combination of input variables, demonstrates the need to manage the municipality's finances with care and discipline.

TABLE 7: OUTCOME OF SCENARIO ANALYSIS

OUTCOME	BASE CASE	UPSIDE	DOWN SIDE
Average annual % increase in Revenue	7.2%	7.3%	6.9%
Average annual % increase in Expenditure	7.6%	7.5%	8.9%
Accounting Surplus accumulated during Planning Period (Rm)	R 391	R 918	-R 1 394
Operating Surplus accumulated during Planning Period (Rm)	-R 627	-R 99	-R 2 412
Cash generated by Operations during Planning Period (Rm)	R 1 003	R 1 660	-R 788
Average annual increase in Gross Consumer Debtors	9.9%	-5.3%	20.0%
Capital investment programme during Planning Period (Rm)	R 2 149	R 2 989	R 1 979
External Loan Financing during Planning Period (Rm)	R 787	R 1 038	R 646
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 482	R 473	-R 1 271

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Predicted Ratios

The Base Case predicted ratios are presented below. Although the model is not programmed to measure the ratios as required by National Treasury in all instances, it does provide comfort that the municipality is sustainable in future - on condition that it operates within the assumed benchmarks set in the financial plan.

Table 8: Outcome of Future Ratio Analysis

		N.T. NORM	2019	2021	2023	2025	2027	2029	COMMENTS
FINANCIAL POSITION									
ASSET MANAGEMENT									
R29	Capital Expenditure / Total Expenditure	10% - 20%	8.8%	10.4%	10.9%	13.4%	13.3%	13.2%	Capex post 2019 is well within the proposed benchmark of between 10% and 20% of Total Expenditure.
DEBTORS MANAGEMENT									
R4	Gross Consumer Debtors Growth		16.6%	12.7%	9.8%	9.4%	9.0%	8.8%	The collection rate is below the minimum acceptable benchmark of 95% in the early years. All efforts must be put in place to ensure that a payment ratio in excess of 95% is achieved and maintained
R5	Payment Ratio / Collection Rate	95%	93.0%	94.0%	95.0%	95.0%	95.0%	95.0%	
LIQUIDITY MANAGEMENT									
R49	Cash Coverage Ratio (excl Working Capital)		2.6 : 1	2.8 : 1	3.2 : 1	3.4 : 1	3.5 : 1	3.8 : 1	Liquidity is stable and the expected trend is positive resulting in a healthy liquidity ratio of more than 2:1 in future and a cash position that exceeds the minimum required liquidity level.
R50	Cash Coverage Ratio (incl Working Capital)		1.4 : 1	1.5 : 1	1.7 : 1	1.8 : 1	1.9 : 1	2 : 1	
R51	Cash Surplus / Shortfall on Minimum Liquidity Requirements		R 67.2 m	R 90.8 m	R 136.3 m	R 163.5 m	R 186.9 m	R 224.1 m	
R1	Liquidity Ratio (Current Assets : Current Liabilities)	1:1.5 - 1:2.0	2.3 : 1	2.3 : 1	2.4 : 1	2.4 : 1	2.5 : 1	2.5 : 1	
LIABILITY MANAGEMENT									
R45	Debt Service as % of Total Operating Expenditure	6% - 8%	4.3%	4.5%	4.6%	5.2%	5.4%	4.5%	The municipality has scope to increase its borrowings. However, for it to receive credit it must demonstrate financial discipline and continue to manage its liquidity prudently.
R6	Total Debt (Borrowings) / Operating Revenue	45%	18.6%	17.6%	16.8%	18.1%	19.4%	22.1%	
R7	Repayment Capacity Ratio		1.78	1.37	1.14	1.27	1.44	1.76	
R46	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)		2.7 : 1	3.2 : 1	3.5 : 1	3.1 : 1	2.8 : 1	3.3 : 1	
SUSTAINABILITY									

		N.T. NORM	2019	2021	2023	2025	2027	2029	COMMENTS
	Net Financial Liabilities Ratio	< 60%	1.0%	-0.6%	-3.7%	-2.9%	-1.5%	0.4%	The Operating Surplus Ratio that is negative during the early years but somewhat improves during the latter years.
	Operating Surplus Ratio	0% - 10%	-8.6%	-5.6%	-3.2%	-2.8%	-2.9%	-2.9%	
	Asset Sustainability Ratio	> 90%	29.8%	33.7%	35.8%	49.2%	50.5%	51.7%	
FINANCIAL PERFORMANCE									
EFFICIENCY									
R42	Net Operating Surplus / Total Operating Revenue	>= 0%	-8.6%	-5.6%	-3.2%	-2.8%	-2.9%	-2.9%	Electricity surplus margins appears to be under threat and the municipality should ensure that its tariffs are adjusted accordingly in the future.
R43	Electricity Surplus / Total Electricity Revenue	0% - 15%	26.0%	25.6%	25.2%	24.2%	23.2%	22.2%	
REVENUE MANAGEMENT									
R8	Increase in Billed Income p.a. (R'm)		R 70.5 m	R 65.6 m	R 65.5 m	R 65.1 m	R 71.4 m	R 77.2 m	Billed income is above the assumed inflation rate due to an increase in quantities of services sold as well as increase in tariffs. The national fiscal constraints will necessitate that the municipality strengthens its ability to generate cash from own revenue.
R9	% Increase in Billed Income p.a.	CPI	9.0%	7.7%	7.1%	6.6%	6.8%	6.9%	
R12	Operating Revenue Growth %	CPI	6.6%	7.6%	7.8%	6.3%	7.4%	7.0%	
R47	Cash Generated by Operations / Own Revenue		14.2%	16.8%	19.0%	18.7%	17.8%	17.0%	
R48	Cash Generated by Operations / Total Operating Revenue		12.6%	14.9%	16.7%	16.5%	15.8%	15.1%	
EXPENDITURE MANAGEMENT									
R30	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	24.1%	24.0%	24.0%	23.2%	23.2%	23.0%	Employee related costs are at the lower end of the proposed norm although increasing over time and Contracted Services as a % of Total Expenditure is above the norm.
	Contribution per Expenditure Item: Contracted Services	2% - 5%	10.9%	10.5%	10.4%	9.9%	9.9%	9.9%	
GRANT DEPENDENCY									
R10	Total Grants / Total Revenue		16.6%	17.9%	18.6%	18.0%	17.7%	17.4%	The municipality's dependence on transfers from other spheres of government is never entirely eliminated. It is however essential to try and reduce such dependence in future.
R11	Own Source Revenue to Total Operating Revenue		88.6%	88.7%	88.1%	88.5%	88.5%	88.5%	

		N.T. NORM	2019	2021	2023	2025	2027	2029	COMMENTS
	Capital Grants to Total Capital Expenditure		59.2%	64.9%	64.7%	49.9%	47.6%	45.6%	

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OUTCOME OF THE INDEPENDENT FINANCIAL ASSESSMENT

Midvaal posted a Net Surplus of R 50.6 million in 2018 (FYE2017: R 21.5 million). The increases in grants, and other revenue sources resulted in Total Income of R 1.04 billion for the year under review. Of this, R 958.8 million was Operating Revenue. Against the Operating Expenses of R 993.7 million, the Municipality posted an Operating Deficit of R 10.4 million (compared to R 20.3 million in 2017).

Analysing income by source and expenditure by item, it was noted that Midvaal generated R 48.80 million more from the 3 main revenue sources as compared to FYE2017. The largest increase per item was Property Rates at R 29.88 million (18%) followed by Water Services at R 18.62 million (11%), and Electricity services at a lesser extent of R 0.30 million (0%).

Midvaal proved its ability to translate the Accounting Surpluses into cash, with R 123 million Cash Generated from Operations (excl capital grants), regardless of the low collection rate of 93% on its Consumer Debtors.

The improved Cash generated from operations enabled Midvaal to accelerate their capital spending to R 140.6 million at FYE2018. In addition, Midvaal took up external borrowing of R 51.7 million during the year to part-fund its growing Capital Expenditure programme. The Municipality also received Capital Grants amounting to R 60.9 million, increasing from R 41.8 million the previous year to fund CAPEX. The Debt Service Cover Ratio, which is an indication of the municipality's ability to service its debt from cash generated by operations, improved from 2.79 in 2017 to a healthy 3.24 in 2018.

The level of CAPEX can also be assessed by using National Treasury's guideline benchmark of 10% to 20% of Total Expenditure which indicates the prioritisation of expenditure towards current operations versus future capacity in terms of municipal services. The ratio improved from 8% to 12% and is now within the norms and it is encouraged that it increases further to keep up with the high level of service delivery and address current backlog challenges.

This concentrated effort to improve the liquidity and cash position of the municipality is further evidenced in an improved liquidity ratio of 2.32 as at FYE2018, compared to 2.09 as at FYE2017 and the cash coverage ratio (including 2 months Opex) that improved from 2.16 as at FY2017 to 2.97 as at FYE2018.

The unencumbered cash and investments of R 202 million were sufficient to cover minimum liquidity required comprising of unspent conditional grants (R 1.5 million), and the 1 months Opex provision (R 66.4 million); resulting in a cash surplus of R 134.1 million at year end. Of concern though, is the absence of a capital asset replacement reserve (CRR).

Positively, 53% of current assets is represented by very liquid cash and cash equivalents, which highlights this healthy liquidity position. Consumer debtors (representing 33% of current assets) seem to be fast growing, with 74% of gross consumer debtors being older than 90 days. The provision for doubtful debts leaves room for improvement as it only covers 67% of debtors older than 90 days currently.

The gearing ratio of 19% and the positive debt service cover ratio (which measures the ability of the municipality to service its debt from cash generated by operations) at 3.24, indicate that the current levels of debt are affordable to the municipality.

STRENGTHS

- Healthy liquidity ratio of 2.32 in 2018, supported by an increased cash and cash equivalents balance, suggesting that the municipality will be able to service its liabilities as and when it becomes due.
- Balanced capital funding mix which supported the municipality in effectively managing its borrowings and increasing its cash balances.
- Manageable debt levels with a Gearing ratio of 19%.
- Consistent cash generated from operations even when capital grants are not included
- Very low levels of Unspent conditional grants

WEAKNESSES

- Midvaal posted Operating deficits consistently for the past 7 years.

- Absence of a Capital Asset Replacement Reserve to address the risk of unexpected future increases in capital requirements.
- Low consumer debtors collection rate of 93%.
- Debtors aging profile indicates that 74% of debtors are older than 90 days and not sufficiently provided for.

OUTCOME OF THE FUTURE PREDICTIONS

The latest version of IPM's Municipal Financial Model was populated with the latest available financial, demographic and economic data of Midvaal and calibrated against the municipality's 2018/19 MTREF. Due to the incremental adjustments made on the model each year we always place more reliance on the latest outcome, i.e. this 2018 Estimate.

The 2018 the ***Real Revenue per Capita*** of R 5 107 p.a. exceeded the expected amount for the Real GVA per Capita. In real terms the projected revenue per capita of R 5 198 in 2028 is predicted to be more than the revenue per capita in 2018 which provides comfort in the light of a growing number of indigent households and high unemployment rates. The estimated average Household Bill based on the 2017/18 tariffs reveals that Midvaal continued to be on the high end of the selected sample will most likely remain high as tariff increases for the MTREF period could not be contained within projected inflation targets due to the high cost of service provision. The ***Economic Risk*** component of the MRRI for Midvaal remained "Medium", representing sufficient capacity to generate own revenue in the future. This is attributable to the average economic growth rate of 1.88% during the past 5 years and a high Tres Index of 43.

The municipality's collection rate of 93% is below the National Treasury benchmark and is assumed to be increased to the acceptable level of 95% which will be maintained throughout the 10-year planning period. The municipality should put all efforts in place to implementing effective revenue collection strategies improve debt collection.

The possibility to accelerate capital expenditure to R 153.53 million in 2021 during the MTREF period is possible through the anticipated blended funding mix. The model then follows an aggressive borrowing approach to increase the potential of bridging the gap between capex demand and affordability from 2022 onwards without depleting the Municipality's cash reserves. Capex will reach 13.2% of Total Expenditure by 2029. We estimate that the municipality will be able to invest in a capital programme of R 2 149 million in the planning period to FYE2029 and be able to afford that 37% of this capex is funded with external financing.

With continued good financial management there is no reason why the municipality's liquidity position cannot be maintained or even improved upon. This would allow a cash backed capital replacement reserve ("CRR") to be funded to finance future asset replacement expenses.

As demonstrated in the scenario analysis, a great variation of outcome for a realistic range of input variables is possible. It is therefore also possible that future performance will provide a different outcome to the base case scenario in this report. It is however encouraging to note that the cash generated by operations remains positive for the planning period.

An analysis of projected financial ratios does not reveal any serious concerns. It is however probable that a slight deterioration in most ratios will occur in future due to a greater demand placed on the municipality to provide services, the full costs of which are not recoverable.

An analysis of the projected financial ratios reveals positive trends for most metrics, except for the continuing Operating Deficits as grant dependency is expected to increase in the earlier years despite the deteriorating national fiscus.

The expected positive outlook is subject to the condition that the municipality manages its finances with care and discipline.

ANNEXURE 1: ROJECTED FINANCIAL STATEMENTS

Municipal Financial Model - Midvaal
Statement of Financial Performance

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
R thousands											
Revenue											
Property rates	194 658	206 373	227 722	246 952	265 420	289 609	317 614	349 670	386 000	426 797	472 217
Service Charges	584 086	642 955	687 086	733 250	779 834	826 964	876 037	928 691	985 786	1 047 895	1 115 728
Rental of facilities and equipment	1 345	1 300	1 378	1 454	1 531	1 640	1 757	1 882	2 017	2 164	2 323
Interest earned - external investments	14 725	10 503	12 647	14 544	17 593	19 928	22 367	25 830	28 636	30 333	30 868
Interest earned - outstanding debtors	9 181	7 529	7 829	8 121	8 418	15 179	16 384	17 772	19 355	21 142	23 136
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	34 362	50 342	53 362	56 297	59 289	63 508	68 019	72 868	78 105	83 779	89 953
Licences and permits	1	40	45	47	51	56	61	67	74	82	91
Agency services	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies (operating)	105 174	119 802	127 829	144 771	149 114	159 297	170 189	181 909	194 574	208 306	223 251
Other revenue	39 536	9 239	9 793	10 332	10 642	11 399	12 209	13 079	14 019	15 038	16 146
Gain on disposal of PPE	279	–	–	–	–	–	–	–	–	–	–
Revaluation on investment property gain / (loss)	–	–	–	–	–	–	–	–	–	–	–
Total revenue before Capital Grants	983 348	1 048 083	1 127 692	1 215 768	1 291 892	1 387 580	1 484 636	1 591 768	1 708 567	1 835 536	1 973 714
Capital Grants	60 939	65 223	89 468	99 287	102 266	103 966	105 944	108 265	110 985	114 162	117 861
Public & developers contributions	–	–	–	–	–	–	–	–	–	–	–
Total Revenue after Capital Grants	1 044 287	1 113 306	1 217 160	1 315 055	1 394 157	1 491 545	1 590 581	1 700 033	1 819 552	1 949 698	2 091 575
Operating expenditure											
Employee related costs	225 728	288 593	305 908	324 263	341 537	366 021	388 228	419 267	453 159	490 247	522 993
Remuneration of councillors	11 726	12 390	13 133	13 921	14 478	15 278	16 136	17 064	18 070	19 167	20 362
Debt impairment	73 894	94 798	92 354	88 536	93 887	100 415	107 436	115 076	123 424	132 553	142 550
Depreciation and asset impairment	122 503	131 381	130 190	130 719	132 186	137 031	142 498	148 592	155 328	162 720	170 787
Finance charges	17 080	21 926	22 876	24 111	28 106	32 285	37 585	45 010	52 849	60 570	69 239
Bulk purchases	347 657	384 328	415 984	450 376	488 194	527 808	570 558	616 689	666 886	721 677	781 701
Other Materials	12 939	13 638	14 285	15 071	15 760	17 197	18 729	20 450	22 337	24 414	26 656
Contracted services	117 702	135 741	139 079	146 743	151 243	163 732	173 678	189 201	206 061	224 409	238 936
Transfers and subsidies	275	287	295	312	323	346	371	397	426	456	490
Other expenditure	(29 046)	54 895	57 213	60 279	62 839	67 355	72 099	77 314	82 948	89 055	95 569
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	993 711	1 137 977	1 191 318	1 254 331	1 328 553	1 427 467	1 527 318	1 649 060	1 781 488	1 925 269	2 069 281
Suplus/ (Shortfall) for the year	**50 576**	**(24 671)**	**25 842**	**60 724**	**65 604**	**64 078**	**63 262**	**50 973**	**38 064**	**24 429**	**22 294**

Municipal Financial Model - Midvaal
Statement of Financial Position

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
R thousands											
Non-current assets:	2 052 167	2 030 948	2 038 716	2 061 529	2 134 342	2 215 637	2 305 654	2 404 692	2 513 090	2 631 237	2 759 574
Property, plant and equipment	2 004 552	1 983 332	1 991 100	2 013 913	2 086 727	2 168 021	2 258 039	2 357 076	2 465 474	2 583 622	2 711 959
Intangible assets	1 027	1 027	1 027	1 027	1 027	1 027	1 027	1 027	1 027	1 027	1 027
Investment properties	46 570	46 570	46 570	46 570	46 570	46 570	46 570	46 570	46 570	46 570	46 570
Investments	–	–	–	–	–	–	–	–	–	–	–
Long-term receivables	–	–	–	–	–	–	–	–	–	–	–
Other non-current assets	19	19	19	19	19	19	19	19	19	19	19
Current assets:	379 941	389 255	424 062	481 796	521 189	559 047	611 084	647 868	663 429	659 234	647 233
Inventories	8 601	7 510	7 835	8 258	8 614	9 266	9 954	10 714	11 538	12 435	13 394
Trade and other receivables	169 356	151 794	151 794	151 794	151 794	151 794	151 794	151 794	151 794	151 794	151 794
Cash & Short term investments	201 984	229 950	264 432	321 744	360 781	397 987	449 336	485 360	500 097	495 004	482 044
	2 432 109	**2 420 203**	**2 462 778**	**2 543 324**	**2 655 531**	**2 774 684**	**2 916 738**	**3 052 560**	**3 176 519**	**3 290 471**	**3 406 807**
TOTAL ASSETS											
Municipal Funds:	2 044 706	2 020 035	2 045 877	2 106 600	2 172 205	2 236 283	2 299 545	2 350 518	2 388 582	2 413 011	2 435 304
Housing development fund & Other Cash Backed Reserves	–	82 693	85 295	87 900	90 661	93 588	96 691	99 980	103 466	107 161	111 078
Reserves (Not Cash Backed)	–	–	–	–	–	–	–	–	–	–	–
Accumulated surplus	2 044 706	1 937 342	1 960 582	2 018 700	2 081 543	2 142 694	2 202 854	2 250 539	2 285 116	2 305 850	2 324 226
Non-current liabilities:	223 814	229 937	232 659	235 519	264 371	316 656	373 010	432 628	494 017	558 949	620 219
Long-term liabilities (Interest Bearing)	161 836	165 113	164 667	164 186	189 597	238 338	291 041	346 899	404 414	465 357	522 518
Non-current provisions	61 978	64 825	67 992	71 333	74 774	78 319	81 969	85 730	89 603	93 592	97 701
Current liabilities:	163 589	170 230	184 242	201 205	218 956	221 745	244 183	269 413	293 920	318 511	351 283
Consumer deposits	16 419	17 662	18 913	20 158	21 404	22 645	23 881	25 116	26 348	27 578	28 825
Provisions	–	2 846	6 014	9 356	12 798	16 344	19 996	23 757	27 631	31 622	35 732
Trade and other payables	118 769	119 494	125 570	131 270	140 165	151 497	163 009	176 398	190 956	206 831	223 093
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Current portion of interest bearing liabilities	28 401	30 228	33 745	40 421	44 589	31 259	37 297	44 142	48 984	52 479	63 634
	2 432 109	**2 420 203**	**2 462 778**	**2 543 324**	**2 655 531**	**2 774 684**	**2 916 738**	**3 052 560**	**3 176 519**	**3 290 471**	**3 406 807**
TOTAL MUNICIPAL FUNDS AND LIABILTIES											

Municipal Financial Model - Midvaal
Cash Flow Statement

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
R thousands										
Cash flows from Operating Activities										
Suplus/Deficit for the year *including* Capital Grants	(24 671)	25 842	60 724	65 604	64 078	63 262	50 973	38 064	24 429	22 294
Suplus/Deficit for the year *excluding* Capital Grants & Contributions	(89 894)	(63 626)	(38 563)	(36 662)	(39 888)	(42 682)	(57 292)	(72 921)	(89 733)	(95 568)
Capital Grants & Contributions	65 223	89 468	99 287	102 266	103 966	105 944	108 265	110 985	114 162	117 861
Adjustments for non-cash items:										
Depreciation, amortisation and impairment loss	131 381	130 190	130 719	132 186	137 031	142 498	148 592	155 328	162 720	170 787
Revaluation on investment property (gain) / loss	–	–	–	–	–	–	–	–	–	–
Increase / (Release from) current provisions & non-interest bearing liabilities	2 846	3 168	3 342	3 442	3 546	3 652	3 761	3 874	3 991	4 110
Increase / (Release from) other non-current provisions & non-interest bearing liabilities	2 847	3 167	3 341	3 441	3 544	3 651	3 760	3 873	3 989	4 109
(Increase) / Release from non-current interest bearing assets	–	–	–	–	–	–	–	–	–	–
Capitalised interest	–	–	–	–	–	–	–	–	–	–
Operating surplus before working capital changes:	112 403	162 367	198 126	204 674	208 199	213 063	207 087	201 139	195 129	201 300
Change in W/C Investment	19 378	5 751	5 278	8 539	10 680	10 824	12 629	13 734	14 978	15 302
(Increase)/decrease in inventories	1 091	(325)	(422)	(356)	(652)	(688)	(760)	(824)	(897)	(960)
(Increase)/decrease accounts receivable	17 562	–	–	–	–	–	–	–	–	–
Increase/(decrease) in trade payables	725	6 076	5 700	8 895	11 333	11 512	13 389	14 558	15 875	16 262
	131 781	168 118	203 403	213 213	218 879	223 887	219 716	214 873	210 107	216 602
Net cash flow from Operating activities										
Cash flows from Investing Activities										
Capital expenditure	(110 162)	(137 958)	(153 532)	(205 000)	(218 325)	(232 516)	(247 630)	(263 726)	(280 868)	(299 124)
Decrease/(Increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–
(Additions) / Disposals of investment property	–	–	–	–	–	–	–	–	–	–
Net cash flow from Investing activities	(110 162)	(137 958)	(153 532)	(205 000)	(218 325)	(232 516)	(247 630)	(263 726)	(280 868)	(299 124)
Cash flows from Financing Activities										
New loans raised	32 650	33 300	39 940	70 000	80 000	90 000	100 000	106 500	113 423	120 795
Loans repaid	(27 546)	(30 228)	(33 745)	(40 421)	(44 589)	(31 259)	(37 297)	(44 142)	(48 984)	(52 479)
(Decrease) / Increase in consumer deposits	1 243	1 251	1 246	1 246	1 241	1 237	1 234	1 232	1 231	1 246
Net cash flow from Financing activities	6 347	4 323	7 440	30 824	36 652	59 978	63 937	63 589	65 669	69 562
Change in Cash	27 966	34 483	57 312	39 037	37 206	51 349	36 024	14 737	(5 092)	(12 960)
Cash/(Overdraft), Beginning	201 984	229 950	264 432	321 744	360 781	397 987	449 336	485 360	500 097	495 004
Cash/(Overdraft), Ending	**229 950**	**264 432**	**321 744**	**360 781**	**397 987**	**449 336**	**485 360**	**500 097**	**495 004**	**482 044**

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DISPOSAL OF ASSETS POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 2019.

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 2019.

BUDGET IMPLEMENTATION AND MONITORING POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 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.

6.6 Internal consumption of municipal services are costed to the user departments according to actual consumption / service level at the approved tariffs in terms of the mSCOA casting segment.

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

Virements represents a flexible mechanism to affect budgetary amendments within a municipal financial year, and is the major mechanism to align and take corrective (financial / budgetary) action within a Directorate (Vote) or functional area during a financial year.

9.1 Virement procedure requirements and restrictions

9.1.1 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.

9.1.2 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.

9.1.3 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).

9.1.4 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.

9.1.5 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).

9.1.6 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).

9.1.7 No virement may be made to cover/ allow for unauthorised, irregular or fruitless and wasteful expenditure (MFMA Section 32).

9.1.8 All virements should be approved in line with the Council's System of delegations.

9.1.9 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.

9.2 Operating and Capital Budget Virements

9.2.1 Virements from non-cash expenditure items to cash expenditure items are not permitted.

9.2.2 Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework must not be permitted.

9.2.3 Motivations for virements between projects should clearly state the reason for the saving within the “giving” project, as well as the reason for the additional amount required.

9.2.4 Virements in capital budget allocations are only permitted within funding sources.

9.3 Reporting

A monthly report, indicating all virements affected have to be compiled and submitted to Council for monitoring (as part of the section 71 report).

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 2019.

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 2019.

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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 2019.

ALLOCATION OF UNCLAIMED CREDITS

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

ALLOCATION OF UNCLAIMED CREDITS POLICY

1. PURPOSE

This policy provides guidelines to determine a uniform approach for the allocation of unclaimed credits on consumer accounts.

2. ACCOUNT CREDITS

Account credits of MLM customers may be allocated to the Unclaimed Credits Register in accordance with the following stipulations:

2.1 When an account has been finalised and closed after property transfer and the credit was not claimed for a period of six months.

2.2 When the credit has not been refunded to the customer or Transferring attorney and neither the client or the Transferring attorney claims the refund after transfer took place.

2.3 The credit must be transferred to the Unclaimed register after a six months period and the account marked as inactive.

2.4 The unclaimed credits will remain in the Unclaimed register and after a period of three years will be advertised for 14 days as an unclaimed credit.

2.5 If no claim was submitted for a specific Account and Rand Value, this amount will be seen as Municipal Income and recorded as such.

3. IMPLEMENTATION DATE

The policy will be effective as from 1 July 2019.

PAYMENT OF BULK CONTRIBUTIONS POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 2019.

RELATED PARTY POLICY

2019/2020 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 be 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 CONNECTIVITY ALLOWANCE POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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CELLPHONE AND CONNECTIVITY 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 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 Bound	Non-Office Bound
Level 1	Capped at R1 000.00 p.m.	
Level 3/2	R750.00 p.m.	
Level 4	R650.00 p.m	
Level 5/6	R450.00 p.m.	R750.00 – R1 000.00 p.m.
Level 7/8	R250.00 p.m	R350.00 – R 500.00 p.m.
Level 9 and below	R250.00 p.m.	
Contract Posts	Capped at R1 000.00 p.m.	
HOD's	Capped at R2 000.00 p.m.	
Municipal Manager	Capped at R2 500.00 p.m	

The table above is indicative of allowance for the respective levels and inclusive of a connectivity allowance. Employees that currently receive a connectivity allowance/benefit will be informed that such allowance will be cancelled effective from date of approval of the report.

All other prescriptions not specified in the report or as contained in the Allowance Policy (C1071/03/2014) remain applicable in terms of requesting and approval of cell-phone allowances.

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.

CAUCUS BUDGET POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 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 as indicated in the annual budgetary provision as per paragraph 6 of this policy for planning purposes. Catering expenditure may vary from month to month as long as it remains within budget for the year. Virements will be allowed between lines but the total budget cannot be increased. 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 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 the 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 2019/2020 financial year is as per the Annual Approved Budget.

7. EFFECTIVE DATE

The policy is effective from 1 July 2019.

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.

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.

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.

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

1

4/5/2/P

ATTENDING CONFERENCES, MEETINGS, TRAINING AND WORKSHOPS POLICY

BOOKINGS FOR

COUNCILLORS AND OFFICIALS

: H:Louisevs/Meyertonl/User/Policy conference arrangements/Revised 18/05/2016

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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 18/05/2016

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 **DATE**
MUNICIPAL MANAGER

: H:Louisevs/Meyerton1/User/Policy conference arrangements/Revised 18/05/2016

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	APPROVED / NOT APPROVED
CLLR B. BALOYI EXECUTIVE MAYOR	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

MFMA Circular No 82

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: _____

ODOMETER READING			DISTANCE TRAVELLED			PURPOSE OF TRIP AND SERVICE RENDERED
DATE	BEGIN	END	OFFICIAL	PRIVATE	TOTAL	

REPUBLIC OF SOUTH AFRICA
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PART 2 OF 3

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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 5230.

SCHEDULE

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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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BILLING POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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) as amended

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 2019.

ELECTRICAL BY-LAWS

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 $\leq$ 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 $\leq$ 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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

WATER SERVICES BY-LAWS

Arrangement of sections

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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.

(4) 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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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

2019/2020 FINANCIAL YEAR

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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 DOUBTFUL DEBTORS POLICY

2019/2020 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 2019.

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

2019/2020 FINANCIAL YEAR

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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 Act.

3.1.2 No deviation 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 Council who must then submit the report to the municipal manager 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 Project Management Unit

The Project 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.

The date of the decision or action referred to above will be the day the results were advertised on the website, being the 07th day of every month.

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 SCM / Legal official 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 –

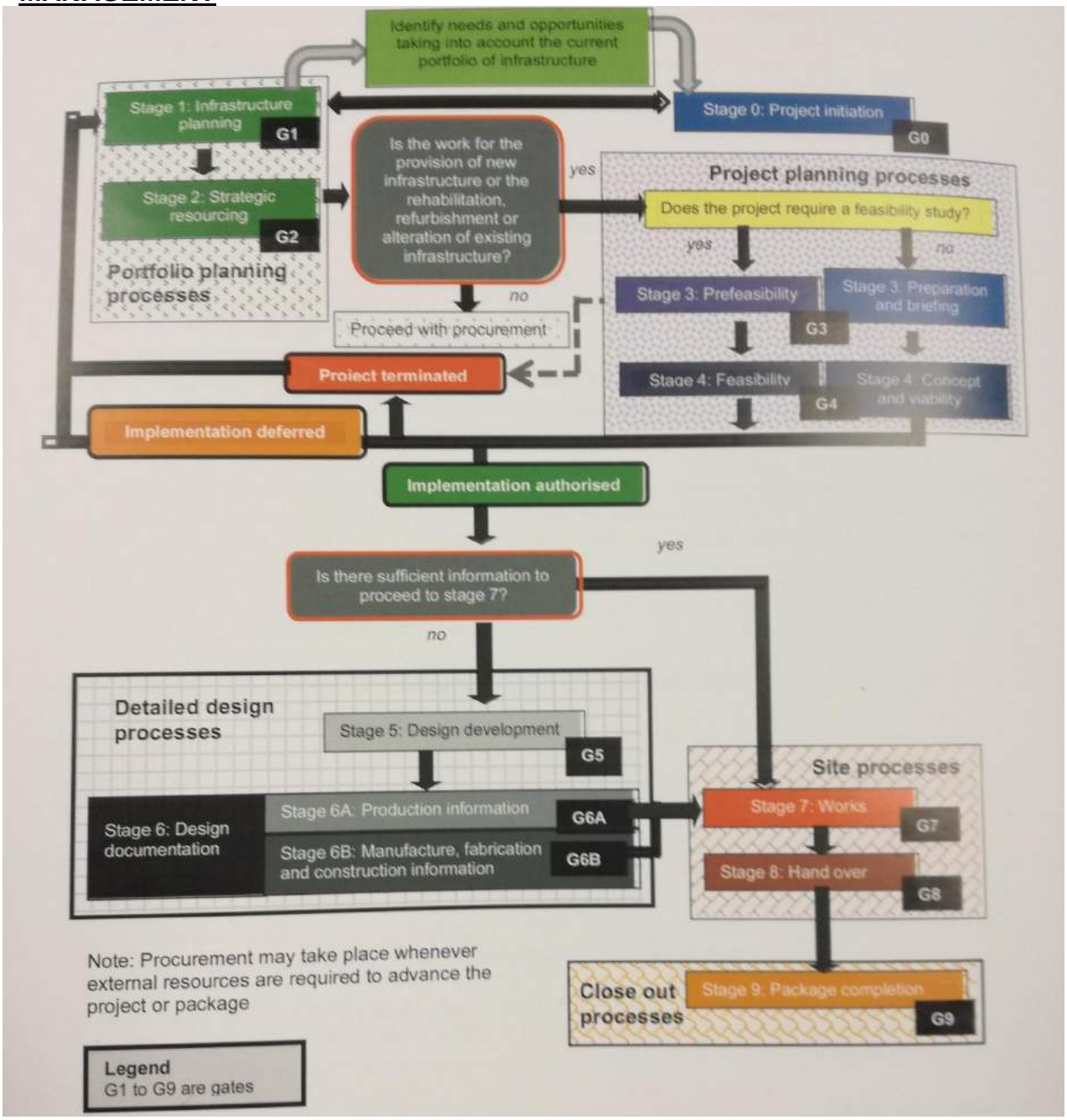
(a) ensure that such proposed amendments comply with the Regulations; and

(b) report any deviation from the model policy to the National Treasury and the Gauteng Provincial Treasury.

3.6.3 When amending this 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

Stage			Person assigned the responsibility for approving or accepting end of stage deliverables
No	**Name**		
2	Strategic resourcing		Head of Department (HOD) approves the delivery and / or procurement strategy / procurement plan
3	Pre-feasibility		Project manager accepts the pre-feasibility report, where applicable
	Preparation and briefing		Project manager accepts the strategic brief, where applicable
4	Feasibility		Project manager accepts the feasibility report, where applicable
	Concept and viability		Project manager accepts the concept report, where applicable
5	Design development		Project manager (End-user Director) accepts the design development report
6	Design documentation	6A Production information	Project manager (End-user Director) / 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 (Head of Department) accepts the manufacture, fabrication and construction information
7	Works		The contract manager (Head of Department) 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 Project Manager / End-user Director certifies the defects certificate in accordance with the provisions of the contract The contract manager (Head of Department) certifies final completion in accordance with the provisions of the contract Project manager (End-user Director) 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;

b) outline options that were evaluated;

c) 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

General

1) A committee system comprising the documentation committee, evaluation committee and 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.

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 specifications committee.

2) The specifications 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 the 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	Specifications Committee
		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 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	Adjudication 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	Deputy Director: SCM
		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%	Project manager
		6.7 **PG8D**	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	Bid Adjudication Committee
		6.8 **PG8E**	Obtain approval to cancel or terminate a contract	Approve amount	Bid Adjudication Committee
		6.9 **PG8F**	Obtain approval to amend a contract	Approve proposed amendment to contract	Bid Adjudication Committee

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 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 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 tender committee shall consider the merits of an unsolicited offer and make a recommendation to the Accounting Officer.

6) The 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 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 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 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, 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.

5) Invitations to submit expressions of interest or tender offers shall be issued not less than 10 working days before the closing date for tenders and at least 5 working days before any compulsory clarification meeting. Procurement documents shall be made available not less than 7 days before the closing time for submissions.

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 Chief financial officer 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 the revised 2018/2019 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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 time-lines, 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	• 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

perform as required	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 points	• Misrepresentation of preference points should constitute termination of contract if it is justifiable and will be defendable in the court of law • 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

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 If any person has been killed or injured, call the police and an ambulance immediately. Do not move your vehicle unless it is causing a serious obstruction, in which case mark its position if you are sure there are no injuries.

6.3 Report the accident to immediate Supervisor as soon as possible, but within 24 hrs, and also to a police station and furnish full particulars.

6.4 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.

6.5 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.

6.6 Under no circumstances admit liability to any person at all or at any time or agree to any payment offered or made to a third party.

6.7 Try to obtain the following information:

6.7.1 details of the other vehicle(s) and registration number(s);

6.7.2 name(s), address(es), ID number(s), home telephone number(s) and work telephone number(s) of the other vehicle owner(s) and driver(s);

6.7.3 name(s) and address(es), ID number(s), home and work telephone number(s) of any witnesses, including the occupants of the other vehicle(s) concerned;

6.7.4 name(s) of insurer/broker(s) with respect to the other vehicle(s);

6.7.5 The nature and extent of the damage caused to the other vehicle(s) in this particular accident only;

6.7.6 The name, address, ID number, home telephone number and work telephone number and estimated age of any passengers and / or pedestrian(s) involved in the accident and, if possible, details of any person(s) killed or injured, as well as the nature and extent of the injuries.

6.7.7 A description of animals and fixed objects involved in the accident and the name and address of the owner, in the case of animals and also the name and estimated age of any herdsman (men) who tended or drove the animals, as well as the nature and extent of injuries and damage;

6.7.8 Measurements for the preparation of a sketch of the scene of the accident;

6.7.9 Whether or not the road was fenced in on either sides or one side only; and

6.7.10 Any other relevant information

6.8 In the event of any third-party admitting liability, endeavour to obtain a written statement from him / her to that effect.

6.9 Provide the following information to any other person having reasonable grounds for requesting the information:

6.9.1 driver's name and address, municipality details and the number of the vehicle and trip authority number.

6.10 If another vehicle that is unattended is damaged, leave a note on the vehicle with driver's contact details.

6.11 All accidents need to be reported ASAP to the South African Police Service and a case number must be obtained.

6.12 All accidents must within 24 hours be reported to the driver's supervisor / manager.

6.13 Report the accident to the Transport Office as soon as possible.

6.14 Take photographs at the accident scene if possible.

6.15 If a driver of a vehicle is suspected of being under the influence of intoxicating liquor or narcotic drugs, this fact must be brought to the attention of the police or traffic officer present at the scene of the accident with the least possible delay.

7. Reporting the accident to Insurance Section

The driver of a vehicle involved in an accident must make a suitable endorsement in the logbook / log sheet of the vehicle and must without delay prepare a departmental accident report and must submit the report, together with statements by witnesses and other supporting documents, to the Direct Supervisor and the Insurance Section.

8. Accident repairs

Where repairs are necessary to a vehicle that was involved in an accident, the Mechanical Workshop shall, in consultation with the Municipality's Insurers, obtain written quotations in terms of Municipality procurement policy and shall arrange the repair of the vehicle where applicable.

9. Towing of Municipal Vehicles

9.1 In the event of an accident within the Midvaal area of jurisdiction which necessitates the towing of a Municipal vehicle, for whatever reason, the driver must without delay contact the Fleet Co-ordinator or Direct Supervisor must arrange for a towing vehicle which will be dispensed to the location of the vehicle.

9.2 The driver of the Municipal vehicle must provide the Fleet Co-ordinator with the following information:

9.2.1 His / her name.
9.2.2 The Registration number of the Municipal vehicle.
9.2.3 The make and type of the Municipal vehicle.
9.2.4 The location of the breakdown or accident.
9.2.5 The personal cellular number of the driver, if available.
9.2.6 The Kilometre reading of the Municipal vehicles.
9.2.7 The nature of the incident.

9.3 In the event of an accident outside of the Midvaal area of jurisdiction which necessitates the towing of a Municipal vehicles, the driver shall follow steps above.

10. Motor Claims Procedures

10.1 Make arrangements to safeguard the vehicle following an accident or, in the event of theft, notify the Police immediately.

10.2 In the case of an accident, please record full details of Third Party, i.e. name, address, model and registration number of vehicle, Employer, Insurers, etc. This will assist greatly in recovering damages should the Third Party be responsible for the accident, as will contact names, addresses and telephone numbers of witnesses.

10.3 Notify Insurance Section immediately within 24 hours by phone, fax, e-mail or visit.

10.4 Submit the following Documents:

10.4.1 Fully completed claim form signed by an authorised official of the company.

10.4.2 Quotations / Repair estimates.

10.4.3 Certified copy of both sides of driver's license.

10.4.4 Police report where a third party is involved.

10.4.5 Original Motor Vehicle Cancellation Certificate (In the event of Theft / Write-off).

10.4.6 Vehicle keys (In the event of Theft).

10.4.7 Confirmation of any outstanding fines.

10.4.8 SAP letter confirming non-recovery of vehicle.

10.4.9 Copy of the original purchase invoice (In the event of Theft / Write-off).

10.4.10 Documentation substantiating any extra's fitted to the vehicle.

10.5 If necessary, the Insurance Company will arrange the appointment of an Assessor upon receipt of the claim documentation.

10.6 Assessor / Insurer will authorise repairs or pay cash in lieu.

10.7 Where repairs have been authorised by assessor insurer, the repairer/panel beater will bill insurer direct. However, you will be required to make your own arrangements direct with the repairer for payment of the first amount payable, i.e. policy excess or deductible.

10.8 Where a Person is injured, notification must be made immediately to the Road Accident Fund (RAF) and the necessary report form must be completed and sent to them. The contact number for the RAF is (011) 223-0000.

10.9 Where a third party is at fault, the insurer may pursue recovery from the third party by way of subrogation if they are liable to pay for damage to your vehicle. Aon will assist with the recovery of your costs up to the point where litigation becomes necessary.

10.10 Where your driver was to blame for the accident, report the incident immediately to Insurance Company and do not admit liability. Insurance Company will arrange for the third party to deal directly with the insurance company.

10.11 Where the loss / damage may be ascribed to unrest, the driver and passengers (where applicable) should be requested to provide a full statement describing the circumstances in detail, so as to facilitate claims against SASRIA / NASRIA.

11. When an employee will be liable to pay the excess amount

11.1 An accident is an occurrence which produces loss, damage, death or injury, and which occurred unintentionally and unexpectedly.

11.2 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.

11.3 An employee involved in an accident who are found to have been negligent will be liable to pay the excess amount, subject to 12.5 below.

11.4 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 12.5 below.

11.5 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:

11.5.1 he / she acted in the same way a reasonable person would have acted in the same / similar conditions;

11.5.2 she / he did not act negligently; and

11.5.3 provide adequate documented proof to substantiate the special exclusion, or to substantiate another party`s majority portion of contributory negligence.

COST CONTAINMENT POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 2019, and must be reviewed annually together with the budget related policies.

VIREMENT POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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PREAMBLE

Whereas Section 15(a) and (b) of the Local Government: Municipal Finance Management Act, 56 of 2003 (hereinafter referred to as the Act) determines that a municipality may, except where otherwise provided for in the Act, incur expenditure only in terms of an approved budget (original and adjustments budgets) and within the limits of the amounts appropriated for the different votes in an approved budget;

And whereas Section 23(1) of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations (hereinafter referred to as the Regulations) determines that an adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the relevant year;

And whereas Section 23(2) of the Regulations determines that only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year;

And whereas there will always be a need to transfer funds within or between approved votes, as defined in the Act, due to changing circumstances and priorities during a financial year;

Now therefore the Municipal Council of the Midvaal Municipality adopts the following Virement Policy:

1. DEFINITIONS

"Accounting Officer" means the Accounting Officer appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 117 of 1998 and being the head of administration and Accounting Officer in terms of Section 55 of the Local Government: Municipal Systems Act, 32 of 2000 as well as Section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003.

"Act" means the Local Government: Municipal Finance Management Act, 56 of 2003.

"Approved budget" means an annual budget (original or an adjustments budget) referred to in Section 15 of the Act approved by the Municipal Council in terms of Sections 24 and 28 of the Act.

"Chief Financial Officer" means an official designated by the Accounting Officer as the Chief Financial Officer in terms of Section 80(2)(a) of the Act.

"Cost Centre" means a functional area which represents a logical point at which cost (expenditure) is collected and managed by a responsible cost centre owner.

"Cost category" means a category of expenditure as set out in the approved budget.

"Cost item" means a line item of expenditure as set out in the approved budget.

"Financial Year" means the twelve (12) month period between 1 July and 30 June of the following year.

"Senior manager" means a person appointed by Council in terms of Section 56(a) of the Act as a manager directly accountable to the City Manager.

"Vote" means one of the main segments (departments) into which a budget of a municipality is divided for the appropriation of money for the different functional areas (cost centres) of the municipality which specifies the total amount that is appropriated for the purposes of the vote's functional areas concerned.

"Virement" means the process of transferring an approved budgetary provision from one operating cost item or capital project to another within a vote or across a vote during a municipal financial year due to changed circumstances from which prevailed at the time of the previous budget adoption.

2. PURPOSE OF THIS POLICY

2.1 Midvaal Municipality wishes to achieve the following objectives by adopting this Virement Policy:

2.1.1 To assist the Accounting Officer to ensure that adequate policies and procedures are in place to ensure an effective system of financial control.

2.1.2 To enable the Chief Financial Officer to advise the Accounting Officer and to assist senior managers in the exercising of powers and duties assigned to them in terms of Section 78 or delegated to them in terms of Section 79 of the Act.

2.1.3 To provide guidelines to the Accounting Officer and senior managers in the use of virements as a mechanism in their day-to-day management of their budget votes.

2.1.4 To empower the Accounting Officer and senior managers with an efficient financial and budgetary system to ensure optimum service delivery within the current legislative framework of the Act and the municipality's system of delegations.

3. VIREMENT PRINCIPLES

3.1 Midvaal Municipality wishes to record that the following virement principles will apply:

3.1.1 In order for the Mayor and the Accounting Officer to authorise the transfer of funds from one cost item or capital project to another cost item or capital project within or across a vote (directorate); a saving has to be identified within the monetary limitations and within a similar funding segment of the approved cost item or capital project allocations on the respective budgets (operational and capital).

3.1.2 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 (Section 28 of the Act).

3.1.3 In terms of Section 17 of the Act a municipality's budget is divided into an operational and capital budget and consequently no virements are permitted between the operational and capital budgets.

3.1.4 Virements between votes (departments) will be permitted where the proposed shifts in funding facilitate sound risk and financial management.

3.1.5 Virements to the revenue side of the operational budget are allowed subject to the conditions of this Policy.

3.1.6 Virements to the expenditure side of the operational budget are allowed subject to the conditions of this Policy.

3.1.7 Virements to the expenditure side of the capital budget are allowed subject to the conditions of this Policy.

4. OPERATING BUDGET VIREMENTS

4.1 Sound motivations should be provided for all virements, as provided for on the pro forma virements documentation attached as Annexure A to this Policy.

4.2 Cost categories

4.2.1 Employee Related Costs and Remuneration of Councillors

(a) Virements are allowed between cost items, cost centres and votes as well as to and from these categories but only on the recommendation of the Pay Office to ensure that budgets are not committed for staff and councillors already on the payroll.

4.2.2 Provisions (Current and Non-Current) and Bad Debts Written Off

(a) Virements are allowed between cost items, cost centres and votes within this category of expenditure, but only at financial year end once final provision amounts required for Annual Financial Statement purposes have been calculated.

4.2.3 Contracted Services, Inventory Consumed, Operating Leases and Operational Cost and Bulk Purchases

(a) Virements to and from cost items, cost centres and votes within these categories of expenditure are allowed.

4.2.4 Depreciation and Amortisation, Interest, Dividends and Rent on Land, Transfers and Subsidies, Gains and Losses, Impairment Loss, Disposal of Fixed and Intangible Assets

(a) Virements are allowed between cost items, cost centres and votes within this category of expenditure, but only at financial year end once final amounts required have been determined.

4.3 Revenue categories

Virements are allowed within a revenue source but only to correct budgeted errors due to incorrect allocations of budgeted funds.

5. CAPITAL BUDGET VIREMENTS

5.1 No “new” capital projects as defined by mSCOA onto the capital budget will be permitted except for where it is necessary to accelerate capital projects spending of capital projects already approved by Council in the IDP and capital budget of the indicative MTREF years.

5.2 Motivations for virements in paragraph 5.1 should clearly state the reason for the need of a new capital project/s on the budget as well as the saving/s within the approved capital project/s.

5.3 Virements to and from the various categories of funding sources are not allowed. Virements are permitted within a single category of funding source.

6. MSCOA SEGMENTS

6.1 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.

6.2 Function Segment

Is the location within mSCOA for creating the ‘’vote’’ structure for all municipalities.

6.3 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.

6.4 Project Segment

Is the nature of expense resulting in the classification of transactions linked to the IDP of the municipality.

6.5 Costing Segment

Provides for the recording of full cost reflection.

Virements across segments will be allowed.

7. PROCESS AND ACCOUNTABILITY

7.1 Accountability, to ensure that virement application forms are completed in accordance with Council's Virement Policy and which is not in conflict with the department's strategic objectives, manifests with the senior manager of a department.

7.2 The relevant senior manager will ensure that the virement application form is duly completed, the virement duly motivated and signed by the senior manager. Supporting documentation, proving savings on a cost item/s, must accompany the application form that needs to be handed over to the budget office.

7.3 The budget office will verify the virement application form and the Chief Financial Officer will recommend the virement application verified should it comply with the Virement Policy of Council. If not, the virement application form will be returned to the relevant senior manager.

7.4 All relevant virement application forms verified by the budget office and recommended by the Chief Financial Officer will be submitted to the Accounting Officer and the Executive Mayor for final approval. The Accounting Officer or Executive Mayor may refuse to approve a virement application even if the Chief Financial Officer has recommended the virement application.

7.5 After receiving the final approval, the budget office may process the virement.

7.6 Completed virement documentation is to be kept by the Chief Financial Officer (budget office) for audited purposes.

8. DELEGATIONS

8.1 The approval of virements will be done in terms of the approved System of Delegations of Council.

8.2 Any official acting in a position of a senior manager, the Chief Financial Officer and the City Manager will have the delegated powers to authorise or approve virement applications.

9. SHORT TITLE

This policy is the Virement Policy of the Midvaal Municipality.

MIDVAAL LOCAL MUNICIPALITY

ANNEXURE A: Application Form for the Virement of Budgeted Funds in terms of Virement Policy

Financial Year: 2019/2020

FROM: Vote number/s

Cost Centre	Category	Item Number	Fund	Project	Cost	Region	Item Description	Amount (Rand)
							Total	

TO: Vote number/s

Cost Centre	Category	Item Number	Fund	Project	Cost	Region	Item Description	Amount (Rand)
							Total	

VIREMENT MOTIVATION

(GO040 Solar Printouts must be attached to Virement Application Form for Verification and Approval Purposes)

FOR AUTHORISATION PURPOSES

Action	Name of Official	Designation	Signature	Date
Requested by HOD				
Supported by MMC				
Verified by CFO				
Approved by				

INDIGENT SCREENING POLICY

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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.

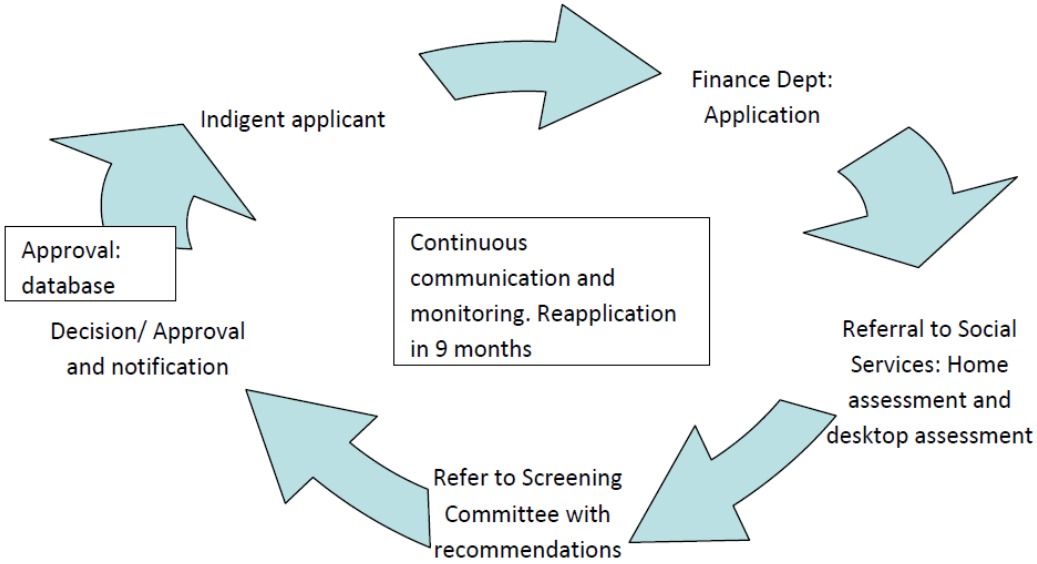
INDIGENT SCREENING PROCESS

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:



Desktop assessment is based on evidence presented.

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

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**;

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 "3 / 3B")** 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 as per National Treasury rate levels grid for Band 2 for 4 and 5 star accommodation (**Annexure 1**).

    - 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 view 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 "2")** 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.

- Officials who do not receive a travel allowance will be reimbursed in the next payroll at the full AA tariff costs based on 10 000 km per annum and 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.

- 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 exceed 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 payments may be made.

5. SUBSISTENCE ALLOWANCE

Allowances are payable as per **Annexure 1.** Accommodation will be booked inclusive of breakfast to the value of R120.00, lunch and dinner to the value of R150-.00 each. This will only be paid when sleeping over. **No subsistence will be paid to officials for 1 day training/conferences/meetings.**

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.

_____ _____

S.M. MOSIDI **DATE**
ACTING MUNICIPAL MANAGER

Table 1: Rates set for Domestic Hotel Accommodation **ANNEXURE "1"**

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

ANNEXURE 2

VEHICLE ALLOWANCE CLAIM: LOGSHEET

MONTH: _____ **201**7

PARTICULARS:

Name: _____

Designation: _____

PARTICULARS OF VEHICLE:

Make: _____

Registration No: _____

Engine Capacity: _____

ODOMETER READING			DISTANCE TRAVELLED			PURPOSE OF TRIP AND SERVICE RENDERED
DATE	BEGIN	END	OFFICIAL	PRIVATE	TOTAL	

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.

_____ _____

DATE SIGNATURE: CLAIMANT

I certify that the official trips as indicated on this schedule were necessary and authorise the payment thereof:

_____ _____

DATE EXEC DIRECTOR

_____ _____

DATE MAYOR (if applicable)

AND

_____ _____

DATE MUNICIPAL MANAGER
ACCOUNTING OFFICER

H:Louisevs/Meyerton1/User/User/Revised 18/05/2016

AUTHORISATION FOR ATTENDING A CONFERENCE/TRAINING (ANNEXURE "3")

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 companian'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

STANDARD OPERATING PROCEDURE (SOP) CALL LOGGING BUSINESS CONNEXION (BCX)

2019/2020 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

Steps to follow when logging a call and rules to be adhered to at all times:

1. Send email to BCX and use the Subject line of the mail **to start with the SR nr** (if it is an existing call) **OR** use **NEW** (when a new call is to be logged) **+ followed by the function and a short description of the error as well as attachments / screenshots if available.**
2. Email must always be sent to laramail@bcx.co.za, and you are welcome to address it to the consultants or developers you might have been dealing with as well – also copy supervisor and IT as well as other relevant officials.
3. Wait to get reference number from BCX
4. Close the call when the problem has been resolved.

Call Log Template & Example info – this MUST always be on the email and must be completed accordingly

Client / Organisation: eg.Midvaal Local Municipality
Product: (for Example: Solar Framework; Solar Expenditure; Solar Billing, eVenusBilling, Reporting Services; Receipting etc)
Type: (Bug, Enhancement, Consult)
Function: (N/A, BP136, BP101 or GS630 etc)
Error / Problem / Issue: (What error occurred **OR** Assistance required with…….. etc)
Summary / Description: (Give a full write up of the problem **–** including screenshots, run parameters and attachments of reports if applicable – apply the information of "what, when, where, why, who"…) BCX needs to know how/what happened **OR** exactly what is required by which team or consultant – always add as much information as is possible.

ANNEXURE AS IDP SDBIP cover

ANNEXURE AT IDP SDBIP WILL BE CIRCULATED UNDER SEPARATE COVER

ANNEXURE AU TABLED PROCUREMENT PLAN cover

CAPEX PROCUREMENT PLAN 2019/2020 FINANCIAL YEAR

DEPARTMENT	SOURCE OF FUNDING	PROJECT DESCRIPTION	2019/2020 BUDGET AMOUNT	PROCUREMENT TYPE	COMMENT / BID NUMBER	SUBMISSION OF SPECS	ADVERT DATE	EVALUATION	ADJUDICATION
Engineering	CRR	Jack Hammer	R 35,000.00	7 day tender		Jun-19	Jun-19	Jul-19	Jul-19
Community Services	CRR	Canopies for LDV	R 40,000.00	7 day tender		Jun-19	Jun-19	Jul-19	Jul-19
Community Services	Accumulated Surplus	Parks and Infrastructure development	R 2,000,000.00	Competitive Bid		Nov-19	Nov-19	Dec-19	Jan-19
Engineering	CRR	Drilling Machine	R 40,000.00	7 day tender		May-19	May-19	Jun-19	Jun-19
Community Services	CRR	Radios and repeater	R 50,000.00	7 day tender		Mar-19	N/A	N/A	N/A
Community Services	CRR	Brush cutters	R 65,000.00	7 day tender		Jun-19	Jun-19	Jul-19	Jul-19
Community Services	CRR	Refurbishment of De Deur Offices	R 80,000.00	7 day tender		Jun-19	Jun-19	Jul-19	Jul-19
Engineering	CRR	Replacement of test equipment	R 100,000.00	7 day tender		Aug-19	Aug-19	Sep-19	Sep-19
Community Services	CRR	Carports	R 150,000.00	7 day tender		Jun-19	Jun-19	Jul-19	Jul-19
Community Services	CRR	ITC hardware (Computors) - New	R 200,000.00	7 day tender		Aug-19	Aug-19	Sep-19	Sep-19
Community Services	DAC Grant	Library furniture & equipment-Sicelo	R 200,000.00	Competitive Bid	All library furniture to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	DAC Grant	Library furniture & equipment-Lakeside	R 200,000.00	Competitive Bid	All library furniture to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	DAC Grant	Library furniture & equipment-HOK	R 200,000.00	Competitive Bid	All library furniture is to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	DAC Grant	Library furniture & equipment-De Deur	R 200,000.00	Competitive Bid	All library furniture is to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	DAC Grant	Library furniture & equipment-Randvaal	R 200,000.00	Competitive Bid	All library furniture is to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	CRR	Ride on lawnmowers with trailers	R 250,000.00	Competitive Bid		Jun-19	Jun-19	Jul-19	Jul-19
Community Services	CRR	Equipment for Traffic Law Enforcement	R 300,000.00	Competitive Bid	Software	Oct-19	Nov-19	Dec-19	Dec-19
Community Services	CRR	Vaal Marina Fire Station Paving	R 300,000.00	Competitive Bid	Specs to be submitted end May 2019	May-19	N/A	N/A	N/A
Community Services	CRR	ITC hardware (Computors) - Sicelo	R 300,000.00	Competitive Bid		Aug-19	Aug-19	Sep-19	Oct-19
Community Services	DAC Grant	Library furniture & equipment-Bantu B	R 374,524.00	Competitive Bid	All library furniture to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	DAC Grant	Ext Randvaal Lib building - Upgrading	R 400,000.00	Competitive Bid	This will be included to the upgrade of Libraries Tender - All subject to additional funding being granted	Aug-19	Sep-19	Sep-19	Oct-19
Community Services	CRR	Equipment for Traffic Law Enforcement	R 400,000.00	Competitive Bid	Speed Camera Machine	Nov-19	Dec-19	Jan-20	Jan-20
Community Services	CRR	Equipment for Traffic Law Enforcement	R 400,000.00	Competitive Bid	IT Equipment	Nov-19	Dec-19	Jan-20	Jan-20
Community Services	DAC Grant	Ext Meyerton Lib building - Upgrading	R 400,000.00	Competitive Bid	All library refurbishment to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	DAC Grant	Ext HOK Lib building - Upgrading	R 400,000.00	Competitive Bid	All library refurbishment to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	DAC Grant	Ext De Deur Lib building - Upgrading	R 400,000.00	Competitive Bid	All library refurbishment to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	DAC Grant	Ext Lakeside Lib building - Upgrading	R 400,000.00	Competitive Bid	All library refurbishment to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Community Services	CRR	Extention of Kookrus Cemetry Fencing	R 500,000.00	Competitive Bid		Aug-19	Aug-19	Sep-19	Oct-19
Community Services	DAC Grant	Extension Sicelo Library building - Upgrading	R 500,000.00	Competitive Bid	This will be included to the upgrade of Libraries Tender - All subject to additional funding being granted	Aug-19	Sep-19	Sep-19	Oct-19
Community Services	DAC Grant	Extension Randvaal Library building - Upgrading	R 500,000.00	Competitive Bid	All library refurbishment to be procured under one tender	Jul-19	Jul-19	Aug-19	Aug-19
Engineering	Developer Contributions	Extend sewer network	R 500,000.00	Competitive Bid		Apr-19	May-19	Jun-19	Jun-19
Engineering	CRR	Reservoir refurbishment - w/l programme	R 500,000.00	Competitive Bid		Apr-19	May-19	Jun-19	Jun-19
Engineering	CRR	H/mast&street lights:un-serviced areas	R 500,000.00	Competitive Bid		Aug-19	Sep-19	Oct-19	Oct-19
Engineering	External Loans	Sicelo reticulation network (erf 204)	R 500,000.00	Competitive Bid	As and when required - residential connections	Oct-19	Oct-19	Nov-19	Dec-19
Engineering	Developer Contributions	Electricity metering	R 500,000.00	Competitive Bid	Bid 8/2/2/202 - to be combined with TID compliance project	Apr-19	Apr-19	May-19	Jun-19
Community Services	HP	Tractors (replacements)	R 550,000.00	Competitive Bid		Jun-19	Jul-19	Aug-19	Sep-19
Community Services	CRR	Refurbishment of Blackwood transfer station	R 600,000.00	Competitive Bid		Sep-19	Sep-19	Oct-19	Oct-19
Engineering	External Loans	Pumpstation refurbishment and upgrade -	R 1,000,000.00	Competitive Bid	Bid 8/2/2/226	N/A	N/A	N/A	N/A
Engineering	External Loans	Replacement-prepaid&conventional water m	R 1,000,000.00	Competitive Bid	Tender to be combined with pre-paid water meter project	Apr-19	May-19	Jun-19	Jun-19
Engineering	External Loans	Replace Meters for TID compliance	R 1,000,000.00	Competitive Bid	Bid 8/2/2/202	Apr-19	Apr-19	May-19	Jun-19
Corporate Services	CRR	Networks & computer related hardware	R 1,350,000.00	Competitive Bid		N/A	N/A	N/A	N/A
Engineering	MIG	Extension to Henley on klip sewer	R 2,000,000.00	Competitive Bid		Aug-19	Sep-19	Oct-19	Oct-19
Engineering	External Loans	Rebuilding of roads	R 2,000,000.00	Competitive Bid	Tender to be combined with road resurfacing (3 year tender, to be advertised for min. of 30 days)	May-19	May-19	Jun-19	Jul-19
Engineering	External Loans	Landfill Cell Development (Expansion)	R 2,000,000.00	Competitive Bid		Oct-19	Nov-19	Dec-19	Dec-19
Community Services	MIG	Lakeside sport centre (MIG)	R 2,600,000.00	Competitive Bid		Jun-19	Jul-19	Sep-19	Sep-19
Engineering	External Loans	Gravel to tar (External loans) NEW	R 3,000,000.00	Competitive Bid	Bid 8/2/2/55 - to be combined with MIG project	Jun-19	Jul-19	Sep-19	Sep-19
Engineering	External Loans	Pre-paid water meter project	R 4,500,000.00	Competitive Bid	Tender to be combined with replacement-prepaid &conventional water meters project	Apr-19	May-19	Jun-19	Jun-19
Engineering	MIG	Gravel to tar (MIG) NEW	R 4,887,307.00	Competitive Bid	Bid 8/2/2/55	Jun-19	Jul-19	Sep-19	Sep-19
Savanna City	INEP	Savanna City electrification network	R 5,000,000.00	Competitive Bid		May-19	Jun-19	Jul-19	Aug-19
Community Services	MIG	Bantu Bonke sport centre (MIG)	R 10,000,000.00	Competitive Bid		Jun-19	Jul-19	Aug-19	Aug-19
Engineering	MIG	Sicelo/Highbury (valley settlements) res	R 15,020,000.00	Competitive Bid	Bid 8/2/2/239	N/A	N/A	N/A	N/A
Engineering	INEP	Sicelo electrification network	R 20,158,000.00	Competitive Bid	Bid 8/2/2/267 & Bid 8/2/2/50RE (Tenders are currently being advertised)	N/A	N/A	N/A	N/A
Engineering	MIG	Sicello north outfall sewer	R 5,800,000.00	Competitive Bid		Aug-19	Sep-19	Oct-19	Oct-19
Engineering	CRR	New sewerage connections	R 1,000,000.00	Competitive Bid		Apr-19	May-19	Jun-19	Jun-19
Engineering	External Loans	Replace redundant switchgear	R 1,000,000.00	Competitive Bid		Sep-19	Sep-19	Oct-19	Nov-19

Engineering	CRR	Land acquisitions&serv-59 development	R	455,000.00	Consultant Fees		N/A	N/A	N/A	N/A
Community Services	CRR	Replacement of cctv cameras	R	75,000.00	Existing Contract	Tender in place. BID 8/2/1/10 (2017-2020)	N/A	N/A	N/A	N/A
Community Services	CRR	Street litter bins	R	120,000.00	Existing Contract	Bid 8/2/4/128	N/A	N/A	N/A	N/A
Community Services	DAC Grant	De deur library books (DAC)	R	200,000.00	Existing Contract	Bid 8/2/4/123	N/A	N/A	N/A	N/A
Community Services	DAC Grant	Randvaal library books (DAC)	R	200,000.00	Existing Contract	Bid 8/2/4/123	N/A	N/A	N/A	N/A
Community Services	CRR	New CCTV cameras	R	240,000.00	Existing Contract	Tender in place. BID 8/2/1/10 (2017-2020)	N/A	N/A	N/A	N/A
Community Services	DAC Grant	Sicelo library books (DAC)	R	300,000.00	Existing Contract	Bid 8/2/4/123	N/A	N/A	N/A	N/A
Community Services	DAC Grant	Lakeside library books (DAC)	R	300,000.00	Existing Contract	Bid 8/2/4/123	N/A	N/A	N/A	N/A
Community Services	DAC Grant	Bantu bonke library books (DAC)	R	300,000.00	Existing Contract	Bid 8/2/4/123	N/A	N/A	N/A	N/A
Community Services	CRR	Skip bins 6 cubic meters	R	450,000.00	Existing Contract	Bid 8/2/4/88	N/A	N/A	N/A	N/A
Community Services	DAC Grant	Meyerton library books (DAC)	R	500,000.00	Existing Contract	Bid 8/2/4/123	N/A	N/A	N/A	N/A
Engineering	External Loans	Sicelo reticulation network (erf 78)	R	500,000.00	Existing Contract	Bid 8/2/2/234	N/A	N/A	N/A	N/A
Engineering	Developer Contributions	New connections	R	500,000.00	Existing Contract	Stores issuing - As and when required	N/A	N/A	N/A	N/A
Engineering	CRR	Water meter replacement programme	R	700,000.00	Existing Contract	Bid 8/2/2/129	N/A	N/A	N/A	N/A
Engineering	MIG	Mamello sewage scheme augmentation	R	966,000.00	Existing Contract	Bid 8/2/2/40 - Consultant Fees	N/A	N/A	N/A	N/A
Engineering	External Loans	Replacement of pumps	R	1,000,000.00	Existing Contract	Bid 8/2/2/206	N/A	N/A	N/A	N/A
Engineering	Water Service Infrastructure Grant	Refurbishment/replacement-supply valves	R	1,500,000.00	Existing Contract	Bid 8/2/2/243	N/A	N/A	N/A	N/A
Engineering	Water Service Infrastructure Grant	Bulk water meters	R	1,500,000.00	Existing Contract	Bid 8/2/2/172	N/A	N/A	N/A	N/A
Engineering	Water Service Infrastructure Grant	Pressure management infrastructure	R	1,500,000.00	Existing Contract	Bid 8/2/2/242	N/A	N/A	N/A	N/A
Engineering	External Loans	Construction of gravel roads	R	2,000,000.00	Existing Contract	Bid 8/2/2/255	N/A	N/A	N/A	N/A
Engineering	External Loans	Road resurfacing	R	2,000,000.00	Existing Contract	To be awarded March 2019	N/A	N/A	N/A	N/A
Engineering	Developer Contributions	Cable feeders-cons emfuleni connections	R	2,000,000.00	Existing Contract	Direct purchase via stores tender - departmental excavation (230x3core Aluminium), Bid 8/2/2/195 - new tender to be awarded before June 2019	N/A	N/A	N/A	N/A
Engineering	Water Service Infrastructure Grant	Aged bulk water pipe replacement	R	9,000,000.00	Existing Contract	Bid 8/2/2/231	N/A	N/A	N/A	N/A
Community Services	DAC Grant	HOK library books (DAC)	R	200,000.00	Existing Contract	Bid 8/2/4/123	N/A	N/A	N/A	N/A
Savanna City	Developer Contributions	New Land - SAVANNA	R	450,000.00	Legal process		N/A	N/A	N/A	N/A
Corporate Services	Accumulated Surplus	Strategic Land Purchases	R	3,000,000.00	Legal process		N/A	N/A	N/A	N/A
Engineering	CRR	Welding Machine	R	8,000.00	Quotation/s		N/A	N/A	N/A	N/A
Development and Planning	CRR	Furniture and equipment new	R	10,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	Air cons	R	10,000.00	Quotation/s		N/A	N/A	N/A	N/A
Engineering	CRR	Furniture & equipment	R	10,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	2 x Aircons - replacement (E Lensley and A Mhpai)	R	14,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	2 x Aircons (new)	R	14,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	Furniture & equipment	R	20,000.00	Quotation/s		N/A	N/A	N/A	N/A
Engineering	CRR	Brush cutters - new	R	20,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	Telescopic pole pruners	R	25,000.00	Quotation/s		N/A	N/A	N/A	N/A
Engineering	CRR	Water Pumps	R	25,000.00	Quotation/s		N/A	N/A	N/A	N/A
Corporate Services	CRR	Office furniture	R	30,000.00	Quotation/s		N/A	N/A	N/A	N/A
Finance	CRR	Furniture and equipment	R	30,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	Chain sharpener	R	30,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	Chainsaws	R	30,000.00	Quotation/s		N/A	N/A	N/A	N/A
Engineering	CRR	Concrete cutter trolley	R	30,000.00	Quotation/s		N/A	N/A	N/A	N/A
Engineering	CRR	Plate compactor	R	30,000.00	Quotation/s		N/A	N/A	N/A	N/A
Engineering	CRR	Building Air Conditioners	R	50,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	Furniture for transfer station	R	60,000.00	Quotation/s		N/A	N/A	N/A	N/A
Corporate Services	CRR	Air Cons	R	32,000.00	Quotation/s		N/A	N/A	N/A	N/A
Community Services	CRR	Fire and rescue Equipment - New Vaalmarina	R	100,000.00	Quotation/s		N/A	N/A	N/A	N/A
Engineering	HP	Half ton LDV (metering)	R	200,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Development and Planning	HP	New Vehicle - LDV - Law Enforcement	R	250,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Community Services	HP	LDV	R	350,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Council	HP	New vehicle for Speaker	R	400,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Community Services	CRR	Equipment for Traffic Law Enforcement	R	400,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Community Services	HP	LDV's (replacements)	R	400,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Community Services	HP	Vehicle replacements	R	500,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Engineering	HP	2 x 1 ton LDV	R	500,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Community Services	HP	Double Cab Tipper Truck (replacement)	R	700,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Engineering	HP	Double cab truck (replacement)	R	700,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Engineering	HP	TLB	R	1,300,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
Community Services	HP	Skip bin loader with trailer	R	2,400,000.00	RT-57 Transversal		N/A	N/A	N/A	N/A
			R	**135,183,831.00**						

CAPEX PROCUREMENT PLAN 2019/2020 FINANCIAL YEAR

			CASH FLOW PROJECTION											
DEPARTMENT	PROJECT DESCRIPTION	2019/2020 BUDGET AMOUNT	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Engineering	Jack Hammer	R 35,000.00	R -	R -	R 35,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	Canopies for LDV	R 40,000.00	R -	R -	R 40,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	Parks and Infrastructure development	R 2,000,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R 500,000.00	R 1,000,000.00	R 250,000.00	R 250,000.00
Engineering	Drilling Machine	R 40,000.00	R -	R -	R 40,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	Radios and repeater	R 50,000.00	R -	R 50,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	Brush cutters	R 65,000.00	R -	R -	R 65,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	Refurbishment of De Deur Offices	R 80,000.00	R -	R -	R -	R 80,000.00	R -	R -	R -	R -	R -	R -	R -	R -
Engineering	Replacement of test equipment	R 100,000.00	R -	R -	R -	R 100,000.00	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	Carports	R 150,000.00	R -	R -	R -	R 150,000.00	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	ITC hardware (Computors) - New	R 200,000.00	R -	R -	R -	R -	R 200,000.00	R -	R -	R -	R -	R -	R -	R -
Community Services	Library furniture & equipment-Sicelo	R 200,000.00	R -	R -	R -	R -	R 200,000.00	R -	R -	R -	R -	R -	R -	R -
Community Services	Library furniture & equipment-Lakeside	R 200,000.00	R -	R -	R -	R -	R 200,000.00	R -	R -	R -	R -	R -	R -	R -
Community Services	Library furniture & equipment-HOK	R 200,000.00	R -	R -	R -	R -	R -	R -	R 200,000.00	R -	R -	R -	R -	R -
Community Services	Library furniture & equipment-De Deur	R 200,000.00	R -	R -	R -	R -	R -	R -	R 200,000.00	R -	R -	R -	R -	R -
Community Services	Library furniture & equipment-Randvaal	R 200,000.00	R -	R -	R -	R -	R -	R -	R 200,000.00	R -	R -	R -	R -	R -
Community Services	Ride on lawnmowers with trailers	R 250,000.00	R -	R -	R -	R 250,000.00	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	Equipment for Traffic Law Enforcement	R 300,000.00	R -	R -	R -	R -	R -	R -	R -	R 300,000.00	R -	R -	R -	R -
Community Services	Vaal Marina Fire Station Paving	R 300,000.00	R -	R -	R -	R -	R -	R -	R 300,000.00	R -	R -	R -	R -	R -
Community Services	ITC hardware (Computors) - Sicelo	R 300,000.00	R -	R -	R -	R -	R -	R 300,000.00	R -	R -	R -	R -	R -	R -
Community Services	Library furniture & equipment-Bantu B	R 374,524.00	R -	R -	R -	R -	R 374,524.00	R -	R -	R -	R -	R -	R -	R -
Community Services	Ext Randvaal Lib building - Upgrading	R 400,000.00	R -	R -	R -	R -	R -	R -	R 400,000.00	R -	R -	R -	R -	R -
Community Services	Equipment for Traffic Law Enforcement	R 400,000.00	R -	R -	R -	R -	R -	R -	R -		R -	R 400,000.00	R -	R -
Community Services	Equipment for Traffic Law Enforcement	R 400,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 400,000.00	R -	R -
Community Services	Ext Meyerton Lib building - Upgrading	R 400,000.00	R -	R -	R -	R -	R -	R -	R 400,000.00	R -	R -	R -	R -	R -
Community Services	Ext HOK Lib building - Upgrading	R 400,000.00	R -	R -	R -	R -	R -	R -	R 400,000.00	R -	R -	R -	R -	R -
Community Services	Ext De Deur Lib building - Upgrading	R 400,000.00	R -	R -	R -	R -	R -	R -	R 400,000.00	R -	R -	R -	R -	R -
Community Services	Ext Lakeside Lib building - Upgrading	R 400,000.00	R -	R -	R -	R -	R -	R -	R 400,000.00	R -	R -	R -	R -	R -
Community Services	Extention of Kookrus Cemetry Fencing	R 500,000.00	R -	R -	R -	R -	R 250,000.00	R 250,000.00	R -	R -	R -	R -	R -	R -
Community Services	Extension Sicelo Library building - Upgrading	R 500,000.00	R -	R -	R -	R -	R -	R -	R 500,000.00	R -	R -	R -	R -	R -
Community Services	Extension Randvaal Library building - Upgrading	R 500,000.00	R -	R -	R -	R -	R -	R -	R 500,000.00	R -	R -	R -	R -	R -
Engineering	Extend sewer network	R 500,000.00	R -	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00	R -
Engineering	Reservoir refurbishment - w/l programme	R 500,000.00	R 100,000.00	R 200,000.00	R 100,000.00	R 50,000.00	R 50,000.00							
Engineering	H/mast&street lights:un-serviced areas	R 500,000.00	R -	R -	R -	R -	R 500,000.00	R -	R -	R -	R -	R -	R -	R -
Engineering	Sicelo reticulation network (erf 204)	R 500,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 500,000.00
Engineering	Electricity metering	R 500,000.00	R -	R -	R -	R 500,000.00	R -	R -	R -	R -	R -	R -	R -	R -
Community Services	Tractors (replacements)	R 550,000.00	R -	R -	R -	R -	R -	R -	R -	R 550,000.00	R -	R -	R -	R -
Community Services	Refurbishment of Blackwood transfer station	R 600,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 600,000.00	R -
Engineering	Pumpstation refurbishment and upgrade -	R 1,000,000.00	R -	R -	R 350,000.00	R -	R -	R -	R 350,000.00	R -	R -	R 300,000.00	R -	R -
Engineering	Replacement-prepaid&conventional water m	R 1,000,000.00	R -	R 150,000.00	R 200,000.00	R -	R 150,000.00	R -	R -	R 250,000.00		R 250,000.00	R -	R -
Engineering	Replace Meters for TID compliance	R 1,000,000.00	R -	R -	R -	R 1,000,000.00	R -	R -	R -	R -	R -	R -	R -	R -
Corporate Services	Networks & computer related hardware	R 1,350,000.00	R -	R -	R 450,000.00	R -	R -	R 300,000.00	R -	R -	R 300,000.00	R -	R -	R 300,000.00
Engineering	Extension to Henley on klip sewer	R 2,000,000.00	R -	R 150,000.00	R -	R -	R 300,000.00	R 650,000.00	R 300,000.00	R 300,000.00	R 300,000.00	R -	R -	R -
Engineering	Rebuilding of roads	R 2,000,000.00	R -	R -	R 100,000.00	R 200,000.00	R 150,000.00	R 100,000.00	R -	R 450,000.00	R 300,000.00	R 400,000.00	R 200,000.00	R 100,000.00
Engineering	Landfill Cell Development (Expansion)	R 2,000,000.00	R -	R -	R -	R -	R -	R -	R -	R 100,000.00	R 400,000.00	R 600,000.00	R 700,000.00	R 200,000.00
Community Services	Lakeside sport centre (MIG)	R 2,600,000.00	R -	R 300,000.00	R -	R 400,000.00	R 350,000.00	R 350,000.00	R -	R 300,000.00	R 600,000.00	R 300,000.00	R -	R -
Engineering	Gravel to tar (External loans) NEW	R 3,000,000.00	R -	R -	R -	R -	R -	R -	R -	R 150,000.00	R 750,000.00	R 1,200,000.00	R 700,000.00	R 200,000.00
Engineering	Pre-paid water meter project	R 4,500,000.00	R -	R 500,000.00	R 500,000.00	R 1,000,000.00	R 500,000.00	R 500,000.00	R -	R 500,000.00	R -	R 1,000,000.00	R -	
Engineering	Gravel to tar (MIG) NEW	R 4,887,307.00	R -	R -	R -	R -	R 500,000.00	R 850,000.00	R -	R 1,700,000.00	R 1,000,000.00	R 837,307.00	R -	R -
Savanna City	Savanna City electrification network	R 5,000,000.00	R -	R -	R -	R 1,250,000.00	R -	R 1,500,000.00	R -	R 1,750,000.00	R -	R 500,000.00	R -	R -
Community Services	Bantu Bonke sport centre (MIG)	R 10,000,000.00	R 300,000.00	R 150,000.00	R -	R 300,000.00	R 600,000.00	R 500,000.00	R -	R 1,690,000.00	R 1,690,000.00	R 1,690,000.00	R 1,690,000.00	R 1,390,000.00
Engineering	Sicelo/Highbury (valley settlements) res	R 15,020,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,250,000.00	R 1,270,000.00
Engineering	Sicelo electrification network	R 20,158,000.00	R 100,000.00	R -	R 1,000,000.00	R -	R 5,000,000.00	R -	R -	R 5,000,000.00	R -	R 4,000,000.00	R -	R 5,058,000.00
Engineering	Sicello north outfall sewer	R 5,800,000.00	R 750,000.00	R -	R -	R 200,000.00	R 300,000.00	R 600,000.00	R -	R 790,000.00	R 790,000.00	R 790,000.00	R 790,000.00	R 790,000.00
Engineering	New sewerage connections	R 1,000,000.00	R -	R 200,000.00	R 200,000.00	R 200,000.00	R 200,000.00	R 200,000.00	R -	R -	R -	R -	R -	R -
Engineering	Replace redundant switchgear	R 1,000,000.00	R -	R -	R -	R -	R -	R -	R 1,000,000.00	R -	R -	R -	R -	R -
Engineering	Land acquisitions&serv-59 development	R 455,000.00	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 455,000.00	R -
Community Services	Replacement of cctv cameras	R 75,000.00	R -	R -	R -	R -		R 30,000.00	R -	R -	R -	R -	R 45,000.00	R -
Community Services	Street litter bins	R 120,000.00	R -	R -	R 60,000.00	R -	R -	R -	R -	R -	R -	R -	R 60,000.00	R -
Community Services	De deur library books (DAC)	R 200,000.00	R 40,000.00	R 40,000.00	R 40,000.00	R 40,000.00	R 40,000.00		R -	R -	R -	R -	R -	R -
Community Services	Randvaal library books (DAC)	R 200,000.00	R 40,000.00	R 40,000.00	R 40,000.00	R 40,000.00	R 40,000.00	R -	R -	R -	R -	R -	R -	R -
Community Services	New CCTV cameras	R 240,000.00	R -	R -	R 100,000.00	R -	R -	R 100,000.00	R -	R -	R 40,000.00	R -	R -	R -
Community Services	Sicelo library books (DAC)	R 300,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R -	R -	R -	R -	R -	R -	R -
Community Services	Lakeside library books (DAC)	R 300,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R -	R -	R -	R -	R -	R -	R -
Community Services	Bantu bonke library books (DAC)	R 300,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R 60,000.00	R -	R -	R -	R -	R -	R -	R -
Community Services	Skip bins 6 cubic meters	R 450,000.00	R -	R -	R 250,000.00	R -	R -	R -	R -	R -	R -	R -	R 200,000.00	R -
Community Services	Meyerton library books (DAC)	R 500,000.00	R 100,000.00	R 100,000.00	R 100,000.00	R 100,000.00	R 100,000.00	R -	R -	R -	R -	R -	R -	R -

Engineering	Sicelo reticulation network (erf 78)	R	500,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	500,000.00
Engineering	New connections	R	500,000.00	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67	R	41,666.67
Engineering	Water meter replacement programme	R	700,000.00	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33	R	58,333.33
Engineering	Mamello sewage scheme augmentation	R	966,000.00	R	-	R	-	R	105,000.00	R	105,000.00	R	105,000.00	R	105,000.00	R	105,000.00	R	105,000.00	R	105,000.00	R	105,000.00	R	105,000.00	R	105,000.00	R	105,000.00	R	21,000.00
Engineering	Replacement of pumps	R	1,000,000.00	R	-	R	200,000.00	R	200,000.00	R	200,000.00	R	200,000.00	R	200,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Refurbishment/replacement-supply valves	R	1,500,000.00	R	-	R	200,000.00	R	250,000.00	R	500,000.00	R	250,000.00	R	-	R	300,000.00														
Engineering	Bulk water meters	R	1,500,000.00	R	-	R	200,000.00	R	250,000.00	R	500,000.00	R	250,000.00	R	-	R	300,000.00														
Engineering	Pressure management infrastructure	R	1,500,000.00	R	-	R	100,000.00	R	250,000.00	R	500,000.00	R	250,000.00	R	-	R	300,000.00			R	100,000.00										
Engineering	Construction of gravel roads	R	2,000,000.00	R	-	R	100,000.00	R	500,000.00	R	-	R	600,000.00	R	600,000.00	R	200,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Road resurfacing	R	2,000,000.00	R	-	R	-	R	100,000.00	R	200,000.00	R	150,000.00	R	100,000.00	R	-	R	450,000.00	R	300,000.00	R	400,000.00	R	200,000.00	R	100,000.00	R	100,000.00	R	100,000.00
Engineering	Cable feeders-cons emfuleni connections	R	2,000,000.00	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67	R	166,666.67
Engineering	Aged bulk water pipe replacement	R	9,000,000.00	R	500,000.00	R	1,000,000.00	R	2,500,000.00	R	500,000.00	R	2,000,000.00	R	-	R	1,000,000.00	R	500,000.00	R	1,000,000.00	R	-	R	-	R	-	R	-	R	-
Community Services	HOK library books (DAC)	R	200,000.00	R	40,000.00	R	40,000.00	R	40,000.00	R	40,000.00	R	40,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Savanna City	New Land - SAVANNA	R	450,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	450,000.00
Corporate Services	Strategic Land Purchases	R	3,000,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	5,000,000.00
Engineering	Welding Machine	R	8,000.00	R	8,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Development and Planning	Furniture and equipment new	R	10,000.00	R	-	R	-	R	-	R	10,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	Air cons	R	10,000.00	R	-	R	10,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Furniture & equipment	R	10,000.00	R	-	R	-	R	10,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	2 x Aircons - replacement (E Lensley and A Mhpai)	R	14,000.00	R	-	R	-	R	-	R	14,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	2 x Aircons (new)	R	14,000.00	R	-	R	-	R	-	R	14,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	Furniture & equipment	R	20,000.00	R	-	R	-	R	20,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Brush cutters - new	R	20,000.00	R	20,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	Telescopic pole pruners	R	25,000.00	R	-	R	-	R	-	R	-	R	-	R	25,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Water Pumps	R	25,000.00	R	25,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Corporate Services	Office furniture	R	30,000.00	R	-	R	-	R	15,000.00	R	-	R	-	R	15,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Finance	Furniture and equipment	R	30,000.00	R	-	R	-	R	-	R	30,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	Chain sharpener	R	30,000.00	R	-	R	30,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	Chainsaws	R	30,000.00	R	-	R	30,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Concrete cutter trolley	R	30,000.00	R	-	R	-	R	30,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Plate compactor	R	30,000.00	R	-	R	-	R	30,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Building Air Conditioners	R	50,000.00	R	-	R	25,000.00	R	-	R	25,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	Furniture for transfer station	R	60,000.00	R	20,000.00	R	20,000.00			R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	20,000.00	R	-
Corporate Services	Air Cons	R	32,000.00	R	-	R	-	R	-	R	-	R	32,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Community Services	Fire and rescue Equipment - New Vaalmarina	R	100,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	100,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	Half ton LDV (metering)	R	200,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	200,000.00	R	-	R	-	R	-	R	-
Development and Planning	New Vehicle - LDV - Law Enforcement	R	250,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	250,000.00	R	-	R	-	R	-	R	-
Community Services	LDV	R	350,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	350,000.00	R	-	R	-	R	-	R	-
Council	New vehicle for Speaker	R	400,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	400,000.00	R	-	R	-	R	-	R	-
Community Services	Equipment for Traffic Law Enforcement	R	400,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-			R	-	R	400,000.00	R	-	R	-	R	-	R	-
Community Services	LDV's (replacements)	R	400,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	400,000.00	R	-	R	-	R	-	R	-
Community Services	Vehicle replacements	R	500,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	500,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Engineering	2 x 1 ton LDV	R	500,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	500,000.00	R	-	R	-	R	-	R	-
Community Services	Double Cab Tipper Truck (replacement)	R	700,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	700,000.00	R	-	R	-	R	-	R	-
Engineering	Double cab truck (replacement)	R	700,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	700,000.00	R	-	R	-	R	-	R	-
Engineering	TLB	R	1,300,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	1,300,000.00	R	-	R	-	R	-	R	-
Community Services	Skip bin loader with trailer	R	2,400,000.00	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	2,400,000.00	R	-	R	-	R	-	R	-
		R	**135,183,831.00**																												

ANNEXURE AV TABLED ORGANISATIONAL STRUCTURES cover

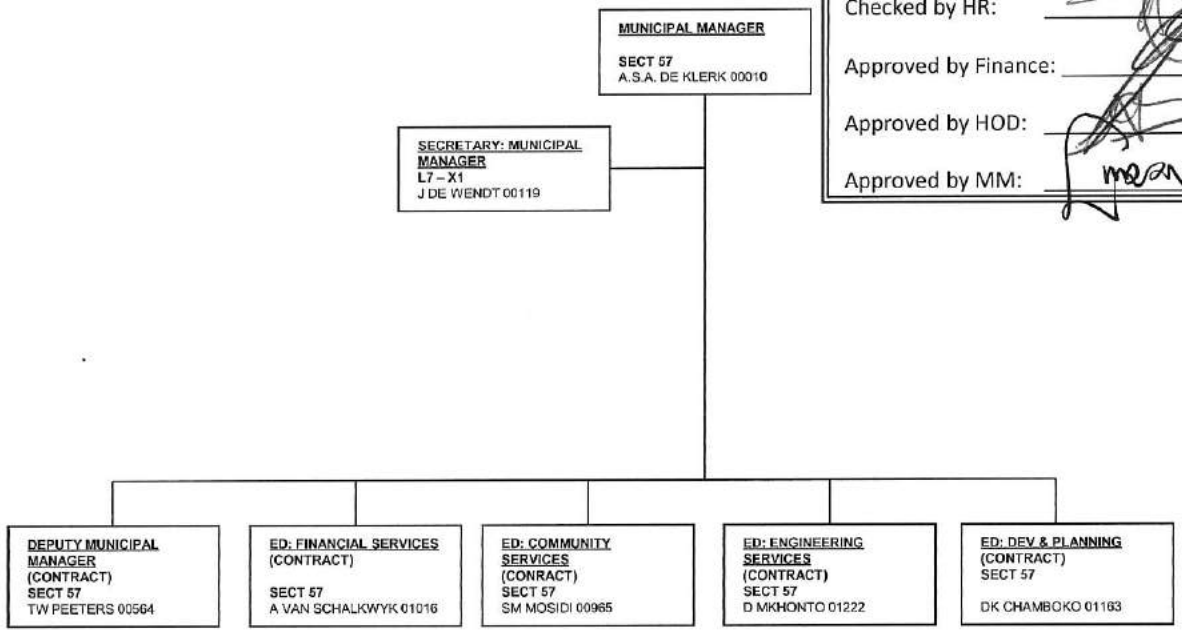
ORGANISATIONAL STRUCTURE – OFFICE OF THE MUNICIPAL MANAGER (2019-2020)

Checked by HR: _____ Date: 14/03/19

Approved by Finance: _____ Date: 18/3/19

Approved by HOD: _____ Date: 13/03/2019.

Approved by MM: _____ Date: 18/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – CORPORATE CLUSTER (2019-2020)

Checked by HR:		Date:	14/03/2019
Approved by Finance:		Date:	18/3/19
Approved by HOD:		Date:	13/3/2019
Approved by MM:		Date:	18/3/2019

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)
MM MOLOTLHANYI 01510

DIRECTOR: HR
L1 – X1
PL RAMPAI 01485

DEPUTY DIRECTOR: AUXILIARY SERVICES
L3/2 – X1
TJ MAKGOBA 01008

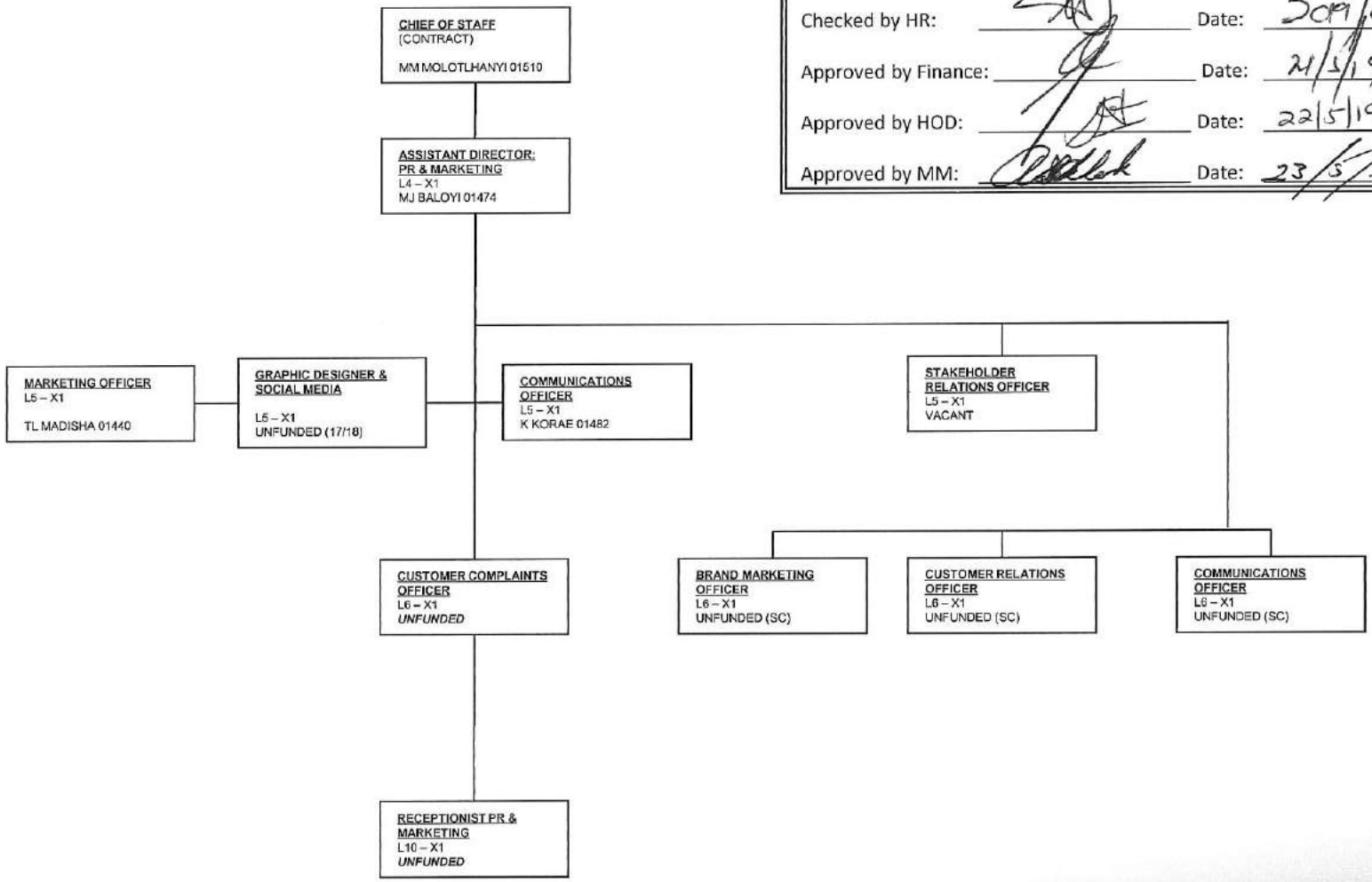
DEPUTY DIRECTOR OFFICE OF THE SPEAKER
L3/2 – X1
N MITCHELL 00560

ASSISTANT DIRECTOR: PR & MARKETING
L4 – X1
MJ BALOYI 01474

ASSISTANT DIRECTOR: ADMINISTRATION
L4 – X1
A WELMAN 00108

ORGANISATIONAL STRUCTURE – OFFICE OF THE MAYOR: PR & MARKETING (2019-2020)

Checked by HR:		Date:	2019/05/21
Approved by Finance:		Date:	21/5/19
Approved by HOD:		Date:	22/5/19
Approved by MM:		Date:	23/5/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – OFFICE OF THE SPEAKER (2019-2020)

Checked by HR:		Date:	14/03/2019
Approved by Finance:		Date:	18/3/19
Approved by HOD:		Date:	13/3/2019.
Approved by MM:		Date:	18/3/2019

SPEAKER
CLLR. F. PETERS

SECRETARY: OFFICE OF THE SPEAKER
L7B - X1
UNFUNDED

DEPUTY DIRECTOR: OFFICE OF THE SPEAKER
L3/2 – X1
N MITCHELL 00550

SENIOR ADMIN OFFICER
L5 – X1
C DIPPENAAR 00894

CHIEF CLERK: EVENTS & PUBLIC PARTICIPATION
L7 – X1
LJ FUNEKA 01190

YOUTH DEVELOPMENT OFFICER
L8 – X1
SL RADEBE 01455

WARD COMMITTEE OFFICER
L8 – X3
R. TEXEIRA 01200
P GREYVENSTEIN 01467
UNFUNDED (SC)

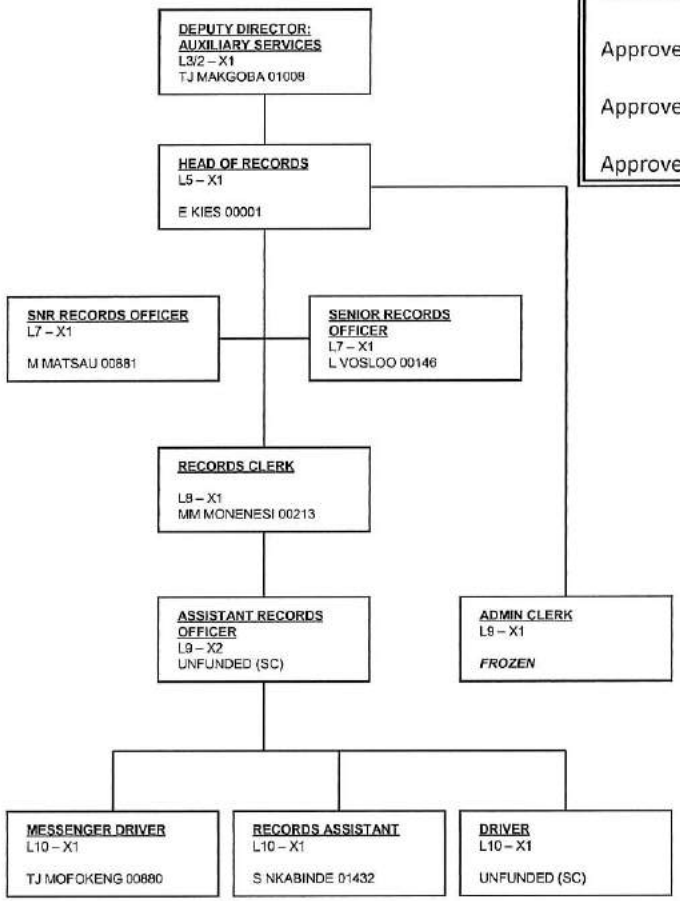
ADMIN ASSISTANT
L8 – X1
UNFUNDED (SC)

ADMIN CLERK
L9 – X1
VACANT

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE –RECORDS (2019-2020)

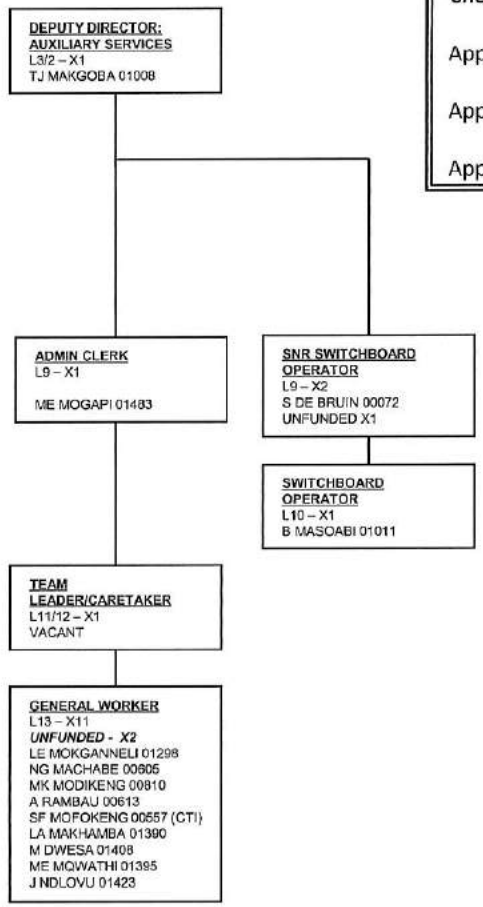
Checked by HR:		Date:	14/03/2019
Approved by Finance:		Date:	18/3/19
Approved by HOD:		Date:	13/3/2019.
Approved by MM:		Date:	18/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – AUXILIARY SERVICES(2019-2020)

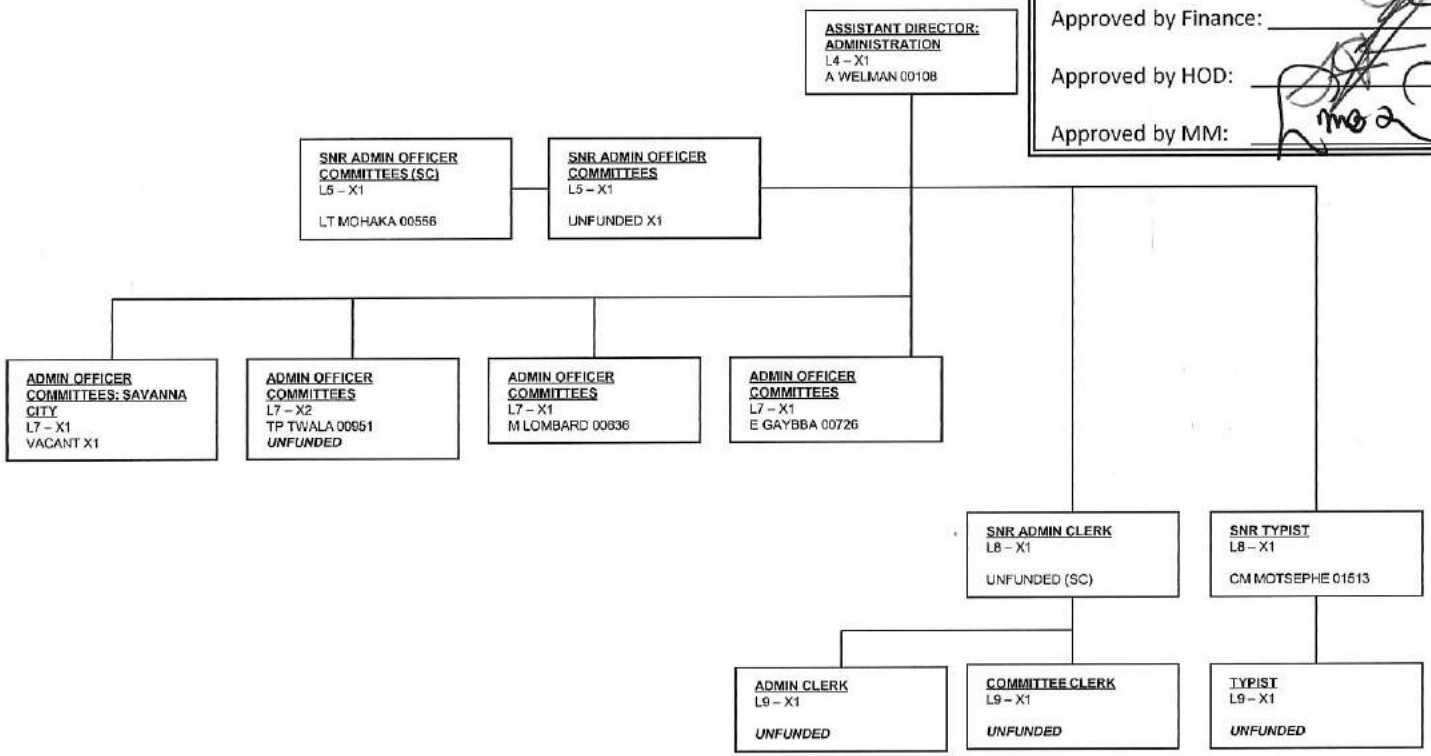
Checked by HR:		Date:	14/03/2019
Approved by Finance:		Date:	18/3/19
Approved by HOD:		Date:	13/3/2019
Approved by MM:		Date:	18/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMITTEES (2019-2020)

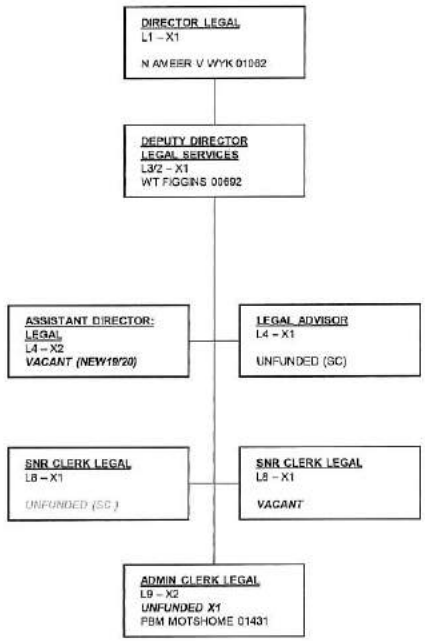
Checked by HR:		Date:	14/03/2019
Approved by Finance:		Date:	18/3/19
Approved by HOD:		Date:	13/3/2019
Approved by MM:		Date:	18/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

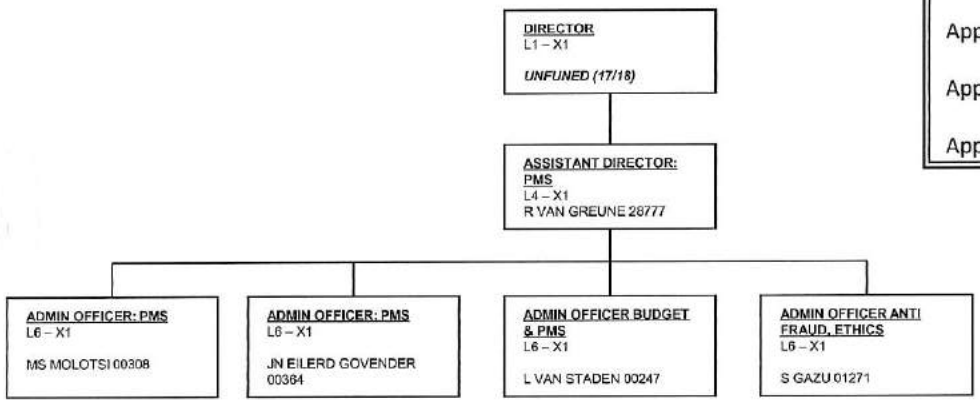
ORGANISATIONAL STRUCTURE – LEGAL (2019-2020)

Checked by HR:		Date:	2019/05/21
Approved by Finance:		Date:	21/5/19
Approved by HOD:		Date:	22/5/19
Approved by MM:		Date:	23/5/2019



ORGANISATIONAL STRUCTURE – RISK, ETHICS, PMS & BUDGET (2019-2020)

Checked by HR:		Date:	14/08/2019
Approved by Finance:		Date:	18/8/19
Approved by HOD:		Date:	13/3/2019
Approved by MM:		Date:	18/3/2019



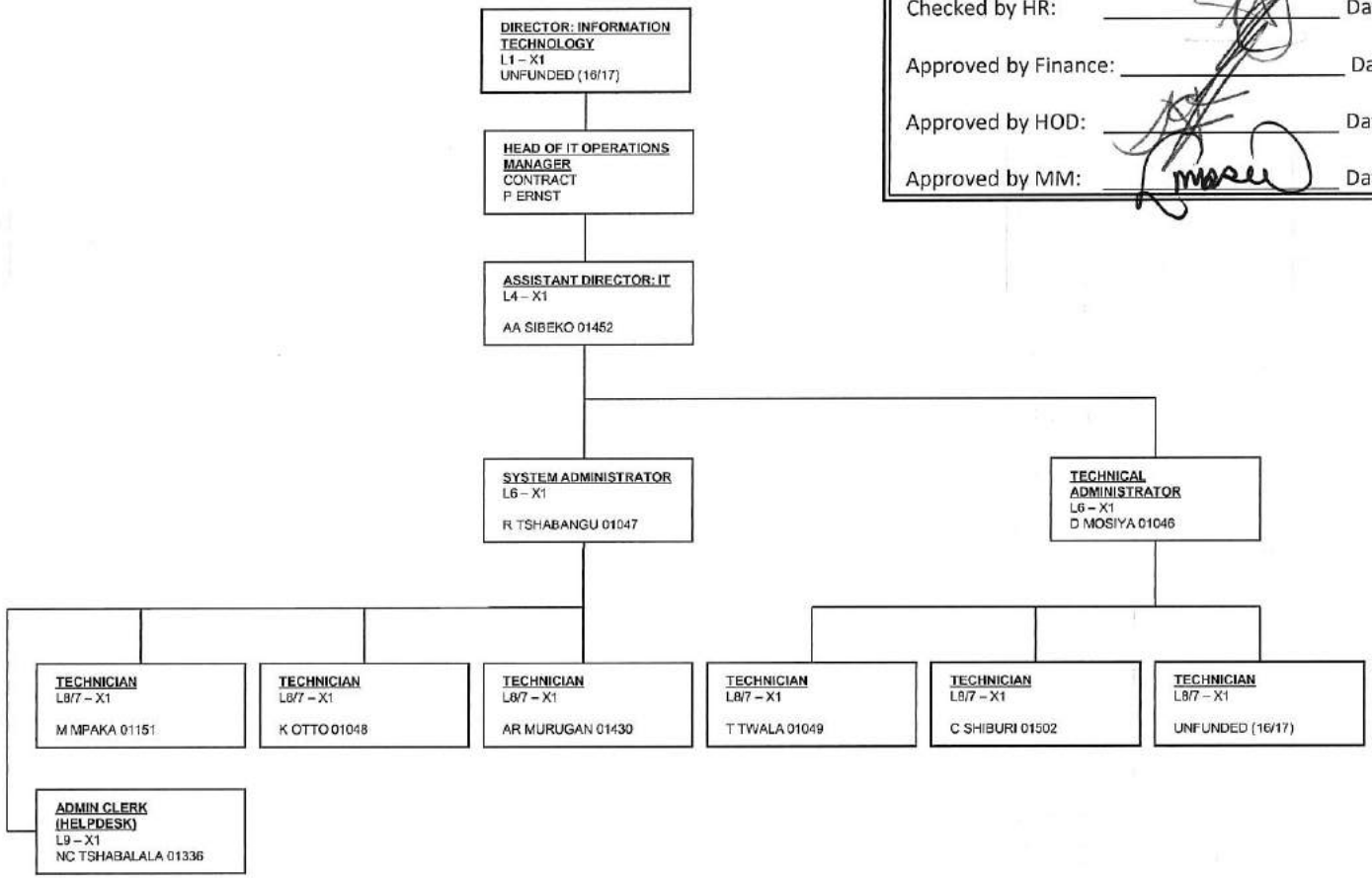
ORGANISATIONAL STRUCTURE – INFORMATION TECHNOLOGY (2019-2020)

Checked by HR: _____ Date: 14/03/2019

Approved by Finance: _____ Date: 18/3/19

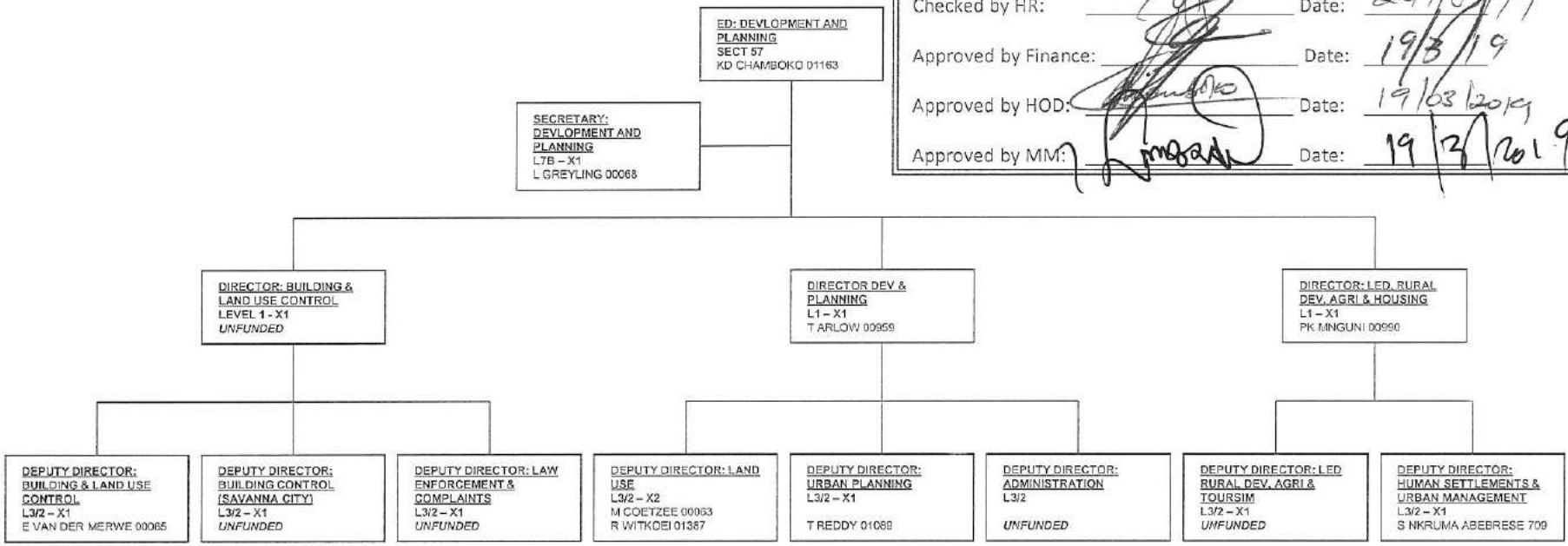
Approved by HOD: _____ Date: 13/3/2019

Approved by MM: _____ Date: 18/3/2019



ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING (2019-2020)

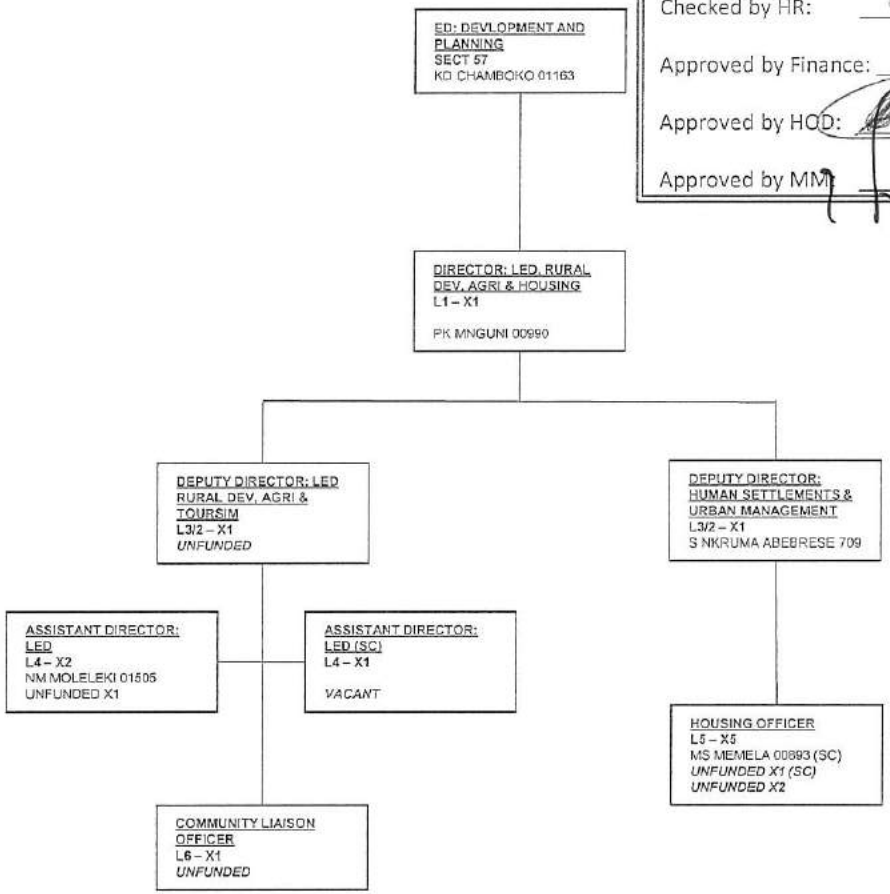
Checked by HR:		Date: 29/03/19
Approved by Finance:		Date: 19/3/19
Approved by HOD:		Date: 19/03/2019
Approved by MM:		Date: 19/3/2019



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– LED RURAL DEVELOPMENT & HUMAN SETTLEMENT (2019-2020)

Checked by HR:		Date:	2019/03/19
Approved by Finance:		Date:	19/3/19
Approved by HOD:		Date:	19/03/2019
Approved by MM:	MZO	Date:	19/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– BUILDING CONTROL (2019-2020)

Checked by HR: _____ Date: 29/05/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019

DIRECTOR: BUILDING & LAND USE CONTROL
L1 – X1
UNFUNDED

DEPUTY DIRECTOR: BUILDING & LAND USE
L3/2 – X1
E VAN DER MERWE 00065

DEPUTY DIRECTOR: BUILDING CONTROL (SC)
L3/2 – X1
UNFUNDED

ASSISTANT DIRECTOR: BUILDING & LAND USE CONTROL
L4 – X1
LM MAKOFANE 00426

ASSISTANT DIRECTOR: BUILDING & LAND USE CONTROL
L4 X1
KJ RASEPAE 01160

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 NHLAPO 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 – X1
PP MOEPHULE 01484

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
R PAULSE 01465

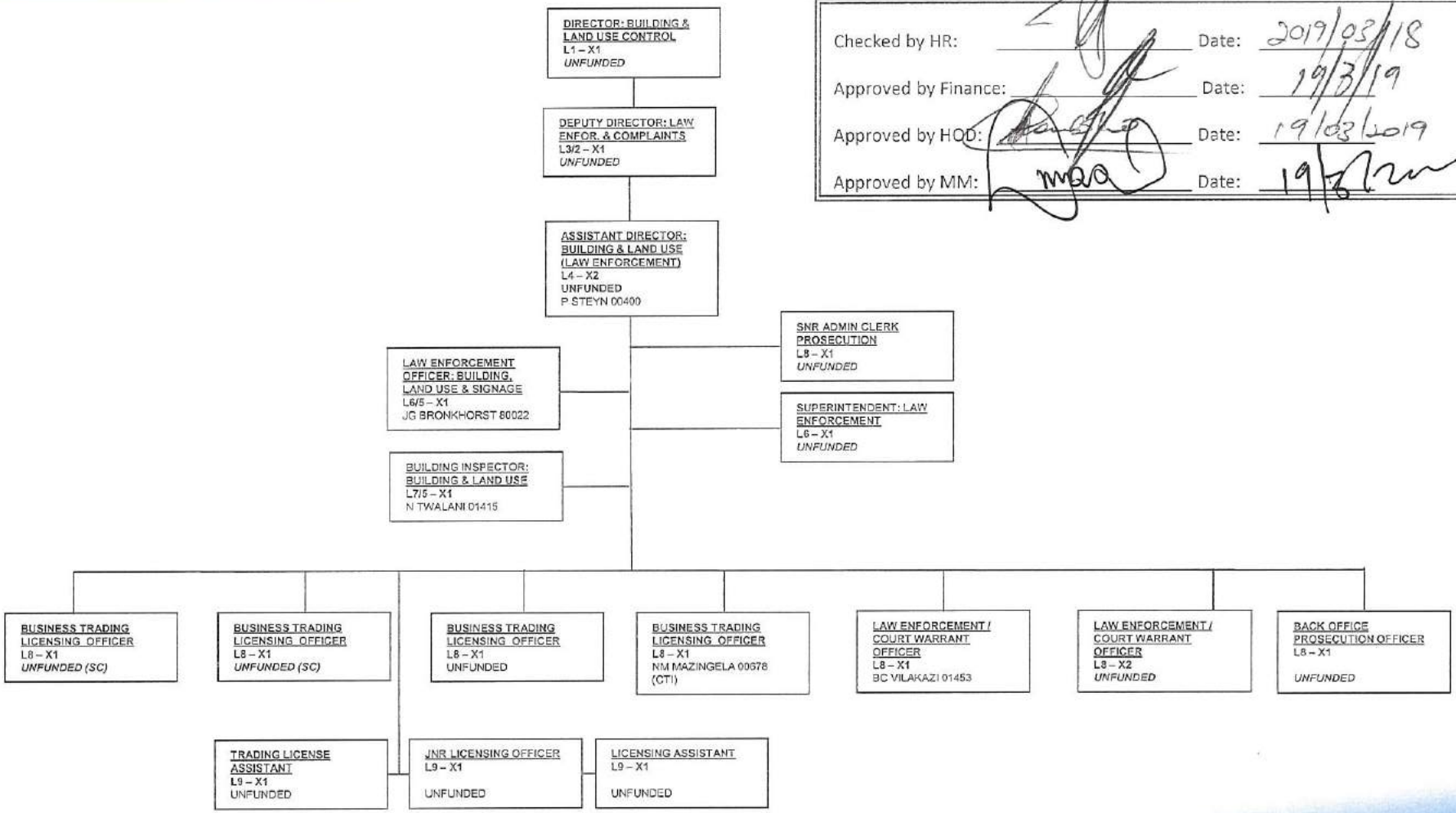
BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
TR MASOPHA 01346

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
(2019-2020)

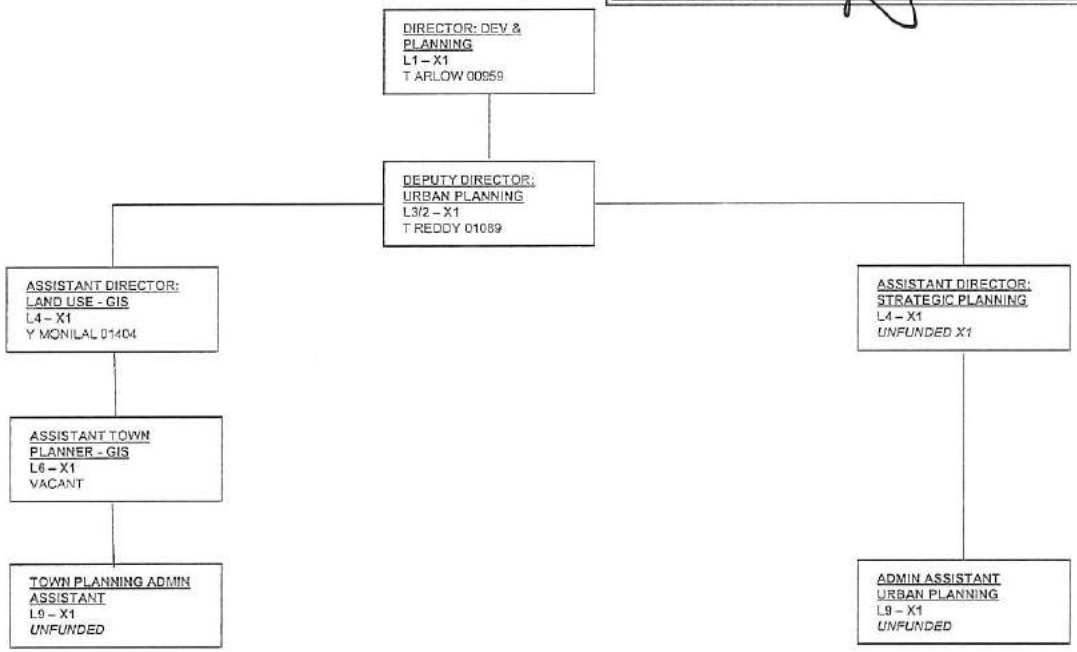
Checked by HR:		Date: 2019/03/18
Approved by Finance:		Date: 19/3/19
Approved by HOD:		Date: 19/03/2019
Approved by MM:	MQA	Date: 19/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– URBAN PLANNING (2019-2020)

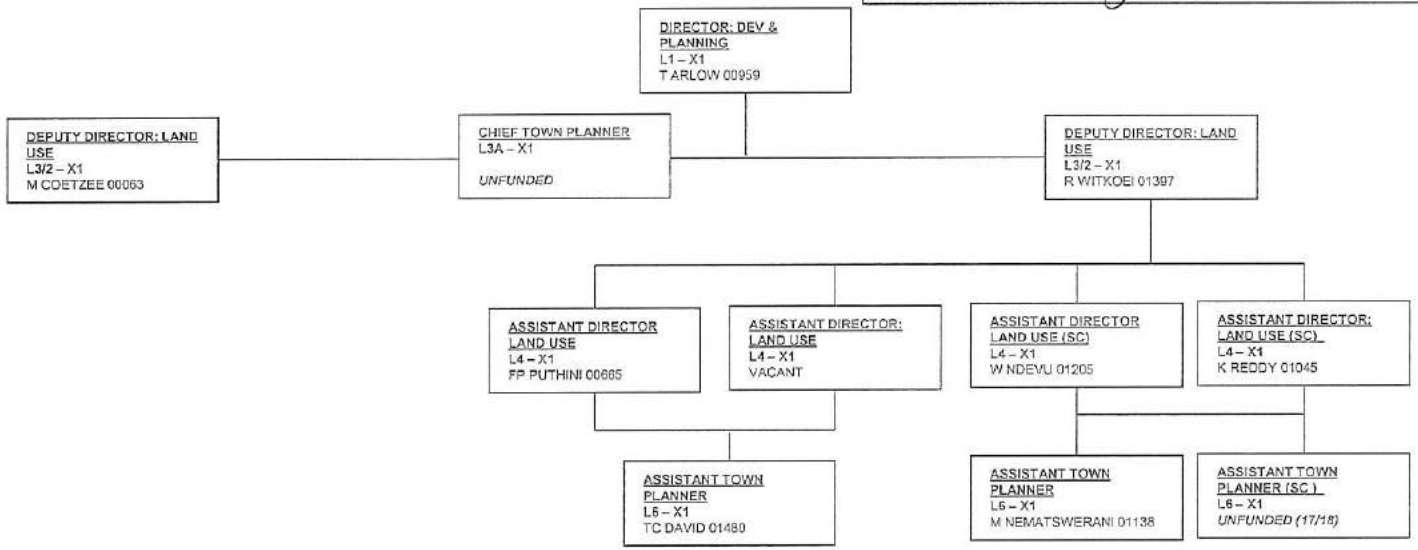
Checked by HR:		Date:	2019/03/19
Approved by Finance:		Date:	19/3/19
Approved by HOD:		Date:	19/03/2019
Approved by MM:		Date:	19/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– LAND USE (2019-2020)

Checked by HR:		Date: 2019/03/18
Approved by Finance:		Date: 19/3/18
Approved by HOD:		Date: 19/03/2019
Approved by MM:		Date: 19/3/2019



ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING – ADMINISTRATION (2019-2020)

Checked by HR: _____ Date: 29/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019

DIRECTOR: DEV & PLANNING
L1 – X1
T ARLOW 00959

DEPUTY DIRECTOR: ADMINISTRATION
L3/2 – X1
UNFUNDED(17/18)

ASSISTANT DIRECTOR: ADMINISTRATION
L4 – X1
PA THEKISO 01152

ADMIN OFFICER BUILDING & LAND USE
L6 – X1
LJ MWALE 01080

SNR ADMIN ASSISTANT BUILDING & LAND USE
L7 – X1
ST MOTSEKWA 01136

ADMIN CLERK: BUILDING CONTROL
L9 – X1
SD NKOSI 01094

ADMIN OFFICER LAND USE
L6 – X1
MI MITHI 01135

RECORDS CLERK
L8 – X1
LER KGAMPE 01375

RECORDS CLERK
L8 – X2
L NTSHANGASE 01424
MN MANUEL 01444

ADMIN ASSISTANT PROPERTIES & MARKETING
L7 – X1
R WAGNER 00963

ADMIN ASSISTANT SAVANNA CITY
L7 – X2
VACANT X1
UNFUNDED X1

GENERAL WORKER
L13 – X2
A MOTAUNG 01149
MA DE BRUIN 00742

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

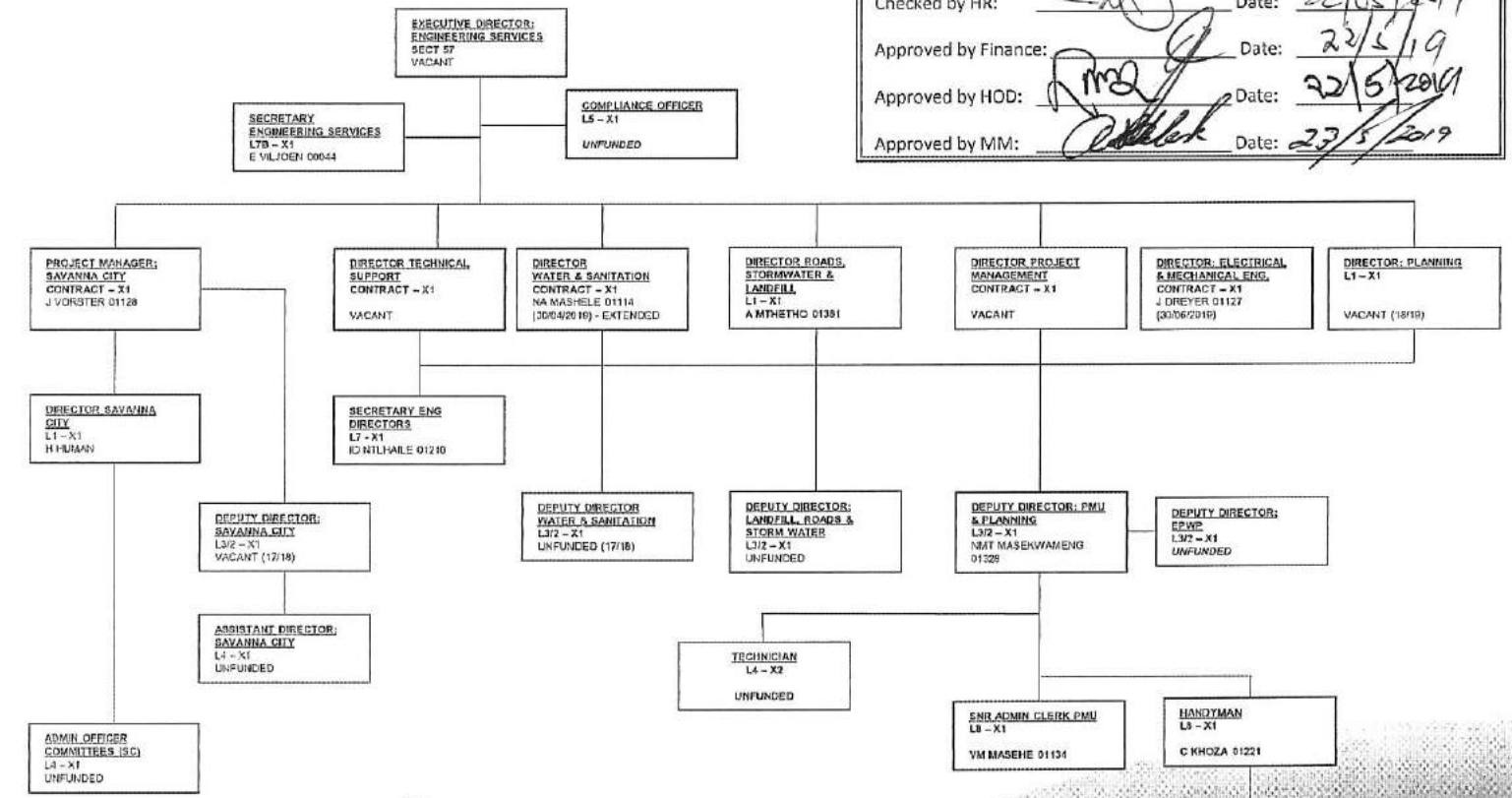
ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES - ADMIN (2019-2020)

Checked by HR: _____ Date: 22/05/2019

Approved by Finance: _____ Date: 22/5/19

Approved by HOD: _____ Date: 22/5/2019

Approved by MM: _____ Date: 23/5/2019



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

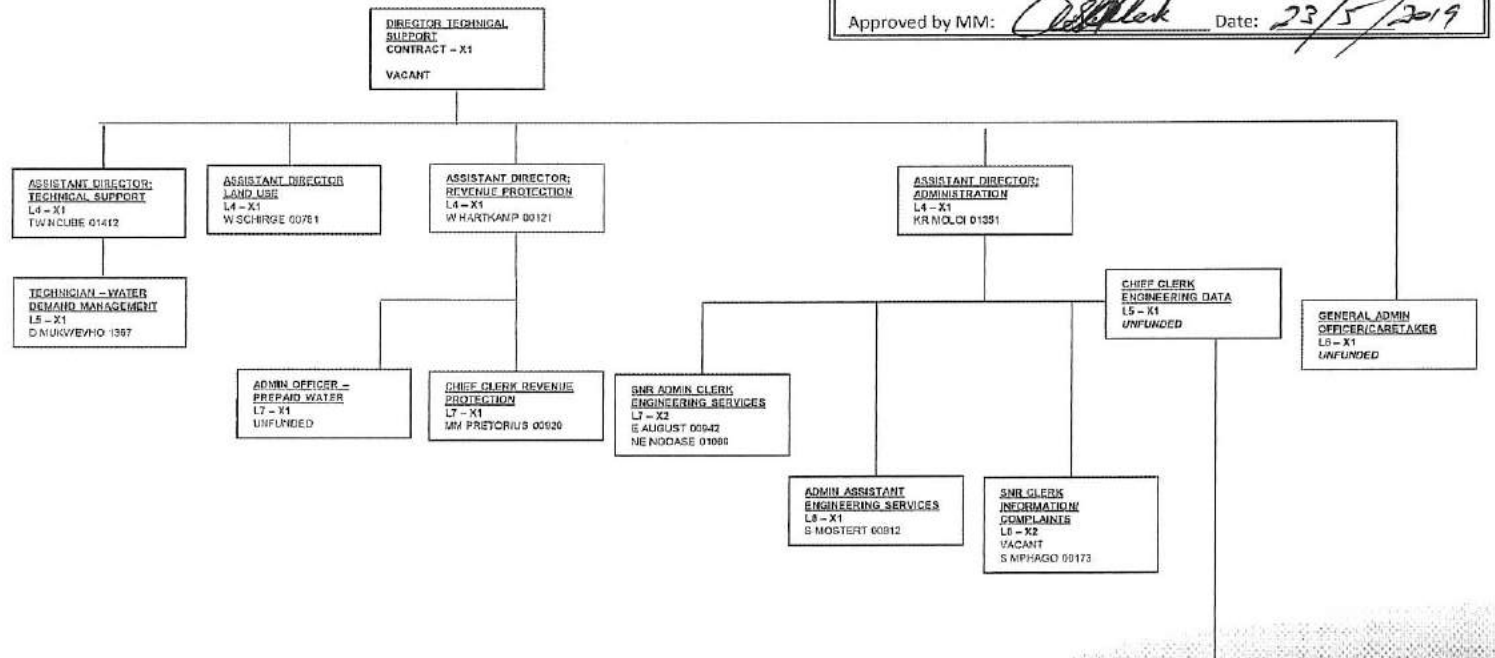
ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – TECHNICAL SUPPORT (2019-2020)

Checked by HR: _____ Date: 22/05/2019

Approved by Finance: _____ Date: 22/5/19

Approved by HOD: _____ Date: 22/5/2019

Approved by MM: _____ Date: 23/5/2019



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – MECHANICAL WORKSHOP (2019-2020)

Checked by HR: _____ Date: 2019/05/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019

DIRECTOR ELECTRICAL & MECHANICAL ENG
CONTRACT – X1
J DREYER 01127 (30/06/19)

FLEET COORDINATOR
L5 – X1
M MBUTHO 00769

SUPERINTENDENT MECHANICAL
L5 – X1
UNFUNDED

FOREMAN: MECHANICAL WORKSHOP
L6 – X1
TN MABUKELA 01217

MECHANIC
L7 – X3
M DU PREEZE 00844
LR MOHOTLANE 01211
LMD MITCHEL 01218

SPECIAL WORKSMAN/ STOREMAN
L8 – X1
UNFUNDED X1

ADMIN CLERK MECHANICAL
L9 – X1
MM SEEPAMORE 00165

ARTSIAN ASSISTANT MECH WORKSHOP
L12 – X4
P SEDIANE 00989
F MOLOI 00986
VD NGOBENI 01378
JANSE V VUUREN 01481

DELIVERY DRIVER MECH WORKSHOP (CODE B)
L10 – X1
ZB RAPOHO 01137

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – CIVIL SERVICES – ROADS & LANDFILL - (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019

DIRECTOR ROADS, STORMWATER & LANDFILL
L1 – X1
A MTHETHO 01361

DEPUTY DIRECTOR: LANDFILL, ROADS & STORMWATER
L3/2 – X1
UNFUNDED

ASSISTANT DIRECTOR: LANDFILL, ROADS & STORMWATER
L4 – X1
P MUKOSI 01507

ADMIN CLERK: ROADS & STORMWATER
L9 – X1
P NDLELENI 01126

SUPERINTENDENT ROADS & STORMWATER
L5 – X1
LA MOKHASI 00183

GENERAL WORKER / CLEANER
L13 – X1
ME MFENGUZA 01068

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

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
BS NOBOZA 00360

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
BM MBAMBATHO 00752

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
RT BOLOANG 00352

SPECIAL WORKSMAN ROADS & STORMWATER
L8 – X1
UNFUNDED

GRADER OPERATOR
L8 – X1
PS MAGA 01460

FRONT END TLB OPERATOR
L8 – X1
J KAMBULE 00112

GRADER OPERATOR
L8 – X4
HJ MOKOENA 32096
UNFUNDED X3

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
L OLIFANT 00277

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
MB TAU 00767

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
VACANT

GENERAL WORKSMAN ROADS & STORMWATER
L9 – X1
MJ TAU 01095

WATER CART DRIVER
L10 – X2

VACANT X2 (17/18)

TRUCK DRIVER (CODE C1)
L10 – X4
BE PRINGANE 28718
JF MSIMANGA 00488
VACANT X2 (17/18)

TEAM LEADER
L12 – X3

VACANT X3

TEAM LEADER
L12 – X2

JM MOFOKENG 01268
UNFUNDED X1

GENERAL WORKER
L13 – X33

UNFUNDED *X6*

LJ MARUMO 00227	ZP TLOU 00281	MA KAMBULA 00353	NA TSOTETSI 00362	JT JUQELE 01492
NAE TEMA 01072	BA BOYS 00878	SME MAMATELA 00903	F SHANGE 01493	
F TSHABALALA 00932	M NONGWENTE 01021	AM KWINDA 01066	KA GUQUKA 00904	TJ MOFOKENG 01495
NC RALUSHE JONGA 01071	HP RIVOMBO 01196	NA NGUBE 01070	ZM MTHEMBU 12010	
ML MOKOENA 01099	NS MOMOZA 01198	JF LE ROUX 01191	S NYOKANA 01195	MD RADEBE 32098
JA MKHONDWANE 01098	P THUTHU 01348	MR MKWANAZI 01369	ML MOTSOENENG 01394	

GENERAL WORKERS MAY BE RE-ASSIGNED AT THE DISCRETION OF THE ENGINEERING TECHNICIAN

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

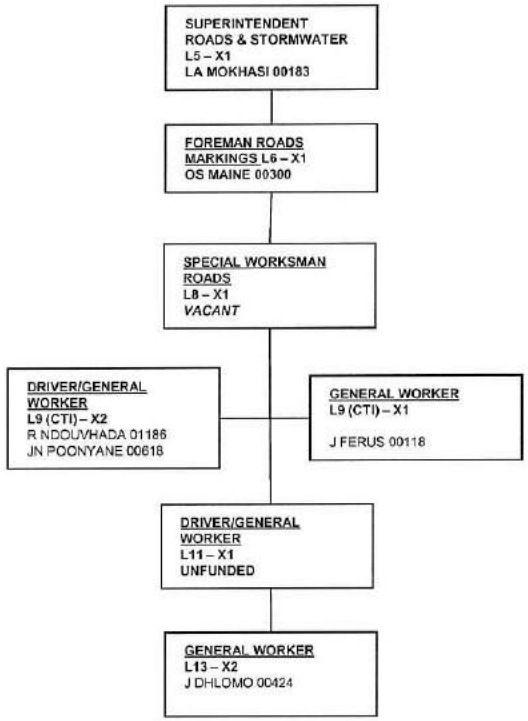
ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – CIVIL SERVICES – ROADS – ROAD MARKING (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019



ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – LANDFILL SITES (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019

ASSISTANT DIRECTOR: LANDFILL, ROADS & STORMWATER
L4 – X1
P MUKOSI 01507

FOREMAN LANDFILL SITE MANAGEMENT
L6 – X1
P KONA 00354

LANDFILL SITE SUPERVISOR
L8 X1
RS MOTATI 00445

HEAVY MACHINE OPERATOR
L8 – X1
JM MOKOENA 00921

GENERAL WORKSMAN
L8 – X 1
MA JIYANE 01419

LANDFILL SITE SUPERVISOR
L8 – X 2
DC LENTSA 01420
VACANT

HEAVY MACHINE OPERATOR
L8 – X1
M MOTLOUNG 00596

HEAVY MACHINE OPERATOR
L8 – X1
S NKONDE 00420

LANDFILL SITE SUPERVISOR
L8 – X1
MA PAPALI 00278

TRUCK DRIVER (CODE EC) SOLID WASTE
L10 X1
MJ KELE 32102

GATE CONTROLLER
L10 X1
MOFOKENG 00182

GATE CONTROLLER
L10 X1
PD MAFOKOANE 00821

TRACTOR DRIVER LANDFILL SITE
L11 – X1
LM SEPHULA 00127

GATE CONTROLLER
L10 X1
TS GUBEVU 00414

GATE CONTROLLER
L10 X1
SL PLAATJIE 00491

TRACTOR DRIVER LANDFILL SITE
L11 – X1
UNFUNDED

GENERAL WORKER LANDFILL SITE
L13 – X 6
AZ MAYEKISO 00315
NP MCHUNU 00316
MM MOKOENA 00323
ME MPHOLO 00324
TS SINGO 00490
TP LENKA 01277

GENERAL WORKER LANDFILL SITE
L13 – X 6
S MASELEA 00125
MI MOLEFI 00582
NE LEMPHANE 00483
PA MAHLATSANE 32041
VACANT X1
UNFUNDED X1

GENERAL WORKER LANDFILL SITE
L13 – X 6
MM MOKGOLOANE 00322
FM SEPHULA 00558
OP MPHASA 00587
SM MOKHOMONG 00487
SJ MKHUMA 00976
UNFUNDED X1

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – PURIFICATION (2019-2020)

Checked by HR: _____ Date: 2019/05/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019

ASSISTANT DIRECTOR: SANITATION
L4 – X1
JM KHOSA 01357

TECHNICIAN PURIFICATION & EFFLUENT
L5 – X1
PB RAMONG 01438

MILLWRTIGHT
L6 – X2
RM SERERO 01429
MN MAKWELA 01433

GENERAL WORKSMAN
L9 X3
VACANT X2
MJ MZUNGA 00062

ARTISAN ASSISTANT PURIFICATION
L12 – X1
UNFUNDED X1

PROCESS CONTROLLER IV
L6 – X2
D BALOYI 01447
VACANT X1 (17/18)

PROCESS CONTROLLER III
L8 – X2
TK MOKHOMOLA 01434
VACANT X1

PROCESS CONTROLLER II
L11 – X2
VACANT X2 (17/18)

PROCESS CONTROLLER I
L12 – X4
VACANT X4 (17/18)

PROCESS CONTROLLER IV
L6 – X2
DM MATYOBENI 01451
VACANT X1 (18/19)

PROCESS CONTROLLER III
L8 – X2
LS NXALA 01203
VACANT X1

PROCESS CONTROLLER II
L11 – X3
VACANT X3 (18/19)

PROCESS CONTROLLER I
L12 – X4
VACANT X4 (18/19)

PROCESS CONTROLLER
L6 – X1
S.P. LETLHAKE 00815

TRAINEE PROCESS CONTROLLER (INTERNS)
L8 – X3
UNFUNDED X6

PUMP OPERATOR ROTHDENE
L11 – X6
MJ MONCHO 28720
DJ BOGIBO 10819
BV MOHAPI 01212
L ZULU 00980
S MABELANE 00916
VACANT X1

PUMP OPERATOR PURIFICATION
L11 – X5
Z MQUSHULU 28909
MM NHLAPO 28725
DT TSABALALA 01213
OD SELAI 00861
BA MOTUANG 00947

TRACTOR DRIVER
L11 – X2
UNFUNDED X2

GENERAL WORKER
L13 – X 8
S MOSALA 00922
MV THAJANE 32038
F. SEKELE 01146
AB BEKEMYA 00981
MA MOKULUBETE 00974
SI MOTLOUNG 01498
L ZULU 00980
UNFUNDED *X1*

SPECIAL WORKSMAN PUMP OPERATIONS
L8 – X1
GPJ PRETORIUS 01845

SPECIAL WORKSMAN OHENIMURI
L8 – X2
TS SEFULA 00596
VACANT X1

GENERAL WORKER
L13 – X 1
UNFUNDED X1

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

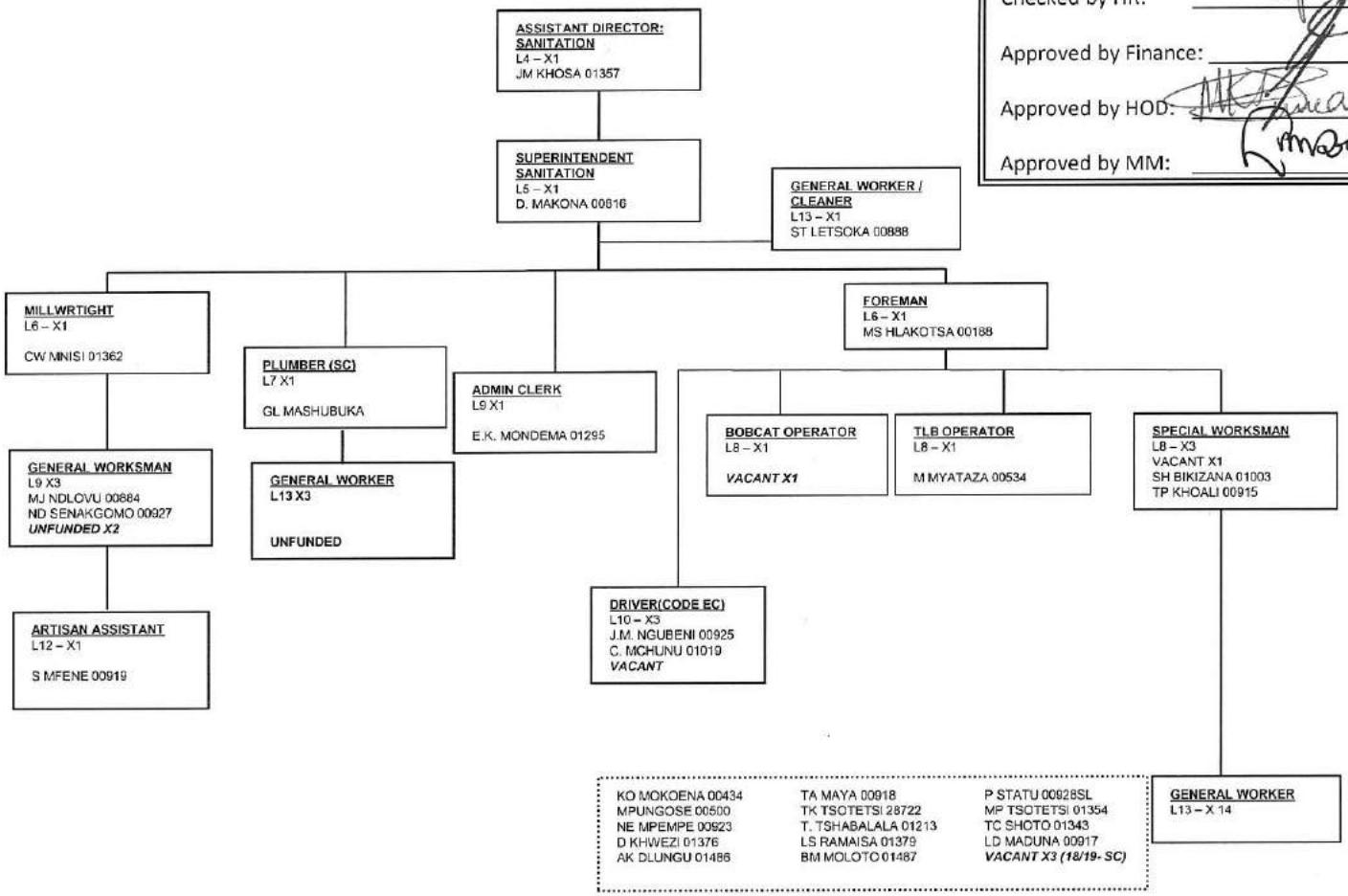
ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – SANITATION (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

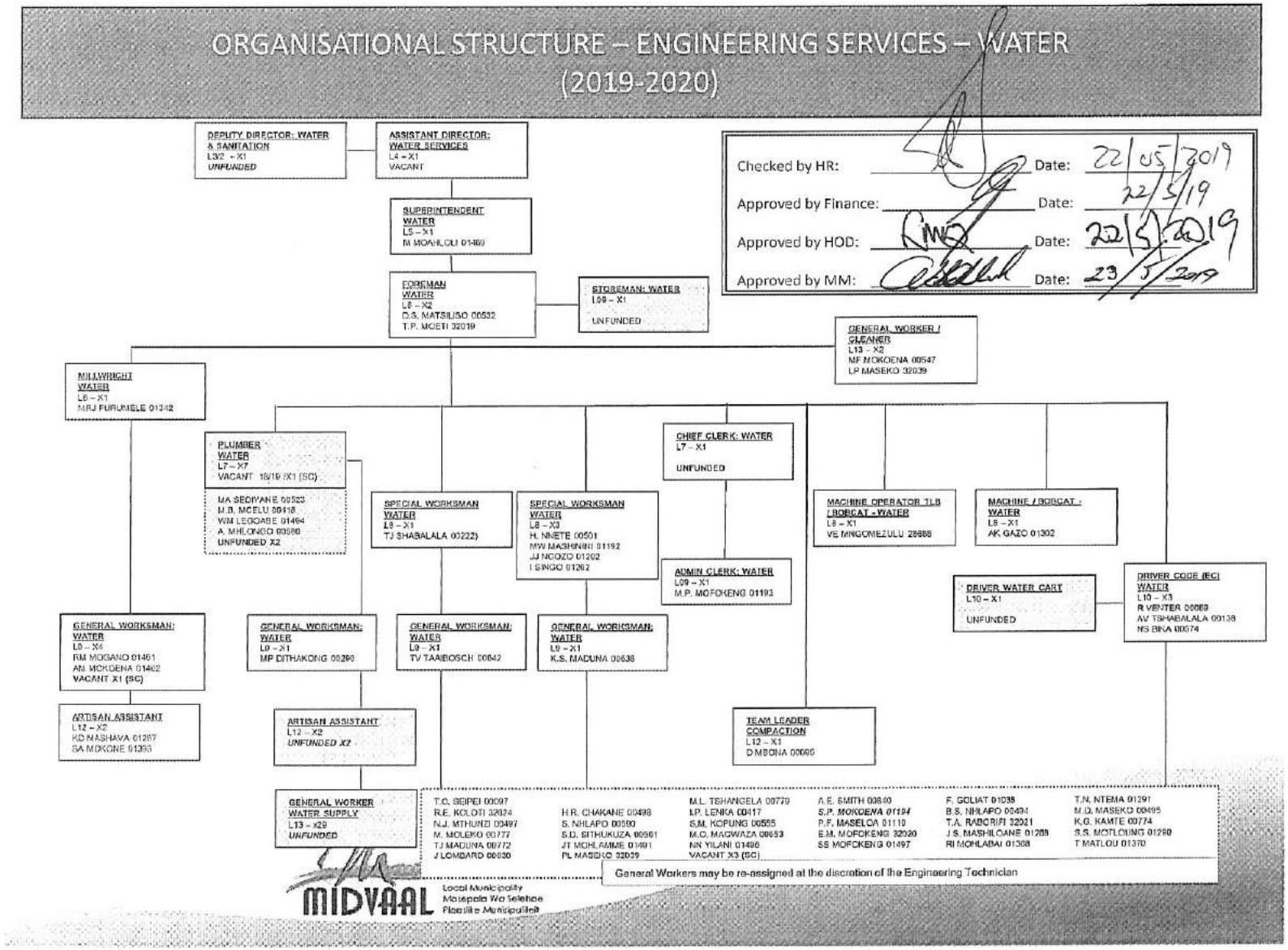
Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – WATER (2019-2020)



Checked by HR: _____ Date: 22/05/2019

Approved by Finance: _____ Date: 22/5/19

Approved by HOD: _____ Date: 22/5/2019

Approved by MM: _____ Date: 23/5/2019

ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – ELECTRICAL (2017-2018)

Checked by HR: _____ Date: 29/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: 19/3/2019

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 00792

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
TD LEHABA 00439
NL RIKHOTSO 01442
VACANT X1
UNFUNDED X1

SPECIAL WORKSMAN ELECTRICAL SUPPLY (streetlight attendance)
L8- X1
SG NOVUKELA 01454

ARTISAN ASSISTANT
L12 – X2
UNFUNDED X2

SPECIAL WORKSMAN / TLB TRUCK OPERATOR ELECTRICAL SUPPLY
L8 – X1
K.T. KHANYE 00416

GENERAL WORKER ELECTRICAL SUPPLY
L13 – X11
UNFUNDED X2
VACANT X1

P MOFOKENG 00254
DT MAKATHENG 00251
BL SIWELA 00258
S.A. MOKHOMONG 1363
PJ THELETSANE 00259
B LATAKGOMO 00930
AEB RODOLO 01057 A
MG MOTSHELE 1323

SPECIAL WORKSMAN / TLB TRUCK OPERATOR
L8 – X1
MA PHAHLANE 00710

GENERAL WORKSMAN: ELECTRICAL
L9 – X4
MJ HLOMOKA 00415
B LATAKGOMO 00930
MS MODIBA 00931
UNFUNDED X1

ARTISAN ASSISTANT
L12 – X2
M MKUNDLU 00140
TR MOKOAKOE 00936

GENERAL WORKER TEAM LEADER
L13 – X1
PP TSOLO 01365

FOREMAN
L6 – X1
L BOTHA 00199

ELECTRICIAN
L7 – X3
W BOTHA 00193
VO SITHOLE 01352
UNFUNDED x 1
VACANT X 1

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
M MHLEKWA 00864
KB MDUNGE 01445
VACANT X1

ARTISAN ASSISTANT
L12 – X6
FS MOFOKENG 13382
VACANT X1
UNFUNDED X2

GENERAL WORKER ELECTRICAL SUPPLY
L13 – X 10
UNFUNDED X3
VACANT X1

M. MBELE 01270
TS MOFOKENG 00255
DS NZUNGA 00448
TRJ MOLOANTOA 01364
PA MNGUNI 00652
AN ZUMA 01449
D. TSHAGALA 01356
TD MOTSHELE 01448

General Workers may be re-assigned at the discretion of the Engineering Technician

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

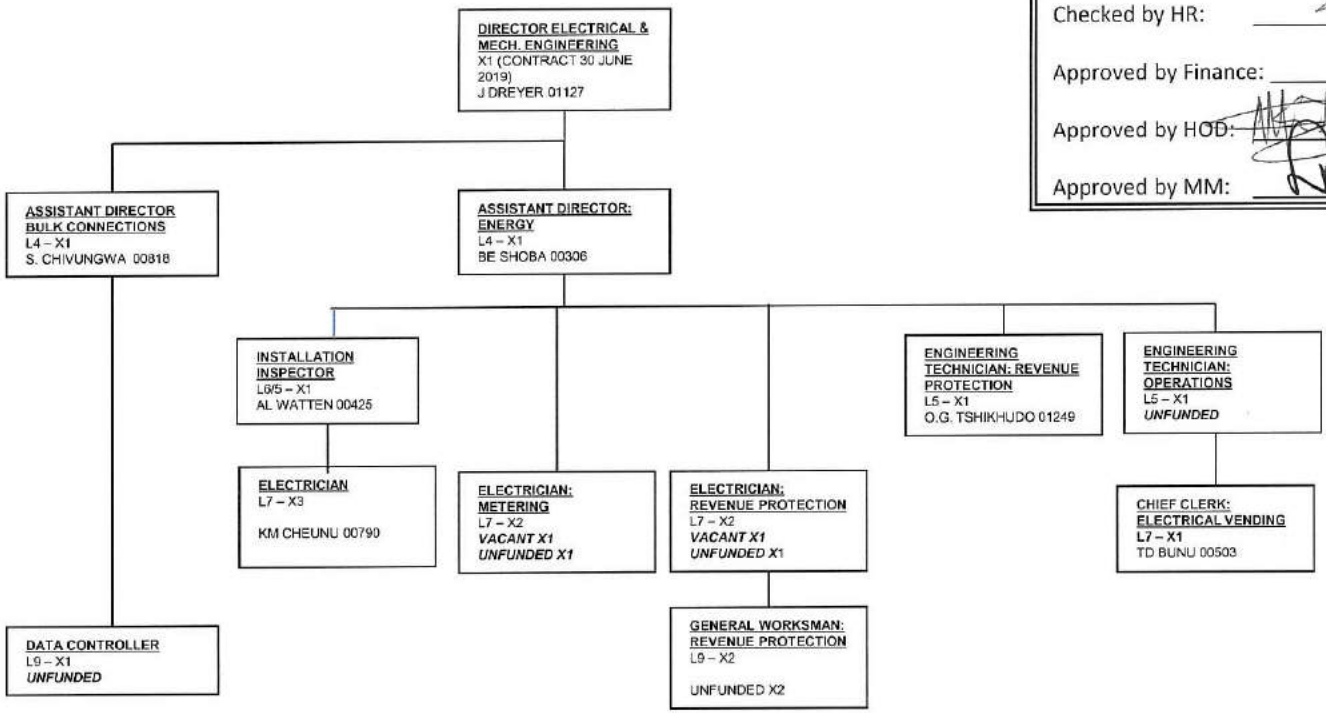
ORGANISATIONAL STRUCTURE – ENGINEERING SERVICES – ELECTRICAL (2018-2019)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/03/2019

Approved by MM: _____ Date: 19/3/2019



ORGANISATIONAL STRUCTURE – HUMAN RESOURCES DIRECTORATE (2019-2020) - CURRENT

Checked by HR:		Date: 2019/03/18
Approved by Finance:		Date: 19/3/19
Approved by HOD:		Date: 19/3/2019
Approved by MM:		Date: 19/3/2019

DIRECTOR: HR
L1 – X1
LP RAMPAI 01485

SECRETARY: HR
L7B – X1
BMS MOTHIBELI 01406

DEPUTY DIRECTOR: PRESIDING
L3/2 – X1
VACANT X1

HEAD LABOUR RELATIONS & OHS
L3/2 – X1
P PILANE 00385

DEPUTY DIRECTOR: HR
L3/2 – X1
A SCUTTS 00197

DEPUTY DIRECTOR: OPERATIONS
L3/2 – X1
UNFUNDED

ASSISTANT DIRECTOR: LABOUR RELATIONS
L4 – X1
TW XABA 01273

ASSISTANT DIRECTOR: HUMAN CAPITAL
L4 – X1
SM NHLAPO 00672

ASSISTANT DIRECTOR: EAP, BENEFITS & LEAVE
L4 – X1
VACANT

ASSISTANT DIRECTOR: RECRUITMENT
L4 – X1
PQ MASHIGOANE 01414

AREA HR OFFICER
L6 – X1
UNFUNDED X4

HR CLERK
L9 – X1
MC PHUTSISI 01396

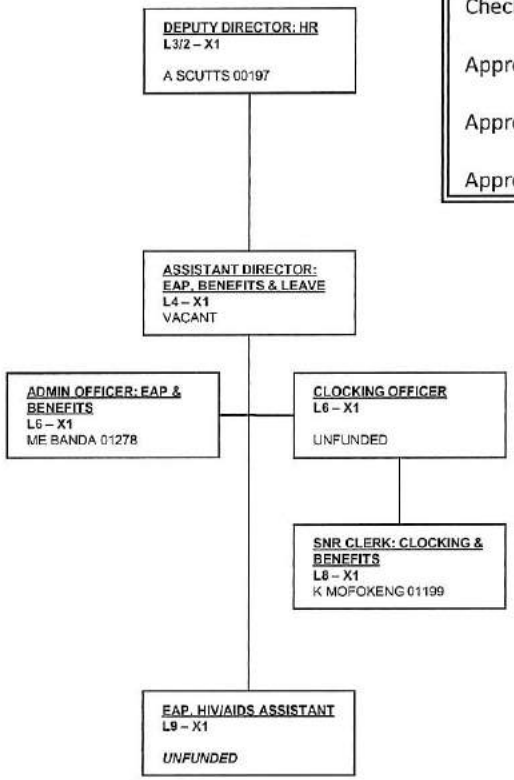
RECEPTIONIST
L9 – X1
JN MONONYANE 01511

RECORDS CLERK
L9 – X2
W. MOLOANTOA (CTI)01263
G DLADLA 01439

GENERAL WORKER
L13 – X2
PI MOKGWELWA 01074
UNFUNDED

ORGANISATIONAL STRUCTURE – EAP, BENEFITS, TIME & ATTENDANCE & LEAVE (2019-2020) CURRENT

Checked by HR:		Date:	2019/03/18
Approved by Finance:		Date:	19/3/19
Approved by HOD:		Date:	19/3/2019
Approved by MM:		Date:	19/3/2019



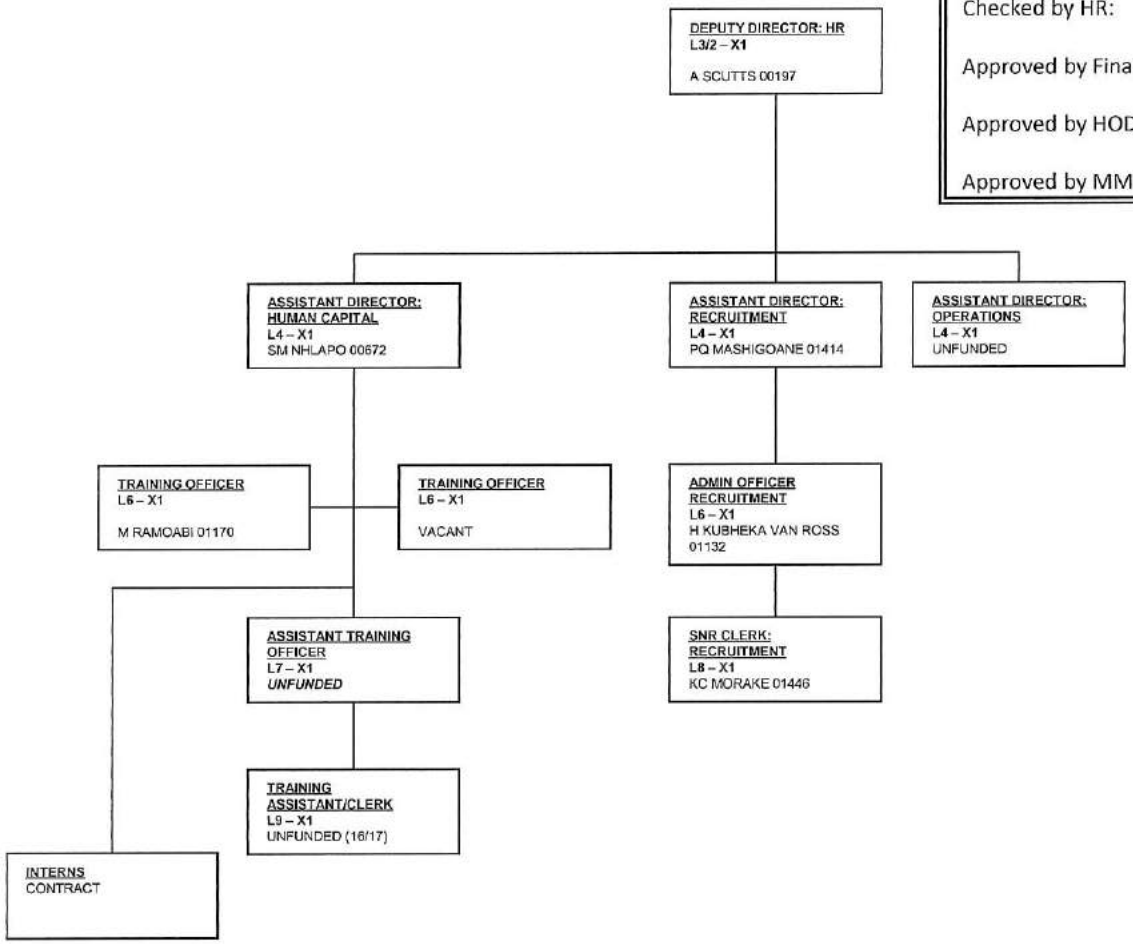
ORGANISATIONAL STRUCTURE – OPERATIONS, RECRUITMENT & TRAINING (2019-2020) CURRENT

Checked by HR: _____ Date: 2019/03/18

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: 19/3/2019



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

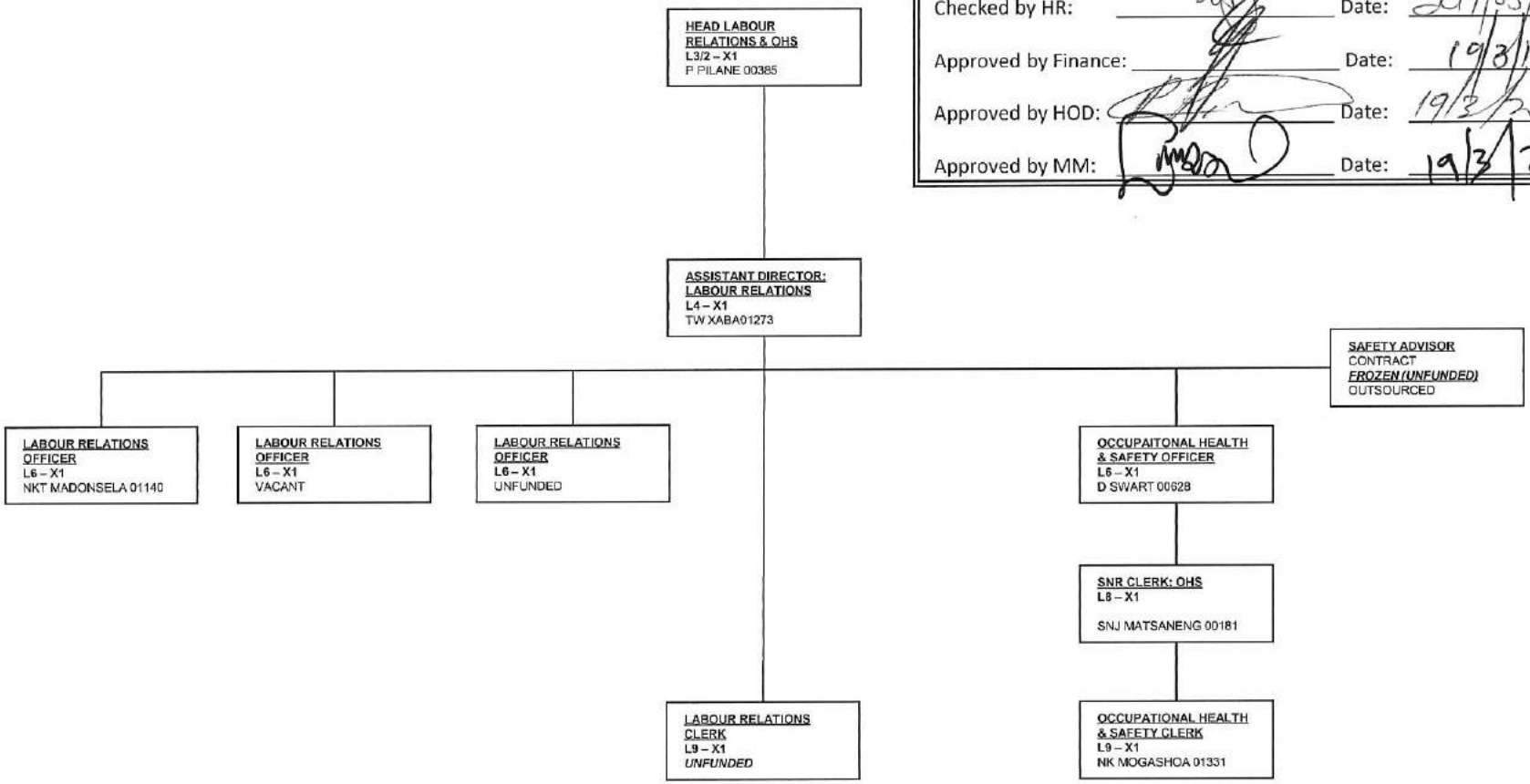
ORGANISATIONAL STRUCTURE – LABOUR RELATIONS & OHS (2018-2019) - CURRENT

Checked by HR: _____ Date: 2019/03/18

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

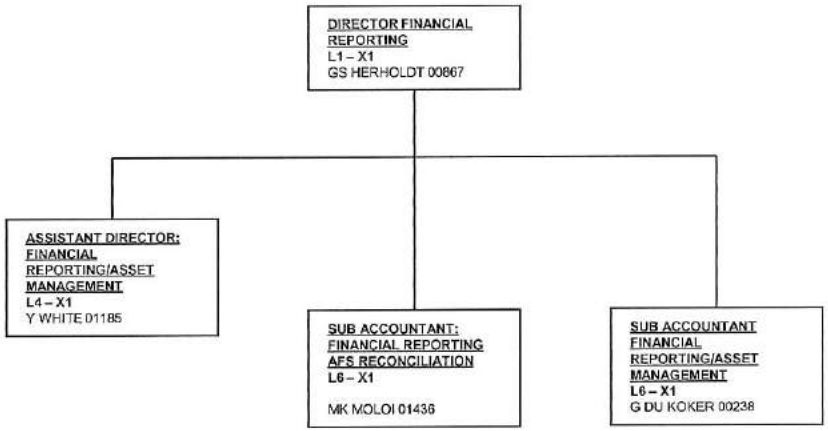
Approved by MM: _____ Date: 19/3/2019



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

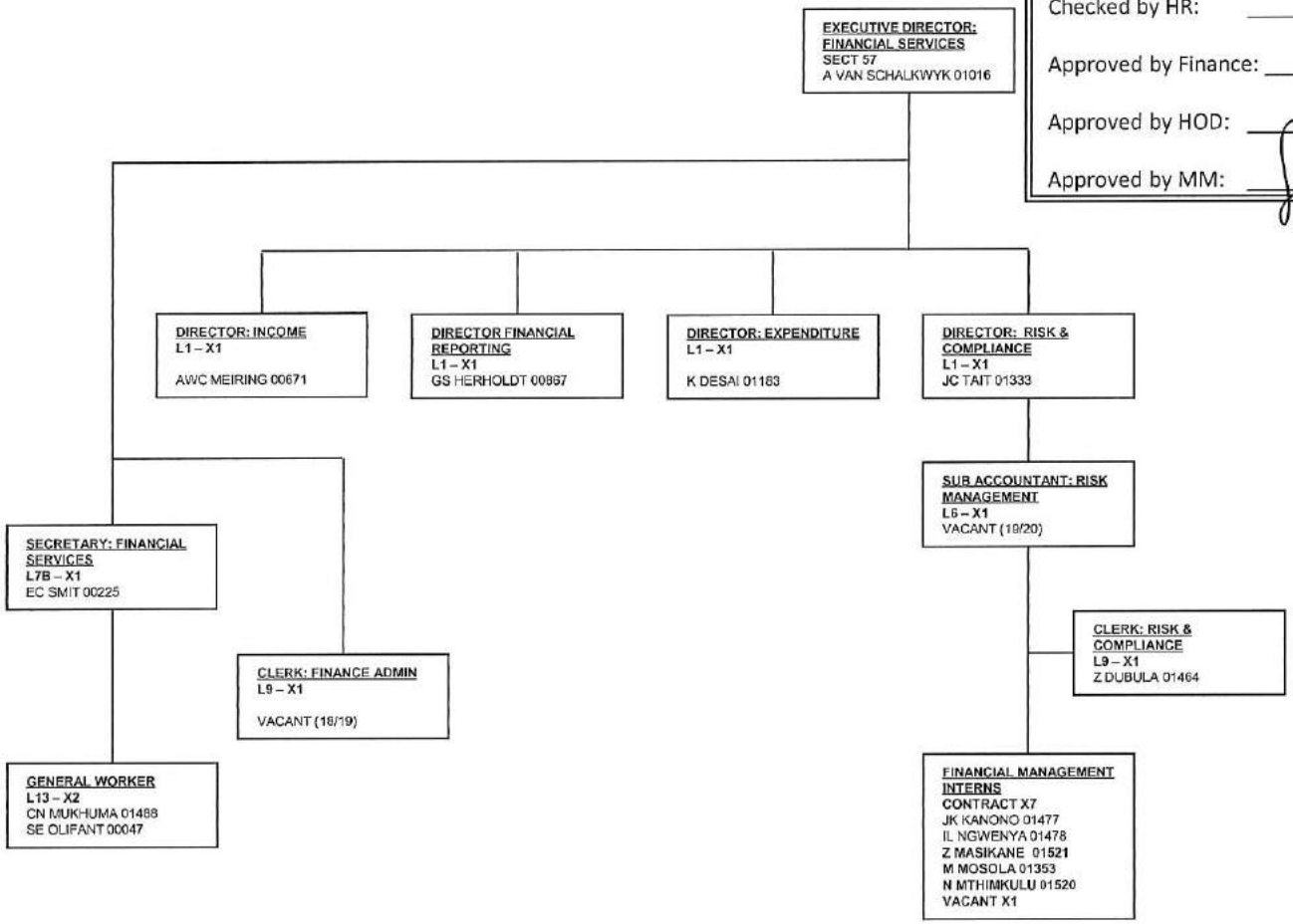
ORGANISATIONAL STRUCTURE – FINANCIAL REPORTING (2019-2020)

Checked by HR:		Date:	18/03/19
Approved by Finance:		Date:	18/3/19
Approved by HOD:		Date:	18/3/19
Approved by MM:		Date:	18/3/19



ORGANISATIONAL STRUCTURE – FINANCIAL SERVICES (2019-2020)

Checked by HR:		Date:	18/03/19
Approved by Finance:		Date:	18/3/19
Approved by HOD:		Date:	18/3/19
Approved by MM:		Date:	18/3/19



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

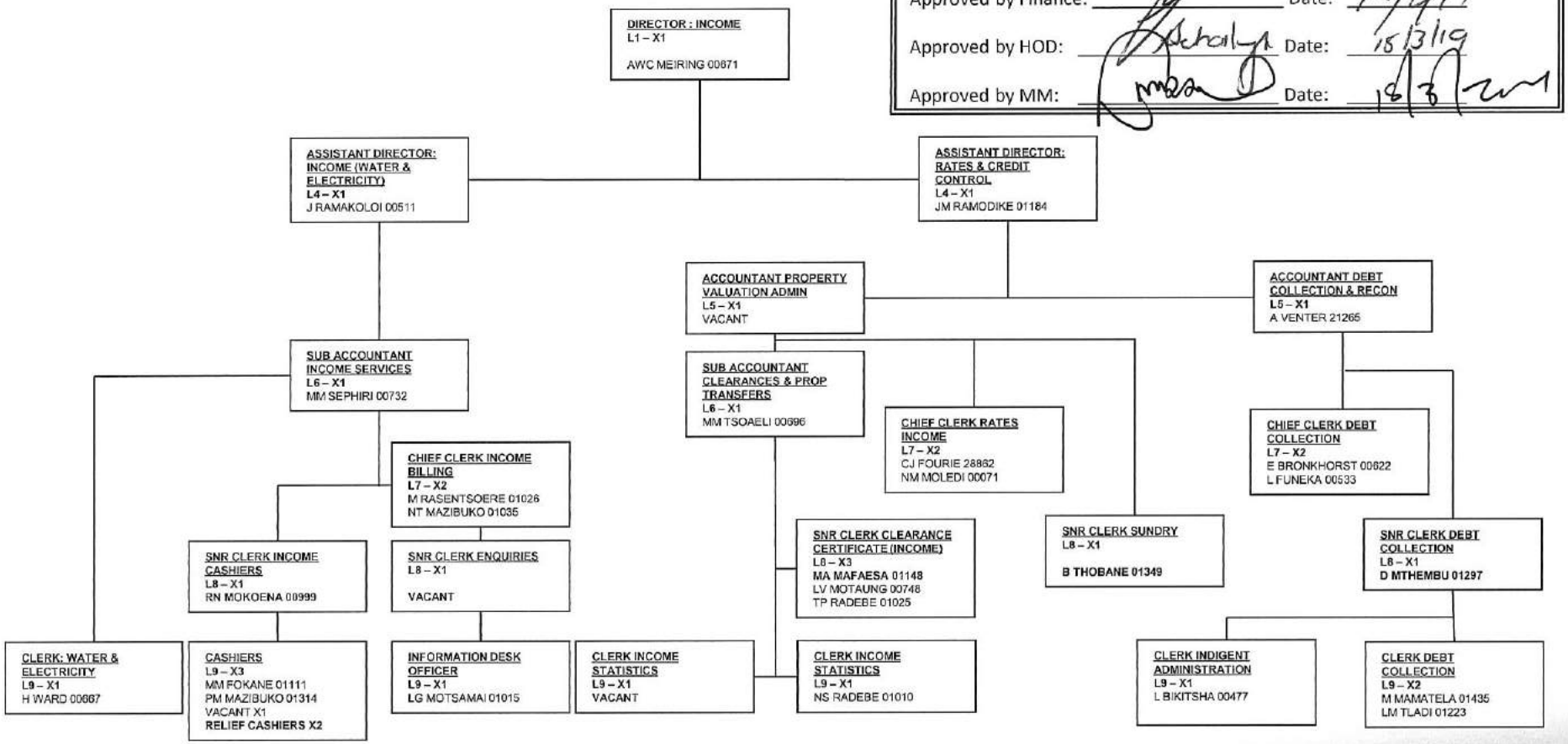
ORGANISATIONAL STRUCTURE – INCOME SERVICES (2019-2020)

Checked by HR: _____ Date: 18/03/19

Approved by Finance: _____ Date: 18/3/19

Approved by HOD: _____ Date: 15/3/19

Approved by MM: _____ Date: 18/3/19



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

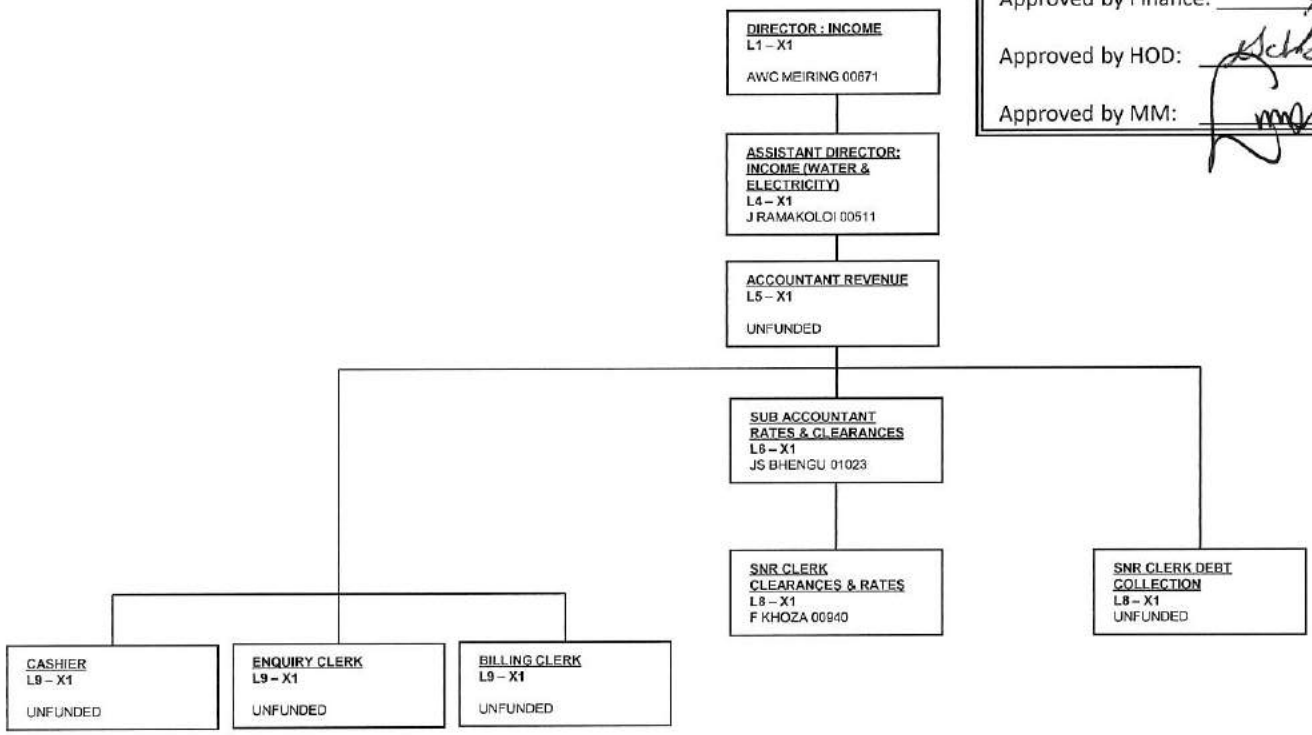
ORGANISATIONAL STRUCTURE – INCOME (SAVANNA CITY)
(2019-2020)

Checked by HR: _____ Date: 18/03/19

Approved by Finance: _____ Date: 18/3/19

Approved by HOD: _____ Date: 18/3/19

Approved by MM: _____ Date: 18/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

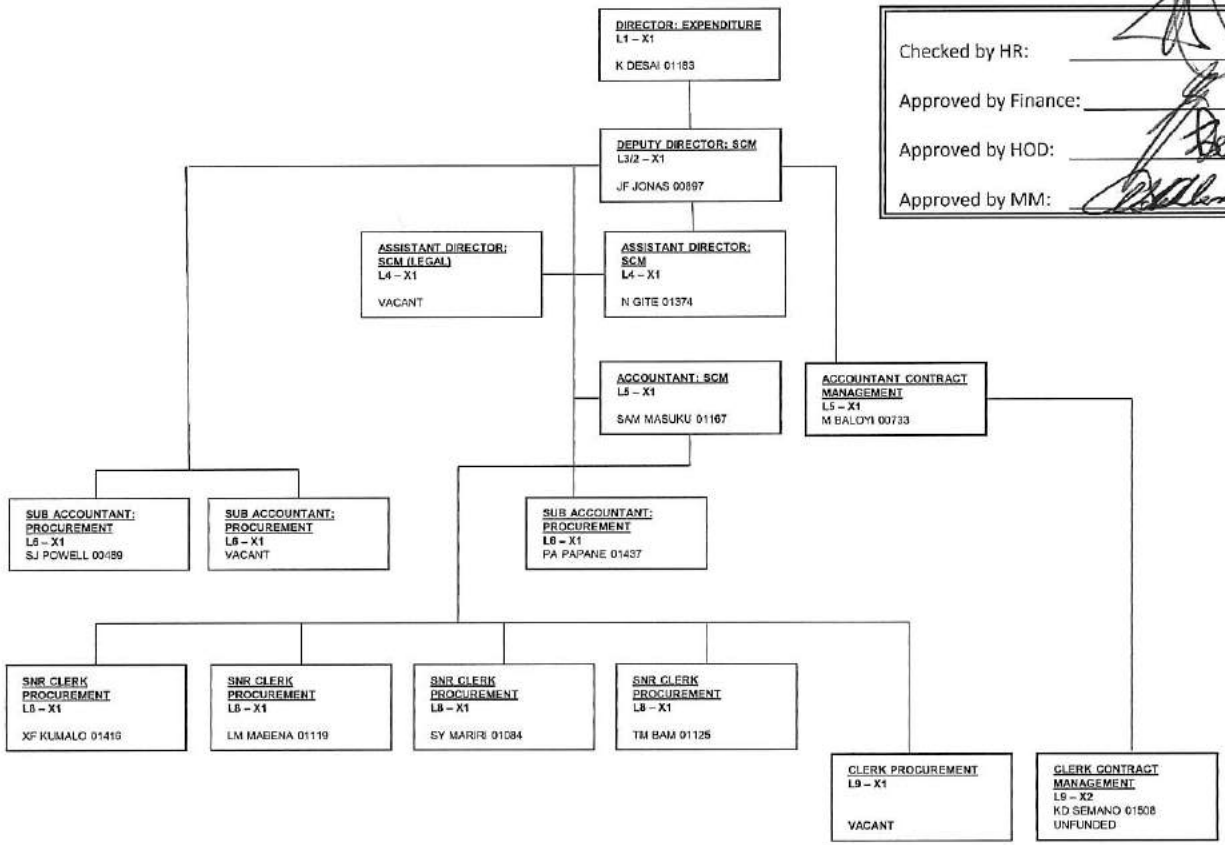
ORGANISATIONAL STRUCTURE – EXPENDITURE – SUPPLY CHAIN MANAGEMENT (2019-2020)

Checked by HR: _____ Date: 22/05/2019

Approved by Finance: _____ Date: 22/5/19

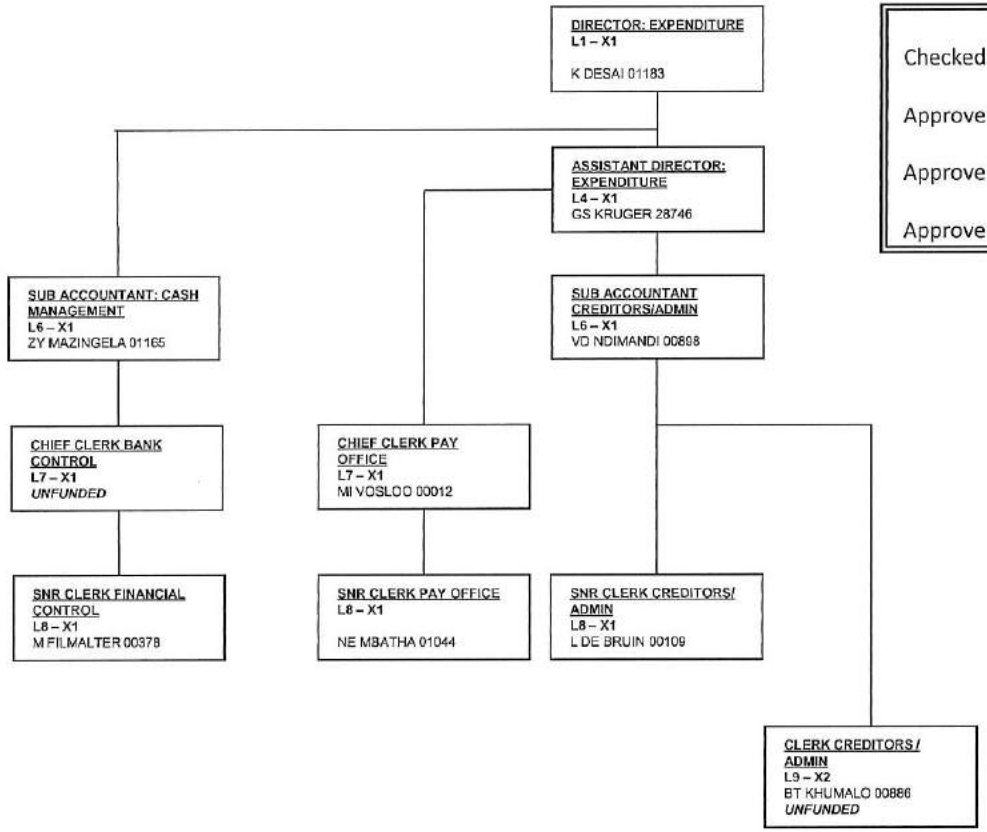
Approved by HOD: _____ Date: 22/5/19

Approved by MM: _____ Date: 23/5/2019



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – EXPENDITURE – PAY OFFICE & CASH MANAGEMENT (2019-2020)



Checked by HR: _____ Date: 18/03/19

Approved by Finance: _____ Date: 18/3/19

Approved by HOD: _____ Date: 18/3/19

Approved by MM: _____ Date: 18/3/2019

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – EXPENDITURE – LOGISTICS/STORES (2019-2020)

Checked by HR:		Date:	18/03/19
Approved by Finance:		Date:	18/3/19
Approved by HOD:		Date:	18/3/19
Approved by MM:		Date:	18/3/2019

DIRECTOR: EXPENDITURE
L1 – X1
K DESAI 01183

DEPUTY DIRECTOR: SCM
L3/2 – X1
JF JONAS 00897

ASSISTANT DIRECTOR: LOGISTICS
L4 – X1
MS LETSATSI 00669

STOREMAN
L9 – X1
RT KGARITSI 01319

STOREMAN
L9 – X1
VACANT

ASSISTANT STORES CLERK
L10 – X1
UNFUNDED

GENERAL WORKER: STORES
L13 – X1
AB PHAKATHI 00956

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

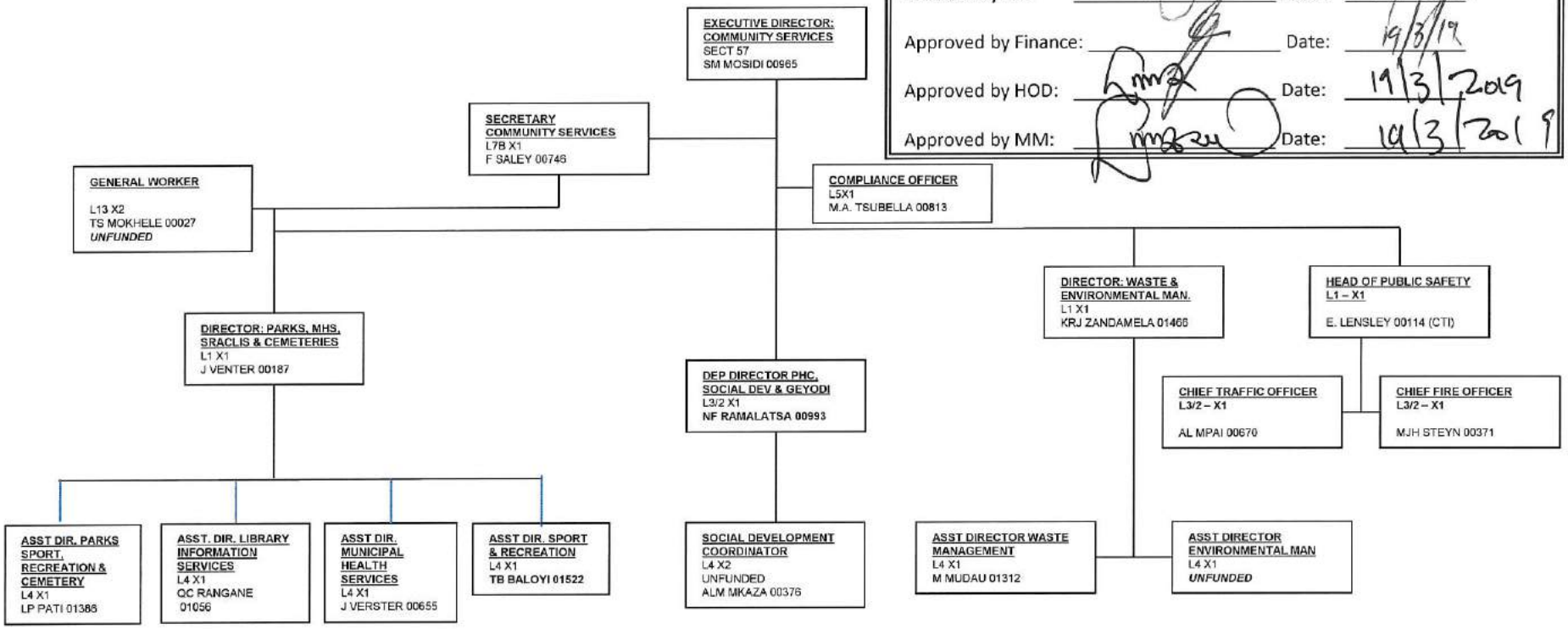
ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - ADMIN (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

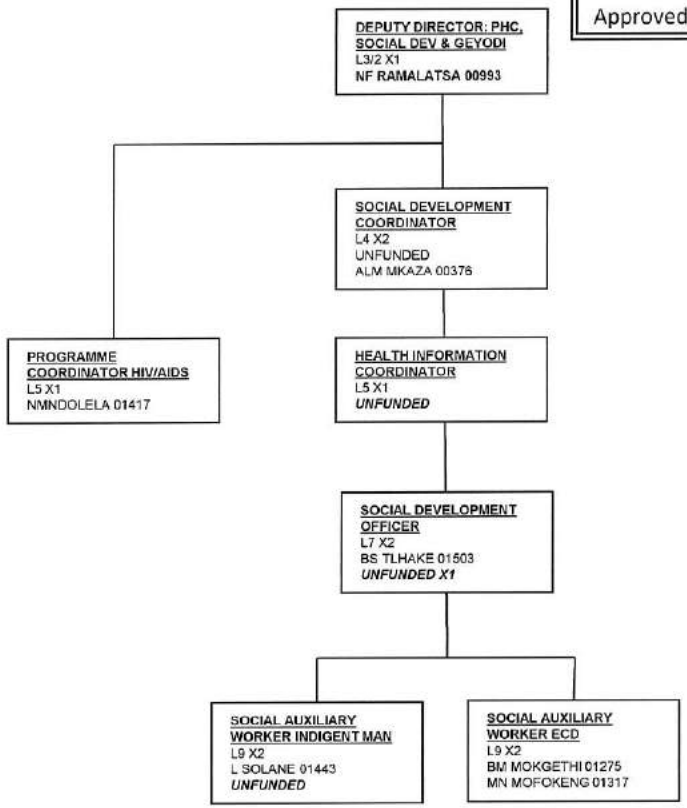
Approved by MM: _____ Date: 19/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

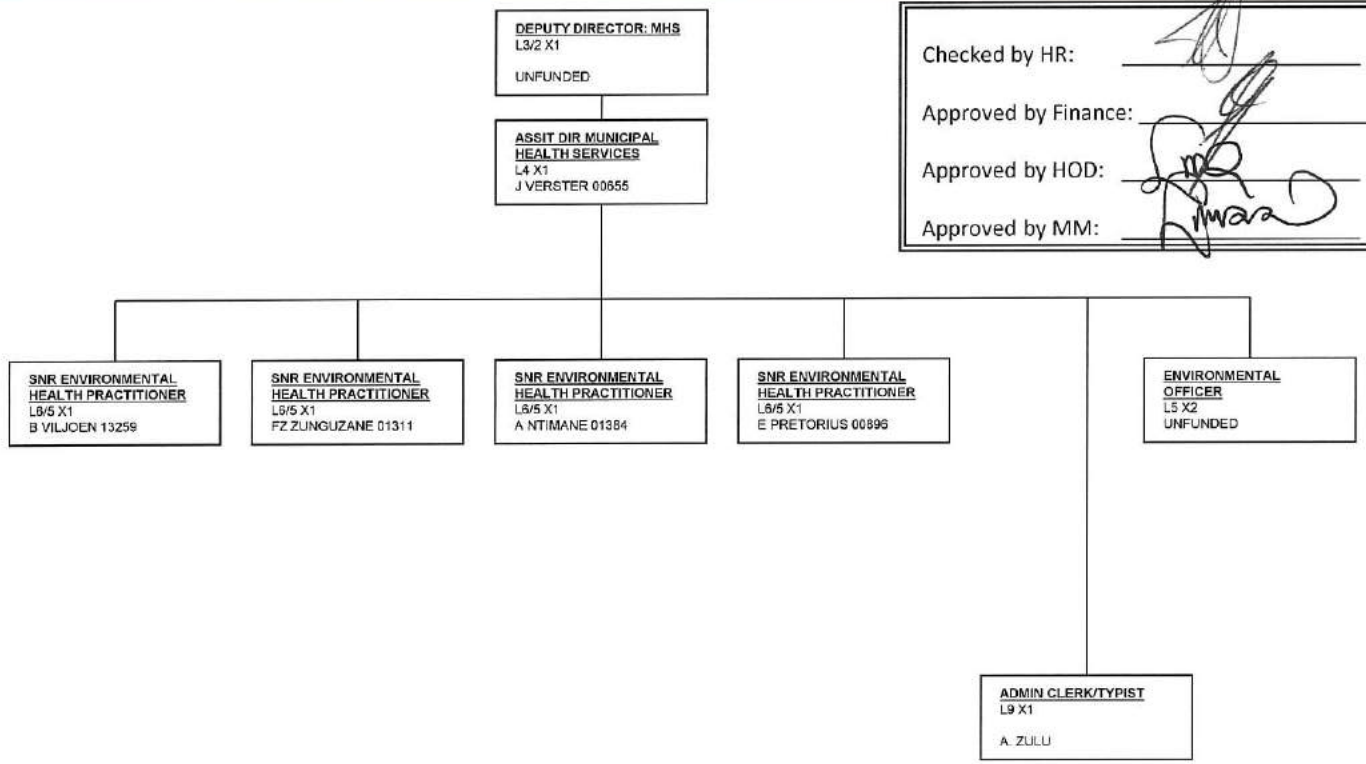
ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – SOCIAL DEVELOPMENT (2019-2020)

Checked by HR:		Date:	29/03/19
Approved by Finance:		Date:	19/3/19
Approved by HOD:		Date:	19/3/2019
Approved by MM:		Date:	19/3/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaasilike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – ENVIRONMENTAL HEALTH (2019-2020)



Checked by HR: _____ Date: 2019/03/19

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Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: 19/3/2019

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - CLINICS (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: 19/3/2019

CHIEF MEDICAL OFFICER (MEYERTON CLINIC)
L3 X1
(GDH)

DEPUTY DIRECTOR: PHC, SOCIAL DEV & GEYODI
L3/2 X1
NF RAMALATSA 00993

MANAGER PRIMARY HEALTH CARE
L4 X1
VACANT

FINANCIAL/HIS OFFICER COMMUNITY SERVICES
L5 X1
UNFUNDED

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 00526

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 00363

ENROLLED/ STAFF NURSE
L9 X1
GDH

RECEPTIONIST/ADMIN CLERK
L8 X1
M MORAILANE 00584

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
E. PRETORIUS

SNR.PROFESIONAL NURSE
L7 X1
MC NHLAPO 00518
VACANT X1

RECEPTIONIST / ADMIN CLERK
L8 X1
IM MONAHENG 00299

GENERAL WORKER/ CLEANER
L13 X1
S MALIWA 00961

Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – LIBRARIES (2018-2019)

Checked by HR: _____ Date: 20/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: 19/3/2019

ASSISTANT DIRECTOR LIBRARY INFO SERVICES
L4
QC RANGANE 01056

ADMIN CLERK/TYPIST 18/19
L9 X1
UNFUNDED

SNR LIBRARIAN 18/19
L5 X1
UNFUNDED

SICELO LIBRARY

MEYERTON LIBRARY

CATALOGUING

TECHNICAL SERVICES

E-LEARNING CENTRE

LIBRARIAN
L6 X1
N. SHONGWE 01385

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 X2
VACANT X1
UNFUNDED X1

ADMIN CLERK MEYERTON LIBRARY
L9 X1
L KETEYI 13451

GENERAL WORKER CLEANER
L13 X1
MM MTHEMBU 01327

GENERAL WORKER CLEANER 18/19
L13 X1
UNFUNDED X2

MESSENGER/DRIVER 18/19
L11 X1
UNFUNDED

LIBRARIAN
L6 X1

L RALPH 00338

LIBRARIAN /CATALOGUER 18/19
L6 X1
UNFUNDED

PROGRAMME LIBRARIAN 18/19
L6 X1
UNFUNDED

SNR ASSISTANT LIBRARIAN
L7 X1
UNFUNDED

E LEARNING FACILITATOR
L6 X1
UNFUNDED

ASSISTANT E LEARNING FACILITATOR
L8 X1
NT GCABASHE 01450

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – LIBRARIES (2019-2020)

Checked by HR:	Date:	2019/03/19
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Approved by HOD:	Date:	19/3/2019
Approved by MM:	Date:	19/3/2019

ASSISTANT DIRECTOR LIBRARY INFO SERVICES
L4 X1
QC RANGANE 01056

BRANCHES

LIBRARIAN LAKESIDE
L6 X1
D .Tshuketana 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
L6 X1
FB NGEMA 01281

ADMIN CLERK BANTU BONKE 17/18
L9 X1
S J KOEITHING 00952

GENERAL WORKER/ CLEANER – BANTU BONKE 17/18
L13 X1
B.R MENYANTSOE 13451

BRANCHES

LIBRARIAN RANDVAAL
L6 X1
M FROST 00743

ASSISTANT LIBRARIAN RANDVAAL
L8 X1
PG NHLAPO 01422

ADMIN CLERK LIBRARY RANDVAAL 18/19
L9 X1
UNFUNDED

GENERAL WORKER CLEANER (RANDVAAL)
L13 X1
M BUNU 00808

LIBRARIAN HOK LIBRARY
L6 X1
P K MATITWANE 00036

ASSISTANT LIBRARIAN HOK 17/18
L8 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
L6 X1
M MASEKO 00526

ASSISTANT LIBRARIAN DE DEUR
L8 X1
P N MBATHA 00175

GENERAL WORKER CLEANER – DE DEUR
L13 X1
E MOLOI 00791

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PARKS (2019-2020)

Checked by HR:		Date: 2019/03/19
Approved by Finance:		Date: 19/3/19
Approved by HOD:		Date: 19/3/2019
Approved by MM:		Date: 19/3/2019

ASST DIR. PARKS & CEMETERY
L4 X1
LP PATI 01386

FOREMAN GRASS CUTTING & TRACTORS
L6 X1
UNFUNDED

ADMIN ASSISTANT PARKS
L7 X1
UNFUNDED

ADMIN CLERK/TYPIST PARKS & CEMETERIES
L9 X1
MD SOTAOANE 01512

LOGISTICS WORKSMAN
L10 X1
NFB FANTISI 00464

TRACTOR DRIVER PARKS
L11 X 13

- KJ TSUMO 28683
- BD LETEBELE 01122
- A KWINDA 00825
- A MATOMA 00305
- VACANT X1
- S KHONKOTHA 00595
- T SEOBI 00532
- V MAPHOSA 01105
- SM TSUBELLA 01366
- V NTUSI 01305
- ***UNFUNDED*** X3

GENERAL WORKER
L13 X 2
- N MAFUXWANA 01067
- MA SEKHOTO 01332
- UNFUNDED

FOREMAN GRASS CUTTING & TRACTORS
L6 X1
K GWEBU 28894

SPECIAL WORKSMAN GROUNDSMAN
L8 X1
UNFUNDED (2018/2019)

GENERAL WORKSMAN PARKS
L9 X1
L SEHANKA 00231

TRUCK DRIVER (CODE EC1) PARKS
L10 X1
FJ MOTAUNG 01123

MACHINE OPERATOR PARKS
L12 X9

- LJ MADIEHE 01073
- A MOFOKENG 28689
- S MATJAMA 00838
- EN MATOMANE 32049
- PM MAZIBUKO 00824
- A MABOTE 00411
- UNFUNDED X2
- ZP TSHAWE 01426

SPECIAL WORKSMAN GROUNDSMAN
L8 X1
TS NDABA 90975

GENERAL WORKSMAN PARKS
L9 X1
VM TYESI 00871

TRUCK DRIVER (CODE EC1) TREE TEAM
L10 X1
MD MOLISE 00875

MACHINE OPERATOR PARKS
L12 X8

- J MOKOETLA 32061
- PM MOTAUNG 01108
- MM BEBEZA 32023
- D MOTAUNG 32064
- MB BUTHELEZI 01459
- VACANT X1
- UNFUNDED X2

GENERAL WORKER NURSERY
L13 X 2
- A MOTLOUNG 01320
- VACANT

FOREMAN TREE CUTTING & EPWP
L6 X1
TV KUBEKA 01304

SPECIAL WORKSMAN IRRIGATION
L8 X2
M MATLA 00517
UNFUNDED

TRUCK DRIVER (CODE EC)
L10 X1
TE MOKHASI 01087

CHAINSAW OPERATOR
L12 X2
- M MAPHULANYANE 01101
- J SABA 00054

GENERAL WORKER PARKS
L13 X2
- S GQUNGQA 01303
- LC MHLAMBI 01321

TRUCK DRIVER (CODE EC) TREE TEAM
L10 X1
MJ TLALI 01173

CHAINSAW OPERATOR
L12 X2
- LS MPHUTHI 01204
- S VUNDISA 01463

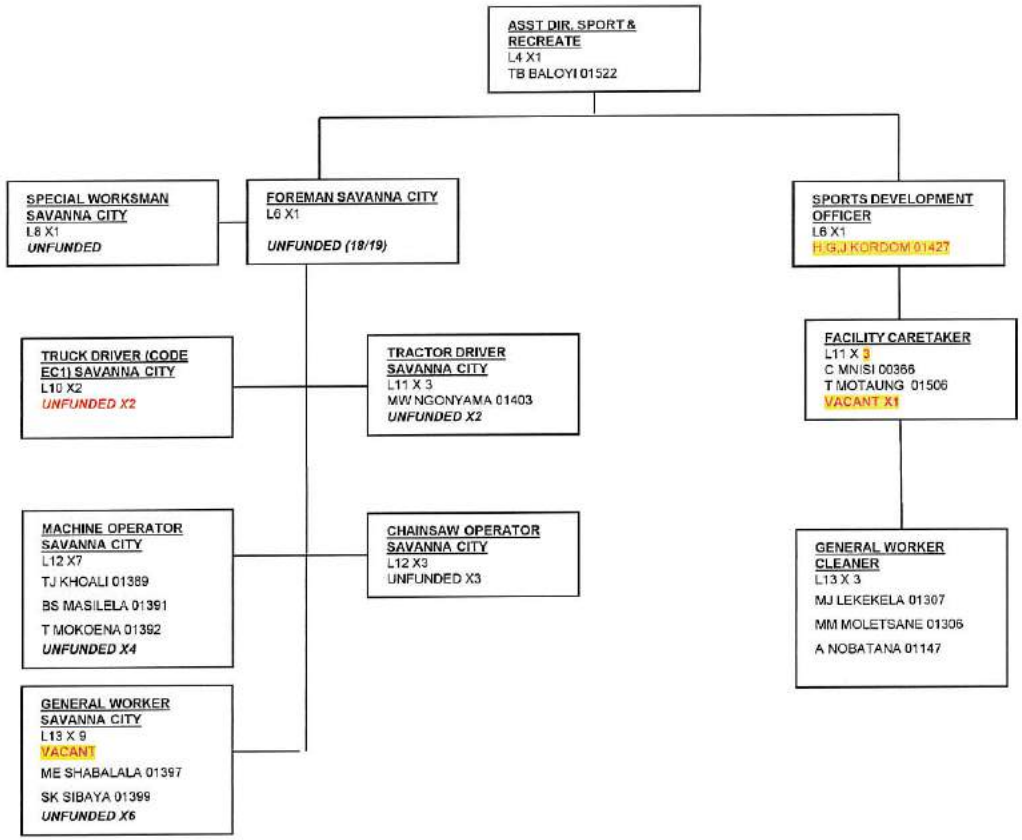
GENERAL WORKER PARKS
L13 X 3
- TP MASOPA 00872
- VACANT X2
- UNFUNDED

GENERAL WORKER PARKS IRRIGATION
L13 X 2
- A RALEQHEKA 32081
- RT MOKHEMISA 01334

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PARKS (2019-2020)

Checked by HR:		Date:	2019/03/19
Approved by Finance:		Date:	19/3/19
Approved by HOD:		Date:	19/3/2019
Approved by MM:		Date:	19/3/2019



ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PARKS (2019-2020)

Checked by HR:		Date:	2019/03/19
Approved by Finance:		Date:	19/3/19
Approved by HOD:		Date:	19/3/2019
Approved by MM:		Date:	19/3/2019

ASST DIR. PARKS SPORT, RECREATE & CEMETERY
L4 X1
TB BALOYI 01522

SWIMMING POOL SUPERVISOR
L8 X1
L HOOD 10332

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
Masepala Wa Selehae
Plaaslike Munisipaliteit

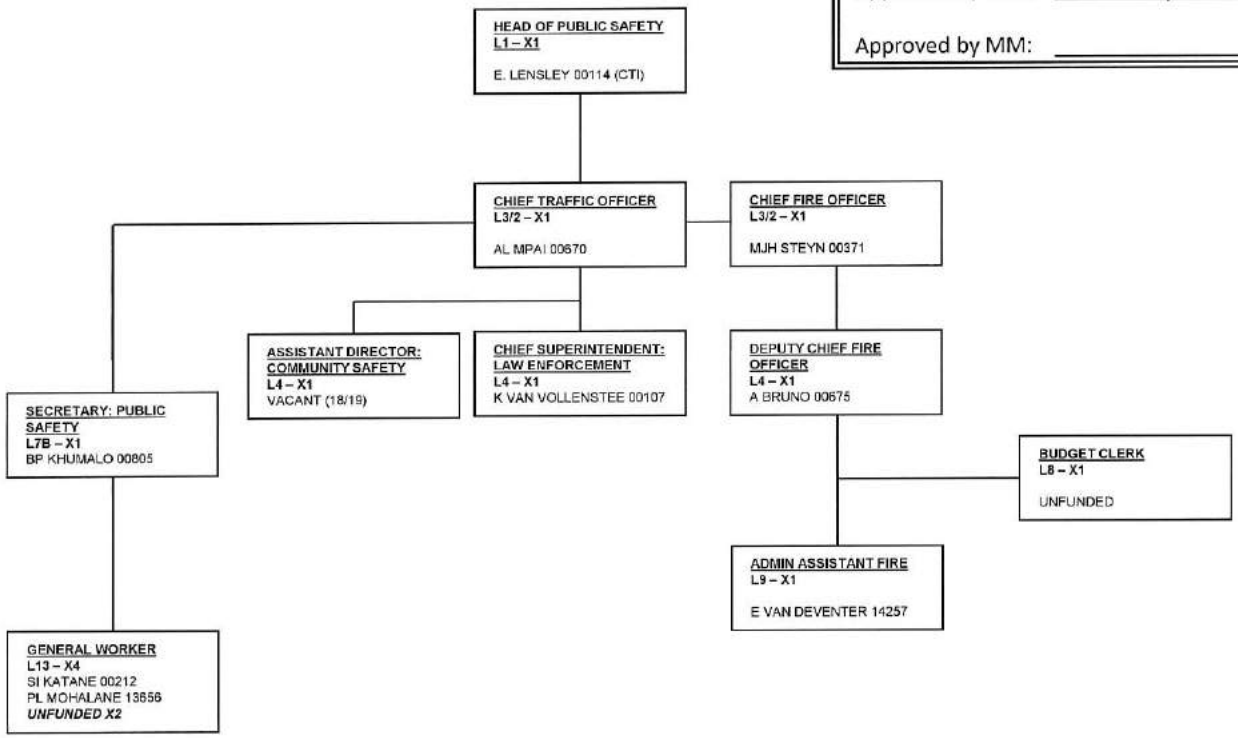
ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PUBLIC SAFETY (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: _____



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - TRAFFIC (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: _____

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: SPEED
L6 – X1
UNFUNDED

TRAFFIC OFFICER
L8/7 – X5
S MACINTOSH 00563
M PHULE 00539
MJ LOURENS 00858
VACANT (17/18)
UNFUNDED

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
AG BOTHA 14342

ASSISTANT SUPERINTENDENT
L6 – X1
D SIMELANE 00543

TRAFFIC OFFICER
L8/7 – X5
KJ BALOYI 00240
ME THAMAI 00646
VACANT x2 (16/17)
UNFUNDED X1

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 – X2(CONTRACT)
UNFUNDED
AS NKUNA 01501

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
P NKWINIKA 00540

TRAFFIC OFFICER
L8/7 – X
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 MAZINGELA 01040
JP LENKA 01039

TRAFFIC WARDEN OFFICER (INTERNS)
L14 – X5 (CONTRACT)
UNFUNDED X4
VACANT X1

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
UNFUNDED

WARDEN CBD OFFICER
L8 – X2
UNFUNDED X1
VACANT X1

WARDEN CBD OFFICER
L9 – X1
UNFUNDED

TRAFFIC WARDEN OFFICER (INTERNS)
L14 – X3 (CONTRACT)
UNFUNDED X3

HELPDESK OFFICER
L8/7 – X1
UNFUNDED

POINT DUTY OFFICER
X15 (TEMP CONTRACT)
NE MOJOLA 00075
TJ LUTA 00214
KJ DHLAMINI 00241
MA PAPALI 00504
M MATHONKHA 00566
DR MASENYA 00994
PV HOYANE 01265
B VILAKAZI 01266
XK ZWANE 01267
MW MPEMBE 01318
D KOETZ 01340
VACANT X3
UNFUNDED X1 (16/17)

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - TRAFFIC (2019-2020)

Checked by HR:		Date:	29/03/19
Approved by Finance:		Date:	19/3/19
Approved by HOD:		Date:	19/3/2019
Approved by MM:		Date:	

CHIEF TRAFFIC OFFICER
L3/2 – X1
A MPAI 00670

CHIEF SUPERINTENDENT: LAW ENFORCEMENT
L4 – X1
K VAN VOLLENSTEE 00107

SUPERINTENDENT ADMINISTRATION
L6/5 – X1
MB TSOTETSI 00155

ASSISTANT SUPERINTENDENT
L6 – X1
A BANDA 00738

COURT/WARRANT OFFICERS ACCIDENT BURO
L8/7 – X2
LA MOTITSOE 14259
UNFUNDED X1 (16/17)

BACK OFFICE OFFICERS
L8 – X3
MP MAKHOTLA 00174
UNFUNDED X2

SNR ADMIN CLERK
L8 – X1
S THULARE 00050

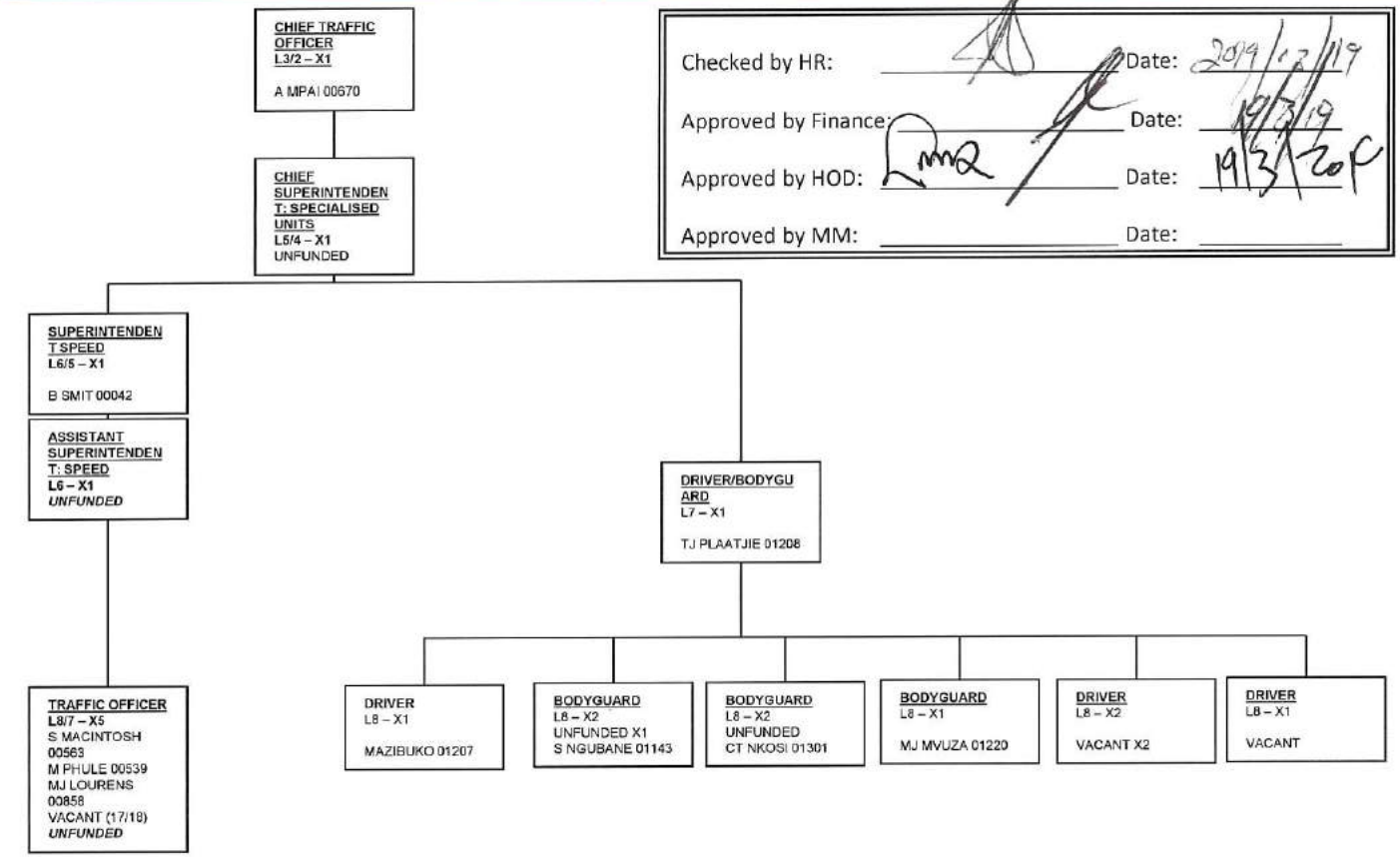
ADMIN CLERK
L9 – X3
MB MAKOATSANE 00876
Q SEHURUTSE 00073
UNFUNDED

SUPERINTENDENT TECHNICAL SUPPORT
L6/5 – X1
PM CLAASENS 14127

ADMIN CLERK
L9 – X1
I VAN DER MERWE 01051

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – SPECAILISED UNITS (2018-2019)



Checked by HR: _____ Date: 20/9/19

Approved by Finance: _____ Date: 19/9/19

Approved by HOD: _____ Date: 19/9/20

Approved by MM: _____ Date: _____

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - FIRE (2019-2020)

Checked by HR: _____ Date: 2019/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: _____

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 00160

SNR FIRE FIGHTER
L8 – X4
P. HANYANE 80173
KNJ MTAMBO 00698
L NGOEPE 00612
(SLIDING SCALE)

FIRE FIGHTER
L9 X2
SL MBAMBO 01158
NE TSHABALALA 01178
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X4
DK THLUBI 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 00608
PX ZWANE 01161
JD MOREBA 01159
(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 13098
A PRINSLOO 00909
PJ MOFOKENG 00163
A MONTLE 00820
(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 13616
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 SEODISA 01246
U VAN WYK 01248
VACANT X4

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - FIRE (2019-2020)

Checked by HR: _____ Date: 20/03/19

Approved by Finance: _____ Date: 19/3/19

Approved by HOD: _____ Date: 19/3/2019

Approved by MM: _____ Date: _____

CHIEF FIRE OFFICER
L3/2 – X1
MJH STEYN 00371

DEPUTY CHIEF FIRE OFFICER
L4 – X1
A BRUNO 00675

REGIONAL DIVISIONAL OFFICER TRAINING
L6/5 – X1
M MOMMSON 00900

FIRE & RESCUE INSTRUCTOR
L7 – X1
G BELLINGAN 00159

REGIONAL DIVISIONAL OFFICER FIRE SAFETY
L6/5 – X1
MM MALEFANE 14248

PIER INSTRUCTOR
L7 – X1
MF MOGALE 13055

PIER assistant
L9 – X1
vacant

FIRE & EMERGENCY OFFICER
L8 – X1
VJ CAMPHER 80045

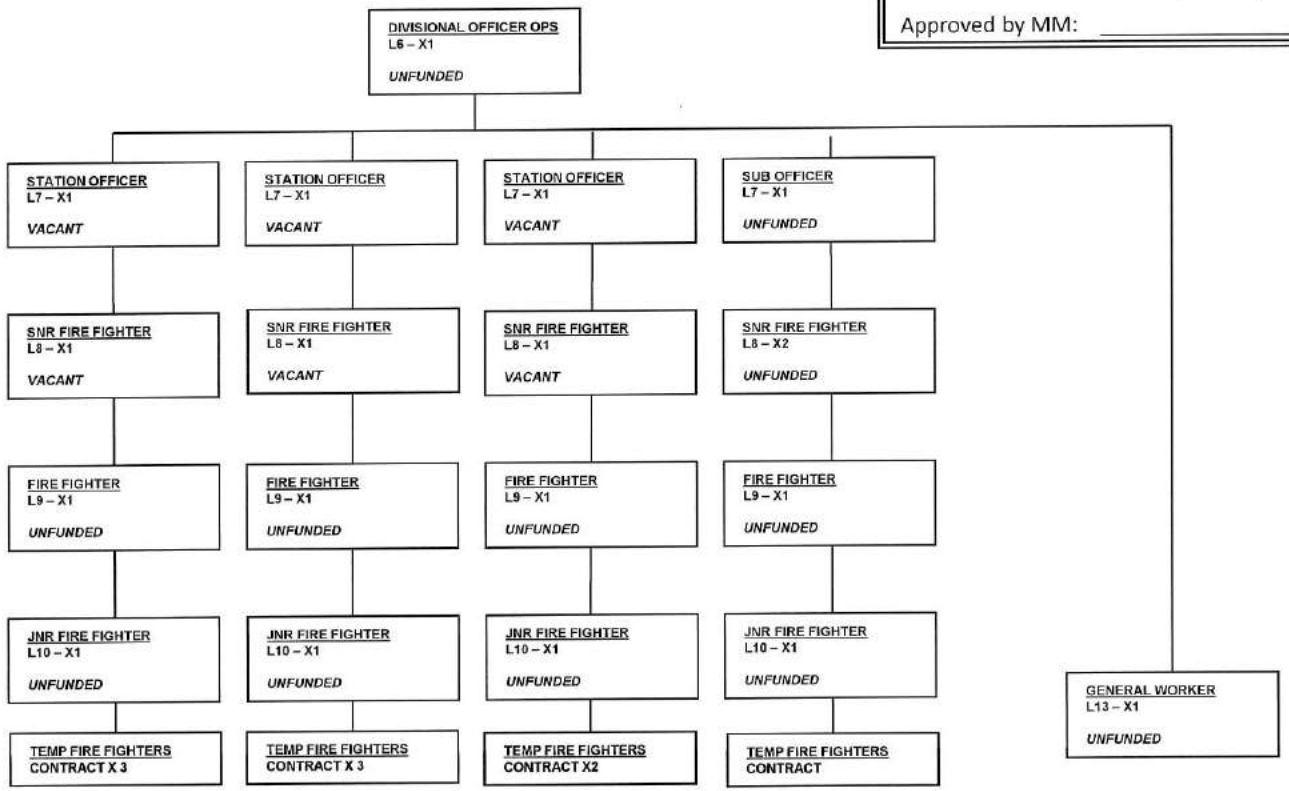
ADMIN ASSISTANT FIRE
L9 – X1
E VAN DEVENTER 14257

GENERAL WORKER
L13 – X1
PL MOHALANE 13656

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – FIRE (VAAL MARINA) (2019-2020)

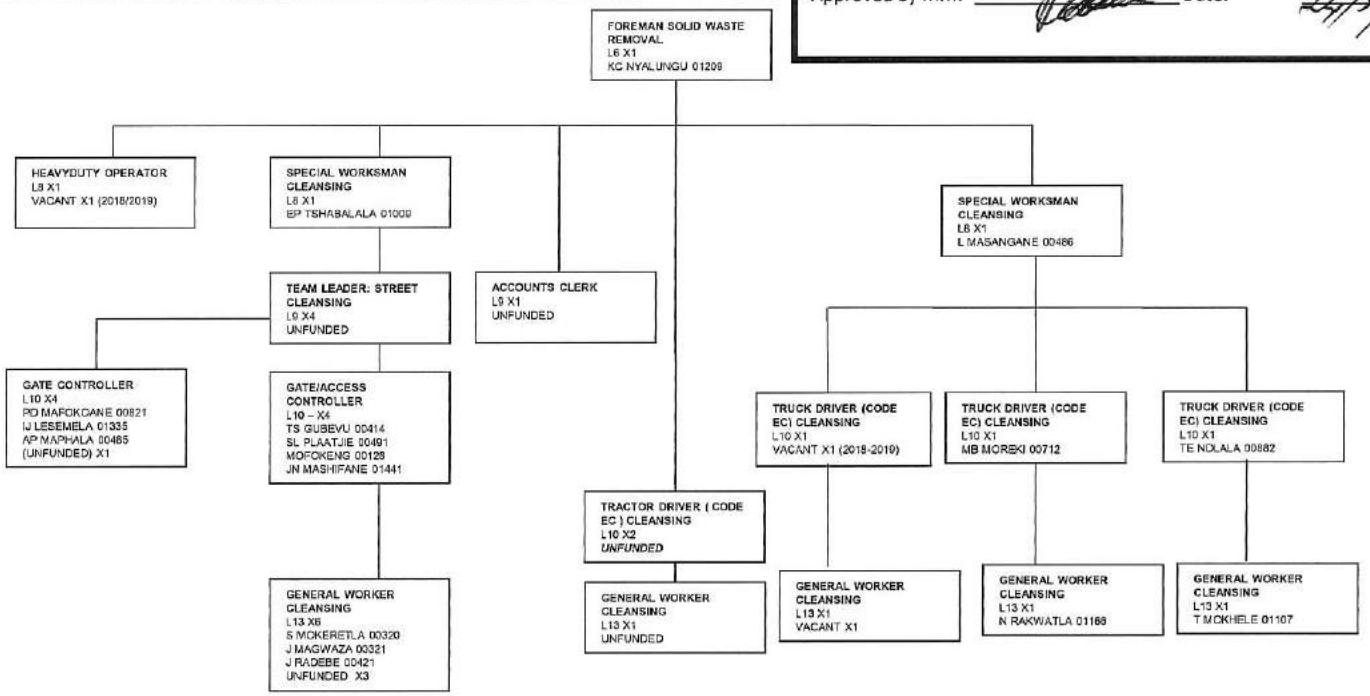
Checked by HR:		Date:	2019/05/19
Approved by Finance:		Date:	19/3/19
Approved by HOD:		Date:	19/3/2019
Approved by MM:		Date:	



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2019-2020)) [TRANSFER STATIONS]

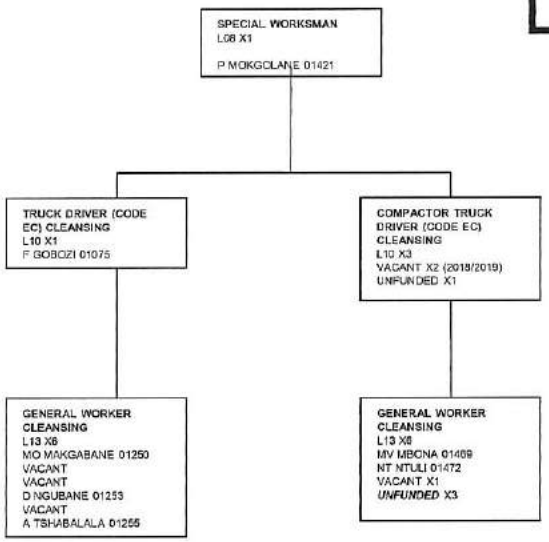
Checked by HR: _____ Date: 23/05/2019
Approved by Finance: _____ Date: 23/5/19
Approved by HOD: _____ Date: 23/5/19
Approved by MM: _____ Date: 24/5/2019



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

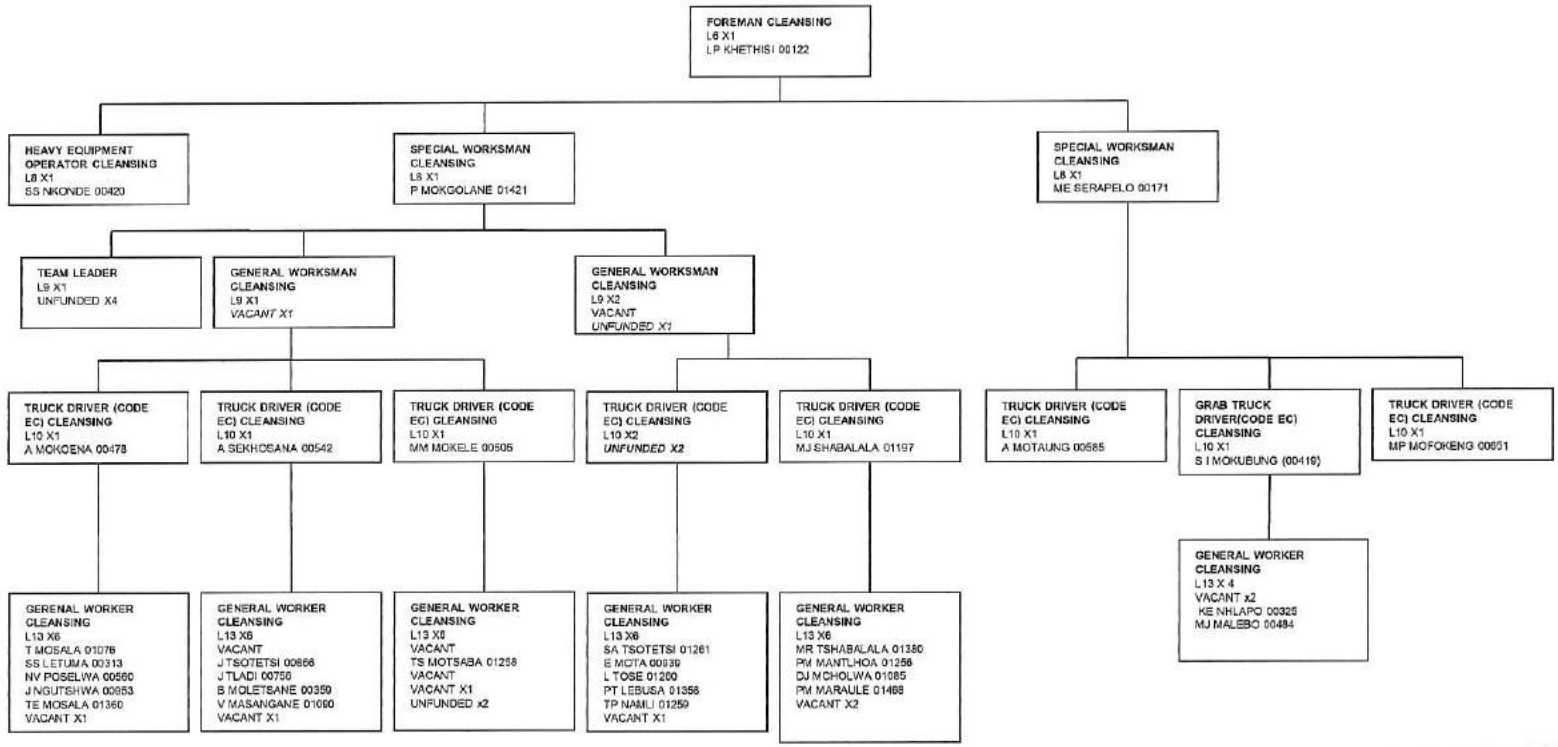
ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (SC) (2019-2020)

Checked by HR: _____ Date: 23/05/2019
Approved by Finance: _____ Date: 23/5/19
Approved by HOD: _____ Date: 23/5/2019
Approved by MM: _____ Date: 24/5/2019



ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2018-2019)

Checked by HR: _____ Date: 23/05/2019
Approved by Finance: _____ Date: 23/5/19
Approved by HOD: _____ Date: 23/5/2019
Approved by MM: _____ Date: 24/5/2019



MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2018-2019)

Checked by HR: _____ Date: 23/05/2019
Approved by Finance: _____ Date: 23/5/19
Approved by HOD: _____ Date: 23/5/19
Approved by MM: _____ Date: 24/5/2019

FOREMAN CLEANSING
L8 X1
LP KHETHISI 00122

SPECIAL WORKSMAN CLEANSING
L8 X1
J MARAIS 00104

GENERAL WORKSMAN WASTE MANAGEMENT
L8 X1
WG BONKOLO 00226

GENERAL WORKSMAN WASTE MANAGEMENT
L8 X1
UNFUNDED

LOGISTICS WORKSMAN WASTE
L10 X1
GW SEOPOSEWA 01509

TRUCK DRIVER (CODE EC) CLEANSING
L10 X1
B. TAELO 00563

TRUCK DRIVER (CODE EC) CLEANSING
L10 X1
MM THABE 00492

GENERAL WORKER CLEANSING
L13 X19
VACANT X5

GENERAL WORKER CLEANSING
L13 X1
DG MOHAPI 01274

GENERAL WORKER CLEANSING
L13 X1
VACANT

AZ MAYEKISO 00315
VACANT
MOKGOMONG 00487
MP MPHOLO 00324
TS SINGO 00490
NE LEMPHANE 0048

R MKHIZE 00317
NP MCHUNU 00316
MM MOKOENA 00323
VA MPHUTI 01326
PA MAHLATSANE 32041
TE MOSOTHO 00309

NM MOETI 00481
TP LENKA 01277SM
VACANT
J MKHUMA 00976
VACANT

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2019-2020)

Checked by HR: _____ Date: 23/05/2019
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Approved by HOD: _____ Date: 23/5/19
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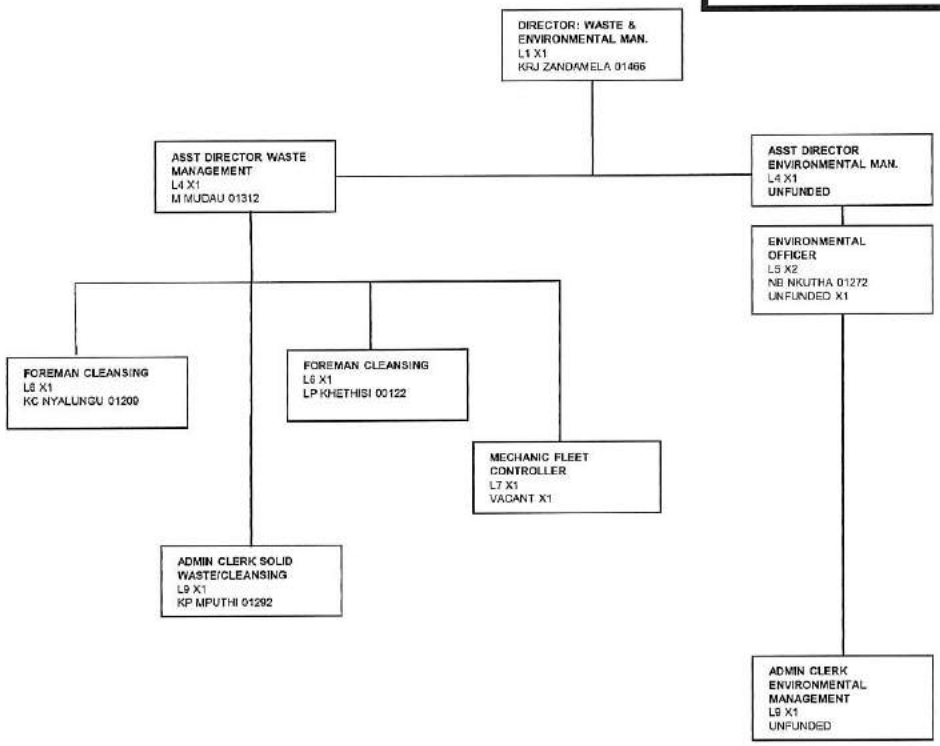

ANNEXURE AW MIDVAAL SERVICE CHARTER 2017 cover

SERVICE CHARTER

January 2017

MIDVAAL
LOCAL MUNICIPALITY

1 BACKGROUND

We exist in order to provide services at a fair and acceptable cost, to each one of our customers and it is thus necessary that we indicate the level of service that our customers can expect from us. This level of service shall be applied consistently throughout every street, suburb and town within the municipality.

The White Paper on the Transformation of Public Service Delivery (1997) sets out eight Batho Pele (people first) principles, which aim to transform public service delivery. This document, referred to as the Batho Pele (people first) white paper, favors the customer and places the obligation on the service provider to deliver on the basic customer requirements.

The Batho Pele principles remain central to this document, promoting service excellence in the public sector and more specifically in local government.

2 VISION

To inclusively serve the needs of our community

3 MISSION

We strive daily to enrich the lives of our people by:

1. Adopting a mind-set of innovation to revolutionise the way we operate
2. Leveraging partnerships to realise our full potential
3. Driving sustainability within the local ecosystem
4. Growing the economy in Midvaal, premised on incubating entrepreneurship, socio-economic growth and environmental responsibility
5. Providing excellent and standardised service delivery for all
6. Prioritising the upliftment of our youth
7. Being an ethical and proactive local municipality
8. Elevating Midvaal to be the best and most attractive municipality in the country

4. VALUES OF MIDVAAL

1. Ethical
2. Accessibility
3. Collaboration
4. Innovation

5. Sustainability
6. Excellence

5. BATHO PELE (PEOPLE FIRST) PRINCIPLES

The Batho Pele principles are the following and will apply to the services delivered by the Midvaal Local Municipality:

5.1 Consultation

The Midvaal Local Municipality will acquire formal and informal views on the provision of services and matters related to services, by means of consultation. At least once a year we will consult with all our stakeholders, through public meetings, on the quantity and quality of the services provided and to be provided in the ensuing year.

5.2 Access

We are striving to provide services to all residents within the boundaries of the Midvaal Local Municipality and this target is actively pursued to the best of our ability. All our buildings are marked and identified by the functional activities of their occupants. Most of our buildings are accessible for the physically challenged people who use wheel chairs. Customers will be treated with courtesy and consideration at all times. We will conduct customer opinion surveys at regular intervals to establish if our services are helpful and provided with courtesy and consideration for the dignity of customers.

5.3 Courtesy

It is expected of our people at the first point of contact, which is the person in the front office, to receive complaints and faults effectively and efficiently. The following is seen as basic courteous treatment of our customers:

- received with a friendly smile;
- friendly and helpful assistance to resolve the problem right there, if possible;
- should back-office support be required, ideally this support should be made available immediately - alternatively, an appointment must be made;
- application forms will be “customer friendly” and simplified as far as possible, and
- the style and tone of written communication must display courtesy.

5.4 Information

Information regarding all aspects of the services we provide is available upon request and we commit to assist with all reasonable requests for information. We will at all times give full and accurate information to citizens about the municipal services they are entitled to. We will ensure that services are readily available at all times in line with our service standards and that whenever there are disruptions our customers will be informed of the reasons. We will also at all times, where possible, use the language the intended audience understands, however Midvaal's language of conducting business is English.

5.5 Openness and transparency

Openness and transparency are required in order to build confidence and trust between the municipality and the customers. Our performance targets are encapsulated in our Service Delivery and Budget Implementation Plan (SDBIP) which is transparently reviewed on an annual basis. Technical and financial performance indicators, as well as other relevant information are published on an annual basis. We will ensure that our Promotion of Access to Information Policy allows access to information, particularly on the management of the institution.

5.6 Redress

We have complaints/suggestion boxes at our front desks of the main and satellite offices. Verbal complaints will be responded to within five working days. An investigation of service delivery complaints will be finalised within thirty (30) days. Progress relating to the investigation of a complaint lodged will be communicated to the customer within fourteen (14) days if the complaint will take longer than 30 days to finalise.

5.7 Value for Money

We are constantly striving to provide a better service at a lower cost to our customers. Efficiencies have been gained and will continue to be gained. Your suggestions for an improvement in efficiency will be welcomed. Our approach will be based on the principle that organisations achieve a competitive advantage by providing their customers with what they want, or need, better or more effectively than competitors and in ways which their competitors find difficult to imitate. To ensure that this advantage is achieved, we are concentrating on the following:

- what does our customer value; and
- how do we provide this valued service to our customer, inclusive of the activities that support us in providing this service in a sustainable manner.

5.8 Service Standards

The service standards that may be expected from each service department in the Midvaal Local Municipality are listed in this booklet. The Services Charter and Standards will further be published throughout the year on our website.

6. GENERIC SERVICE STANDARDS

6.1 Office Hours

We will commit to these office hours:

07:30 – 13:00
13:30 – 16:00

Note: The Council will endeavour to keep customer desks [such as libraries, clinics, the rates halls] open during lunch periods as well.

6.2 Telephonic Calls

- We will endeavour to answer our telephone within a reasonable period.
- For emergency calls, see Protection Services Standards.

6.3 Walk-in Customers

- Appropriate signage will be displayed to ensure easy access to our facilities.
- You will be received by informed and responsive staff.
- We will inform you of the services available.
- Information readily available will be provided the same day.
- If the information is not available, you will be apprised of the status and when to expect the information.
- We will attend to all enquiries/complaints by keeping proper records and ensuring that you receive feedback on all concerns raised.

6.4 Written correspondence

- If a response must be posted, we will respond in five (5) working days, from date of receipt.

Your cooperation in providing full, accurate and timely information will help us provide you with quality service.

SERVICE STANDARDS

ENGINEERING SERVICES	
Electricity: Power outages	
With all service problems, we commit to communicate with relevant stakeholders.	If a large area is affected it is not possible to communicate with all stakeholders
Unplanned power outages:	30 min travelling time must be allowed
As soon as we become aware of a service interruption, within working hours, we will commit to inform stakeholders.	Within two (2) hours
After hours	Within four (4) hours
Planned power outages:	
Notice of planned interruptions to be given to affected residents and stakeholders	Within three(3) working days prior to interruption
Service Outages	
Midvaal supply areas for Electricity and Water	
Planned maintenance	Ten (10) days notice
Unplanned outages - Office Hours	One (1) hour
- After Hours	2 Hours to communicate with affected customers
Midvaal Municipality however, has no control over Eskom's schedule or unforeseen power outages	
Electrical connections	
Applications for electrical connections, upgradings, charges and new developments	
Quotations for standard connection and upgrading applications	On application
Quotations for non standard connection and upgrading	Within ten (10) working days
Street Lighting	
After receipt of complaint -	
If there are more than three(3) street lights affected on the same supply line	Within two (2) workdays
Less than three (3) lights	Four (4) weeks
Complaints regarding existing street lighting in towns where Eskom is the electricity supply authority must preferably be reported directly to Eskom. Applications for new street lights can be handed in at Midvaal Local Municipality. New street lights can be installed according to a	

schedule subject to available funds and Eskom's approval.	
Streets	
Grading of gravel streets	Done according to a scheduled programme
Repair of potholes	Done within one (1) week
Maintenance of tarred roads	Done according to a scheduled programme
Stormwater	
Floods/emergencies	Reaction within one (1) day after incident has been reported
Water	
Installation of new household water connections:	
Standard connection	6 weeks after receipt of payment
Non-standard	Negotiable subject to delivery times of equipment
Sanitation	
Clearing of a blockage	Within one (1) working day after the incident has been reported
DEVELOPMENT AND PLANNING	
Building Plans	
Acknowledgement of receipt	Within Five (5) working days
Approval / Non Approval of building plan process: Standard Building Plans Non-standard Building Plans Occupancy Certificate	 Written response within an average of Forty (40) working days (excluding pending and circulation period) from date of application. Written response within and average of Sixty (60) working days (excluding pending and circulation period) from date of application. Written response within an average of twenty (20) working days from submission of occupancy certificate application.
Law Enforcement	
<u>Formal Trade License:</u> Consider an application for trading on a demarcated area Consider an application for trading on non-	 Written response within an average of 3 working days from date of application Written response within an

demarcated areas	average of 14 working days including the consent from the relevant Ward Councillor and internal departments
Consider an application for business for the selling of foods	Written response within an average of 21 working days from date of application
Poster Management: Consider an application for posters	Written response within an average of 3 working days from date of application
Response to complaints pertaining to posters	Within an average of 7 working days from date of receipt of such complaint
Removal of Posters	Within an average of 3 working days after the expiry date of such approval
Deposit Refunds	Within an average of 21 working days from receipt of such a deposit refund application
Application for Land use	
Acknowledgement of receipt of application	Within five (5) working days
Consideration of Land Use applications if the application meets the minimum requirements in terms of the time frames	Administration phase - may not be longer than 12 months. Consideration phase - may not be longer than 3 months. Decision phase – within 30 days from the last Municipal Planning tribunal or the authorized official.
Public Participation	
The IDP review process to be conducted as per the approved IDP Process Plan	
COMMUNITY SERVICES	
Sport fields/Swimming pools	
• Mowing of grass of sport fields	Done according to prescheduled match programmes
• Swimming pools	Public has access between 1st September to 31 May
Public parks	
Mowing of lawns and pruning of shrubs and trees	Done according to a prescheduled

	programme
Carcass Removals	
All Midvaal controlled roads Other roads	Remove within forty eight(48) hours Will report to relevant authorities
Illegal dumping	When polluter is identified, a notice within three (3) working days. Otherwise removed within two(2) weeks
Noise pollution needs to be reported to SAPS	See contact list
Cleansing and Waste removal	
Collection of residential, garden and business refuse: • Residential areas • Business Areas • Central Business District	 Done on a weekly basis according to a scheduled programme. Done three(3) times a week Swept on a daily basis
Libraries	
Will be open from 09h00 – 17h00 in winter and 09h00 – 17h30 in summer. Fridays from 09h00 – 17h00 Saturdays from 09h00 – 12h00	
Clinics	
Clinics will be open from 07h30 – 18h00 weekdays Saturdays from 08h00 – 13h00	All patients to be attended to within 2 hours
Cemeteries	
Grave applications and allocations Cemetery maintenance	Finalised immediately upon permit According to grass cutting schedule
Fire Fighting	
Emergency calls: Dispatching times after receiving the logged call Response times to affected site	Within three (3) minutes
Ambulances	
Emergency services number (016) 360 5911 (016) 360 7500	
Vehicle Licensing and Registrations	
Sedibeng District Function. Refer to contact	

details. Learners and drivers licenses. As above	
Road markings and Road Signs	
Road markings complaints	Complaints investigated and feedback within seven (7) days
Road marking, street names and road signs	As per technical roster two (2) month (per ward) subject to availability of stock
Replacement of damaged stop signs	Will be treated as priority depending on the availability of stock
Repaint of faded stop markings	Will be investigated and finalised within seven (7) to fourteen (14) days, subject to the availability of stock.
Speed Law Enforcement	
As per approved schedule Ad hoc law enforcement requests - consideration	Feedback within seven (7) working days
Accident scene	Immediately after dispatch
Law enforcement complaints	Complaints investigated and feedback given within seven (7) days
Events	Applications received from an Event Organiser must be registered within five (5) working days, event subject to approval from the Municipal Manager Big events: Apply six (6) months before the event. An event with a spectator capacity of at least 2000 persons. Small events: Apply 30 working days before the event. An event with a spectator capacity of 250 to 1999 persons. (Should there be high profile persons (VIP's) the event will be considered as a risk event, the application period can be more than 30 days) Functions: Apply 120 working days before the event. A function with 30 - 249 persons e.g

	weddings, funerals, celebrations, initiation ceremonies etc. No functions will be facilitated on Public Roads or public places without Midvaal Municipality's approval.
Disaster Management	
Natural disaster response	Fire Department will respond within three (3) minutes after the call is received and as soon as an evaluation is done of the situation, the Joint operation centre (JOC) will dispatch all other stakeholders (departments)
CORPORATE SERVICES	
Rental of municipal facilities	Confirmation immediately upon proof of payment
Council meetings	Open to the public, at least one (1) per quarter at 15h00 as per schedule on the website
Anti-Fraud and Corruption Hotline	0860 268 624 (24 hours)
FINANCE SERVICES	
Queuing time for municipal accounts payments	We will endeavour to serve customers within a reasonable timeframe
Clearance certificate turnaround time	Within five (5) working days
All accessible meters will be read on a monthly basis	

An enquiry clerk will be available at Savanna City from Tuesday to Saturday to assist with income related matters.

Cashier Office Hours

DESCRIPTION	**DAY OF THE WEEK**	**OPEN**	**CLOSE**
Head Office	Monday-Friday	07h30	15h00
Randvaal (25 – 7th each month)	Monday-Friday	07h30	15h00

De Deur(25 – 7th each month)	Monday-Friday	07h30	15h00
Vaal Marina	First Saturday of month	07h30	12h00
Traffic	Monday-Friday	07h30	15h30

7. CONTACT DETAILS

The municipality can be contacted on a 24 hour basis.

Physical Address:	25 Mitchell Street, Meyerton, 1961 Midvaal
Postal Address:	PO Box 9, Meyerton, 1960
Fax:	016 360 7519
Switchboard:	016 360 7400
Customer Care Line:	0861 MIDVAAL [0861 643 8225]
Meyerton Clinic:	016 360 5880/1
Randvaal Clinic:	016 360 5836/7
Randvaal Offices:	016 360 5800 / 016 366 0323
De Deur Offices:	016 360 5850 / 016 590 1006
Vaal Marina Offices:	016 372 1930

AFTER HOURS / EMERGENCY NUMBER:
Fire & Rescue Services, Ambulance, other emergencies: (016) 360 7500.

NOTE: The after-hours/emergency number is strictly for emergencies only. Enquiries, requests for information or other routine matters must be communicated to the municipality via the call centre to ensure that the emergency lines remain open to dispatch emergency teams in the shortest possible time without operators having to engage on non-emergency matters.
Complaints email address: complaints@midvaal.gov.za
Website address: www.midvaal.gov.za

THE LICENCE DEPARTMENT IN MEYERTON:
This falls under the management of Sedibeng District Municipality and can be contacted at telephone:
016 450 3940/1/2/3/4

ANNEXURE AX NT DRAFT MFMA COST CONTAINMENT DRAFT REGULATIONS cover

Government Gazette
Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID AFRIKA

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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 168(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
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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 AY COST CONTAINMENT PROGRESS REPORT
(2019/2020 FINANCIAL YEAR) cover

MC B/4864/02/2019

4.B.13 [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 2018/2019 financial year, as required by PI FIN02 of the performance management system, be noted.

MC B/4864/02/2019

4.B.13 [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 2018/2019 financial year as required by the performance management system.

RECOMMENDATION

That the feedback report on the savings achieved on the operating budget in the 2018/2019 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, Regulations have been drafted, however, they have not been promulgated yet. 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 (attached as Annexure A) which will be reviewed once the Draft Regulations have been promulgated.

Use of consultants

Consultants are appointed after a need analysis is completed and approved by the Municipal Manager. It is established whether the services being procured could have been provided by the municipality itself or that the municipality ordinarily has the expertise to provide the service but temporarily could not do so or to save costs.

Most of our consulting services refer to specialist services and skills 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. The consultant is a professional person appointed by the municipality to provide technical and specialist advice or to assist with the design and implementation of specific projects/programs. Remuneration is usually based on an hourly fee or a fixed fee for a product/deliverable.

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 use of consultants are identified.

Vehicles used for political office bearers

All vehicles are procured using the RT57 tender to save cost as better rates have been negotiated.

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 has been instructed to ensure compliance to the Circular. 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 are 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 third 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 not 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.

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.
- NT transversal contracts are used insofar as practically possible. The RT46 transversal contract for vehicle maintenance has been used.
- Security to the Mayor has only been provided after security assessments have been done.
- Printing are minimised and meeting agendas are circulated electronically. A central printer is used, thereby saving costs of cartridges. Double-sided and non-colour printing is encouraged.
- 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.
- A tender to remove illegal electricity connections has been approved. In Sicelo, 5 tons of wire for illegal connections was removed.
- Streetlights are being changed to LED lights which will result in a saving of electricity and maintenance.
- Staff ensure that all lights and air conditioners are switched off when the offices are closed.
- The vehicle tracking system is used to monitor vehicle trips to ensure that vehicles are not used for private purposes. Anti-fuel theft devices have also been installed to save fuel.
- Use of contractors is reduced by the municipality carrying out the work themselves.

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 22 JANUARY 2019

Resolved to Recommend

That the Item be referred to the Section 80 Finance Services Portfolio Committee.

MIDVAAL
LOCAL MUNICIPALITY

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.

ANNEXURE AZ MFMA BUDGET CIRCULAR NO. 93 DATED 7 DECEMBER 2018 cover

NATIONAL TREASURY

MFMA Circular No. 93

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2019/20 MTREF

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Introduction

This circular comes at a time where National Treasury needed to respond to a call by the President of the Republic of South Africa for a stimulus package and the implementation of the recovery plan in order to stimulate the economy. The stimulus package call responds to amongst others the recent technical recession, the high percentage of unemployment that sits at 27 per cent, slow economic growth, weakening of the currency amidst rising global interest rates and the strengthening of the US dollar affecting most developing countries.

Local government has a vital role to play in turning around the economy. In many areas of the country, municipal finances are under pressure. This is the result of the rising cost of delivering basic services and weak financial planning and controls, with poor management decisions leading to underinvestment in and insufficient maintenance of infrastructure. In some cases, corrupt practices have taken root in local administrations. Over the period ahead, national transfers to local government will continue to support the delivery of basic services, while incentivising improved performance and the turnaround of troubled municipalities.

In the local space, fiscal prudence cannot be overemphasised, renewed attitude towards revenue management, improvement of governance and financial management to support service delivery including the adoption of funded budgets and implementation of the municipal standard chart of accounts and the long awaited plan to infuse consequence management for maladministration must be the primary way to respond to a stimulus package plan by the President.

The purpose of the annual MFMA budget circular is to guide municipalities with their compilation of the 2019/20 Medium Term Revenue and Expenditure Framework (MTREF), in particular to ensure that funded budgets are adopted by municipal Councils. This means that expenditure must be contained within realistic revenue projections.

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 current 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 at a crossroads

South Africa finds itself at a crossroads. The Medium Term Budget Policy Statement (MTBPS) presented by the Minister of Finance, Mr Tito Mboweni highlights the difficult economic and fiscal choices confronting government over the next several years. In the 2018 MTBPS, the Minister of Finance stated that given *the current economic climate the country faces, the government is confronted by difficult economic and fiscal choices over the medium term*. The Minister further indicated that South Africa needs to choose a path that leads to faster and more inclusive economic growth and strengthens private and public sector investment. The path should also stabilise and reduce the national debt, as South Africa cannot afford to borrow at the rate we are currently borrowing at.

The 2018 Budget set out expectations of improved economic performance that proved premature. During the first half of this year, South Africa experienced a technical recession – that is, declining of the two consecutive quarters of Gross Domestic Product (GDP) – driven primarily by contractions in agriculture and mining.

A strengthening US dollar and rising global interest rates have triggered fiscal crises in several major developing countries. South Africa's inflation targeting regime, flexible exchange rate and prudent debt management strategy have protected the economy from some of the global fallout. However, these events have led to a sharp depreciation of the Rand and large increases in government bond yields. It is important to note that the 2018 projected GDP growth forecast has been revised down from 1.5 per cent to 0.7 per cent. Growth is expected to recover gradually to over 2 per cent in 2021 as confidence returns and investment gathers pace.

To promote a return to faster growth and job creation, the President announced an economic stimulus and recovery plan in September 2018. The initiative focuses on five interventions:

- Implementing growth-enhancing economic reforms;
- Reprioritising public spending to support economic growth and job creation;
- Establishing an infrastructure fund;
- Addressing urgent matters in education and health; and
- Investing in municipal social infrastructure improvement.

Increased investment in social and economic infrastructure will be a focus of economic recovery over the medium term. This requires an increased role for private sector and better implementation of government's existing plans.

Similar to the same period last year (2017), the country's tax collection targets have not been met, further reducing the funds available to allocate across the three spheres of government.

The following macro-economic forecasts must be considered when preparing the 2019/20 MTREF municipal budgets.

Table 1.1 Macroeconomic projections, 2017 – 2021

Calendar year	2017 Actual	2018 Estimate	2019 Forecast	2020 Forecast	2021 Forecast
Percentage change unless otherwise indicated					
Household consumption	2.2	1.6	1.9	2.3	2.6
Gross fixed-capital formation	0.4	0.9	1.5	2.1	2.9
Real GDP growth	**1.3**	**0.7**	**1.7**	**2.1**	**2.3**
GDP at current prices (R billion)	**4,651.8**	**4,949.1**	**5,317.2**	**5,724.1**	**6,167.2**
CPI inflation	5.3	4.9	5.6	5.4	5.4
Current account balance (% of GDP)	-2.4	-3.2	-3.2	-3.7	-3.9

Source: Reserve Bank and National Treasury

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 2019/20 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 cost of delivery of free basic services to low-income households, and the infrastructure needed to deliver those services.

The 2018 Medium Term Budget Policy Statement (MTBPS) indicates transfers to local government for the 2019 MTEF are R415.5 billion, of which R269.2 billion is in the form of unconditional allocations while the remainder is conditional grant funding. The allocations for local government over the medium term represent 8.9 per cent of non-interest expenditure and grows to 9.1 per cent during the same period, which constitutes an increase of 7.2 per cent. These are notable increases from 2018 MTEF, which require municipalities, despite the rising cost of providing basic services, find innovative, effective and efficient ways of making better use of the limited resources, given the current economic situation.

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 stipulated timeframes, as specified in the annual Division of Revenue Act. Monies not spent must be returned to the fiscus and requests for roll-overs will only be considered where unforeseen and unavoidable circumstances led to underspending of conditional grants.

The annual Division of Revenue Bill will be tabled in February 2019 when the Minister of Finance delivers the budget speech. The grant allocations will be specified in this Bill and municipalities must reconcile their budgets to the numbers published therein.

Municipalities are advised to use the indicative numbers presented in the 2018 Division of Revenue Act to compile their 2019/20 MTREF. In terms of the outer year allocations (2021/22 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2018 Division of Revenue Act for 2020/21. The DoRA is available at:

http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx

Changes to local government allocations

- Over the MTEF period, R415.5 billion will be transferred to local government, including R146.3 billion in infrastructure conditional grants. The largest transfer to municipalities is the local government equitable share, which grows by 9.9 per cent in 2019/20, 9.7 per cent in 2020/21 and 8.6 per cent in 2021/22. These above-inflation increases are due to expected growth in household numbers, and higher bulk water and electricity costs.
- Government will strengthen municipal capacity to improve the use of these allocations. Although the rules have been changed to allow municipalities to use grant funds to refurbish infrastructure, develop water conservation projects and maintain roads if certain conditions are met – few municipalities have taken advantage of these provisions. The national departments that administer these grants are improving their capacity to support municipalities and to assess proposed projects.

- It should be emphasised that the widespread decline in the quality and performance of essential municipal infrastructure significantly constrains the potential for inclusive economic growth. Municipalities should prioritise the maintenance and where necessary the refurbishment of essential municipal infrastructure.

- In many areas of the country, municipal finances are under pressure. This is the result of the rising cost of delivering basic services and weak financial planning and controls, with poor management decisions leading to underinvestment in and insufficient maintenance of infrastructure. In some cases, corrupt practices have taken root in local administrations. Over the period ahead, national transfers to local government will continue to support the delivery of basic services, while incentivising improved performance and the turnaround of troubled municipalities.

- The Department of Cooperative Governance (DCoG) has managed the process to assess applications from municipalities to shift from the Municipal Infrastructure Grant to the new Integrated Urban Development Grant. This new grant has different planning requirements and incentives intended to more integrated developments and greater leveraging of non-grant finance. Several municipalities applied to join this grant during 2018 and the Department of Cooperative Governance (DCoG) will notify those municipalities that have qualified. All other non-metropolitan municipalities should continue to adhere to the Municipal Infrastructure Grant's project registration processes in preparation for 2019/20.

- More than 3.1 million South Africans live in informal settlements, over half of which are in metropolitan municipalities. Over the medium term, informal-settlement upgrading will intensify. On-site upgrading of settlements involves providing municipal services and security of tenure to households. This will encourage residents to improve their own dwellings. Public programmes and funding mechanisms will focus on allowing more flexible and differentiated improvements to settlements. Government will prioritise engagement with communities and their inclusion in upgrading, for example through helping to build and maintain infrastructure. New conditions and ring-fenced funding for upgrading will be included in the urban settlements development grant for metropolitan areas and the human settlements development grant for provinces in 2019/20. Following the pilot phase, government intends to introduce separate metropolitan and provincial grants for informal settlement upgrading. With most electrification backlogs in metros in informal settlements, it is also proposed that allocations for the integrated national electrification programme (municipal) grant be incorporated into the new grant mechanism in these cities.

Reforms to local government fiscal framework

Metropolitan areas and other large cities fund most of their operational budgets from revenues they raise themselves. There is ample scope for creditworthy municipalities with strong financial management to increase local capital investment by expanding municipal borrowing. In 2017/18, half of infrastructure spending by metros and large cities was still funded from transfers, primarily from national government. Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development.

Government will introduce: Policy reforms to clarify the role of development finance institutions in municipal borrowing and to regulate municipal development charges are under way to broaden municipal access to private capital markets. Financing arrangements with development finance institutions and multilateral development institutions will include much needed technical assistance to improve project planning, preparation and implementation. Government is also updating the policy framework for municipal borrowing and financial emergencies.

The purpose is to establish a system which not only ensures 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.

2.2 Tabling of funded budgets

The importance of tabling funded budgets is highlighted in MFMA Circular No. 74 and 89. Adopting a funded budget has become more critical now than before as it has direct bearing on the financial sustainability of the institution. It has been agreed that no municipality will adopt an unfunded budget in the future. There are cases that may warrant a plan as this may not be achievable over one year. As a result, such municipalities must, together with their 2019/20 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. This will be essential when the National and provincial treasuries are assessing the budget to determine its credibility. The assessment of the 2018/19 MTREF budgets have shown a deterioration with more budgets being unfunded. Plans and support will have to be re-evaluated to produce a positive outcome.

2.3 Addressing the growing financial crisis in municipalities

In 2018/19, 113 municipalities adopted unfunded budgets, compared to 83 in the prior year. In addition, municipalities owe more than R23 billion in arrears, including to Eskom and water boards. Although the primary responsibility to resolve these financial problems rests with municipalities themselves, the Constitution states that when a municipality is in financial crisis, the provincial government must intervene – and if the province is not able to, then national government must do so. However, few past interventions have succeeded in producing a sustained turnaround.

Over R2.5 billion has been allocated per year over the 2019/20 MTREF to enable National and provincial treasuries to better manage interventions. This will strengthen the National Treasury's Municipal Financial Recovery Service (MFRS) capacity to draft financial recovery plans for municipalities and that of provinces to implement these plans. These recovery plans set revenue and spending targets for the municipality and identify specific revenue-raising measures.

The new grant that government had proposed to help municipalities facing financial crisis will no longer be introduced. The funds set aside for this will instead be reprioritised for other initiatives that will assist the turnaround of municipalities. Ultimately, sustainable financial recovery will require improved governance within the affected municipalities following the intervention. And better use of grants, together with improved maintenance, will also reduce pollution from wastewater treatment works, which has become a more pressing concern in a number of municipalities.

Government also provides extensive support to build municipal capacity, including over R2.5 billion per year allocated for this purpose in the budget. The growing number of distressed municipalities indicates the need to make better use of these resources. The current system will be reviewed during 2019.

2.4 Municipal Standard Chart of Accounts (*m*SCOA)

Release of Version 6.3 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.3 is released with this circular (see Annexure A). Version 6.3 of the chart will be effective from 2019/20 and must be used to compile the 2019/20 MTREF and is available on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

Amendments of adopted budget errors during the adjustments budget

During the 2018/19 budget verification process it was evident that municipalities are still not able to align *m*SCOA original budget data string to the original budget adopted by municipal council. The root cause for the discrepancies is that municipalities do not plan, test and generate the Schedules A1 directly from the financial systems but prepare the Schedules A1 manually on excel spreadsheets and then captured the tabled and original budgets on the system (or worse, the core system vendor does it for them) after these were tabled and adopted in Council.

Furthermore, some municipalities prepared their tabled budgets in the financial system but made changes to it during community consultation and council meeting(s). These changes were effected to the Schedule A that served before Council but never made on the financial system. Hence, the municipality started transacting against the tabled budget on the system instead of the adopted budget. In terms of the *m*SCOA Regulations, the budget must be approved and locked on the financial system prior to the municipality transacting against it on the financial system.

In terms of the MFMA and Municipal Budget and Reporting Regulations, errors in the budget can only be corrected during the adjustments budget process. Municipalities should therefore ensure that their adjusted budget data strings align to Schedule B adopted by municipal council. National and provincial treasuries will undertake a verification process on the adjusted budgets in relation to the data strings. Municipalities are advised to submit the draft adjusted budget data strings and Schedule B in advance for verification purposes to ensure that aligned documents are adopted by municipal council by 28 February 2019.

Changing of the Core Financial System

Municipalities must follow the required due diligence processes required in terms of MFMA Circular 80 and *m*SCOA Circulars No. 5 and 6 prior to changing their core financial systems. In terms of these circulars:

1. A municipality must conduct an ICT due diligence of all the existing ICT system(s).
2. Once this ICT Due Diligence has been completed, the municipality's *m*SCOA Project Steering Committee (chaired by the Accounting Officer) must:
    a) Assess whether the municipality's existing system(s) as a package, meets the systems comply with the functionality requirements for its category and 15 business processes required in terms of *m*SCOA. This should be the main consideration in the decision on whether a new financial system is required;
    b) Consider the cost of any additional functionality the municipality will have to procure from its existing package of service provider(s) and the affordability

thereof to the municipality considering its budget. Importantly, if a municipality did not budget to purchase or upgrade their core financial system or any component thereof in the budget adopted by Council, then the purchase will have to be deferred to the next financial year to avoid irregular expenditure;

c) Compare the total cost of its existing 'package of system(s)', including the cost for any additional functionality with the other available service offerings for its category; and

d) Consider the penalties and reasons for contract termination in any of its contracts with existing service providers.

3. The project steering committee must document its decision and recommendation(s) on the way forward (relating to the items listed above) for the municipality and its municipal entities (on the municipality's 'package of existing system(s)'), clearly setting-out its findings.

4. Once the municipality's *m*SCOA project steering committee has made its decision and recommendation(s), the municipality must solicit the comments of the National Treasury and Provincial Treasury. A detailed motivation on the need to change the core financial system should be provided to the National and Provincial Treasuries, the Municipal Manager and Council.

5. Once the municipality has received the comments of the National Treasury and the Provincial Treasuries, the *m*SCOA Project Steering Committee and Municipal Manager should consider such comments and prepare a recommendation to the Municipal Council in this regard.

6. The municipal manager must submit a copy of the municipal council's decision to the National Treasury and Provincial Treasury within five (5) working days after the meeting during which the Municipal Council has made the decision in this regard.

7. **The municipality should then follow its own tender processes to procure a financial system on the open market until such time that a new transversal tender for the procurement of integrated municipal financial and internal control systems are in place**. Thereafter, municipalities may request permission from National Treasury's Office of the Chief Procurement Officer to use the transversal tender to procure a financial system.

8. The municipality should ensure that the Service Level Agreement entered into with the system provider provides for specific and realistic milestones and include penalties and termination clauses for failing to meet milestones. In addition, municipalities should implement proper contract management and exercising tight control over contractual obligations by system providers.

The National Treasury has also secured funding to conduct independent audits on all municipal core financial systems to determine to what extend these systems comply with the functionality requirements and 15 business processes required in terms of *m*SCOA. These results will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2019. Until these audits have been concluded and the results have been released, municipalities should exercise caution when changing their financial system to avoid purchasing a system that do not comply with the necessary *m*SCOA functionality requirements.

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.

3. The revenue budget

The economic situation has not improved since the previous financial year. Therefore, municipalities are reminded as it was communicated in MFMA Circular No. 89 that 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.

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 2019/20** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details 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

Municipalities must comply with Section 18 of the MFMA and ensure that they fund their 2019/20 MTREF budgets from realistically anticipated revenues to be collected. Subsequently, municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities in financial distress.

It is critical to compare the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are realistic. The list of exceptions derived from this reconciliation will provide an indication of where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this with the deeds office registry. This reconciliation should be undertaken quarterly. Towards this end, municipalities are requested to submit the following information to the National Treasury:

1. A copy of the approved current General Valuation Roll of the municipality;
2. A copy of the approved Supplementary Valuation Roll of the municipality;
3. An extract from the financial system showing the property rates information (preferably in excel);
4. The detail of the reconciliation between the GVR and the financial system illustrating the variances; and
5. The proposed process to rectify the variances.

In addition, the format below (excel) is required that captures a high level summary of the exercise.

	Approved General Valuation Roll		*Financial System*			
Rates Category	*Number of Properties*	*Consolidated Value of Properties*	*Number of Properties*	*Consolidated Value of Properties*	*Variance*	*Comments*

The above information must be submitted on a CD or USB to the LGBA, for attention:

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, municipalities that maintain an indigent register and not utilise a targeted approach, are requested to periodically review the indigent register to verify that beneficiaries are still legible for the subsidy that they obtain. Municipalities are also encouraged to revise their Local Economic Development strategies to have a targeted approach to alleviate the situation of the indigents as part of poverty alleviation.

3.2 Eskom bulk tariff increases

The National Energy Regulator of South Africa (NERSA) develops the municipal tariff guideline increase based on Eskom's approved bulk price increase of electricity to municipalities and the increase on the municipalities' cost structures. Eskom has made a revenue application for the 2019/20 financial year, but NERSA has yet to make a decision on the application. Municipalities should refer to www.nersa.org.za for updates on the outcome of this process. Municipal bulk tariff increases will depend on the outcome of that process.

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 2019/20 MTREF budget.

3.3 Water tariff increases

Drought conditions 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 2019/20 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, 2014, will have to be taken.

4. Funding choices and budgeting issues

As a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate additional revenue. The ability of customers to pay for services continues to decline, leading to limited revenue collection. Therefore, municipalities must consider the following when compiling their 2019/20 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 2018 to 30 June 2021 dated 15 August 2018 through the South African Local Government Bargaining Council Circular No. 6 of 2018 should be used when budgeting for employee related costs for the 2019 MTREF. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once a year manual salary disbursement, in order to root out ghost employees.

4.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette No. 20 of 1998 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 (DCoG). 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.

4.3 Budgeting for Trade Payables on Table SA3

Municipalities raised concerns about the calculation used for determining the creditors' payment period ratio. As a result, an analysis was undertaken of the note in the Annual Financial Statements relating to Trade Payables from Exchange Transactions as it is disclosed on the face of the Statement of Financial Position. The analysis revealed that this liability includes creditors which do not have a direct impact on the ratio, such as payments received in advance, funds administered on behalf of third parties, retention, accrued staff leave, license fees etc.

The inclusion of such liabilities as "Trade and Other-Payables from Exchange Transactions" under "Working Capital – Creditors due" on Table A8 has an impact on the funding assessment as they are considered when determining whether the budget is funded as per the Municipal Budget and Reporting Regulations schedules. Table A8 is separated into three disclosures which are:

- Unspent Grants – linked by a formula from Table SA3;
- Working Capital – Creditors due - linked by a formula from Table SA3 that currently includes all Trade and Other-Payables from Exchange Transactions as explained above; and

- Statutory Requirements – This refers to VAT and taxation and is not linked by a formula to any table as it may include VAT and taxation receivable included under Other Debtors in Table A6 and/or VAT and taxation payable included in Table SA3.

The disclosure above may be adequate in terms of the requirements to determine the funding of the budget on Table A8, but it does not assist with disclosing Trade Payables ("true trade creditors") for the purpose of calculating the expenditure management efficiency ratio "Creditors Payment Period (Trade Creditors)" in terms of the National Treasury Circular No. 71.

Accordingly, Table SA3 has been amended to separate Trade and Other Creditors into two separate lines. The revised disclosure will be as follows:

- Trade payables - (should be "true creditors" only);
- Other creditors – (should include all the above liabilities, except VAT that is disclosed separately);
- Unspent conditional transfers; and
- VAT.

"Trade Payables" and "Other Creditors" will be added together for the purpose of calculating "Creditors Due" in row 31 under the working capital calculation on Table A8.

4.4 Budgeting for Inventory: Water

Bulk water purchases meet the criteria of the definition of inventory as per GRAP 12, paragraph .07. Therefore, water bulk purchases should be treated as inventory and should be budgeted and accounted for accordingly. National Treasury issued guidance on the treatment of non-revenue water and electricity in Annexure B to the MFMA Circular No. 70 for the 2014/15 MTREF. However, since the issue of that circular, National Treasury has allowed municipalities to either budget for water bulk purchases as a direct expense in the Statement of Financial Performance as an interim measure or to account for water under inventory. The *m*SCOA chart also makes provision for such. However, to ensure compliance to GRAP 12 the necessary amendments must be effected to the Schedule A tables and the chart.

National Treasury considered the impact that the changes to the Schedule A tables will have on municipalities, as a result it was resolved that they are significant and should not be implemented in the 2019/20 MTREF. This entails a change in approach where water bulk purchases will be processed as a cash transaction in the Statement of Financial Position – Acquisition of Inventory (Table A6). The system input volume (acquisitions) of water stock includes the following:

- Bulk purchases - Supply from bulk or other water service providers recognised by the amount paid;
- Water purified - Potable supply from Water Treatment Works. Value is to be determined by calculating primary and secondary cost components; and
- Natural sources - Supply from boreholes, springs, fountains if not supplied through the water treatment plant. Value is to be determined by calculating primary and secondary cost components.

It is therefore evident that the total input volume of water as it relates to water purified and water from natural sources should include both primary and secondary cost components. The allocation of secondary cost to the input volume of water will necessitate the utilisation of the Costing Segment of the *m*SCOA chart.

Municipalities are cautioned that the Schedule A for the 2020/21 MTREF will be amended in line with the prescripts of GRAP12 and *m*SCOA in relation to the treatment of water bulk purchases as inventory. Therefore, municipalities will be required to budget accordingly and should now in advance consider the requirements necessary to facilitate this conversion and to ensure accurate configuration of their financial systems as it is a *m*SCOA requirement that the schedules must be extracted directly from the system. Municipalities are urged to refer to the *m*SCOA chart on the definitions and the detail of what constitutes water inventory consumed (cost of sales). Furthermore, reference should be made to the Department of Water and Sanitation (DWS) Municipal Water Balance Guideline for guiding principles which is accessible on the link below:

Department of Water and Sanitation (DWS) Municipal Water Balance Guideline

5. Conditional Grant transfers to Municipalities

5.1 Summary of changes in the Division of Revenue Amendment Bill, 2018

An adjustments budget provides for unforeseen and unavoidable expenditure; appropriation of monies already announced during the tabling of the annual budget (but not allocated at that stage); the shifting of funds between and within votes where a function is transferred; the utilisation of savings; and the roll-over of unspent funds from the preceding financial year. If the adjustments budget effects changes to the division of revenue as contained in the Division of Revenue Act for the relevant year, the Minister of Finance must table a Division of Revenue Amendment Bill with the revised framework. There are amendments to the 2018 Budget that affect the Division of Revenue Act, 2018 which will be effected through the Division of Revenue Amendment Act, 2018, once enacted. The amendments as they impact on provinces and municipalities are discussed below.

Funding for drought relief

The Minister of Finance announced during the 2018 Budget Speech that, "a provisional allocation of R6 billion has been set aside in 2018/19 for several purposes, including drought relief and to augment public infrastructure investment." National Treasury managed a process to determine the allocation of drought relief funds that included two windows for applications. All applications were reviewed together with inputs from sector departments and the National Disaster Management Centre. A total of R3.4 billion in drought response funding has been allocated to all three spheres of government, including several direct and indirect grant allocations, which are included in this Bill.

A total of R1.98 billion is added to direct conditional grants for drought relief. These amounts have already been gazetted on 4 October 2018, after the Minister of Finance approved that the funds could be spent in terms of Section 6(1) of the Appropriation Act, 2018, (Act No. 4 of 2018). This section provides for the Minister of Finance to approve expenditure before an adjustment appropriation bill is enacted if that expenditure cannot reasonably be delayed without negatively affecting service delivery and such expenditure was announced during the tabling of the 2018/19 national annual budget. The following amounts have been added to direct conditional grants to municipalities:

- R288.1 million for the water services infrastructure grant to local government. This allocation will fund a variety of water supply augmentation projects for drought affected municipalities, including drilling and equipping boreholes to access groundwater and implementing water conservation measures where the reduction of water losses will improve the sustainability of supply.

- R1.03 billion for the municipal disaster recovery grant to local government. Funds allocated through this grant will be transferred to three metropolitan municipalities that have been severely impacted by the drought: Cape Town, Nelson Mandela Bay and Mangaung. The funds will subsidise the costs of water augmentation projects, including groundwater development and water conservation measures where the reduction of water losses will improve the sustainability of supply. All of these cities are also expected to contribute funds from their own revenue base to their water augmentation projects.

The following amounts have been added to indirect conditional grants that benefit local government:

- R1.01 billion for the indirect water services infrastructure grant. This allocation will fund a variety of water supply augmentation projects for drought affected municipalities, including drilling and equipping boreholes to access groundwater and implementing water conservation measures where the reduction of water losses will improve the sustainability of supply.
- R6 million for the indirect regional bulk infrastructure grant. This allocation will fund a water supply augmentation project in Ndlambe Local Municipality affected by drought. The municipality is already receiving an allocation managed through this indirect grant in the 2018/19 financial year.

Additional changes to local government allocations

- *Additional allocations to support disaster recovery*

  R143.3 million is added to the municipal disaster recovery grant for post disaster repair and rehabilitation projects in a number of municipalities in KwaZulu-Natal and Western Cape. The municipalities in KwaZulu-Natal are allocated a total of R138.7 million for the repair and rehabilitation of roads, storm water and sanitation infrastructure and community facilities that were damaged by floods. R4.6 million is allocated for the repair and rehabilitation of water and electricity infrastructure in the Bitou Local Municipality in Western Cape.

- *Additional allocation for the public transport network grant*

  R33 million is added to the public transport network grant for the City of Cape Town to begin detailed design on a new phase of the MyCiti public transport network approved through the Budget Facility for Infrastructure.

- *Conversion of the municipal systems improvement grant from Schedule 6, Part B (indirect) to Schedule 5, Part B (direct)*

  R23.2 million of the municipal systems improvement grant will be converted from Schedule 6, Part B (indirect) to Schedule 5, Part B (direct) for 22 municipalities affected by major boundary changes that took effect after the 2016 local government elections. This amount was made available in the indirect municipal systems improvement grant in 2018/19, to assist with the completion of transitional work in the affected municipalities, following the end of the municipal demarcation transition grant (Schedule 5, Part B (direct)) at the end of the 2017/18 financial year.

These municipalities have been implementing the institutional and administrative changes that were required as a result of the boundary changes, including with funding from the former municipal demarcation transition grant. This conversion supports these 22 municipalities to complete the implementation of these transitional matters.

5.2 Conditional grant monitoring support and Non-compliance of in year monitoring

National Treasury has through its in-year Division of Revenue Act monitoring observed that certain departments that administer municipal grants have not fully complied with the provisions of the Act. Notably the national departments of Transport and Water Services have not fully transferred some of the transfers that were due to the municipalities. Stringent measures are being put in place to ensure compliance to the Division of Revenue Act, 2018 (Act No 1 of 2018) in that regard.

Furthermore, National Treasury has facilitated an adjustment gazette in terms of the Division of Revenue Act in terms of distressed municipalities that could not safeguard the transfers bestowed to them but also to reallocate some of these grants to the respective district municipalities in support of their distressed locals. Government gazette No. 42067 of 28 November 2018 provides for the following in this regard:

Municipal Infrastructure Grant (MIG)

National Treasury in consultation with the Department of Cooperative Governance (DCoG), concluded that municipalities reflecting significant uncommitted underspending would have their funds stopped within four provinces, namely: Eastern Cape, Free State, Northern Cape and North West, and be re-allocated to the respective District Municipalities for delivery on behalf of their locals.

The Municipal Emergency Housing Grant (MEHG)

The Department of Human Settlements (DHS) recommended to National Treasury that an allocation of an amount of R3.9 million is allocated through MEHG following a fire disaster that damaged most of the informal settlements within the Bitou LM in the Western Cape in order to fund the relocation costs and Transitional Residential Area units.

The Neighbourhood Development Partnership Grant (NDPG)

Based on Msunduzi Local Municipality's (LM) request, R27.4 million is stopped from Msunduzi's 2018/19 allocation and re-allocated to West Rand District Municipality (DM) in Gauteng province and City of Matlosana LM in North West province. West Rand DM will receive R20 million, while City of Matlosana LM will be allocated R7.4 million of the R27.4 million stopped from Msunduzi LM.

5.3 Support afforded to municipalities reflecting significant underspending

The municipalities that are affected by the stopping process due to governance and financial challenges will continue to receive support from National Treasury, DCoG and the relevant stakeholders on the MIG cost reimbursement and invoice verification which has been ongoing in the current financial year.

5.4 2017/18 Unspent conditional grant process

National Treasury has concluded the assessment of the 2017/18 conditional grant rollovers and the verification of the unspent conditional grants. This is a process that is governed by Section 22 of the 2017 Division of Revenue Act.

National Treasury through this process undertakes to travel to all provinces on a roadshow and set-up a combined session with all provincial treasuries and all sector departments responsible for administering conditional grants. In these sessions, rollover requests from municipalities are assessed in accordance to the division of revenue act and the guiding MFMA Circular. It is a process that begins on 31 August 2018 and ends 03 December 2018.

Municipalities with unspent conditional grants that were not approved for rollover, are afforded an opportunity to refund the portion of the unspent funds to the National Revenue Fund (NRF). In instances wherein the unspent funds are not refunded to the NRF, National Treasury in accordance to Section 22 of the Division of Revenue Act, offsets these funds against the equitable share allocations.

6. Preparation of Municipal Budgets for 2019/20 MTREF

6.1 Schedule A1 version to be used for the 2019/20 MTREF

National Treasury has released Version 6.3 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.3 of the *m*SCOA classification framework and must be used when compiling the 2019/20 MTREF budget. Refer to Annexure B for the changes to this version of the Schedule A1.

ALL municipalities **MUST** use this version for the preparation of their 2019/20 MTREF budget.

It is imperative that all municipalities prepare their 2019/20 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have recently demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Municipalities **must** start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and **must** ensure that they produce their Schedule A1 directly out of the budget module.

To promote this approach, from the **2020/21 MTREF** the National Treasury will only accept a Schedule A1 in PDF format, containing ALL sheets as prescribed and with each worksheet displaying an embedded system stamp to certify that it has been produced directly from the system. For purposes of collecting additional data which we previously did using the Schedule A1 in Excel, a prescribed data string containing the data must be populated and uploaded by each municipality (refer to the attachment to MFMA Budget Circular No 93 on the website).

http://mfma.treasury.gov.za/Circulars/Pages/default.aspx

Special attention must be given to the supporting schedules in the prescribed Schedule A1. 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 and must form part of the complete endorsed Schedule A1.

Version 6.3 of Schedule A1 is available on the following link:

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

6.2 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 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
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	WillemCordes.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	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Kgomotso Baloyi Kevin Bell	012-315 5866 012-315 5725	Kgomotso.Baloyi@treasury.gov.za Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National and 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 they adopt and implement a funded budget. However, where there are challenges the process indicated in paragraph 2.2 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 (including entities) and the budget of the parent municipality. D schedules must be submitted for each entity.

7. Budget process and submissions for the 2019/20 MTREF

7.1 Submitting budget documentation and schedules for 2019/20 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 2019, the final date of submission of the electronic budget documents and corresponding electronic returns is **Monday, 01 April 2019**. The deadline for submission of hard copies including council resolution is **Friday, 05 April 2019**.
- Section 24(3) of the MFMA, read together with regulation 20(1) of the Municipal Budget and Reporting Regulations, 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. E.g. if the council approves the annual budget on 31 May 2019, the final date for such a submission is Friday, 14 June 2019.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.3) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in PDF format with stamp that will confirm production directly out of the financial system;
- 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.

Budget related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at:

https://lguploadportal.treasury.gov.za/

Please note that the LG Upload Portal does not have size restrictions to the documents but requires all documents to:

1. be in PDF format; and
2. each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document.

Municipalities may still send electronic versions of documents and the Schedule A1 to lgdocuments@treasury.gov.za but only when experiencing problems with the LG Upload Portal. Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

Note: lgbigfiles@gmail.com is no longer available.

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 29 March 2019 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 Retirement of the Budget reform returns (Appendix B)

From 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *m*SCOA data strings required for submission as prescribed and all publications will use the data collected from the *m*SCOA data strings.

This places the responsibility on each municipality to ensure that:

1. Budgets are accurately locked into the financial system;
2. Each transaction is accurately recorded on a daily base;
3. Data collected from sub-systems is accurately represented in the General Ledger (GL);
4. At the end of the reporting period, all reconciliations are done, sub-systems are in balance and the Municipal Manager and CFO agrees with the figures as presented in the Schedule C and other management reports or dashboards;
5. The reporting period is **CLOSED** for further transactions; and
6. The data string for the period is produced directly out of the financial system and uploaded using the LG Upload Portal.

While the National Treasury will still share control reports and Schedule C as produced from the data uploaded by municipalities, the verification process before each quarterly Section 71 publication will fall away as the responsibility now lies with the municipality **BEFORE** submitting the data strings to ensure that the data is an accurate reflection of the state of municipal finances.

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

NOTE: Municipalities must conclude all reporting for 2018/19 up to restated audit outcomes on the Appendix B (old electronic returns) to lgdatabase@treasury.gov.za before we can retire the returns.

7.3 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.

7.4 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
07 December 2018

Annexure A – Changes to *m*SCOA Version 6.3

No.	Segment	Amendment
1	Item Revenue: National transfers and subsidies	Included all national transfers and subsidies as per MTBPS and allowed for the split between operating and capital as per the grant frameworks
2	Item Revenue: Provincial transfers and subsidies	Allowed provincial transfers and subsidies to be breakdown required where municipalities will specify the names of the grants
3	Item Revenue: Property rates	Included the new property categories as per section 8 of the Municipal Property Rates Act (MPRA)
4	Item Revenue: Sale of goods: Agricultural products	Added a separate line for fresh produce
5	Item Revenue	Added availability charges under non-exchange revenue
6	Item Expenditure: Operational costs	Included breakdown for Speaker under entertainment
7	Item Expenditure: Depreciation	Retired sport and recreation facilities as an asset category as it is included in community assets as per CIDMS
8	Item Expenditure	Changed the spelling for Eskom
9	Item gains and losses	Aligned the high level structure for impairment and reversal of impairment to depreciation and amortisation
10	Item gains and losses and Item assets	Added a line for impairment of construction work in progress assets as per GRAP 21
11	Item assets	Retired libraries as an asset category as it is included in community assets as per CIDMS
12	Item assets: Construction Work in Progress	Added a line to transfer assets from construction work in progress to completed assets
13	Item assets	Changed the definition for general plant to align to the ASB guideline
14	Function	Retired the line item for Budget and Treasury Office as it is part of Finance
15	Function	Retired public forces, traffic and street parking control from Road Transport and included it as Public Safety
16	Region	Included ward / township breakdown as requested by municipalities
17	Region	Retired decommissioned municipalities due to demarcation
18	Region	Swopped municipalities included under DC 36 and DC 30
19	Region	Retired duplicated municipality

Annexure B – Changes to Schedule A1 – the 'Excel formats'

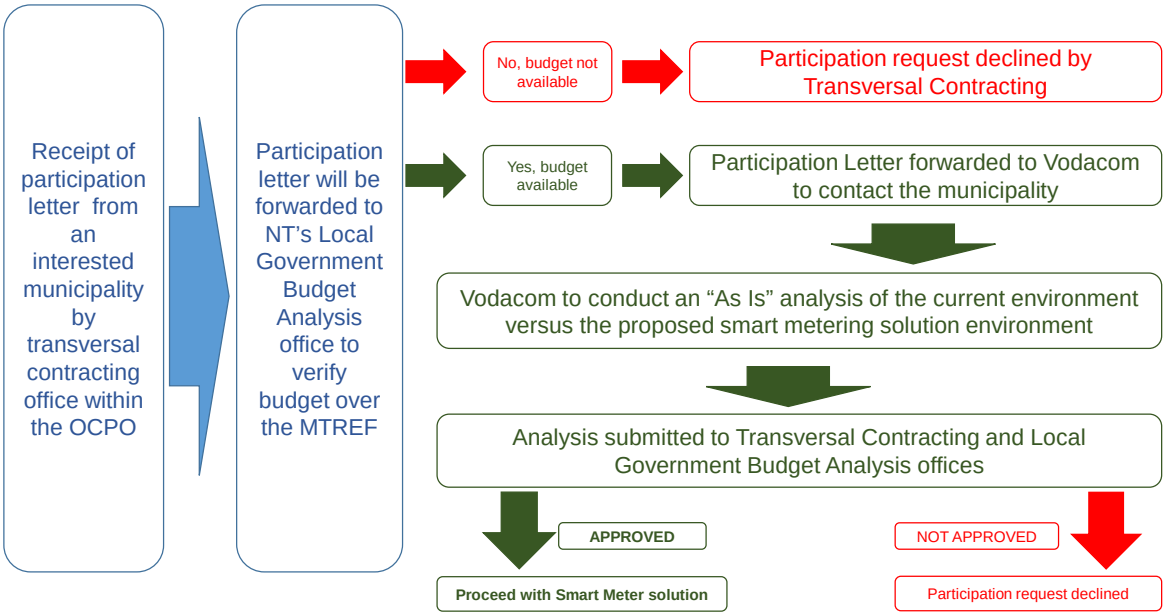
As noted above, National Treasury has released Version 6.3 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A2A	Budget and Treasury office has been removed	It is a duplication of Finance
2	A4	Line 10 Service charges – other is no longer available	Not available on the *m*SCOA chart
3	A6	Line 20 Agriculture is no longer available	Not available on the *m*SCOA chart
2	A6	Formula link change on line 32 Trade and other payables	Adjustments made on SA3
4	A8	Formula link change on line 31 Creditors due	Adjustments made on SA3
5	A9	Adjustments made to lines 134 to 165 Asset Register Summary – PPE (WDV)	Only high level summary required
6	SA3	Line 35 and 36 – split Trade payables and Other creditors	To refine calculation of creditors days ratio
8	SA8	Note: Formula in line 23 now only take into account Trade payables	Due to change made on SA3
9	SA25	Line 10 Service charges – other is no longer available	Not available on the *m*SCOA chart
11	SA30	Line 10 Service charges – other is no longer available	Not available on the *m*SCOA chart

Annexure C – Participation in RT15-2016 Vodacom transversal contract

Participation in RT15-2016 Vodacom transversal contract for the supply and delivery of mobile communication services to the state

It has become apparent that an increasing number of municipalities are intending to embrace smart technology to augment their operations. One such opportunity is through the RT15-2016 transversal contract that provides the option for an account management service offering in respect of smart meters. The pre-requisite, however, is that the municipality intending to participate must demonstrate evidence of adequate operating budget provision over the MTREF. The following process is applicable for the approval to participate.



In this regard the municipality should engage the Office of the Chief Procurement Officer (OCPO) in the National Treasury as the first point of contact. Kindly contact Ms. Kwanele Mtembu, Tel: (012) 406 9188 or email: Kwanele.Mtembu@treasury.gov.za for guidance.

Annexure D – MFMA Circular No. 71 aligned *m*SCOA Dashboard

The objective of the attached excel spreadsheet is to assist municipalities and system vendors to populate the indicators contained in MFMA Circular No. 71 automatically. Secondly, all system vendor dashboards should host as a minimum these indicators. It will assist the Accounting Officer to understand the overall financial management position of the municipality before submitting the regulated Budget and Reporting Schedules and *m*SCOA data strings to the Local Government Database and Reporting System (LGDRS).

ANNEXURE AAA MFMA BUDGET CIRCULAR NO. 94 DATED 8 MARCH 2019 cover

NATIONAL TREASURY

MFMA Circular No. 94

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2019/20 MTREF

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Introduction

This budget circular is a follow-up to the one issued on 07 December 2018 and it complements the many other circulars that have been issued previously. It guides municipalities with their preparation of the 2019/20 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 2019 Budget Review and the 2019 Division of Revenue Bill.

1. The South African economy and inflation targets

The economic and revenue outlook has deteriorated since the October 2018 Medium Term Budget Policy Statement (MTBPS). Funding pressures from state-owned companies have increased and require government financial support. Given these developments, the 2019 Budget proposes large-scale expenditure reprioritisation and tax measures that narrow the deficit from 4.5 per cent of GDP in 2019/20 to 4 per cent by 2021/22.

The 2018 MTBPS noted that weak economic performance and revenue shortfalls had contributed to some slippage in fiscal projections. Since then, economic growth has remained subdued and the domestic GDP outlook has been revised down. In the current year, tax revenue will be R15.4 billion below the 2018 MTBPS estimate. Funding pressures from Eskom and other financially distressed state-owned companies have increased, with several requesting state support to continue operating. In this context, the 2019 Budget proposes a series of tax and expenditure measures aimed at narrowing the deficit and stabilising the debt-to-GDP ratio. Additions to spending amount to R75.3 billion over the medium term, consisting mainly of transfers to support the reconfiguration of Eskom. These additions are partially offset by reductions to expenditure baselines and proposed savings from compensation adjustments totalling R50.3 billion. Tax measures raise an additional R15 billion in 2019/20 and R10 billion in 2020/21.

In combination, these measures are expected to narrow the consolidated budget deficit from a projected 4.5 per cent of GDP in 2019/20 to 4 per cent of GDP in 2021/22. Gross national debt is projected to stabilize at 60.2 per cent of GDP in 2023/24. Net loan debt (gross loan debt excluding government's cash balances) stabilises at 57.3 per cent of GDP in 2024/25.

The GDP growth rate is forecasted at 1.5 per cent in 2019, 1.7 per cent in 2020 and 2.1 per cent in 2021. The revisions take into account weaker investment outcomes in 2018, a more fragile recovery in household income and slower export demand than expected due to moderating global growth. Consumer inflation has also been revised down due to lower oil prices and food inflation than previously assumed.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In this context, 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 2019/20 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections 2018 -2021

Fiscal Year	2018/19 Estimates	2019/20	2020/21 Forecast	2021/22
Consumer Price Inflation (CPI)	4.7%	5.2%	5.4%	5.4%
Real GDP Growth	0.7%	1.5%	1.7%	2.1%

Source: 2019 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 2019/20 municipal budget process

Over the medium-term expenditure framework (MTEF) period, after budgeting for national government's debt-service costs, the contingency reserve and provisional allocations, 47.9 per cent of nationally raised funds are allocated to national government, 43 per cent to provinces and 9.1 per cent to local government.

Local government receives the smallest share of the division of nationally raised revenue because it has significant own revenue-raising powers. These revenue raising powers must be exercised more than ever before in the current dispensation. Local government raises about 70 per cent of its own revenue, but would be able to raise more if municipalities improved municipal revenue policies, billing and collection practices. In 2017/18, almost half of all municipalities collected less than 80 per cent of their billed revenue.

Spending outcomes for 2017/18 varied across the 257 municipalities. Many municipalities continue to adopt unrealistic spending plans. As a result, 217 municipalities underspent their operating budgets and 220 municipalities underspent their capital budgets. Of the R30 billion in conditional grants transferred to municipalities in 2017/18, R28 billion (93 per cent) was spent – an improvement from 86.8 per cent in 2016/17.

2.1 Local government grants and municipal revenue strength

Since the 2018 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Over the next three years there is strong growth in allocations to the local government equitable share, while growth in conditional grants recovers following significant reductions made in the 2018 MTEF. Total direct allocations to local government will now grow at an annual average rate of 7.6 per cent over the MTEF period.

Over the 2019 MTEF period, R414.7 billion will be transferred directly to local government and a further R22.5 billion has been allocated to local government through indirect grants. Direct transfers to local government over the medium term account for 9 per cent of national government's non-interest expenditure. When indirect transfers are added to this, total spending on local government increases to 9.4 per cent of national non-interest expenditure.

While there are some reductions in some grant programmes, they do 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. However strong growth is realized in the local government equitable share with an average annual rate of 9.4 per cent over the MTEF period, while the conditional transfers see slower growth at an annual average rate of 7.6 per cent.

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 unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Government has repeatedly emphasised the importance of municipalities focussing on growing their own revenue base in order to expand resources available for local service delivery. Municipalities with significant revenue bases 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.

Legislation governing local planning and budgeting emphasises community participation in decision-making. The partnership between municipalities and communities relies on households and businesses recognising the value of, and paying for, municipal services. While government subsidises municipal services for low-income households, these services are only sustainable if people who can afford them – and use larger quantities – pay their bills. Therefore, the sustainability of municipalities depends on how they collect and spend their own revenues.

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/2019/

2.1.1 Changes to local government allocations

2.1.1.1 Unconditional grants

In the process of determining the baseline for the outer year (2021/22) of the 2019 MTEF period, the local government equitable share allocation has grown by 8.6 per cent of the baseline. This will cover the anticipated increase in the costs of providing free basic services to a growing number of households, and takes account of likely above-inflation increases in the costs of bulk water and electricity. It will also allow for above-inflation increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula.

2.1.1.2 Conditional grants

- A total of R295.9 million has been cut from direct local government conditional grant allocations for the MTEF period ahead to fund other government priorities. Indirect grants to local government have been reduced by an additional R600 million.

- An amount of R60.7 million is shifted from the incentive component of the integrated urban development grant in 2019/20 and added to the municipal disaster recovery grant to fund the repair of roads damaged by floods in Joe Gqabi District Municipality in the Eastern Cape.

- A total of R2.8 billion is added to the public transport network grant for the construction of a new public transport corridor on the MyCiti bus network in Cape Town. This corridor, connecting Mitchells Plain and Khayelitsha to the city, was approved through the Budget Facility for Infrastructure and will be implemented over a nine-year period.

2.2 Technical adjustment and continued funding of Drought disaster relief

The following technical adjustments were made to grant programmes:

- R2.9 billion over the MTEF period from the municipal infrastructure grant to a new integrated urban development grant.

- R814.5 million over the MTEF period from the integrated national electrification programme (municipal) grant to the urban settlements development grant, as electrification projects in municipal licenced areas in metropolitan municipalities will now be funded as part of this integrated grant.

- R3 billion in 2020/21 and R4.4 billion in 2021/22 from the urban settlements development grant to create a new informal settlements upgrading partnership grant for municipalities.

2.2.1 Funding for Disaster Relief

After the initial response to a disaster has been addressed, including funding from the municipal disaster relief grant discussed below, the repair of damaged municipal infrastructure is funded through the municipal disaster recovery grant.

The municipal disaster relief grant is administered by the National Disaster Management Centre in the Department of Cooperative Governance as an unallocated grant to local government. The centre is able to disburse disaster-response funds immediately, without the need for the transfers to be gazetted first. The grant supplements the resources local government would have already used in responding to disasters. To ensure that sufficient funds are available in the event of disasters, section 21 of the Division of Revenue Bill allows for funds allocated to the provincial disaster relief grant to be transferred to municipalities if funds in the municipal grant have already been exhausted, and vice versa. Over the MTEF period, R1 billion is available for disbursement through this grant. To ensure that sufficient funds are available for disaster relief, clause 20(6) of the Division of Revenue Act allows funds from other conditional grants to be reallocated for this purpose, subject to the National Treasury's approval.

2.3 Response to the Finance and Fiscal Commission (FFC)'s recommendations

Government continues to provide responses to the FFC's recommendations on an annual basis. These annual recommendations by the FFC are required in terms of section 9 of the Intergovernmental Fiscal Relations Act. The FFC, amongst other recommendations, indicated that government should develop and strengthen control measures on the financial transfers in order to ensure compliance and that these funds be properly spent for their intended purposes, typically of improving service delivery and related specific priority outcomes.

The commission further highlighted that control measures should be underpinned by tighter monitoring of and reporting by sub-national governments on the use of grant funding and associated outcomes of such spending, and that National Treasury should ensure that decisive action, such as withholding of funds, is taken by national sector departments as soon as cases where inefficient, ineffective, wasteful or irregular spending of these funds are detected.

National Treasury in its response indicated that in terms of the annual Division of Revenue Act, the transferring officer of the grant (the department administering a conditional grant) is responsible for monitoring performance and withholding funds where necessary. However, the National Treasury is also empowered by section 216(2) of the Constitution to stop the transfer of funds to any organ of state that commits a serious or persistent breach of the

measures prescribed to promote transparency, accountability and the effective financial management of the economy, debt and the public sector. A legislative framework and related policies, including guidelines and circulars, already exists to assist with early detection of issues that warrant withholding funds (by transferring officers or the National Treasury). Chapter 6 of the Budget Review describes complementary efforts to build municipal capacity. National Treasury will strengthen this role in the 2019/20 financial year in support of the recommendation by FFC.

2.4 Borrowing for capital infrastructure

The Circular also provides clarity and updates the December 2017 MFMA Circular No. 89 specifically with regards to long-term borrowing.

National Treasury has taken the position that municipalities may not incur long-term debt to replenish internally generated funds which were spent in prior financial years, even if such spending was for capital expenditure. Borrowing to replace municipal funds previously spent is inconsistent with section 46 of the MFMA, which provides that a municipality can only incur long-term debt for the purpose of capital expenditure on property, plant, and equipment to be used for lawful purposes, and in certain circumstances, for refinancing existing long-term debt. Borrowing proceeds must be used to fund current and future capital expenditure, and may not be attributed to expenditures in previous years.

PLEASE NOTE that the sentence contained on MFMA Circular No. 89 stating that *"The incurring of the expenditure against a different source of finance that was approved will be regarded as unauthorised expenditure" has been revoked.*

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 2019/20** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details 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. Addressing bloated organizational structures that have been observed to contribute towards this problem warrants decisive action across all municipalities.

3.1 Eskom bulk tariff increases

The National Energy Regulator of South Africa (NERSA) published their new multi-year price determination for the period from 2019/20 to 2021/22 on 7 March 2019.

NERSA will shortly publish their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2019/20 financial year". Municipalities are encouraged to download the full guideline document when it becomes 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 will set out proposed timeframes for the approval of municipal tariffs.

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 2019/20 MTREF budget.

The 2019 Budget Review notes that, the NERSA tariff increases would be announced after the equitable share allocations had been calculated and tabled in the Division of Revenue Bill. In the absence of approved tariff increases for the period ahead, the equitable share formula allocations were calculated using the previously approved Multi-Year Price Determination of an 8 per cent annual bulk price increase for electricity in its calculations. If the approved tariff increases are higher than this, the equitable share allocations will not be increased in 2019/20. The Budget Review then explains that municipalities are expected to offset the increased cost of providing free basic services against above cost increases that they have received in the past. In recent years, municipalities have benefited from equitable share funding that has grown faster than actual increases in electricity costs (in 2017/18 the formula calculation used a bulk electricity price increase of 8 per cent, but NERSA only approved a bulk price increase of 0.3 per cent for the municipal financial year, and in 2018/19 a bulk increase of 8 per cent was used in the formula, but the actual increase was only 7.3 per cent). Municipalities have also benefited from increased allocations that were provided to cover household growth projections that were higher than the revised estimates in the 2017 General Household Survey. To provide for the possibility of larger cost increases in future, amounts of R1 billion in 2020/21 and R1.1 billion in 2021/22 remain unallocated in the equitable share.

4. Conditional Grant Transfers to Municipalities

This section provides guidance to municipalities with regard to the preparation for the 2018/19 unspent conditional grant and roll-over process and should be referenced against previous annual budget circulars.

4.1 Criteria for the rollover of conditional grant funds

Section 22 of the 2018 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 2018 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;
d) Incorporation of the Appropriation Statement;
e) 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 that includes an attached, legible **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 Municipal Manager and Chief Financial Officer 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 2019, 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 2018 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 2019;
3. Accurate disclosure of grant performance in the 2018/19 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Cash available in the bank (net position including short term investments) as at 30 June 2019 is in line with the cash flow statements to finance the roll-over request. 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.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:

1. The entirety of any allocation to the municipality, as there should be a minimum spend of 50 per cent of the allocation per programme;
2. Funding from the same grant for the third consecutive time;
3. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
4. Funding where there is evidence that the roll over application is linked to invoices that were issued within the last 30 days of the municipal financial year end.

4.2 Unspent conditional grant funds for 2018/19

The process to ensure the return of unspent conditional grants for the 2018/19 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 2019 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 2019. 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 2018 DoRA that the unspent funds are committed to identifiable projects, the roll over application pack must be submitted to National Treasury by 31 August 2019.

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 2019 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 2019. 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 18 November 2019.

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 18 November 2019, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 02 December 2019 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.

5. The Municipal Budget and Reporting Regulations

5.1 Tabling of budget documents

The slow spending of capital budgets by most municipalities is a national concern as it has a negative impact on service delivery. In most cases the hockey stick phenomenon that exists (i.e. spending increases in the last six months of the year) is a direct result of poor planning by municipalities. Going forward and to address weak planning process, all municipalities will be required to table the following supporting documents to Council, as part of the budget pack, when they table their budgets by 29 March 2019:

1) Service Delivery and Budget Implementation Plan (SDBIP); and
2) Procurement Plan.

This is also in terms of the requirements and spirit of the MFMA and its Municipal Budget and Reporting Regulations.

5.2 The impact of VAT on tariffs

VAT remains at 15 per cent, which was an increase from 1 April 2018 in the previous year. To mitigate the effects of this increase on low income households, the MTBPS announced various zero rated items, wherein the VAT would be charged at 0 per cent.

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. (See MFMA Circular No. 91 on the relevant supporting documentation regarding the VAT guides).

5.3 Schedule A - version to be used for the 2019/20 MTREF

National Treasury has released Version 6.3 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.3 of the *m*SCOA classification framework and must be used when compiling the 2019/20 MTREF budget.

ALL municipalities **MUST** use this version for the preparation of their 2019/20 MTREF budget.

It is imperative that all municipalities prepare their 2019/20 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have recently demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Municipalities **must** start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and **must** ensure that they produce their Schedule A1 directly out of the budget module.

To promote this approach, from the **2020/21 MTREF** the National Treasury will only accept a Schedule A1 in PDF format, containing ALL sheets as prescribed and with each worksheet displaying an embedded system stamp to certify that it has been produced directly from the system. For purposes of collecting additional data which we previously did using the Schedule A1 in Excel, a prescribed data string containing the data must be populated and uploaded by each municipality (refer to the attachment to MFMA Budget Circular No 93 on the NT Website).

http://mfma.treasury.gov.za/Circulars/Pages/default.aspx

Special attention must be given to the supporting schedules in the prescribed Schedule A1. 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 and must form part of the complete endorsed Schedule A1.

The following supporting tables will be included for perusal and sign-off during the verification process of the 2019 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 6.3 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

5.4 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 officials:

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
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	012-315 5663	Jordan.Maja@treasury.gov.za
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	Willem.Voigt@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.

6. Municipal Chart of Accounts (*m*SCOA)

6.1 Virement in an *m*SCOA environment

The MFMA and the Municipal Budget and Reporting Regulations, 2009, allow for the shifting of funds between items, projects, programmes and votes in the budget in line with a Council approved virement policy. MFMA Circulars No. 12, 51 and 88 provide the principles municipalities must consider when doing a virement.

With the promulgation of the *m*SCOA Regulation in 2014, municipalities should have aligned their virement policies to *m*SCOA. *m*SCOA provides a uniform and standardised financial transaction classification framework for municipalities and their entities to transact in and record its transactions using seven (7) segments. Six of these *m*SCOA segments are compulsory[1].

6.2 *m*SCOA training

The National Treasury has developed *m*SCOA training materials on the fundamentals and reporting requirements of *m*SCOA. Officials from National and Provincial Treasuries and the Preferred Trainers on *m*SCOA from the Chartered Institute of Government Finance, Auditors and Risk Officers (CIGFARO) have been trained to provide training in this regard.

While the CIGFARO Preferred Trainers have been issued with certificates of competence to provide training on the "On the fundamentals and reporting requirements of *m*SCOA", it should be emphasized that this training is **unaccredited**. There is currently not any accredited training available on *m*SCOA that has been endorsed by the National Treasury. Therefore, municipalities and other role-players that require training on *m*SCOA should not request for accredited training or trainers in their adverts.

The contact details of the CIGFARO Preferred Trainers is available on the CIGFARO website, www.CIGFARO.co.za.

7. Budget process and submissions for the 2019/20 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 2015/16 to 2017/18 in version 6.3 of the Schedule A when compiling 2019/20 MTREF budgets.

[1] Refer to Municipal SCOA Circular No 1. An introduction to the seven (7) segments.

7.2 Submitting budget documentation and schedules for 2019/20 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 2019, the final date of submission of the electronic budget documents and corresponding data strings is **Wednesday, 03 April 2019**. The deadline for submission of hard copies including council resolution is **Friday, 05 April 2019**.
- 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 2019, the final date for such a submission is **Friday, 12 July 2019**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.3) 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 (SDBIP) in both printed and electronic format;
- the draft Integrated Development Plan (IDP);
- Procurement 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://lguploadportal.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 29 March 2019 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 Retirement of the Budget reform returns (Appendix B)

From 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *m*SCOA data strings required for submission as prescribed and all publications will use the data collected from the *m*SCOA data strings.

This places the responsibility on each municipality to ensure that:

1. Budgets are accurately locked into the financial system;
2. Each transaction is accurately recorded on a daily base;
3. Data collected from sub-systems is accurately represented in the General Ledger (GL);
4. At the end of the reporting period, all reconciliations are done, sub-systems are in balance and the Municipal Manager and CFO agrees with the figures as presented in the Schedule C and other management reports or dashboards;
5. The reporting period is **CLOSED** for further transactions; and
6. The data string for the period is produced directly out of the financial system and uploaded using the LG Upload Portal.

While the National Treasury will still share control reports and Schedule C as produced from the data uploaded by municipalities, the verification process before each quarterly Section 71 publication will fall away as the responsibility now lies with the municipality **BEFORE** submitting the data strings to ensure that the data is an accurate reflection of the state of municipal finances.

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

NOTE: Municipalities must conclude all reporting for 2018/19 up to restated audit outcomes on the Appendix B (old electronic returns) to lgdatabase@treasury.gov.za before we can retire the returns.

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/Documents/Forms/AllItems.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

7.6 The process to be followed to issue version 6.4 of the *m*SCOA chart

Municipalities have raised concerns that National Treasury issue the *m*SCOA chart changes late in the budget process. Therefore, to address this challenge, the FAQ database will be closed on 31 August 2019 for logging new queries. As a result, the new version of the chart will be issued by 31 October 2019.

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 March 2019

ANNEXURE AAB GAUTENG PROVINCIAL REPORT cover

GAUTENG PROVINCE
PROVINCIAL TREASURY
REPUBLIC OF SOUTH AFRICA

2019/20 TABLED BUDGET ASSESSMENT

This document provides a review of the annual tabled budget of the Midvaal Local Municipality

Midvaal Local Municipality April 2019

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1. INTRODUCTION AND BACKGROUND

a) The Gauteng Provincial Treasury (GPT) is responsible for 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.

b) Midvaal Local Municipality is thus 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 2019/20 budget by the municipal council. This report contains the comments and recommendations of the Provincial Treasury on the annual budget and must be dealt with accordingly by the municipality.

2. THE MID-YEAR PERFORMANCE AND ADJUSTMENTS BUDGET

2.1 Mid-year budget outcomes

Table 1: Mid-year budget and performance assessment submission

Municipality	Date Report submitted to the Mayor	Date Report Submitted to GPT	Was the Report submitted to council?	Submission in line with Reg 35 of MBRR		Report Format is in line with Schedule C as per Reg. 33 of MBRR	Report made public in line with Reg. 34 of MBRR
				Hard Copy	Soft Copy		
Midvaal L.M.	11-Jan-19	14-Jan-19	Yes	Yes	Yes	Yes	Yes

a) The 2018/19 mid-year budget and performance report of the municipality was submitted to the Executive Mayor on 11 January 2019 and thereafter was submitted to the Provincial Treasury on 14 January 2019. The mid-year budget and performance engagement with the management of the municipality was held on 13 February 2019.

b) Key discussions and resolutions from the mid-term engagement:

Issues that need to be dealt with on the 2017/18 audit report relates to community service fleet, Supply Chain, IT and Assets. There is an OPCA plan which has been prepared and approved by the Council in January 2019 to address the respective issues in the audit report. Monthly OPCA meetings already commenced during February 2019
The Warkerville Landfill site license expired in 2017. The license application processes is currently underway and expected to be finalised by March 2019. There is no space for landfill site in the municipal area and the municipality is looking at cooperating with Ekurhuleni Metro for the landfill site.
The municipality is still facing challenges aligning the budget returns with mSCOA data strings and need assistance if possible. Plans to appoint an mSCOA intern are in place to assist with verification and alignment of budget returns and data strings.
The year to date capital expenditure as at December 2018 was low (24 percent). The municipality however indicated that it is under control and the SDBIP target will be met at the end of the financial year. The municipality further revised the capital budget upward by R20 million on the adjusted budget.
Only the Library grant was unspent on the 2017/18 period and the roll over request was not approved. The funds were repaid to National Treasury.
The following are reasons on the slow rate of capital grant spending and progress actions to ensure full spending of 2018/19 DORA allocation;

• The slow MIG spending is due to late award of Sicelo Reservoir project (The pilot open tender process was delayed due to the appointment of the probity auditor, The process has now proceeded without a probity auditor. There has been reallocation of funds in January adjustment budget. • INEP funding - The risk exposure of the Sicelo electrification project was due to tender having to be cancelled and re- advertised. The municipality anticipate full spending by 30 June 2019.
The municipality's IT is independent from the Sedibeng district. The reason for this is because Midvaal is ahead of Sedibeng District. In terms, of IT framework adoption. The municipality has partially adopted the framework.

Progress against these resolutions will be tracked and discussed in subsequent engagements.

2.2 The 2018/19 Adjustments Budget

Table 2: Adjustments Budget Submission

Municipality	Date tabled in Council per Reg. 23(1) of MBRR	Council Resolution Submitted Yes or No	Date Report & Council Resolution Submitted to GPT within 10 Reg. 27(1) of MBRR	Submission in line with Reg. 27(2) of MBRR		Budget Format is in Line Schedule B as per Reg.21 of MBRR	Adjustment Budget Made Public in line with Reg. 26 MBRR
				Hard Copy	Soft Copy		
Midvaal	24-Jan-19	Yes	31-Jan-19	Yes	Yes	Yes	Yes

a) The municipality tabled its adjustment budget in council on 24 January 2019 (within the legislated framework) and was submitted to GPT on 31 January 2019 within the prescripts of the Municipal Budget and Reporting Regulations (MBRR). The submission to the provincial treasury was inclusive of the B schedule, council resolution, the quality certificate and the hard copy budget document, which is in line with the requirements of the MBRR.

b) The 'Budget Council' meeting held at the National Treasury resolved that all 2019/20 Tabled and Adopted budget must be fully funded. Furthermore, MEC for Finance also emphasised that the 2018/19 adjustment budgets and the 2019/20 annual budgets must be funded and credible

c) MFMA Circulars 93 and 94, state that budgets must be credible and be fully funded with cash reserves and therefore all 2019/20 budgets that are not funded will be rejected by the National Treasury.

d) In this regard, our review of the municipality's adjustments budget found it to be credible, funded and sustainable. The attainment of good results and performance are also evident from the previous year's audit outcomes. GPT commend the municipality in this regard

3. THE 2019/20 ANNUAL BUDGET: FUNDING COMPLIANCE ASSESSMENT

3.1 Legal compliance of the budget

a) The compliance checklist template of the National Treasury was used for this assessment and the more detailed compliance checklist is attached as 'Annexure C' to this report.

b) The 2019/20 MTREF was timeously tabled (on 28 March 2019) in the municipal council before 31 March 2019 and the hardcopy and soft copy documents were submitted to the Provincial Treasury on 02 April 2019.

c) 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.

d) The municipality prepared the annual budget in the correct format and also complied with MFMA Circular No. 93 by using the correct 'mSCOA version 6.3 of the annual budget schedules.

3.2 Funding of the budget

3.2.1 Table 3: The Cash Flow Statement

GT422 Midvaal - Table A7 Budgeted Cash Flows

Description	2015/16	2016/17	2017/18	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES								
NET CASH FROM/(USED) OPERATING ACTIVITIES	116 022	113 736	185 063	118 588	137 231	156 325	170 238	186 439
NET CASH FROM/(USED) INVESTING ACTIVITIES	(80 075)	(76 622)	(139 895)	(110 162)	(144 761)	(135 989)	(139 099)	(150 845)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(11 467)	(7 023)	26 724	322	2 394	(6 337)	(3 694)	(195)
NET INCREASE/ (DECREASE) IN CASH HELD	24 479	30 091	71 893	8 748	(5 135)	13 999	27 444	35 400
Cash/cash equivalents at the year begin:	75 520	100 000	130 091	125 710	201 984	196 848	210 847	238 291
Cash/cash equivalents at the year end:	100 000	130 091	201 984	134 458	196 849	210 847	238 291	273 691

Source: Budget Table A7

a) Based on the audited outcomes (2015/16 to 2017/18), GPT concur with the municipality's cash flow projections. As illustrated in Table 3 above the municipality projected to maintain a positive cash balance of R210 million at the close of the 2019/20 FY, which is expected to increase to R238 million and R273 million respectively over the MREF period an indication that it will meet its financial obligations while building up cash reserves.

b) The improving cash balance is evident of the financial stability of a municipality. The Department would like to commend Midvaal for tabling a funded budget.

3.2.2 Application of outstanding cash commitments against cash and cash equivalents

The table 8 below indicates whether the Municipality's 2019/20 MTREF is funded in terms of section 18 of the Municipal Finance Management Act

Table 4: Cash Surplus / Shortfall

GT422 Midvaal - Table A8 Cash backed reserves/accumulated surplus reconcili

Description	2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available			
Cash/cash equivalents at the year end	210 847	238 291	273 691
Other current investments > 90 days	–	(0)	(0)
Non current assets - Investments	–	–	–
Cash and investments available:	**210 847**	**238 291**	**273 691**
Application of cash and investments			
Unspent conditional transfers	–	–	–
Unspent borrowing	–	–	–
Statutory requirements			
Other working capital requirements	(39 358)	(41 876)	(43 576)
Other provisions	122 741	131 979	143 183
Long term investments committed	–	–	–
Reserves to be backed by cash/investments			
Total Application of cash and investments:	**83 383**	**90 103**	**99 607**
Surplus(shortfall)	**127 464**	**148 188**	**174 084**

Source: Budget Table A8

a) The municipality adopted a budget with a surplus of R127 million in the 2019/20 financial year after the reconciliation of cash backed reserves/accumulated surplus was taken into consideration. This is an indication that budget is funded, including from an "application and investment" perspective which is commendable. The surplus on table A8 rendered the municipality budget as funded and sustainable over the medium term.

b) The provincial treasury however noted that the statutory requirement figures are not captured throughout the MTREF period which also have an impact on the surplus. The trend can also be seen on the current financial year and the audited periods. It is therefore imperative for the municipality to capture the figures on the adopted budget.

c) The in-year section 71 reports further show that the municipality is in a favourable cash flow position since all the creditors (including bulk suppliers) are paid within 30 days.

3.2.3 Funding compliance and financial health

a) National Treasury requires that a municipality assesses its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. In short, the funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements as per section 18 of the MFMA.

Table 5: Financial health

Description	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures			
Cash/cash equivalents at the year end - R'000	210 847	238 291	273 691
Cash + investments at the yr end less applications - R'000	127 464	148 188	174 084
Cash year end/monthly employee/supplier payments	2,5	2,7	2,9
Surplus/(Deficit) excluding depreciation offsets: R'000	32 251	39 899	49 578
Service charge rev % change - macro CPIX target exclusive	4,5%	3,4%	3,3%
Cash receipts % of Ratepayer & Other revenue	90,3%	90,5%	90,2%
Debt impairment expense as a % of total billable revenue	10,0%	9,5%	8,9%
Capital payments % of capital expenditure	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	60,3%	65,0%	68,3%
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	6,0%	6,3%	6,6%
Asset renewal % of capital budget	49,1%	47,7%	63,1%

Source: Budget Table SA10

b) The municipality has a positive cash position for each of the three years of the 2019/20 MTREF. In addition, the coverage on the budget year is 2.5 months which increased to 2.7 months and 2.9 months respectively over the MTREF. A 'positive' cash position, for each year of the MTREF would generally indicate that minimum requirements are maintained, subject to the planned increase in liquidity over the MTREF. An overall cash surplus is an indication that the MFMA Section 18(1) is being complied with; furthermore, that expenditure budget is funded. The municipality is therefore encouraged to maintain the surplus going forward to ensure that provisions and reserves are fully funded in future.

c) The provision for repairs and maintenance as a percentage of property plant and equipment improved when compared to the previous financial years even though it is still lower than the benchmark as indicated in MFMA circular 71. The municipality has indicated that it has a functional maintenance plan in place.

4 THE 2019/20 ANNUAL MUNICIPAL TABLED MTREF & BUDGET BENCHMARKING OUTCOMES

a) The 2019/20 tabled budget of the municipality was adopted by Council on 28 of March 2019 and submitted to soft and hard copies to GPT on 2 of April 2019. The Tabled budget engagement with the management of the municipality was then subsequently held on 03 May 2019.

Key discussions and resolutions from of the engagement

The municipality must consider adding a section on the IDP that talks to 'Back to Basics'
The municipality to share the Spatial Development Framework with COGTA
The municipality to share the Final Long Term Financial Plan with GPT
The municipality to update the presentation and share the presentation with GPT and COGTA
GPT to share the final 2019/20 Tabled budget assessment and minutes with the municipality.

5 CONCLUSION AND RECOMMENDATIONS

The 2019/20 tabled budget was assessed to be credible, funded and sustainable. The attainment of good results and performance are also evident from the previous year audit outcomes. GPT however noted that the current municipality's revenue is not sufficient to eliminate the operating deficits. It is therefore imperative that the municipality improve the revenue collection, continue mitigating distribution losses and control the quantum of supply to indigents or find alternative revenue streams to reduce the deficit going forward.

Annexure A: Tabled budget Tables

Financial Performance (A4)

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

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	146 376	164 775	194 658	206 625	205 908	205 908	138 869	222 422	244 664	264 205
Service charges - electricity revenue	2	273 891	313 820	326 592	353 704	349 198	349 198	243 632	399 242	437 424	474 404
Service charges - water revenue	2	142 408	163 423	183 111	205 140	198 013	198 013	145 727	213 654	231 730	253 799
Service charges - sanitation revenue	2	34 494	34 292	38 450	41 970	41 474	41 474	28 434	44 378	48 595	57 493
Service charges - refuse revenue	2	29 869	30 667	36 023	42 429	38 362	38 362	26 211	41 047	44 739	50 753
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		1 359	610	1 345	1 300	1 300	1 300	625	1 378	1 461	1 541
Interest earned - external investments		7 611	10 082	23 906	6 959	12 959	12 959	3 706	13 736	14 561	6 000
Interest earned - outstanding debtors		11 254	8 312		7 529	7 529	7 529	8 526	7 829	8 148	8 670
Dividends received			–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		48 424	49 029	34 362	50 342	50 342	50 342	1 288	50 353	53 374	56 258
Licences and permits		–	–	1	41	41	41	–	43	46	30
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		84 177	92 066	105 174	119 802	131 735	131 735	85 378	145 268	139 292	148 337
Other revenue	2	34 322	32 338	39 536	9 239	9 383	9 383	6 051	9 946	11 261	12 495
Gains on disposal of PPE		372	145	726	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		814 559	899 550	983 795	1 045 079	1 046 243	1 046 243	688 647	1 149 296	1 235 292	1 334 026
Expenditure By Type											
Employee related costs	2	203 225	211 113	225 728	288 693	289 703	289 703	173 441	317 544	336 557	356 711
Remuneration of councillors		9 549	10 628	11 726	12 390	12 427	12 427	8 313	12 390	13 133	13 921
Debt impairment	3	83 124	90 942	73 894	87 815	87 815	87 815	21 397	91 751	95 275	97 938
Depreciation & asset impairment	2	112 758	116 486	122 503	117 244	117 244	117 244	80 641	123 106	129 262	135 725
Finance charges		18 888	18 796	17 090	25 943	25 943	25 943	9 567	21 547	21 994	23 635
Bulk purchases	2	239 020	262 495	347 657	373 213	369 479	369 479	274 363	423 981	458 637	485 368
Other materials	8	–	–	12 939	14 202	15 019	15 019	8 622	15 549	16 093	22 498
Contracted services		48 945	53 023	117 702	127 445	133 800	133 800	57 304	140 090	146 464	153 787
Transfers and subsidies		221	142	275	487	587	587	472	587	607	637
Other expenditure	4, 5	159 615	167 586	64 207	62 427	63 714	63 714	31 513	63 562	65 014	68 261
Loss on disposal of PPE		657	174	447	–	–	–	–	–	–	–
Total Expenditure		876 001	931 383	994 158	1 109 759	1 115 733	1 115 733	665 633	1 210 106	1 283 236	1 358 481
Surplus/(Deficit)		(61 443)	(31 833)	(10 363)	(64 680)	(69 489)	(69 489)	23 014	(60 810)	(47 944)	(24 455)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		44 813	53 050	60 939	57 073	63 476	63 476	21 478	89 111	86 344	72 780
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	8 150	26 601	26 601	23 420	3 950	1 500	1 254
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(16 630)	21 216	50 576	543	20 587	20 587	67 912	32 251	39 899	49 578
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(16 630)	21 216	50 576	543	20 587	20 587	67 912	32 251	39 899	49 578
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(16 630)	21 216	50 576	543	20 587	20 587	67 912	32 251	39 899	49 578
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		(16 630)	21 216	50 576	543	20 587	20 587	67 912	32 251	39 899	49 578

Capital Expenditure (A5)

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

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote											
Capital Expenditure - Functional											
Governance and administration		6 720	5 157	14 709	5 729	9 312	9 312	16 033	8 602	3 772	6 295
Executive and council		80	586	445	–	750	750	445	400	–	500
Finance and administration		6 641	4 571	14 264	5 729	8 562	8 562	15 589	8 202	3 772	5 795
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		6 505	9 002	13 098	10 377	13 177	13 177	15 053	22 645	16 005	9 350
Community and social services		2 121	3 840	1 550	4 300	4 294	4 294	2 092	7 180	8 620	3 420
Sport and recreation		4 019	1 198	6 038	3 370	4 571	4 571	6 720	14 700	4 405	4 965
Public safety		365	3 959	5 510	2 707	4 312	4 312	6 241	765	2 980	965
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	4	–	–	–	–	–	–	–	–
Economic and environmental services		15 379	7 845	37 772	20 466	25 640	25 640	42 539	17 643	20 485	18 088
Planning and development		–	(4)	208	20	20	20	217	260	3 510	3 520
Road transport		15 379	7 849	37 564	20 446	25 620	25 620	42 322	17 383	16 975	14 568
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		54 312	62 408	84 971	73 590	96 632	96 632	115 232	87 099	98 837	117 112
Energy sources		14 170	20 073	25 728	18 090	24 664	24 664	28 931	32 913	33 200	39 608
Water management		12 140	19 130	26 480	35 755	50 332	50 332	45 182	35 220	35 587	34 200
Waste water management		5 648	14 046	25 046	12 690	17 481	17 481	32 280	12 966	18 430	28 722
Waste management		22 354	9 160	7 717	7 055	4 155	4 155	8 840	6 000	11 620	14 582
Other											
Total Capital Expenditure - Functional	3	82 916	84 412	150 550	110 162	144 761	144 761	188 857	135 989	139 099	150 845
Funded by:											
National Government		31 914	36 456	57 141	52 773	59 226	59 226	62 239	75 044	71 724	75 470
Provincial Government		1 657	3 621	1 550	4 300	4 250	4 250	2 092	7 680	9 620	4 420
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		8 121	9 420	13 494	8 150	26 601	26 601	33 366	3 950	1 500	1 500
Transfers recognised - capital	4	41 691	49 497	72 185	65 223	90 077	90 077	97 696	86 674	82 844	81 390
Public contributions & donations	5										
Borrowing	6	38 200	15 735	54 728	32 650	37 830	37 830	62 594	34 637	40 060	53 037
Internally generated funds		3 025	19 180	23 638	12 289	16 854	16 854	28 567	14 678	16 195	16 418
Total Capital Funding	7	82 916	84 412	150 550	110 162	144 761	144 761	188 857	135 989	139 099	150 845

Budgeted Cash Flows (A7)

GT422 Midvaal - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		146 375	148 881	122 314	213 507	117 974	117 974	126 515	134 099	149 745	183 243
Service charges		393 634	476 018	584 086	549 278	627 048	627 048	444 004	698 321	763 206	811 874
Other revenue		90 215	67 045	64 513	60 921	61 065	61 065	8 164	61 720	65 423	68 724
Government - operating	1	84 177	92 056	105 174	119 802	131 735	131 735	85 378	145 268	139 292	148 337
Government - capital	1	38 704	41 797	71 670	65 223	90 077	90 077	44 898	89 111	86 344	72 780
Interest		18 865	18 689	23 906	6 959	12 959	12 959	3 706	13 736	14 561	15 361
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(636 840)	(711 813)	(769 246)	(871 159)	(877 684)	(877 684)	(621 078)	(963 798)	(1 025 731)	(1 089 608)
Finance charges		(18 888)	(18 796)	(17 080)	(25 943)	(25 943)	(25 943)	(9 567)	(21 547)	(21 994)	(23 635)
Transfers and Grants	1	(221)	(142)	(275)					(587)	(607)	(637)
NET CASH FROM/(USED) OPERATING ACTIVITIES		116 022	113 736	185 063	118 588	137 231	137 231	82 020	156 325	170 238	186 439
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE					–				–	–	–
Decrease (Increase) in non-current debtors					–				–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(80 075)	(76 622)	(139 895)	(110 162)	(144 761)	(144 761)	(70 696)	(135 989)	(139 099)	(150 845)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(80 075)	(76 622)	(139 895)	(110 162)	(144 761)	(144 761)	(70 696)	(135 989)	(139 099)	(150 845)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans				–	–	–	–	–	–	–	–
Borrowing long term/refinancing				51 715	31 900	33 973	33 973	3 799	29 750	36 560	47 470
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(11 467)	(7 023)	(24 990)	(31 578)	(31 578)	(23 878)	(10 305)	(36 087)	(40 254)	(47 665)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(11 467)	(7 023)	26 724	322	2 394	10 094	(6 507)	(6 337)	(3 694)	(195)
NET INCREASE/ (DECREASE) IN CASH HELD		24 479	30 091	71 893	8 748	(5 135)	2 564	4 816	13 999	27 444	35 400
Cash/cash equivalents at the year begin:	2	75 520	100 000	130 091	125 710	201 984	201 984	201 984	196 848	210 847	238 291
Cash/cash equivalents at the year end:	2	100 000	130 091	201 984	134 458	196 849	204 548	206 800	210 847	238 291	273 691

Cash Backed Reserves (A8)

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

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	100 000	130 091	201 984	134 458	196 849	204 548	206 800	210 847	238 291	273 691
Other current investments > 90 days		(0)	(0)	0	(0)	(1)	(7 701)	23 483	–	(0)	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		100 000	130 091	201 984	134 458	196 848	196 848	230 284	210 847	238 291	273 691
Application of cash and investments											
Unspent conditional transfers		24	–	1 488	–	–	–	–	–	–	–
Unspent borrowing		7 487	6 670	5 121	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(3 524)	(24 968)	(32 178)	(32 169)	(35 850)	(35 850)	(90 187)	(39 358)	(41 876)	(43 576)
Other provisions				99 582	152 286	155 957	155 967	90 557	122 741	131 979	143 183
Long term investments committed	4	–	–	–		–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		3 987	(18 298)	74 014	120 117	120 117	120 117	380	83 383	90 103	99 607
Surplus(shortfall)		96 013	148 389	127 971	14 341	76 730	76 730	229 904	127 464	148 188	174 084

Funding Measurement (SA10)

GT422 Midvaal Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	100 000	130 091	201 984	134 458	196 849	204 548	206 800	210 847	236 291	273 691
Cash + investments at the yr end less applications - R'000	18(1)b	2	96 013	148 389	127 971	14 341	76 730	76 730	229 904	127 464	148 188	174 084
Cash year end/monthly employee/supplier payments	18(1)b	3	1,8	2,2	3,0	1,8	2,6	2,6	4,5	2,5	2,7	2,9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(16 630)	21 216	50 576	543	20 587	20 587	67 912	32 251	39 899	49 578
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	6,7%	4,2%	3,1%	(6,0%)	(6,0%)	(36,0%)	4,5%	3,4%	3,3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	87,2%	86,8%	90,3%	89,7%	89,4%	89,4%	96,5%	90,3%	90,5%	90,2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	13,3%	12,9%	9,5%	10,3%	10,5%	10,5%	3,7%	10,0%	9,5%	8,9%
Capital payments % of capital expenditure	18(1)c;19	8	96,6%	90,8%	92,9%	100,0%	100,0%	100,0%	37,4%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	66,0%	71,0%	62,1%	62,1%	4,2%	60,3%	65,0%	68,3%
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.	14,2%	18,5%	(6,7%)	15,2%	0,0%	(6,9%)	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	2,6%	2,6%	4,7%	5,6%	5,6%	5,6%	6,2%	6,0%	6,3%	6,6%
Asset renewal % of capital budget	20(1)(vi)	14	16,9%	15,6%	25,8%	35,6%	26,5%	26,5%	0,0%	49,1%	47,7%	63,1%

Annexure B: NT Compliance Checklist

2019/20 Draft Medium Term Revenue and Expenditure Framework - Checklist of Compliance to Mu		
GT422 Midvaal	**Hard copy**	
Main Compliance Component	**Assessment**	**Description/ Rating**
Procedural compliance		
Draft MTREF Tabled 90 days prior to new financial year	Yes	Compliant
Grant Budget (SA18) is aligned to DoRA	Yes	Compliant
Correct version of Schedule A1	Yes	Compliant
Table of Contents	Yes	Compliant
Annual Budget		
Mayors Report	Yes	Complete
Resolutions	Yes	Complete
Executive Summary	Yes	Complete
Annual Budget Tables A1 to A10: No Municipal Entities		
Table A1: Budget Summary	3	Fully completed
Table A2: Budgeted Financial Performance (Revenue and Expenditure by standard classification)	3	Fully completed
Table A3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote)	3	Fully completed
Table A4: Budgeted Financial Performance (Revenue and Expenditure)	3	Fully completed
Table A5: Budgeted Capital Expenditure by Vote, Standard Classification & Funding Source)	3	Fully completed
Table A6: Budgeted Financial Position	3	Fully completed
Table A7: Budgeted Cash Flow	3	Fully completed
Table A8: Cash backed reserves/accumulated surplus reconciliation	3	Fully completed
Table A9: Asset Management	3	Fully completed
Table A10: Basic service delivery measurement	3	Fully completed
Supporting Documentation		
Overview of Budget Process	Yes	Complete
Overview of alignment of annual budget with IDP	Yes	Complete
Measurable performance objectives and indicators	Yes	Complete
Budget Related Policies		
Tariff Policy on Property Rates	Yes	Complete
Tariff Policy on Electricity	Yes	Complete
Tariff Policy on Water	Yes	Complete
Tariff Policy on Sanitation	Yes	Complete
Tariff Policy on Refuse Removal/Solid Waste	Yes	Complete
Municipal Property Rates Policy	Yes	Complete
Credit Control and Debt Collection Policy	Yes	Complete
Cash Management and Investment Policy	Yes	Complete
Borrowing Policy	Yes	Complete
Funding and Reserves Policy	Yes	Complete
Policy related to long-term financial planning	Yes	Complete
Supply Chain Management Policy	Yes	Complete
Policy related to the Management and Disposal of Assets	Yes	Complete
Policy relating to dealing with Infrastructure Investment and capital projects	Yes	Complete
Indigents Policy	Yes	Complete
Budget Implementation and Management Policy	Yes	Complete
Supporting Documentation contd...		
Budget Assumptions	Yes	Complete
Overview of Budget Funding including funding compliance (Table SA10)	Yes	Complete
Expenditure on grant allocations and grant programmes	Yes	Complete
Allocations on grants made by the municipality	Yes	Complete
Councillor and board member allowances and employee benefits	Yes	Complete
Monthly targets for revenue, expenditure and cash flow	Yes	Complete
Draft Service Delivery and Budget Implementation Plans (SDBIP)	Yes	Complete
Service Delivery Agreements of Municipal Entities (if applicable)	N/A	
Annual budgets of municipal entities (D Schedule)	N/A	
Contracts having future budgetary implications	N/A	
Capital expenditure details	Yes	Complete
Legislation Compliance Status	Yes	Complete
Quality Certificate (signed)	Yes	Complete
Supporting Tables SA1 to SA37		
SA1: Supporting Detail to Budgeted Financial Performance	3	Fully completed
SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept)	3	Fully completed
SA3: Supporting detail to Budgeted Financial Position	3	Fully completed
SA4: Reconciliation of IDP, Strategic Objectives and Budget (Revenue)	3	Fully completed
SA5: Reconciliation of IDP, Strategic Objectives and Budget (Operating Expenditure)	3	Fully completed
SA6: Reconciliation of IDP, Strategic Objectives and Budget (Capital Expenditure)	3	Fully completed
SA7: Measurable Performance Objectives	1	Presented but with numerous
SA8: Performance Indicators and Benchmarks	3	Fully completed
SA9: Social, Economic and Demographic Statistics and Assumptions	3	Fully completed
SA10: Funding Measurement	3	Fully completed
SA11: Property Rates Summary	3	Fully completed
SA12a: Property Rates by category (current year)	3	Fully completed
SA12b: Property Rates by category (budget year)	3	Fully completed
SA13a: Service Tariffs by Category	3	Fully completed
SA13b: Service Tariffs by Category (explanatory)	3	Fully completed
SA14: Household Bills	3	Fully completed
SA15: Investment Particulars by Type	3	Fully completed
SA16: Investment Particulars by Type	3	Fully completed
SA17: Borrowing	3	Fully completed
SA18: Transfers and Grant Receipts	3	Fully completed
SA19: Expenditure on Transfers and Grant Programme	3	Fully completed
SA20: Reconciliation of Transfers, Grant Receipts and Unspent Funds	3	Fully completed
SA21: Transfers and Grants made by the Municipality	3	Fully completed
SA22: Summary Councillor and Staff Benefits	3	Fully completed
SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senior managers)	3	Fully completed
SA24: Summary of Personnel Numbers	3	Fully completed
SA25: Budgeted Monthly Revenue and Expenditure	3	Fully completed
SA26: Budgeted Monthly Revenue and Expenditure (Municipal Vote)	3	Fully completed
SA27: Budgeted Monthly Revenue and Expenditure (Standard Classification)	3	Fully completed
SA28: Budgeted Monthly Capital Expenditure (Municipal Vote)	3	Fully completed
SA29: Budgeted Monthly Capital Expenditure (Standard Classification)	3	Fully completed
SA30: Budgeted Monthly Cash Flow	3	Fully completed
SA31: Aggregated entity budget	3	
SA32: List of External Mechanisms	3	Fully completed
SA33: Contracts having Future Budgetary Implications	3	Fully completed
SA34a: Capital Expenditure on New Assets by Asset Class	3	Fully completed
SA34b: Capital Expenditure on the Renewal of Existing Assets by Asset Class	3	Fully completed
SA34c: Repairs and Maintenance Expenditure by Asset Class	3	Fully completed
SA34d: Depreciation by Asset Class	3	Fully completed
SA34e: Capital Expenditure on the Upgrading of Existing Assets by Asset Class	3	Fully completed
SA35: Future Financial Implications of the Capital Budget	3	Fully completed
SA36: Detail Capital Budget	3	Fully completed
SA37: Projects Delayed from Previous Financial Years	3	Fully completed
SA38: Detail Operational Projects	3	Fully completed

Annexure AP

"TO INCLUSIVELY SERVE THE NEEDS OF OUR COMMUNITIES"

SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN

2019/2020

FINAL

25 MITCHELL STREET
MEYERTON
1961

P.O. BOX 9
MEYERTON
1960

Tel.: 016-360-7400
www.midvaal.gov.za

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1. THE SDBIP CONCEPT & DEFINITION

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 pur-poses 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:

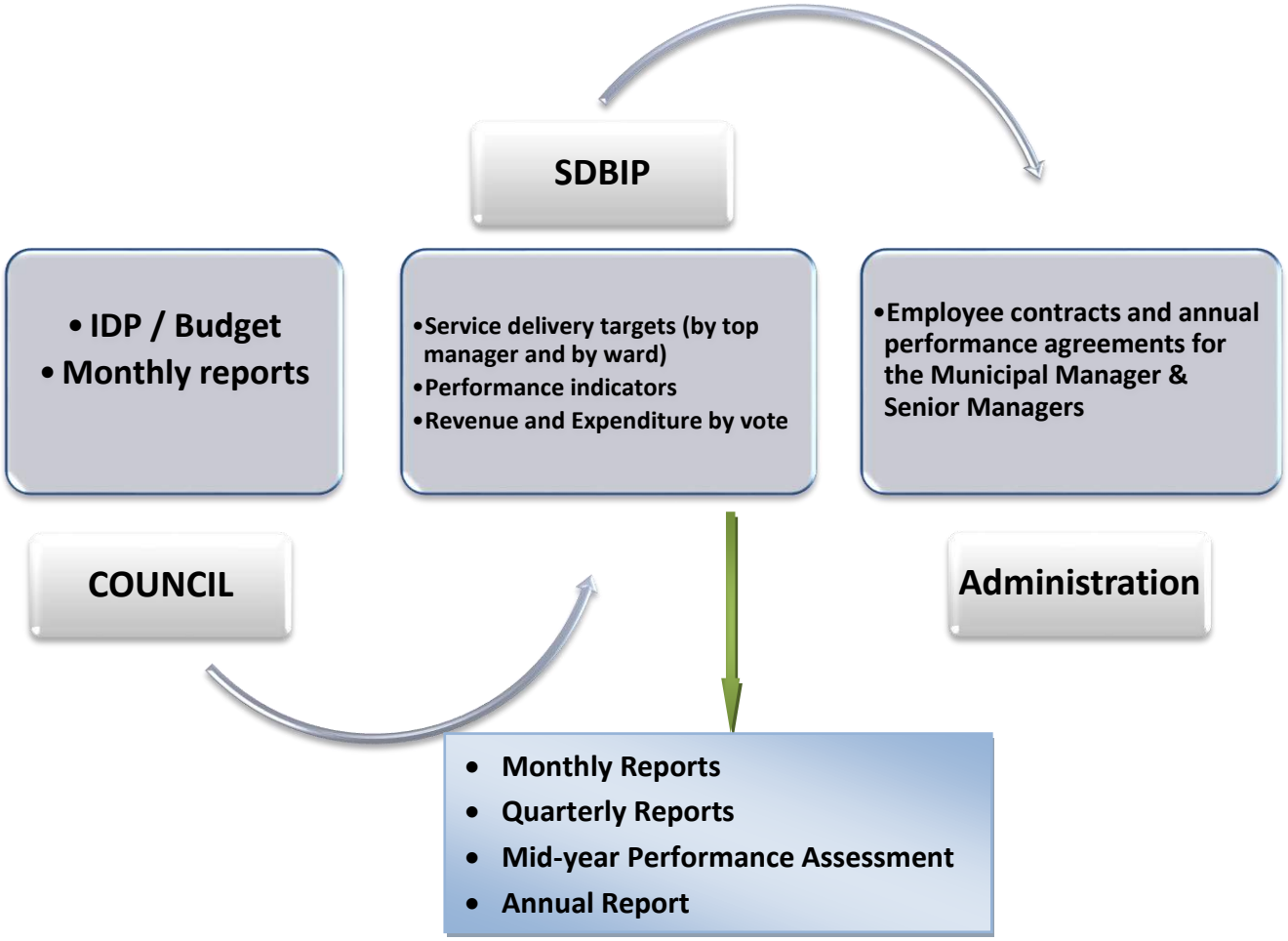
"Service Delivery and Budget Implementation Plan"

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 componentsmust 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

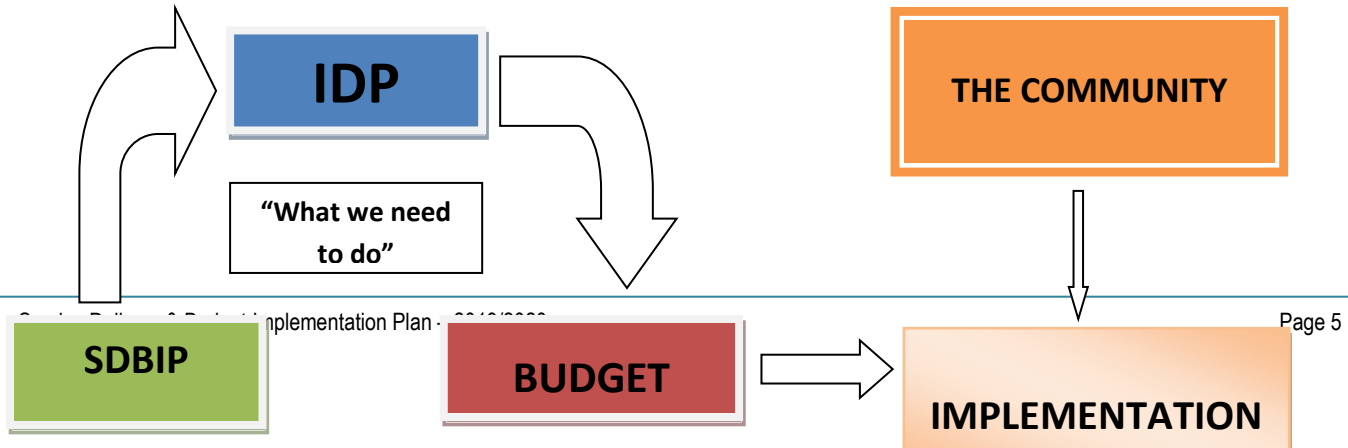
(ii) that spending of funds and revenue collection proceed in accordance with the budget;

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



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 focused 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**

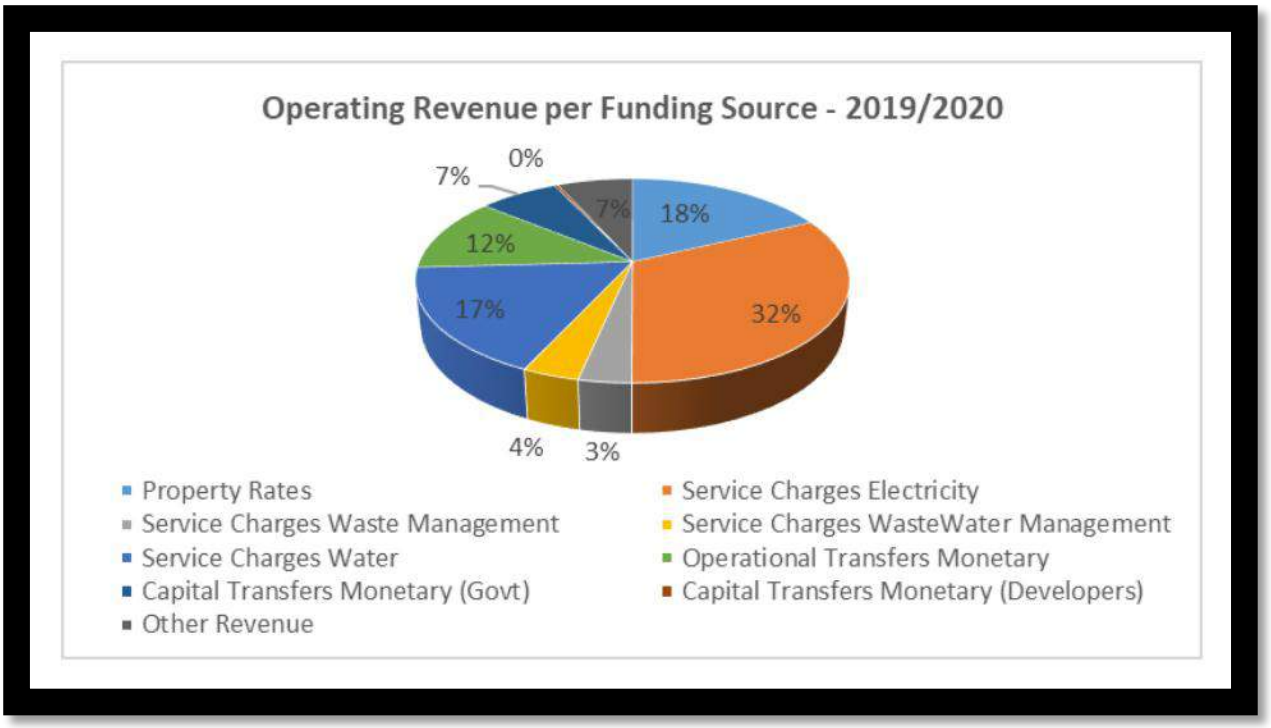
To deliver inclusive and excellent services to the community

KPA 8 **Economic Growth & Development**

To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation

2. FIVE NECESSARY COMPONENTS OF THE TOP-LAYER OF THE SDBIP

2.1 Monthly projections of revenue to be collected for each source



PER KPA	2019/2020	2020/2021	2021/2022
Good Governance & Public Participation KPA 1	-6 224 753	-6 517 158	-6 826 552
Safety & Environment KPA 2	-51 159 330	-54 228 890	-57 211 479
Social & Community Development KPA 3	-119 911 751	-106 025 416	-113 019 272
Institutional Transformation KPA 4	-530 000	-561 800	-592 699
Financial Sustainability KPA 5	-290 103 444	-318 254 651	-341 973 867
Physical Infrastructure & Energy Efficiency KPA 6	-770 412 486	-833 290 809	-883 944 644
Economic Growth & Development KPA 8	-4 015 976	-4 256 935	-4 491 066
TOTAL: REVENUE	**-1 242 357 741**	**-1 323 135 659**	**-1 408 059 579**

Monthly Projections Collected Per Source	2018/2019 Original Budget	2018/2019 Adjusted Budget	FULL YEAR JUL - JUN PROJECTION	2019/2020	2020/2021	2021/2022
REVENUE SOURCE						
Revenue from Non-Exchange Transactions						
Property Rates	206 624 544	205 907 984	207 505 431	222 421 543	244 663 697	261 790 156
Fines, Penalties and Forfeits	50 341 628	50 341 628	18 068 795	50 352 688	53 373 849	56 309 411
Operational Transfers Monetary	119 802 459	131 734 702	129 289 452	145 268 345	139 291 503	153 098 343
Capital Transfers Monetary (Govt)	42 073 000	48 476 000	29 086 711	75 611 307	72 019 828	70 456 696
Capital Transfers Monetary (Developers)	23 150 000	41 600 945	45 836 828	17 450 000	15 824 000	18 000 000
Capital Transfers In Kind	-	-	-	-	-	-
Revenue from Exchange Transactions			-	-	-	-
Service Charges Electricity	344 198 057	344 198 057	358 014 003	393 517 148	431 237 624	453 685 363
Service Charges Waste Management	38 240 374	38 240 374	38 546 044	40 917 200	45 008 920	49 509 812
Service Charges Waste-water Management	37 105 138	37 105 138	38 929 476	39 702 498	43 672 747	48 040 022
Service Charges Water	197 013 369	197 013 369	210 994 958	212 575 176	230 640 928	247 060 407
Interest, Dividends and Rent on Land	14 487 400	20 487 400	19 060 765	21 565 444	22 708 171	23 818 520
Operational Revenue	4 041 271	4 041 271	4 732 611	4 283 747	4 540 772	4 790 515
Rental from Fixed Assets	1 300 000	1 300 000	1 258 196	1 378 000	1 460 680	1 541 017
Sales of Goods and Rendering of Services	5 197 810	5 341 810	4 444 043	5 662 319	6 002 058	6 332 171
Licenses and Permits	40 522	40 522	13 507	42 953	45 531	48 035
Gain on disposal of Assets	-	-	-	-	-	-
Inv - Physical & Net-Rel Value Losses	-	-	-	-	-	-
TOTAL OPERATING REVENUE BILLED	**1 083 615 572**	**1 125 829 200**	**1 105 780 820**	**1 230 748 368**	**1 310 490 309**	**1 394 480 469**

	2020/2021	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Property Rates	6 473 500	490 417	490 417	490 417	490 417	490 417	490 417	490 417	490 417	490 417	490 417	490 417	490 417
Property Rates	2 354 000	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333
Property Rates	1 765 500	133 750	133 750	133 750	133 750	133 750	133 750	133 750	133 750	133 750	133 750	133 750	133 750
Operational Transfers Monetary	-	1 381 920	1 381 920	1 381 920	1 381 920	1 381 920	1 381 920	1 381 920	1 381 920	1 381 920	1 381 920	1 381 920	1 381 920
Capital Transfers Monetary (Developers)	-	37 500	37 500	37 500	37 500	37 500	37 500	37 500	37 500	37 500	37 500	37 500	37 500
Service Charges: Electricity	6 188 725	477 083	477 083	477 083	477 083	477 083	477 083	477 083	477 083	477 083	477 083	477 083	477 083
Service Charges: Waste Management	5 885 000	445 833	445 833	445 833	445 833	445 833	445 833	445 833	445 833	445 833	445 833	445 833	445 833
Service Charges: Waste Management	5 741 803	434 985	434 985	434 985	434 985	434 985	434 985	434 985	434 985	434 985	434 985	434 985	434 985
Service Charges: Waste-water Management	2 354 000	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333	178 333
Service Charges: Waste-water Management	7 496 713	567 933	567 933	567 933	567 933	567 933	567 933	567 933	567 933	567 933	567 933	567 933	567 933
Service Charges: Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Charges: Water	2 341 430	179 833	179 833	179 833	179 833	179 833	179 833	179 833	179 833	179 833	179 833	179 833	179 833
Service Charges: Water	1 170 715	89 917	89 917	89 917	89 917	89 917	89 917	89 917	89 917	89 917	89 917	89 917	89 917
Operational Revenue	2 548	200	200	200	200	200	200	200	200	200	200	200	200
Sales of Goods and Rendering of Services	22 472	1 767	1 767	1 767	1 767	1 767	1 767	1 767	1 767	1 767	1 767	1 767	1 767
Sales of Goods and Rendering of Services	224 720	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667
Sales of Goods and Rendering of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services	56 180	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417	4 417
Sales of Goods and Rendering of Services	-	-	-	-	-	-	-	-	-	-	-	-	-

2. FIVE NECESSARY COMPONENTS OF THE TOP-LAYER OF THE SDBIP

2.2 Monthly projections of expenditure (Operating, Capital & Revenue) for each vote

OPERATING BUDGET

PER KPA	2019/2020	2020/2021	2021/2022
Good Governance & Public Participation KPA 1	46 121 195	47 753 436	50 360 965
Safety & Environment KPA 2	57 829 423	58 281 712	59 326 353
Social & Community Development KPA 3	45 057 617	47 439 042	55 553 920
Institutional Transformation KPA 4	321 537 559	340 547 959	360 879 272
Financial Sustainability KPA 5	225 329 716	236 534 283	248 276 388
Physical Infrastructure & Energy Efficiency KPA 6	502 065 138	539 934 591	570 697 388
Services & Customer Care KPA 7	5 205	5 387	5 657
Economic Growth & Development KPA 8	12 160 482	12 739 813	13 381 163
TOTAL: EXPENDITURE	**1 210 106 334**	**1 283 236 222**	**1 358 481 106**

CAPITAL BUDGET

CAPITAL PER DEPARTMENT	2019/2020	2020/2021	2021/2022
Development & Planning	260 000	3 510 000	3 520 000
Financial Services	30 000	32 000	35 000
Community Services	29 903 000	24 043 000	23 825 000
Protection Services	-	-	-
Engineering Services	98 534 307	109 933 828	121 334 696
Total	**135 989 307**	**139 098 828**	**150 844 696**

Part 2: Monthly projections for revenue and operating expenditure for each vote
and

Part 3: Monthly projections for capital expenditure for each vote

Monthly Projections for Revenue, Operating Expenditure and Capital Expenditure for Each Vote	2018/2019 Original Budget	2018/2019 Adjusted Budget	FULL YEAR JUL - JUN PROJECTION	2019/2020	2020/2021	2021/2022
PROJECTED MONTHLY CASH BALANCE						
Opening Cash Balance	**125 710 194**	**201 984 116**	**201 984 116**	**196 847 654**	**210 846 965**	**238 291 297**
Plus: Revenue Collected for the Month	**999 336 559**	**1 006 904 000**	**688 805 710**	**1 133 156 888**	**1 212 036 313**	**1 292 121 258**
Amounts billed	**1 110 301 817**	**1 136 320 203**	**826 067 651**	**1 242 357 741**	**1 323 135 659**	**1 408 059 579**
Council	5 754 000	5 754 000	6 233 500	6 218 000	6 510 000	6 819 000
Savanna City	35 782 090	30 803 843	10 868 466	31 071 019	15 305 271	16 420 636
Municipal Manager	-	-	-	-	-	-
Corporate Services	1 806 371	1 806 371	975 394	1 914 753	2 029 638	2 141 269
Development & Planning	3 788 657	3 788 657	1 925 603	4 015 976	7 756 935	7 991 066
Financial Services	262 395 201	268 395 201	215 192 855	290 103 444	318 254 651	341 973 867
Community Services	122 619 965	122 215 153	50 003 875	140 000 062	141 449 035	150 310 114
Engineering Services	678 155 533	703 556 978	540 867 959	769 034 486	831 830 129	882 403 627
Less Provision for bad debt	-87 815 258	-87 815 258	-28 715 114	-91 750 853	-95 275 347	-97 938 321
Less Public donations (infrastructure, i.e. non-cash)	-23 150 000	-41 600 945	-45 836 828	-17 450 000	-15 824 000	-18 000 000
Less Internal consumption (non-cash)			-			
Plus: New External Borrowings			-62 710 000			
Less: Operating Expenditure	**-1 109 759 259**	**-1 115 732 738**	**767 930 542**	**-1 210 106 334**	**-1 283 236 222**	############
Council	-31 600 784	-30 488 708	20 419 241	-29 251 872	-30 095 872	-31 819 854
Municipal Manager	-5 753 606	-13 365 507	2 437 076	-14 145 083	-14 877 067	-15 651 540
Savanna City	-31 861 727	-27 507 758	14 270 450	-30 604 104	-32 549 154	-34 420 647
Corporate Services	-52 601 730	-52 578 016	34 637 940	-56 587 811	-59 560 729	-62 944 006
Development & Planning	-32 199 714	-32 687 873	17 829 504	-35 347 002	-37 299 026	-39 394 505
Financial Services	-71 368 678	-73 563 759	39 808 337	-77 586 974	-81 709 125	-86 019 645

Community Services	-208 365 471	-201 038 176	115 990 689	-211 711 193	-220 753 997	-236 684 510
Protection Services	-	-	-	-	-	-
Engineering Services	-676 007 549	-684 502 941	522 537 304	-754 872 294	-806 391 252	-851 546 400
Plus Non Cash Expenditure Items	**205 059 358**	**205 059 358**	**119 101 498**	**214 857 158**	**224 536 967**	**233 663 022**
Provision for Bad Debt	87 815 258	87 815 258	28 715 114	91 750 853	95 275 347	97 938 321
Depreciation	117 244 100	117 244 100	90 386 384	123 106 305	129 261 620	135 724 701
Internal Consumption						
Less: Capital Expenditure	**110 162 000**	**144 760 640**	100 255 244	**135 989 307**	**139 098 828**	**150 844 696**
Council	-	750 000	-	400 000	-	500 000
Savanna City	4 400 000	3 902 500	1 144 369	450 000	-	-
Corporate Services	890 000	2 120 835	1 989 789	6 412 000	1 580 000	1 630 000
Development & Planning	20 000	20 000	97 163	260 000	3 510 000	3 520 000
Financial Services	129 000	2 129 000	141 926	30 000	32 000	35 000
Community Services	18 782 480	17 982 112	8 638 978	29 903 000	24 043 000	23 825 000
Protection Services	-	-	1 565 207	-	-	-
Engineering Services	85 940 520	117 856 193	86 677 811	98 534 307	109 933 828	############
Less: Redemption of External Loans	**-31 077 083**	**-30 383 661**	**-26 845 648**	**- 35 518 077**	**- 40 254 376**	**- 47 664 697**
Other Working Capital Adjustments	**-164 973 595**	**-215 744 061**	**-1 654 383 808**	**-224 379 631**	**-224 737 177**	**-235 083 612**
Closing Cash	**134 458 174**	**196 847 654**	**196 847 654**	**210 846 965**	**238 291 297**	**273 690 859**

	2020/2021	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
KPA 1	47 753 436	3 843 433	3 843 433	3 843 433	3 843 433	3 843 433	3 843 433	3 843 433	3 843 433	3 843 433	3 843 433	3 843 433	3 843 433
KPA 2	58 281 712	4 819 119	4 819 119	4 819 119	4 819 119	4 819 119	4 819 119	4 819 119	4 819 119	4 819 119	4 819 119	4 819 119	4 819 119
KPA 3	47 439 042	3 754 801	3 754 801	3 754 801	3 754 801	3 754 801	3 754 801	3 754 801	3 754 801	3 754 801	3 754 801	3 754 801	3 754 801
KPA 4	340 547 959	26 794 797	26 794 797	26 794 797	26 794 797	26 794 797	26 794 797	26 794 797	26 794 797	26 794 797	26 794 797	26 794 797	26 794 797
KPA 5	236 534 283	18 777 476	18 777 476	18 777 476	18 777 476	18 777 476	18 777 476	18 777 476	18 777 476	18 777 476	18 777 476	18 777 476	18 777 476
KPA 6	539 934 591	41 838 761	41 838 761	41 838 761	41 838 761	41 838 761	41 838 761	41 838 761	41 838 761	41 838 761	41 838 761	41 838 761	41 838 761
KPA 7	5 387	434	434	434	434	434	434	434	434	434	434	434	434
KPA 8	12 739 813	1 013 373	1 013 373	1 013 373	1 013 373	1 013 373	1 013 373	1 013 373	1 013 373	1 013 373	1 013 373	1 013 373	1 013 373
	1 283 236 222	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**	**100 842 194**

2. FIVE NECESSARY COMPONENTS OF THE TOP-LAYER OF THE SDBIP

2.3 Quarterly projections of service delivery targets and performance indicators for each vote

The detailed indicators and targets are attached to this section.

INDEX	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KPA DESCRIPTION	OBJECTIVE	KFA NO	KFA DESCRIPTION	Pre-determined Objective (PDO)	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)	DEFINITION OF INDICATOR	WARD	5-YEAR TARGET	2017 - 2022				OUTER YEARS		STRATEGIC THEME	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN - 2019/2020			
																	YEAR 2		YEAR 3					Q1	Q2	Q3	Q4
																	2018/2019		2019/2020					TARGET	TARGET	TARGET	TARGET
																	Target 2018/2019	Baseline 2019/2020 (Acutal 2018/2019)	BUDGET	Annual Target	2020/2021	2021/2022					
1	CORP	KPI 018	KPA 1	Good Governance & Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders	KFA 02	Stakeholder Participation	To increase active stakeholder participation	Number of finalised agreements supporting specific events, arranged per year planner in consultation with the Executive Mayor	Priority events identified executed with approved Annual PR + Marketing funded Events Plan, per quarter (Finalised stakeholder agreements)	Council hosts events as a medium to enhance a positive relationship/partnering with external stakeholders and portray a positive image of Council (Planning & Execution)	A	I	Focus is on amount of time, money or number of people it took to deliver a service	All	15	Opex	3		3	3	3	Marketing & Communication	1	1	1	0
2	CORP	KPI 019	KPA 1	Good Governance & Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders	KFA 03	Inter-governmental Relations	To improve inter-governmental relations	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 C987/10/2013 dated 31 Oct 2013). Creating opportunity for Council to share information and networking. Promoting inter-governmental relations	A	I	Focus is on amount of time, money or number of people it took to deliver a service	All	20	Opex	4		4	4	4	Strategic Partnerships & Incentives	1	1	1	1
3	CORP	KPI 021	KPA 4	Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 11	Systems & Technology	To enhance systems and technology to enable the municipality to deliver excellent customer experience	Percentage compliance to average turn-around time to attend to calls logged via the ICT Help Desk	eHelp Desk Status Report = (1) Ticket Reference (2) Date & Time Created of Logged Call (3) Status of Ticket Call Log. Modified Date and Time less Created Date and Time = Time (Not to exceed 60 minutes). Number of calls received / Average number compliance to Time = Percentage compliance	To establish mechanisms to monitor performance of ICT staff	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	New	Opex	92.50%		90%	90%	90%	Internal Enablement	90%	90%	90%	90%
4	CORP	KPI 023	KPA 4	Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 12	Policies, Processes & Procedures	To write and review processes and procedures to ensure the objectives of the municipality are achieved	Number of average working days legal actions are assessed	Legal & Property Actions Register reflecting turn-around time to be within 5 working days (as per court rules, i.e. first day out and last day in) = 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	Measures a set of activities or processes yield the desired deliverables, i.e. measure effectiveness by doing things correctly, typically operational indicators and expressed in quantitative terms	All	10	Opex	6		4	4	4	Innovation in Service Delivery	5	5	5	5
5	CORP	KPI 024	KPA 4	Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 10	Performance Management	To develop and implement an effective and efficient performance management system	Number of Section 52(d) - performance reports (SDBIP) submitted to Council quarterly	Report submitted into reporting cycle to Council within Council Resolution	To comply with the requirements of Section 52(d) of the MFMA	A	I	Focus is on amount of time, money or number of people it took to deliver a service	All	20	Opex	4		4	4	4	Innovation in Service Delivery	1	1	1	1
6	CORP	KPI 025	KPA 1	Good Governance & Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders	KFA 04	Communications	To improve internal & external communication to enhance the perception of the municipality	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	Focus is on amount of time, money or number of people it took to deliver a service	ALL	20	Opex	4		4	4	4	Get the Basics Right	1	1	1	1
7	CORP	KPI 026	KPA 1	Good Governance & Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders	KFA 04	Communications	To improve internal & external communication to enhance the perception of the municipality	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 complaince to Section 75 of the MFMA in order to create community awareness, transparency and consistency	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	ALL	100%	Opex	100%		100%	100%	100%	Get the Basics Right	100%	100%	100%	100%
8	CORP	KPI 027	KPA 1	Good Governance & Public Participation	To promote increased participation and improved communication with all key internal and external stakeholders	KFA 01	Governance Structures	To promote sound and sustainable governance	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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	ALL	300	Opex	60		60	60	60	Marketing & Communication	15	15	15	15
9	FIN	KPI 007	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 13	Financial Management	To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability	(NKPI - 7c) - Annual Cost Coverage	Available cash + investments / Monthly fixed operating expenditure (cash expenditure)	This ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue. The target is one month, meaning that the Municipality must have at least cash equalling one month's fixed operation expenditure.	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	2	2	2	Opex	2	2	2	Internal Enablement	2	2	2	2
10	FIN	KPI 008	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 13	Financial Management	To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability	Annual Liquidity Ratio	Current Assets: Current Liabilities (as per the Statement of Financial Position) annually reported	The ratio is used to assess the Municipality's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory and receivables). The target 1:1 means, that the Municipality must have at least current assets equalling the current liabilities.	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	2:1	1:1	1 : 1	Opex	2:1	2:1	2:1	Internal Enablement	2:1	2:1	2:1	2:1
11	FIN	KPI 009	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 13	Financial Management	To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability	Audit opinion issued by the Auditor-General	Auditor-General opinion expressed on Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance	Auditor-General opinion expressed on Annual Financial Statements (AFS), Pre-determined Objectives (PDOs) and Compliance must be financially unqualified	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	Unqualified	Unqualified	Unqualified	Opex	Unqualified	Unqualified	Unqualified	Internal Enablement	0	Unqualified	0	0
12	FIN	KPI 010	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 13	Financial Management	To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability	(NKPI - 7a) - 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	The ratio indicates the Municpality's ability to meet at least its debt service payments (interest and redemption) commitments from cash and short-term investment without collecting any additional revenue. The target is 15 times meaning that the Municipality must have at least cash equalling 15 times the annual interest and redemption charges.	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	15	17	17	Opex	17	16	15	Internal Enablement	0	0	0	17
13	FIN	KPI 011	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 14	Revenue Management	To protect and enhance revenue position to enable the objectives of the municipality	(NKPI - 7b) - Annual percentage of outstanding service debtors to revenue	Total outstanding service debtors (GROSS) / revenue received for services calculated per annum (all consumer debtors included excluding developer contributions)	The ration indicates the proportion of the Municipality's outstanding debtors in relation to its annual revenue. The target is 33% (maximum) meaning that the Municipality must have a gross consumer debtors balance of less than 33% of the annual revenue received for service charges.	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	35%	33%	33%	Opex	33%	34%	35%	Increase Revenue	0	0	0	33%

14	FIN	KPI 012	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 14	Revenue Management	To protect and enhance revenue position to enable the objectives of the municipality	Annual percentage of Collection Rate	Actual amount collected (cash) / amount billed for the period (per billing cycle - excluding any debt write-offs)	The ratio indicates the collection rate, i.e. % level of payments. It measures increases or decreases in debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration. The target is 93% meaning that at least 93% of the amount billed in a month must be collected in cash.	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	95%	93.50%	93.50%	Opex	95%	95%	95%	Increase Revenue	95%	95%	95%	95%
15	FIN	KPI 013	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 14	Revenue Management	To protect and enhance revenue position to enable the objectives of the municipality	(NKPI - 2) - 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: R4 000 pm for 2018/2019, R4 500 for 2019/2020 and R5 000 for 2020/2021)	The ratio shows that all approved and registered indigents are receiving their municipal subsidies (free basic services, i.e. subsidy on property rates, waste removal, sewer and water) as per the approved Indigent Policy.	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	95%	90%	90%	Opex	95%	95%	95%	Internal Enablement	95%	95%	95%	95%
16	FIN	KPI 014	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 15	Supply Chain Management	To develop and maintain an effective supply chain which uplifts local business and youth	(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)	The ration indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget.	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome / (Focus is on amount of time, money or number of people it took to deliver a service)	All	90%	90%	90%	Capex	90%	90%	90%	Internal Enablement	10%	30%	50%	95%
17	FIN	KPI 015	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 15	Supply Chain Management	To develop and maintain an effective supply chain which uplifts local business and youth	Percentage of annual procurement spent awarded to Township Economics	Percentage calculated by dividing the total expenditure to township suppliers by the total procurement expenditure x 100	Expenditure to township suppliers (procurement to suppliers registered as township supplier based on their residential address) versus total procurement spent (all classes). Non-procurement spent is then removed based on the name of the supplier, i.e. Eskom (bulk electricity), Rand Water (bulk water) MLM (petty cash) and any employee related costs	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	5%	5%	5%	Opex	5%	5%	5%	Youth Bias & Entrepreneurship	5%	5%	5%	5%
18	FIN	KPI 016	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 15	Supply Chain Management	To develop and maintain an effective supply chain which uplifts local business and youth	Percentage of annual procurement spend awarded to Youth owned enterprises	Percentage calculated by dividing the total expenditure to youth suppliers by the total procurement expenditure x 100	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	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	5%	3%	3%	Opex	3%	4%	5%	Youth Bias & Entrepreneurship	3%	3%	3%	3%
19	FIN	KPI 017	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 16	Asset Management	To adequately maintain the assets of the municipality	Percentage of annual operational budget allocated to repairs and maintenance	Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of internal charges)	The Operating Budget is defined as the latest approved version of the budget, i.e. either the originally approved budget, or the adjustments budget in the case of Council approving an Adjustments Budget, inclusive of the approved virements that have been approved and processed in terms of the System of Delegations.	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	8%	8%	8%	Opex	8%	8%	8%	Internal Enablement	8%	8%	8%	8%
20	DP	KPI 002	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 26	Spatial & Development Planning	To develop an effective spatial framework to promote development in the municipality, focussed on enabling and aligning development objectives	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 (Building Plan applications exceeding 500 m2 floor area) (Date of application received versus date considered (signature by Assistant Director: Building Control)	To monitor and improve the turn-around times for building plan applications in order to ensure faster development on the ground and to benefit the economy. To accellarate local economic development.	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	Within 60 calender days	100%	100%	Opex	100%	100%	100%	Internal Enablement	100%	100%	100%	100%
21	DP	KPI 003	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 26	Spatial & Development Planning	To develop an effective spatial framework to promote development in the municipality, focussed on enabling and aligning development objectives	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 (Minutes of the Municipal Planning Tribunal or signature of authorised official)	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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	Within 14 months	100%within 14 months	100% within 14 months	Opex	100% within 14 months	100% within 13 months	100% within 12 months	Internal Enablement	100%	100%	100%	100%
22	DP	KPI 005	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 25	LED & Capacity Building	To facilitate and promote local economic growth	(NKPI - 4) - Number of jobs created through municipality's local economic development initiatives including capital projects	Report to Department of Labour approved by Mayoral Committee (Mayoral Committee Resolution) (CWP / EPWP & Additional). Report submitted into reporting cycle by 20 Aug 2019 (Proof of receipt by Committee Clerk)	To ensure that Midvaal Local Municipality's vision of growing the economy and creation of jobs be realised.	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	6 600	1 200	1 200	Opex/Capex	1 200	1 300	1 400	Strategic Partnerships & Incentives	1 200	0	0	0
23	ENG	KPI 030	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 17	Electricity & Energy Efficiency	To plan, construct and maintain electricity networks and to improve energy efficiency	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	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	11.50%	11.50%	11.50%	Opex/Capex	11.50%	11.50%	11.50%	Get the Basics Right & Increase Revenue	0	0	0	11.50%
24	ENG	KPI 031	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 17	Electricity & Energy Efficiency	To plan, construct and maintain electricity networks and to improve energy efficiency	Public Private Partnership (PPP) Completed feasibility studies submitted to the National Treasury by 30 Jun 2020	Feasibility Study submitted to National Treasury by 30 Jun 2020	To ensure the implementation in terms of procurement for the proposed PPP mechanism for Electricity function in Midvaal	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	78(3) PPP-Process considered by Council = 1	1	1	Opex	1	1	1	Get the Basics Right & Increase Revenue	0	0	0	1
25	ENG	KPI 032	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 18	Roads & Storm-water Infrastructure	To plan, construct and maintain roads and storm-water infrastructure	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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	45 000 m^2 per annum	45 000 m²	25 000 m²	Opex/Capex	25 000 m²	45 000 m²	45 000 m²	Get the Basics Right	5 000m²	10 000 m²	20 000 m²	25 000 m²
26	ENG	KPI 033	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 19	Water & Sanitation Infrastructure	To plan, construct and maintain water and sanitation infrastructure	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan 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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20%	26.50%	26.50%	Opex/Capex	25.00%	24.50%	22.50%	Revenue & Get the Basics Right	0	0	0	25.00%
27	ENG	KPI 035	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 19	Water & Sanitation Infrastructure	To plan, construct and maintain water and sanitation infrastructure	(NKPI - 1b) - Percentage of households with access to basic sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic sanitation	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	84.10%	65%	65%	Opex/Capex	67%	67%	69%	Get the Basics Right	0	0	0	67%

28	ENG	KPI 036	KPA 7	Services & Customer Care	To deliver inclusive and excellent services to the community	KFA 22	Water & Sanitation	To provide sustainable, reliable and affordable water and sanitation services to all residents	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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1 750	1 100	1 100	Capex	1 000	1 500	1 500	Get the Basics Right	0	0	0	1 000
29	ENG	KPI 037	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 19	Water & Sanitation Infrastructure	To plan, construct and maintain water and sanitation infrastructure	(NKPI - 1a) - Percentage of households with access to basic water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic water	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	99%	70%	70%	Opex/Capex	72%	72%	74%	Get the Basics Right	0	0	0	72%
30	ENG	KPI 038	KPA 7	Services & Customer Care	To deliver inclusive and excellent services to the community	KFA 22	Water & Sanitation	To provide sustainable, reliable and affordable water and sanitation services to all residents	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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1 750	1 100	1 100	Opex/Capex	1 000	1 500	1 500	Get the Basics Right	0	0	0	1 000
31	ENG	KPI 039	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 17	Electricity & Energy Efficiency	To plan, construct and maintain electricity networks and to improve energy efficiency	(NKPI - 1c) - Percentage of households with access to basic electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic electricity	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	79.30%	55%	55%	Opex/Capex	55.50%	56.00%	56.50%	Get the Basics Right	0	0	0	55.50%
32	ENG	KPI 040	KPA 7	Services & Customer Care	To deliver inclusive and excellent services to the community	KFA 23	Electricity	To provide sustainable, reliable and affordable electricity to all residents	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)	To increase the access to basic electricity to formal households	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	750	200	200	Opex/Capex	500	500	500	Get the Basics Right	0	0	0	500
33	COMM	KPI 043	KPA 2	Safety & Environment	To create a sustainable environment safe from harm	KFA 05	Safety & Security	To improve the safety of the community both on the roads and in the suburbs	Number of deployed Midvaal security patrollers	Agreement signed between Midvaal & related service providers	To enhance security	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20	Opex & Capex	6		20	6	6	Safety & Security	0	0	0	20
34	COMM	KPI 044	KPA 3	Social & Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable	KFA 07	Sport & Recreation Programmes & Facilities, including Parks & Open Space	To create en ecosystem of sports and recreation activities	Completion of Phase 4 (Construction of the Ablution Facility) at the Lakeside Sport Centre and related Sports Infrastructure	Phase 4 (Completion of Ablution Facility) completed. Completion Certificate signed off by Quantity Surveyor	Development, construction and completion of a multi-purpose sport centre for the Lakeside Community (Ward 6). It is a 4 phase project, namely: Phase 1 = Earth Works Completed, Phase 2 = Fence and water connection completed (R2.5 m), Phase 3 = Construction of the Soccer Field (R3.9 m) and Phase 4 = Ablution Facility (R2.6 m)	CP	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	6	Completion of Lakeside Sport Centre	R 2.6	Phase 4 completed		0	0	0	Get the Basics Right	0	0	0	1
35	COMM	KPI 046	KPA 3	Social & Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable	KFA 08	Libraries, Arts Culture & Special Programmes	To promote the development of cultural and social programmes to uplift the community	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	GEYODI, Gender, Elderly, Youth and Disabled Group programmes are focused on awareness and education of the community. It also creates a platform for early intervention where required	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20	Opex	4		4	4	4	Innovation in Service Delivery	1	1	1	1
36	COMM	KPI 047	KPA 3	Social & Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable	KFA 08	Libraries, Arts Culture & Special Programmes	To promote the development of cultural and social programmes to uplift the community	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)	Early Childhood Development Centres are inspected to monitor child development milestones and growth. Outcomes of the Assessment Reports are signed off by the Executive Director: Community Services	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	10	Opex	2		2	2	2	Youth Bias & Entrepreneurship	0	0	0	2
37	COMM	KPI 048	KPA 3	Social & Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable	KFA 08	Libraries, Arts Culture & Special Programmes	To promote the development of cultural and social programmes to uplift the community	Number of Day Mothers established	Signed contract per Day Mother, with implementing Non-Profit Organisation	A programme has been developed to assist with the establishment of day mothers and to encourage the signing of a contract with a Non-Profit Organisation	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	30	Opex	5		5	5	5	Youth Bias & Entrepreneurship	0	0	2	3
38	COMM	KPI 050	KPA 7	Services & Customer Care	To deliver inclusive and excellent services to the community	KFA 24	Cleansing & Waste Management	To provide sustainable, reliable and affordable waste disposal services to all residents	(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 Residential. "Access to basic level" = billed account	Provision of access to the basic level of solid waste removal	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	86%	Opex	86%		86%	86%	87%	Get the Basics Right	0%	0%	0%	86%
39	COMM	KPI 051	KPA 7	Services & Customer Care	To deliver inclusive and excellent services to the community	KFA 24	Cleansing & Waste Management	To provide sustainable, reliable and affordable waste disposal services to all residents	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 (Increase in number of service points). Monthly Solar billing report	Expansion of access to the basic level of solid waste removal in line with the development rate in Savanna City, Eye of Africa and any other possible developments	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1 750	Opex	1 015		350	350	350	Get the Basics Right	0	0	0	1 015
40	COMM	KPI 054	KPA 2	Safety & Environment	To create a sustainable environment safe from harm	KFA 05	Safety & Security	To improve the safety of the community both on the roads and in the suburbs	Review the Disaster Management Plan annually	Reviewed Disaster Management Plan by Executive Director: Community Services, approved with IDP for forth-coming year	The purpose is the compilation of a Disaster Management Plan complying with the Disaster Management Act, Act 57 of 2002, Section 48. Disaster Risk Management is defined as a continuous and integrated multi-sectorial and multi-disciplinary process of planning and implementation of measurers aimed at disaster prevent, mitigation, preparedness, response, recovery and rehabilitation	A	I	Focus is on amount of time, money or number of people it took to deliver a service	All	5	Opex	1		1	1	1	Innovation in Service Delivery	0	0	0	1

41	DP	KPI 006	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 25	LED & Capacity Building	To facilitate and promote local economic growth	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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20	4	4	Opex	4	4	4	Safety & Security	1	1	1	1
42	COMM	KPI 056	KPA 2	Safety & Environment	To create a sustainable environment safe from harm	KFA 06	Emergency Services	To ensure adequate prevention measures as well as prompt response to emergencies	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	Midvaal Environmental Health Section identified high risk environmental contraveners via compliance inspections. Training is provided to the identified Safety Officers, i.e. theoretical training, follow-up inspections to monitor the effectiveness of the training and to ensure sustainability	A	O	Measures a set of activities or processes yield the desired deliverables, i.e. measure effectiveness by doing things correctly, typically operational indicators and expressed in quantitative terms	All	45	Opex	9		9	9	9	Innovation in Service Delivery	0	3	3	3
43	CORP	KPI 028	KPA 4	Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 09	Human Capital & Skills Development	To ensure adequate internal capacity and capability to deliver on the municipalities objectives	(NKPI - 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 as per the Solar print-out on Vote (All expenditure to include VAT) and signed off by Director	To monitor the implementation of Council's approved and funded Workplace Skills Plan (WSP)	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	95%	Opex	92.5%		91%	92%	93%	Get the Basics Right	15%	40%	60%	92.5%
44	CORP	KPI 029	KPA 4	Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 09	Human Capital & Skills Development	To ensure adequate internal capacity and capability to deliver on the municipalities objectives	(NKPI - 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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	5	Opex	30-Jun-19		1	1	1	Get the Basics Right	0	0	0	1
45	DP	KPI 059	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 26	Spatial & Development Planning	To develop an effective spatial framework to promote development in the municipality, focussed on enabling and aligning development objectives	Percentage of Land Use Applications promulgated after consideration, quarterly	Register = Pre-promulgation conditions met versus Promulgation date within 30 working days signed off by Director	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 constributions payable	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	95%	90%	90%	Opex	95%	95%	95%	Increase Revenue	90%	90%	90%	90%
46	DP	KPI 061	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 25	LED & Capacity Building	To facilitate and promote local economic growth	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	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	90%	90%	90%	Opex	95%	95%	95%	Safety & Security	90%	90%	90%	90%
47	COMM	KPI 065	KPA 2	Safety & Environment	To create a sustainable environment safe from harm	KFA 05	Safety & Security	To improve the safety of the community both on the roads and in the suburbs	Implementation of alternative traffic law enforcement method (Phase 1)	BAC resolution re: procurement of Traffic Management System (Software)	Phase 1 = Procurement of Traffic Management Software, Phase 2 = Implementation of software	P	O	The aim of this project is to process traffic fines internally, purchase the speed camera equipments TCS software, roadblock bus for warrant revenue collection and fill proposed vacant admin positions.	All	1	Opex	1		1	0	0	Innovation in Service Delivery	0	0	0	1
48	FIN	KPI 066	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 14	Revenue Management	To protect and enhance revenue position to enable the objectives of the municipality	Induction of one new payment channel for the community to use in paying their municipal account	Arrangements made with Council banker and other institutions to have more account payment channels available, examples can include snap, scan, ACB, etc. (One new payment channel functional)	In persuance of the 4th Industrial Revolution	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	5	New	New	Opex	1	1	1	Increase Revenue - linked to Fourth Industrial Revolution	0	0	0	1
49	DP	KPI 067	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 14	Revenue Management	To protect and enhance revenue position to enable the objectives of the municipality	Implentation Plan (incentives) Draft Policy on rebates to tourism establishments, with the aim of increasing tourism, approved by Council	Draft Policy approved by Council by 30 May 2020 (Unit of measurement (Property Rates Benefit)/Identified stakeholders and criteria to be provided by Development & Planning)	New rebates will be included in the Property Rates Policy as a rebate offered to categories of property owners within the borders of Midvaal, to increase tourism	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1	New	New	Opex	0	1	0	Increase Revenue	0	0	0	1
50	FIN	KPI 068	KPA 5	Financial Sustainability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 14	Revenue Management	To protect and enhance revenue position to enable the objectives of the municipality	Number of Community Information Workshops conducted with the aim of improving collection rates per quarter	Invitations, Minutes and Attendance Register of the meetings	To engage with identified wards, with low payment levels, to increase payment levels and consumer education	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	4	New	New	Opex	4	4	4	Increase Revenue	1	1	1	1
51	DP	KPI 069	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 25	LED & Capacity Building	To facilitate and promote local economic growth	Establishment of Investment Development Committee	Q1 = Terms of Reference considered by Mayoral Committee before 30 Sep 2019, Q2 - Q4 = Quarterly progress reports regarding possible investments opportunities submitted to Mayoral Committee into reporting cycle before the 15th working day of the next quarter	Standing Committee comprising of officials from various municipal departments to facilitate investment opportunities	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	Establishment of Investment Development Committee	New	4	Opex	0	0	0		1	1	1	1
52	DP	KPI 070	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 26	Spatial & Development Planning	To develop an effective spatial framework to promote development in the municipality, focussed on enabling and aligning development objectives	Number of community campaigns conducted to communicate existing rebates/incentives within Development & Planning	Q1 = Development and consideration of Marketing Strategy by Mayoral Committee before 30 Sep 2019 (Mayoral Committee Resolution). Q2 - Q4 = Invitations, Minutes and Attendance Register of the meetings of Community Campaigns	To communicate existing rebates available in terms of developments for commercial and industrial investment and residential densification.	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	4	New	4	Opex	4	4	4		1	1	1	1
53	DP	KPI 071	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 17	Electricity & Energy Efficiency	To plan, construct and maintain electricity networks and to improve energy efficiency	Green Building Policy and Implementation Plan considered by Council by 30 Jun 2020	Report submitted into reporting cycle to Council by 30 Jun 2020	To promote that buildings are constructed in accordance with Green Building guidelines	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	4	New	New	Opex	1	4	4		0	0	0	1

54	DP	KPI 072	KPA 4	Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 10	Performance Management	To develop and implement an effective and efficient performance management system	Project Prioritisation Model completed by 30 May 2020	1. Quarterly progress reports on draft Project Prioritisation Model submitted into reporting cycle within 10th working days of each quarter, 2. Draft Project Prioritisation Model submitted into reporting cycle to Council by 30 May 2020	To register and prioritise projects and monitor and evaluate project performance	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	4	New	New	Opex	4	4	4		1	1	1	1
55	DP	KPI 073	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 25	LED & Capacity Building	To facilitate and promote local economic growth	Formulation of the Economic Analysis Study considered by Council by 30 Jun 2020	Q4 = Draft Economic Analysis Study (Report to Mayoral Committee submitted into reporting cycle before the 15th working day of the quarter)	To formulate a study that will outline municpal economic status, key economic development sectors and competitive advantage commodity	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1	New	New	Opex	1	0	0		0	0	0	1
56	ENG	KPI 074	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 20	Landfill Sites & Transfer Stations	To plan, construct and maintain landfill sites and transfer stations	Number of Landfill Site Cell Developed at Walkerville Landfill Site according to the new Regulations / Licensing of Walkerville Landfill Site	Final construction report signed off by the HOD by 30 Jun 2020 / Record of decision from GDARD	To appoint an expert/specialist for the design and construction of new cell at Walkerville Landfill Site / To legalise the Walkerville Landfill Site	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	New	New	New	Capex	1				0	0	0	1
57	ENG	KPI 075	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 18	Roads & Storm-water Infrastructure	To plan, construct and maintain roads and storm-water infrastructure	Number of km of gravel roads converted to tarred roads annually	Completion certificate signed off by HOD by 30 Jun 2020	To increase access to roards infrastructure services	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	New	New	New	Capex	2 km				0	0	0	2 km
58	ENG	KPI 076	KPA 6	Physical Infrastructure & Energy Efficiency	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 20	Landfill Sites & Transfer Stations	To plan, construct and maintain landfill sites and transfer stations	Phase 1 of planning new Landfill Site Facility - (a) Land Identification/Acquisition Process (b) Licence Application	(a) New Landfill Site Identified and Process of Acquisition initiated = Council resolution (b) Licence Application Process commenced = Letter to GDARD. 2 x Deliverables completed by 30 Jun 2020	To increase access to landfill infrastructure services	A	I	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	New	New	New	Opex	Phase 1 completed	Phase 2	Phase 3		0	0	0	1
59	COMM	KPI 077	KPA 7	Services & Customer Care	To deliver inclusive and excellent services to the community	KFA 24	Cleansing & Waste Management	To provide sustainable, reliable and affordable waste disposal services to all residents	Number of zero waste awareness campaigns conducted	Invitation, Minutes & Attendance Registers	The aim of this recycling project is to minimise waste that goes to the landfill site through encouraging residents to participate in separation at source programme	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome.	2	4	Opex	New		4	2122	3122	Get the basic right	1	1	1	1
60	DP	KPI 078	KPA 8	Economic Growth & Development	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 25	LED & Capacity Building	To facilitate and promote local economic growth	Number of Mayoral Committee reports on the escalation or awareness creation on non-municipal community needs	(1) Report submitted to Mayoral Committee to reflect (1.1) Actions taken to escalate or create awareness of community needs as contained in the IDP (Unfunded/Unmandated) (SOP created) (2) Proof of submission into reporting cycle by the 15th day of the quarter = signature and date receipt by Committees		A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	4	New	New	Opex	4	4	4		1	1	1	1

2. FIVE NECESSARY COMPONENTS OF THE TOP-LAYER OF THE SDBIP

2.4 Ward information for expenditure and service delivery

KPA NO	WARD NO	2019/2020	2020/2021	2021/2022
KPA 2 Total		300 000	-	-
KPA 3 Total		1 300 000	500 000	500 000
KPA 6 Total		966 000	-	-
	01 Total	**2 566 000**	**500 000**	**500 000**
KPA 6 Total		2 000 000	-	-
	02 Total	**2 000 000**	-	-
KPA 3 Total		400 000	200 000	200 000
	04 Total	**400 000**	**200 000**	**200 000**
KPA 3 Total		12 900 000	3 200 000	3 300 000
KPA 6 Total		-	-	-
	06 Total	**12 900 000**	**3 200 000**	**3 300 000**
KPA 6 Total		26 458 000	24 600 000	5 500 000
	08 Total	**26 458 000**	**24 600 000**	**5 500 000**
KPA 3 Total		1 330 000	5 810 000	2 910 000
KPA 6 Total		500 000	500 000	500 000
	10 Total	**1 830 000**	**6 310 000**	**3 410 000**
KPA 3 Total		200 000	200 000	200 000
KPA 6 Total		-	-	-
	11 Total	**200 000**	**200 000**	**200 000**
KPA 6 Total		-	-	-
	12 Total	-	-	-
KPA 3 Total		2 870 000	1 810 000	1 610 000
	14 Total	**2 870 000**	**1 810 000**	**1 610 000**
KPA 3 Total		280 000	300 000	200 000
	15 Total	**280 000**	**300 000**	**200 000**
KPA 1 Total		430 000	230 000	230 000
KPA 3 Total		260 000	660 000	620 000
KPA 4 Total		1 382 000	1 350 000	1 900 000
KPA 5 Total		30 000	32 000	35 000
KPA 6 Total		10 000	10 000	10 000
KPA 8 Total		260 000	10 000	20 000
	HO Total	**2 372 000**	**2 292 000**	**2 815 000**
KPA 1 Total		5 000 000	-	-
KPA 2 Total		2 493 000	3 558 000	2 548 000
KPA 3 Total		8 020 000	7 805 000	11 737 000
KPA 6 Total		68 600 307	84 823 828	115 324 696
KPA 8 Total		-	3 500 000	3 500 000
	WM Total	**84 113 307**	**99 686 828**	**133 109 696**
	Grand Total	**135 989 307**	**139 098 828**	**150 844 696**

2. FIVE NECESSARY COMPONENTS OF THE TOP-LAYER OF THE SDBIP

2.5 Detailed Capital Works Plan broken down by Ward over three years

#	KPA	SECTION	DEPT	VOTE NUMBER	DESCRIPTION	2019/2020	2020/2021	2021/2022
1	KPA 1	CSA	CORP	01206420420F4J13ZZHO	New Vehicle for Speaker	400 000	-	-
2	KPA 1	CSA	CORP	01106460020F5H40ZZHO	Office furniture	30 000	30 000	30 000
3	KPA 1	CSA	CORP	01106400320F5G99ZZWM	Strategic Land Purchases	5 000 000	-	-
					KPA 1 Total	**5 430 000**	**30 000**	**30 000**
4	KPA 2	TRAFFIC	COMM	07056460020F5H28ZZWM	2 x Air Conditioners (Replacement)	14 000	14 000	-
5	KPA 2	TRAFFIC	COMM	07056460020F5H02ZZWM	2 x Air Conditioners (New)	14 000	14 000	-
6	KPA 2	TRAFFIC	COMM	07056460020F5H43ZZWM	Equipment for Traffic Law Enforcement	1 500 000	-	-
7	KPA 2	FIRE	COMM	07106460020F5H42ZZWM	Fire and Rescue Equipment - New Vaal Marina	100 000	-	-
8	KPA 2	FIRE	COMM	07106460020F5H44ZZWM	New CCTV cameras	240 000	240 000	240 000
9	KPA 2	FIRE	COMM	07106460020F5H41ZZWM	Radio's and Repeater	50 000	50 000	50 000
10	KPA 2	FIRE	COMM	07106460020F5H29ZZWM	Replacement of CCTV Cameras	75 000	75 000	75 000
11	KPA 2	FIRE	COMM	07106473520F5H25ZZ01	Vaal Marina Fire Station Paving	300 000	-	-
12	KPA 2	TRAFFIC	COMM	07056420420F4J04ZZWM	Vehicle Replacements	500 000	550 000	600 000
					KPA 2 Total	**2 793 000**	**943 000**	**965 000**
13	KPA 3	PARKS	COMM	08056460020F5H33ZZHO	Air Conditioners	10 000	10 000	-
14	KPA 3	LM	COMM	05106460020GBH69ZZ15	Air Conditioners (New) - Henley on Klip	50 000	100 000	-
15	KPA 3	LM	COMM	05356473520GBH58ZZ01	Bantu Bonke Library Books (DAC)	300 000	300 000	300 000
16	KPA 3	SRA	COMM	08156473520FGJ41ZZ06	Bantu Bonke Sport Centre (MIG)	10 000 000	-	-
17	KPA 3	PARKS	COMM	08056456020F5H47ZZWM	Brush Cutters	65 000	70 000	700 000
18	KPA 3	PARKS	COMM	08056456020F5H06ZZWM	Canopies for LDV	40 000	-	-
19	KPA 3	LM	COMM	05106474020GBH75ZZ15	Carport (New) - Henley on Klip	30 000	-	-
20	KPA 3	LM	COMM	05406474020F5H01ZZHO	Carports	150 000	-	-
21	KPA 3	PARKS	COMM	08056456020F5H07ZZWM	Chain Sharpener	30 000	-	-
22	KPA 3	PARKS	COMM	08056456020F5H08ZZWM	Chainsaws	30 000	-	-
23	KPA 3	LM	COMM	05156473520GBH59ZZ11	De Deur Library Books (DAC)	200 000	200 000	200 000
24	KPA 3	PARKS	COMM	08056420420F4H99ZZWM	Double Cab Tipper Truck (Replacement)	700 000	-	-

25	KPA 3	LM	COMM	05356474020GBH66ZZ01	Extension Randvaal Library Building (Upgrading)	1 000 000	200 000	200 000
26	KPA 3	LM	COMM	05256474020GBH67ZZ10	Extension Sicelo Library Building (Upgrading)	1 000 000	5 000 000	100 000
27	KPA 3	SRA	COMM	08206473520F5H26ZZWM	Extention of Kookrus Cemetery Fencing	500 000	-	-
28	KPA 3	LM	COMM	05406460020F5H32ZZHO	Furniture & Equipment	20 000	20 000	20 000
29	KPA 3	SWMA	COMM	17056460020F5H39ZZWM	Furniture for Transfer Station	60 000	-	-
30	KPA 3	LM	COMM	05106473520GBH60ZZ15	Henley on Klip Library Books (DAC)	200 000	200 000	200 000
31	KPA 3	LM	COMM	05056470020GBH68ZZ14	ITC Hardware (New) - Computers	300 000	300 000	200 000
32	KPA 3	LM	COMM	05306473520GBH61ZZ06	Lakeside Library Books (DAC)	300 000	300 000	300 000
33	KPA 3	SRA	COMM	08156473520FGJ42ZZ06	Lakeside Sport Centre (MIG)	2 600 000	2 900 000	3 000 000
34	KPA 3	SWMA	COMM	17056420420F4J09ZZWM	LDV	350 000	-	400 000
35	KPA 3	PARKS	COMM	08056420420F4J17ZZWM	LDV's (Replacements)	400 000	440 000	490 000
36	KPA 3	LM	COMM	05056460020GBH73ZZ14	Meyerton Library Furniture - Shelves (New)	50 000	-	-
37	KPA 3	LM	COMM	05206460020GBH71ZZ04	Randvaal Library Furniture (New)	50 000	-	-
38	KPA 3	LM	COMM	05256460020GBH72ZZ10	Sicelo Library Furniture (New)	30 000	10 000	10 000
39	KPA 3	LM	COMM	05706473520GBH56ZZWM	Mamello Library Books (New) (DAC)	500 000	500 000	500 000
40	KPA 3	LM	COMM	05056460020GBH70ZZ14	Meyerton Library Furniture	20 000	10 000	10 000
41	KPA 3	LM	COMM	05056473520GBH62ZZ14	Meyerton Library Books (DAC)	500 000	500 000	400 000
42	KPA 3	SCA	Savanna City	16056400320FQH76ZZWM	Savanna City (New Land)	450 000	-	-
43	KPA 3	LM	COMM	05206473520GBH63ZZ04	Randvaal Library Books (DAC)	200 000	200 000	200 000
44	KPA 3	SWMA	COMM	17056450020F5H19ZZWM	Refurbishment of Blackwood Transfer Station	600 000	600 000	600 000
45	KPA 3	LM	COMM	05406474020F5H31ZZHO	Refurbishment of De Deur Offices	80 000	80 000	-
46	KPA 3	LM	COMM	05056151020GBH74ZZ14	Meyerton - RFID Security System	2 000 000	1 000 000	1 000 000
47	KPA 3	SRA	COMM	08156456020F5H49ZZWM	Ride-on Lawnmowers with Trailers	250 000	260 000	-
48	KPA 3	LM	COMM	05606473520GBH57ZZWM	Savanna City Library Books (New) (DAC)	500 000	500 000	500 000
49	KPA 3	LM	COMM	05206470020GBH65ZZ04	Randvaal Library Server	150 000	-	-
50	KPA 3	LM	COMM	05256473520GBH64ZZ10	Sicelo Library Books (DAC)	300 000	300 000	300 000
51	KPA 3	SWMA	COMM	17056420420F4J15ZZWM	Skip Bin Loader with Trailer	2 400 000	-	-

52	KPA 3	SWMA	COMM	17056456020F5H50ZZWM	Skip Bins 6 cubic meters	450 000	450 000	450 000
53	KPA 3	SWMA	COMM	17056456020F5H55ZZWM	Street Litter Bins	120 000	140 000	140 000
54	KPA 3	PARKS	COMM	08056456020F5H52ZZWM	Telescopic Pole Pruners	25 000	25 000	25 000
55	KPA 3	PARKS	COMM	08056420420F4J02ZZWM	Tractors (Replacements)	550 000	600 000	650 000
					KPA 3 Total	**27 560 000**	**15 215 000**	**10 895 000**
56	KPA 4	IS	CORP	01356460020F5H03ZZHO	Air Conditioners	32 000	-	-
57	KPA 4	IS	CORP	01356470020F5H27ZZHO	Networks & Computer Related Hardware	1 350 000	1 350 000	1 400 000
					KPA 4 Total	**1 382 000**	**1 350 000**	**1 400 000**
58	KPA 5	FS-BTO	FIN	02056460020F5H37ZZHO	Furniture and Equipment	30 000	32 000	35 000
					KPA 5 Total	**30 000**	**32 000**	**35 000**
59	KPA 6	ELECTRA	ENG	13056420420F4J20ZZWM	2 x 1 Ton LDV	500 000	-	-
60	KPA 6	WSA	ENG	12056444420FNJ44ZZWM	Aged Bulk Water Pipe (Replacement)	9 000 000	10 325 000	12 500 000
61	KPA 6	ELECTRA	ENG	14056456020F5H53ZZWM	Brush cutters (New)	20 000	20 000	20 000
62	KPA 6	EAA	ENG	15056460020F5H34ZZWM	Building Air Conditioners	50 000	-	-
63	KPA 6	WSA	ENG	12056446020FNR25ZZWM	Bulk Water Meters	1 500 000	1 500 000	1 500 000
64	KPA 6	ELECTRA	ENG	13056430020FQH77ZZ02	Cable feeders-cons Emfuleni Connections	2 000 000	-	-
65	KPA 6	RS	ENG	11056456020F5H54ZZWM	Concrete Cutter Trolley	30 000	-	-
66	KPA 6	RS	ENG	11056472420FPH90ZZWM	Construction of Gravel Roads	2 000 000	1 500 000	1 500 000
67	KPA 6	MS	ENG	10056420420F4J01ZZWM	Double-cab Truck (Replacement)	700 000	770 000	850 000
68	KPA 6	RS	ENG	11056456020F5H09ZZWM	Drilling Machine	40 000	-	-
69	KPA 6	ELECTRA	ENG	13056433020FQC38ZZWM	Electricity Metering	500 000	500 000	500 000
70	KPA 6	MS	ENG	10056449420FQH79ZZWM	Extend Sewer Network	500 000	500 000	500 000
71	KPA 6	MS	ENG	10056449420FGJ38ZZWM	Extension to Henley on Klip Sewer	2 000 000	2 600 000	1 000 000
72	KPA 6	EAA	ENG	15056460020F5H36ZZHO	Furniture & Equipment	10 000	10 000	10 000
73	KPA 6	RS	ENG	11056472420FPH95ZZWM	Gravel to Tar (New) (External loans)	3 000 000	1 500 000	1 500 000
74	KPA 6	RS	ENG	11056472420FGD94ZZWM	Gravel to Tar (New) (MIG)	4 887 307	-	2 066 696

75	KPA 6	ELECTRA	ENG	13056430020F5H23ZZWM	High Mast & Street Lights (Unserviced areas)	500 000	500 000	500 000
76	KPA 6	ELECTRA	ENG	13056420420F4J08ZZWM	Half Ton LDV (Metering)	200 000	-	-
77	KPA 6	RS	ENG	11056456020F5H10ZZWM	Jack Hammer	35 000	-	-
78	KPA 6	ELECTRA	ENG	13056151020F5H45ZZWM	Land Acquisitions & Services - R59-development	455 000	1 000 000	-
79	KPA 6	ELECTRA	ENG	14056450020FPH86ZZWM	Landfill Cell Development (Expansion)	2 000 000	5 000 000	10 000 000
80	KPA 6	MS	ENG	10056449420FGR46ZZ01	Mamello Sewage Scheme Augmentation	966 000	-	-
81	KPA 6	ELECTRA	ENG	13056433020FQC93ZZWM	New Connections	500 000	500 000	500 000
82	KPA 6	MS	ENG	10056449420F5H24ZZWM	New Sewerage Connections	1 000 000	1 000 000	1 000 000
83	KPA 6	RS	ENG	11056456020F5H12ZZWM	Plate Compactor	30 000	-	-
84	KPA 6	WSA	ENG	12056444420FPH87ZZWM	Pre-paid Water Meter Project	4 500 000	2 000 000	2 000 000
85	KPA 6	WSA	ENG	12056444420FNJ47ZZWM	Pressure Management Infrastructure	1 500 000	1 000 000	1 000 000
86	KPA 6	PURIFI	ENG	10106449420FPH93ZZWM	Pump-station Refurbishment and Upgrade	1 000 000	1 000 000	1 000 000
87	KPA 6	RS	ENG	11056472420FPG21ZZWM	Rebuilding of Roads	2 000 000	1 500 000	1 500 000
88	KPA 6	WSA	ENG	12056444420FNJ45ZZWM	Refurbishment/Replacement Supply Valves	1 500 000	1 500 000	1 500 000
89	KPA 6	ELECTRA	ENG	13056430020FPH82ZZWM	Replace Meters for TID Compliance	1 000 000	1 000 000	-
90	KPA 6	ELECTRA	ENG	13056430020FPH84ZZWM	Replace Redundant Switchgear	1 000 000	1 000 000	1 000 000
91	KPA 6	MS	ENG	10056449420FPH85ZZWM	Replacement of Pumps	1 000 000	1 000 000	1 000 000
92	KPA 6	ELECTRA	ENG	13056433020F5D31ZZWM	Replacement of Test Equipment	100 000	100 000	100 000
93	KPA 6	WSA	ENG	12056444420FPH88ZZWM	Replacement - Prepaid & Conventional Water Meters	1 000 000	1 000 000	500 000
94	KPA 6	WSA	ENG	12056444420F5H22ZZWM	Reservior Refurbishment – Water Loss Programme	500 000	500 000	500 000
95	KPA 6	RS	ENG	11056472420FPG22ZZWM	Road Resurfacing	2 000 000	1 500 000	1 500 000
96	KPA 6	ELECTRA	ENG	13056430020FTJ29ZZWM	Savanna City Electrification Network	5 000 000	5 000 000	22 008 000
97	KPA 6	MS	ENG	10056449420FGR34ZZ08	Sicelo North Outfall Sewer	5 800 000	3 500 000	-
98	KPA 6	ELECTRA	ENG	13056430020FTJ30ZZ08	Sicelo Electrification Network	20 158 000	20 600 000	5 000 000
99	KPA 6	ELECTRA	ENG	13056430020FPH94ZZ10	Sicelo Reticulation Network (Erf 204)	500 000	500 000	500 000
100	KPA 6	ELECTRA	ENG	13056433020FPR54ZZ08	Sicelo Reticulation Network (Erf 78)	500 000	500 000	500 000
101	KPA 6	WSA	ENG	12056444420FGJ33ZZWM	Sicelo/Highbury (Valley Settlements) Reservior	15 020 000	11 062 000	6 000 000

102	KPA 6	RS	ENG	11056420420F4J16ZZWM	TLB	1 300 000	-	-
103	KPA 6	WSA	ENG	12056446020F5D89ZZWM	Water Meter Replacement Programme	700 000	700 000	700 000
104	KPA 6	RS	ENG	11056456020F5H15ZZWM	Water Pumps	25 000	-	-
105	KPA 6	RS	ENG	11056456020F5H16ZZWM	Welding Machine	8 000	-	-
					KPA 6 Total	**98 534 307**	**82 187 000**	**80 254 696**
106	KPA 8	DPO	DP	03056460020F5H38ZZHO	Furniture and Equipment (New)	10 000	10 000	20 000
107	KPA 8	DPO	DP	03056420420F4J11ZZHO	New Vehicle - LDV - Law Enforcement	250 000	-	-
					KPA 8 Total	**260 000**	**10 000**	**20 000**
					TOTAL	**R135 989 307**	**R99 767 000**	**R93 599 696**

3. APPROVAL OF SERVICE DELIVERY & PERFORMANCE TARGETS

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 projec-tions 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 perfor-mance 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 perfor-mance 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.

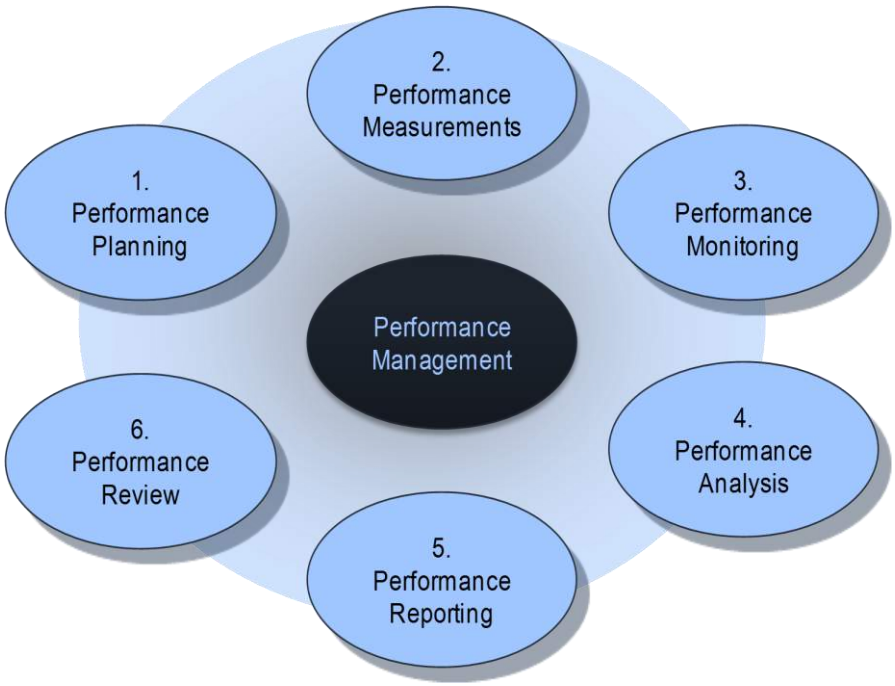
4. PERFORMANCE MANAGEMENT FRAMEWORK

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 ope-rational 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 other-wise) and the annual budgeting cycle.

The annual process of managing performance at organisational level involves the steps as set out in the diagram below:



5. PERFORMANCE MONITORING

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 budge-ting 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 stake-holders/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

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

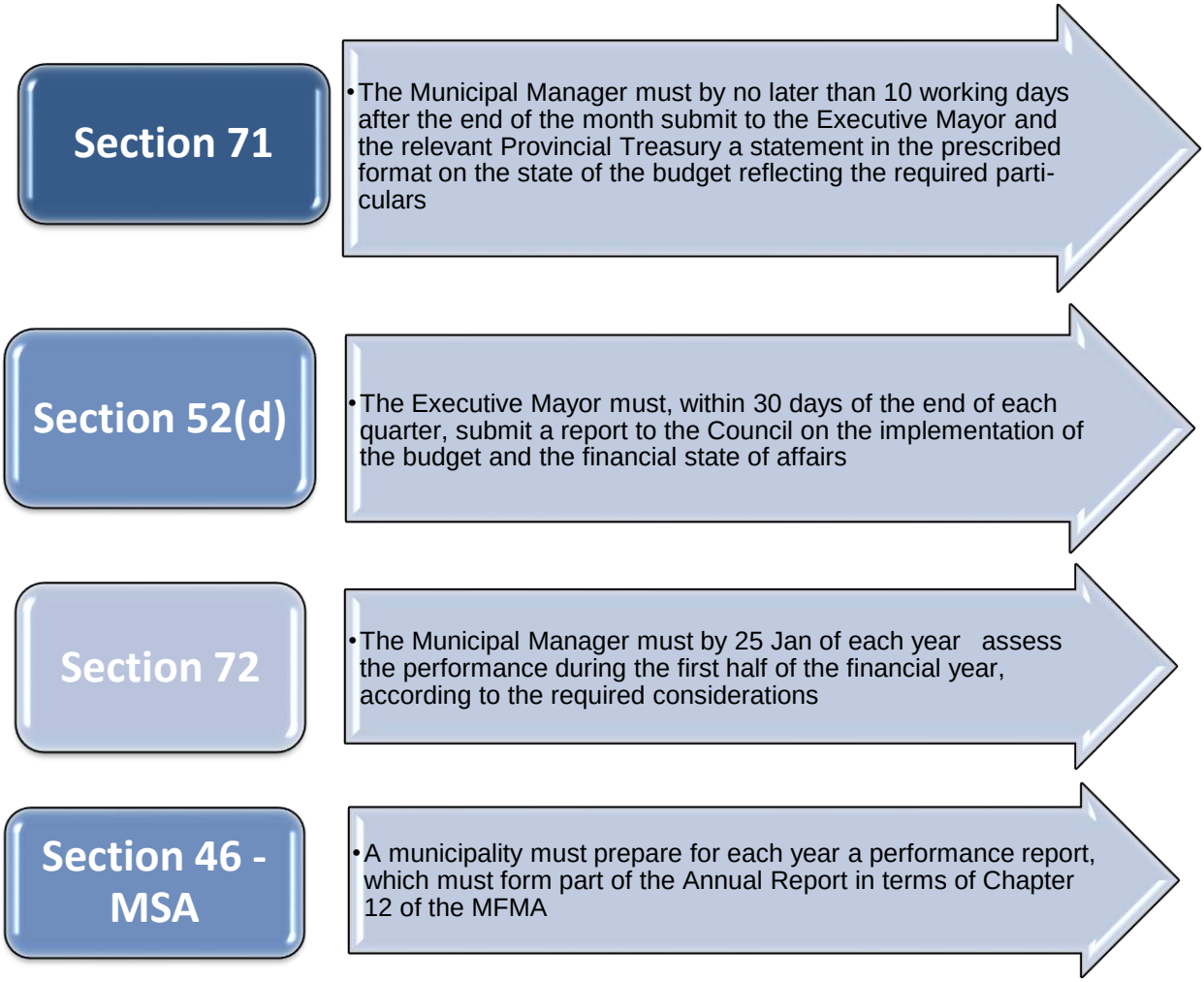
5. Monitoring and Evaluation	
Executive Mayor	Monitor and evaluate (according to agreed schedule) the measures/indicators and targets of the Municipal Manager
Municipal Manager	1. Monitor and evaluate (according to the agreed schedule) the measures/indicators and targets of senior managers
	2. Ensure 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 stake-holders
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:



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 develop-ment plan.

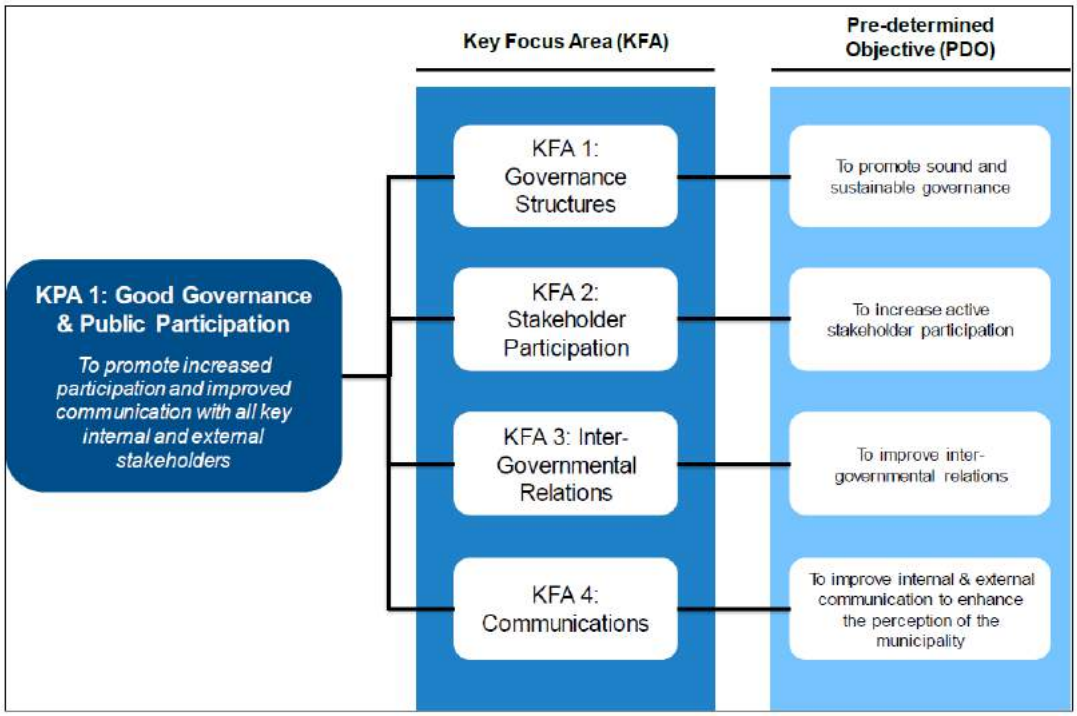
The Process Plan will amongst other, include the following:

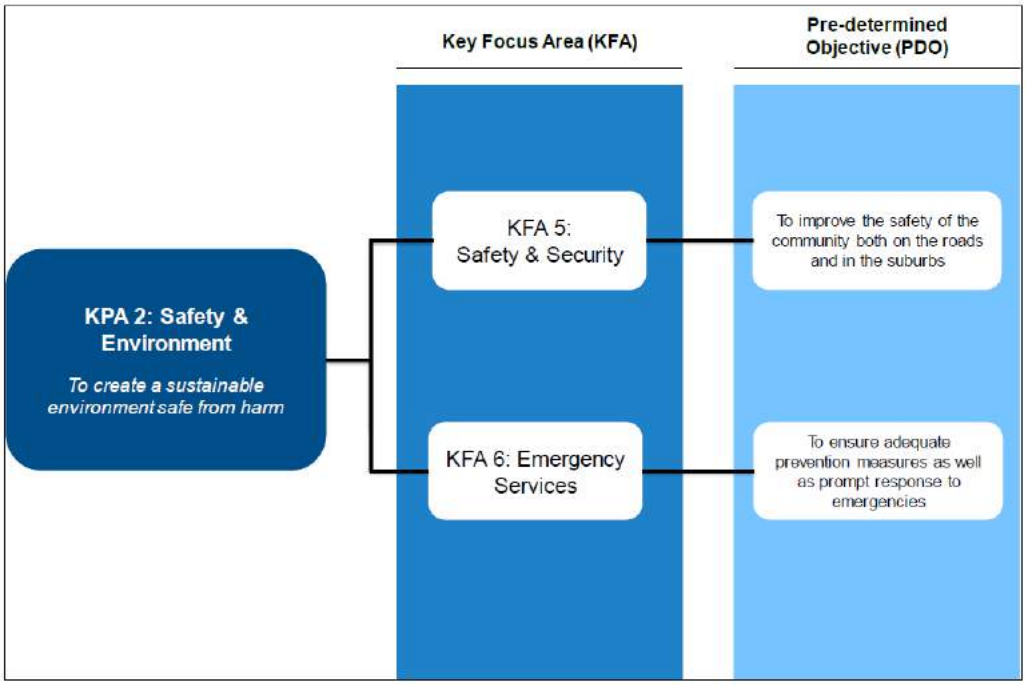
- ❑ Institutional arrangements (internal and external role players);
- ❑ Mechanisms and procedures for public participation;
- ❑ The IDP year planner;
- ❑ Alignment of the IDP;
- ❑ Conclusion.

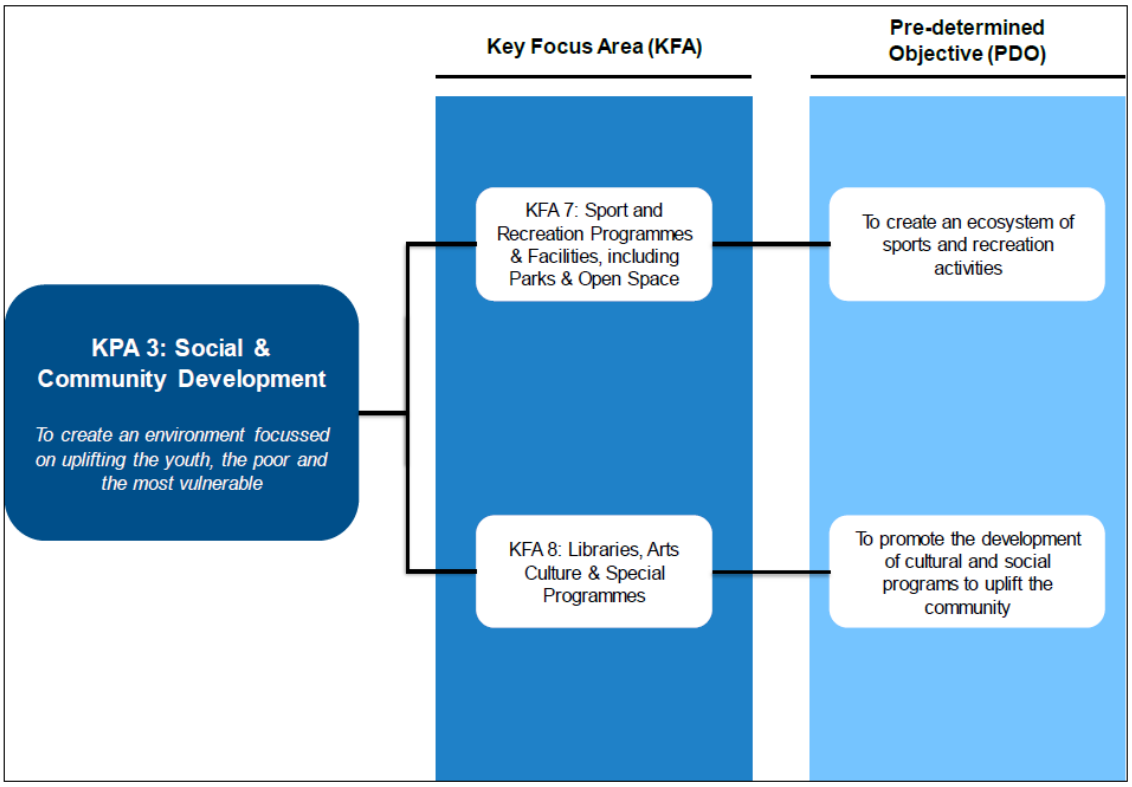
The complete process plan is contained in the IDP.

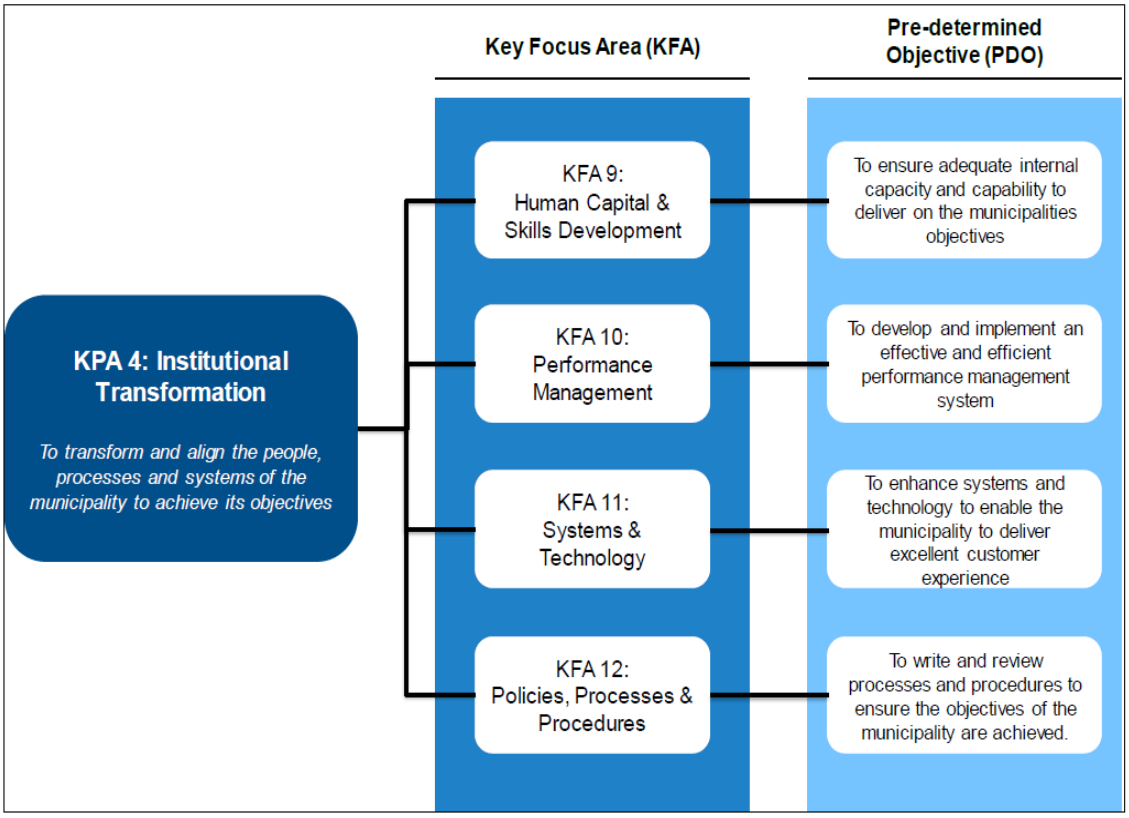
9. KEY PERFORMANCE AREAS (KPAs) / KEY FOCUS AREAS (KFAs) (Measurable Performance Objectives)

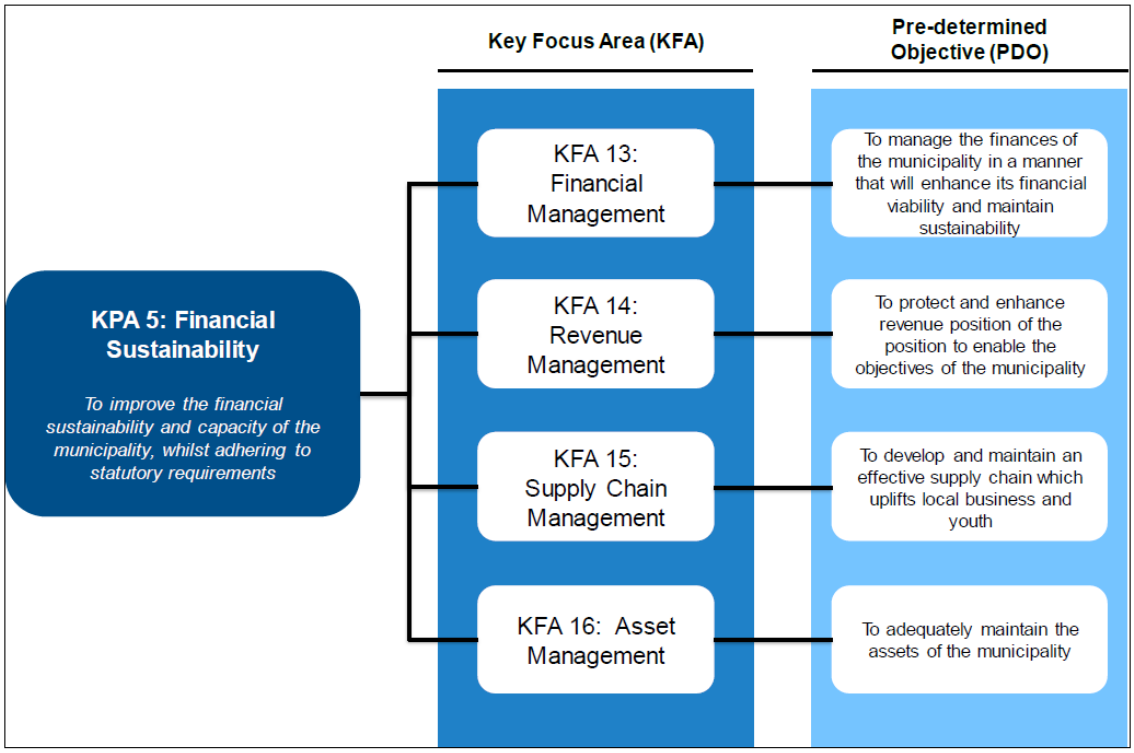
The Key Performance Areas (KFAs) and Key Focus Areas (KFAs) identified for Council, in other words the Objectives and Measurable Performance Objectives are listed as follows:

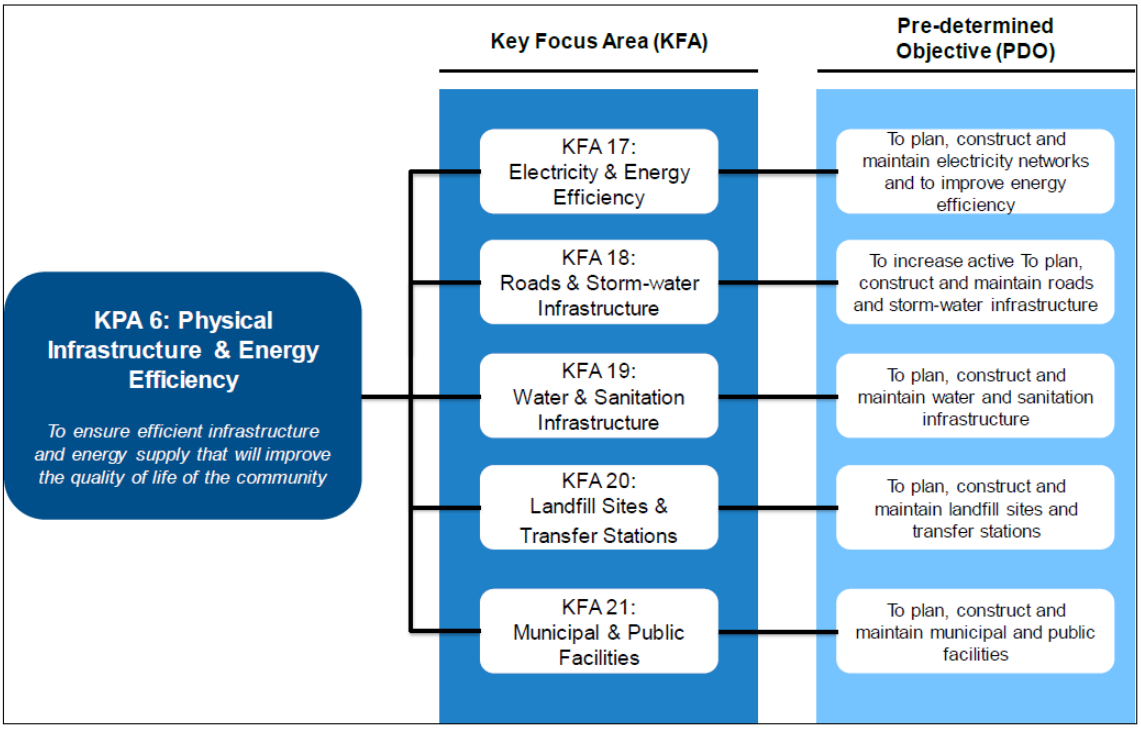


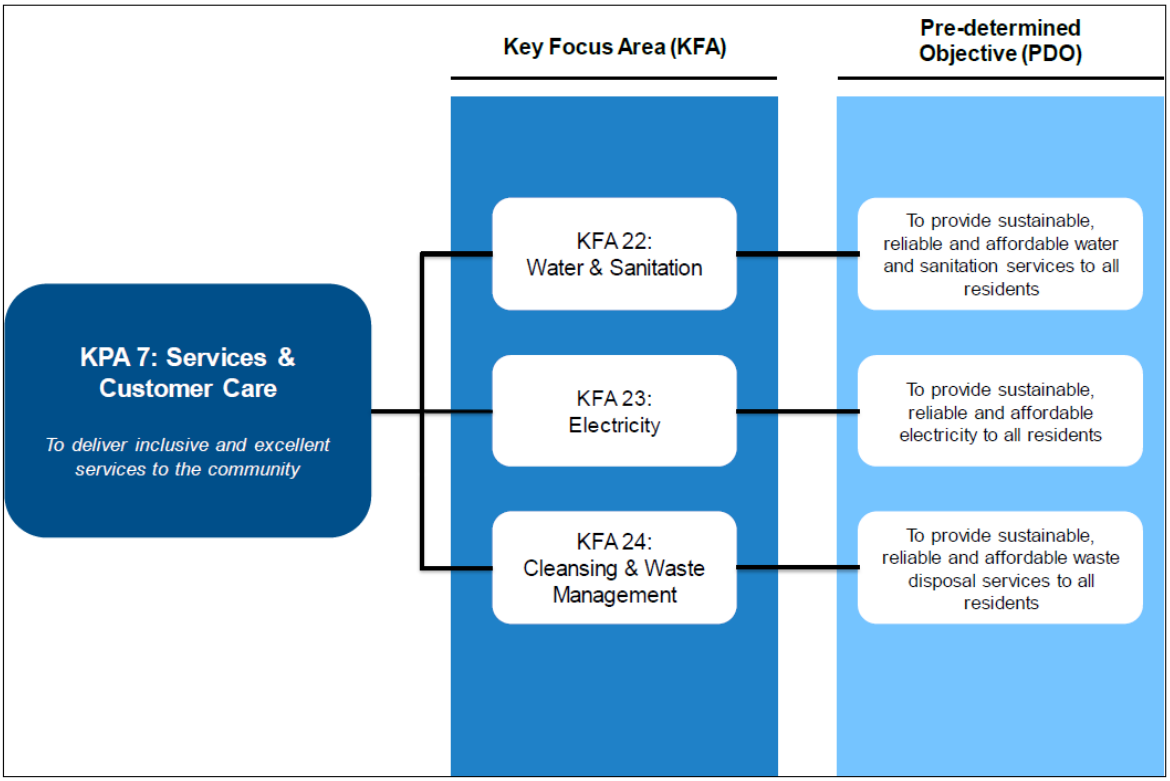

Key Focus Area (KFA)
Pre-determined Objective (PDO)
KPA 2: Safety & Environment
To create a sustainable environment safe from harm
KFA 5: Safety & Security
KFA 6: Emergency Services
To improve the safety of the community both on the roads and in the suburbs
To ensure adequate prevention measures as well as prompt response to emergencies

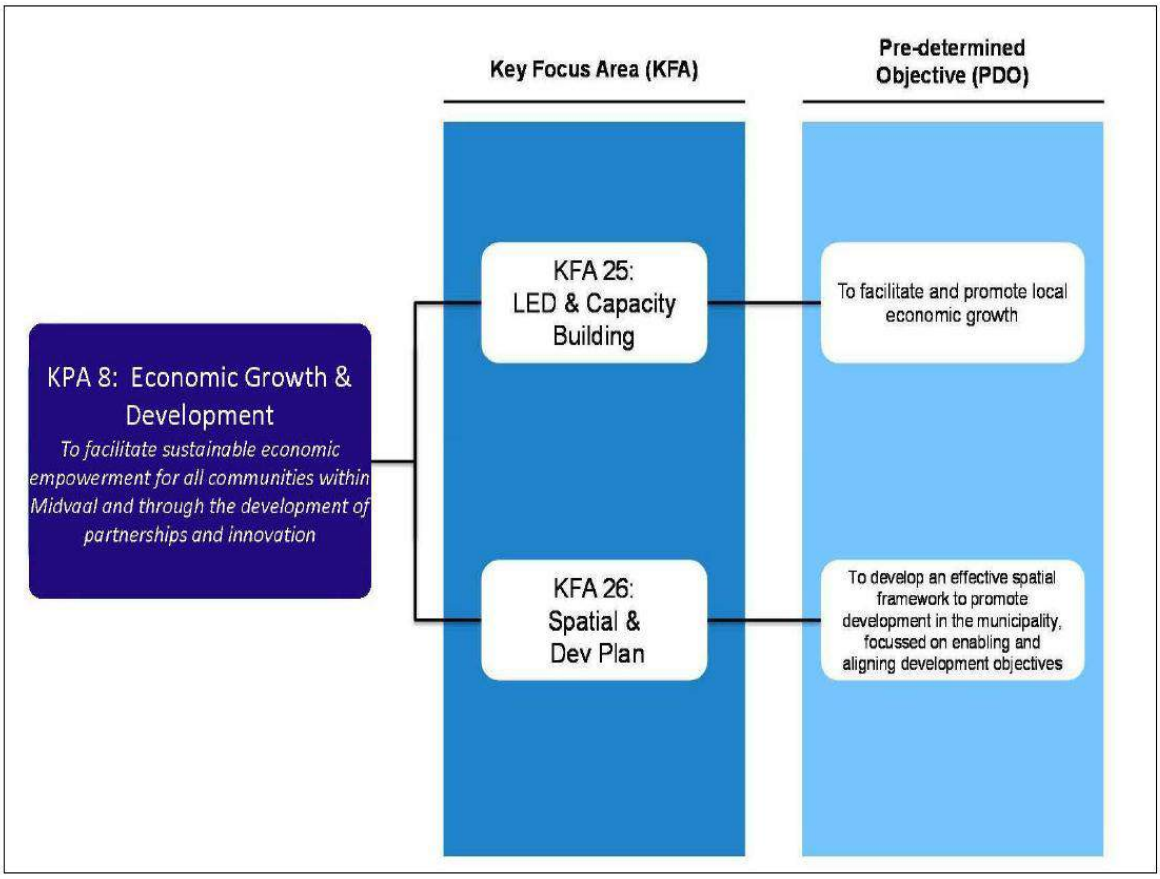

Key Focus Area (KFA)
Pre-determined Objective (PDO)
KPA 3: Social & Community Development
To create an environment focussed on uplifting the youth, the poor and the most vulnerable
KFA 7: Sport and Recreation Programmes & Facilities, including Parks & Open Space
To create an ecosystem of sports and recreation activities
KFA 8: Libraries, Arts Culture & Special Programmes
To promote the development of cultural and social programs to uplift the community


Key Focus Area (KFA)
Pre-determined Objective (PDO)
KPA 4: Institutional Transformation
To transform and align the people, processes and systems of the municipality to achieve its objectives
KFA 9: Human Capital & Skills Development
KFA 10: Performance Management
KFA 11: Systems & Technology
KFA 12: Policies, Processes & Procedures
To ensure adequate internal capacity and capability to deliver on the municipalities objectives
To develop and implement an effective and efficient performance management system
To enhance systems and technology to enable the municipality to deliver excellent customer experience
To write and review processes and procedures to ensure the objectives of the municipality are achieved.


Key Focus Area (KFA)
Pre-determined Objective (PDO)
KPA 5: Financial Sustainability
To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements
KFA 13: Financial Management
KFA 14: Revenue Management
KFA 15: Supply Chain Management
KFA 16: Asset Management
To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability
To protect and enhance revenue position of the position to enable the objectives of the municipality
To develop and maintain an effective supply chain which uplifts local business and youth
To adequately maintain the assets of the municipality


Key Focus Area (KFA)
Pre-determined Objective (PDO)
KPA 6: Physical Infrastructure & Energy Efficiency
To ensure efficient infrastructure and energy supply that will improve the quality of life of the community
KFA 17: Electricity & Energy Efficiency
KFA 18: Roads & Storm-water Infrastructure
KFA 19: Water & Sanitation Infrastructure
KFA 20: Landfill Sites & Transfer Stations
KFA 21: Municipal & Public Facilities
To plan, construct and maintain electricity networks and to improve energy efficiency
To increase active To plan, construct and maintain roads and storm-water infrastructure
To plan, construct and maintain water and sanitation infrastructure
To plan, construct and maintain landfill sites and transfer stations
To plan, construct and maintain municipal and public facilities


Key Focus Area (KFA)
Pre-determined Objective (PDO)
KPA 7: Services & Customer Care
To deliver inclusive and excellent services to the community
KFA 22: Water & Sanitation
KFA 23: Electricity
KFA 24: Cleansing & Waste Management
To provide sustainable, reliable and affordable water and sanitation services to all residents
To provide sustainable, reliable and affordable electricity to all residents
To provide sustainable, reliable and affordable waste disposal services to all residents


Key Focus Area (KFA)
Pre-determined Objective (PDO)
KPA 8: Economic Growth & Development
To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation
KFA 25: LED & Capacity Building
KFA 26: Spatial & Dev Plan
To facilitate and promote local economic growth
To develop an effective spatial framework to promote development in the municipality, focussed on enabling and aligning development objectives

10. COUNCIL RESOLUTION

APPROVAL OF THE SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2019/2020

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 2019/2020. In order to give effect to the above-mentioned legislation, the Service Delivery & Budget Implementation Plan 2019/2020 is attached for approval.

Approved for submission to the Executive Mayor.

_____ _____
MR. A.S.A. DE KLERK **DATE**
MUNICIPAL MANAGER

Submitted to the Executive Mayor on 13 June 20198 for approval.

_____ _____
COUNCILLOR B. BALOYI **DATE**
EXECUTIVE MAYOR

Final SDBIP approved before 27 June 2019

Approved	☐	**NOT APPROVED**	☐

_____ _____
COUNCILLOR B. BALOYI **DATE**
EXECUTIVE MAYOR

Approved SDBIP to be made public within 10 working days after approval by the Executive Mayor, i.e. 11 July 2019

_____ _____
COUNCILLOR B. BALOYI **DATE**
EXECUTIVE MAYOR