C 2550/05/2021
SMC A/5530/05/2021

9.A.3 [FS]: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF): 2021/2022 TO 2023/2024 AS REQUIRED BY SECTION 24 OF THE MFMA

5/1/1 2021/2022 – 2023/2024

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 2021/2022 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 2021 the tariffs as contained in Annexure D:

C 2550/05/2021
SMC A/5530/05/2021

9.A.3 [FS]: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF): 2021/2022 TO 2023/2024 AS REQUIRED BY SECTION 24 OF THE MFMA

5/1/1 2021/2022 – 2023/2024

COMPETENCY: COUNCIL

PURPOSE

To submit the Medium-Term Revenue and Expenditure Framework for the 2021/2022 to 2023/2024 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 2021/2022 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;
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      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 2021 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 2021 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 2021 the following budget related policies and by-laws for the 2021/2022 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. Impairment on Receivables 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. Allocation of Payments Policy

6. That in principle approval BE GRANTED for external debt to the value of R18 600 000 to fund infrastructure projects as contemplated in the capital budget for the 2021/2022 financial year, subject to compliance with section 46 of the MFMA.

7. That in principle approval BE GRANTED for external debt in the form of Hire Finance Leases agreements to the value of R6 725 000 to fund the purchase of vehicles as contemplated in the capital budget for the 2021/2022 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 2021 the revised departmental organograms, as set out in Annexures AS.

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 2020 as required by section 21(b) of the MFMA.

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 25 March 2021.

Budget Summary

The revenue for 2021/2022 is budgeted at R1 443 127 802, which is an increase of 1.21% from the 2020/2021 adjusted budget.

The Revenue Budget has been compiled based on projected billing and is based on a 92% collection rate.

The following tariff increases are approved:

- Electricity – 16% (subject to final confirmation of NERSA)
- Water – 6%
- Sanitation – 6%
- Refuse Collection – 6%
- 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.

The operating expenditure for 2021/2022 is budgeted at R1 419 373 702 (an increase of 8.37% from the 2020/2021 adjusted budget). This includes a provision for salary increases of 6%, increase in repairs and maintenance expenditure of 14.69%, increase in operating cost of 1.68% and increase in contracted services of 5.34%. Bulk purchases has been increased as follows:

Water Purchases from Rand Water – 6%
Electricity Purchases from Eskom – 16%

The capital amount proposed for 2021/2022 amounts to R144 993 658.

Capital Budget per Funding Source	R	%
Capital Annuity Loans	18,600,000.00	12.83%
Capital Leases	6,725,000.00	4.64%
Capital Operational Revenue	31,806,088.00	21.94%
Capital Monetary INEP	22,072,000.00	15.22%
Capital Monetary MIG	27,665,570.00	19.08%
Capital Monetary WSIG	18,000,000.00	12.41%
Capital Monetary NHDG	10,000,000.00	6.90%
Capital Monetary Developer Contribution	2,000,000.00	1.38%
Capital Monetary DAC	6,125,000.00	4.22%
Capital Monetary FFRG	2,000,000.00	1.38%
TOTAL CAPITAL	**144,993,658.00**	**100%**

Midvaal mainly spends its capital expenditure on infrastructure and for the 2020/21 financial year (63%) 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 Finance Leases 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 2021/2022 proposes the following items to be financed from new external loans and lease agreements:

External Loans			
Project Description	**Department**	**2021/2022**	
Replace Redundant Switch Gear	Electricity Network	R	1,000,000
Replacement of Conventional Meters with Pre-paid Meters	Electricity Network	R	1,000,000
Landfill Cell Development (Expansion)	Landfill Sites	R	4,000,000
Rehabilitation of roads	Roads & Stormwater	R	1,000,000
Upgrading and Refublishment of Pump Stations & WWTW	Water & Sanitation	R	2,000,000
Replacement -Prepaid & Conventional Water M	Water & Sanitation	R	100,000
Prepaid Water meters (new)	Water & Sanitation	R	2,000,000
Rissiville Water Network (New)	Water & Sanitation	R	7,500,000
Total Loans		**R**	**18,600,000**

Leases			
Project Description	**Department**	**2021/2022**	
Land Cruisers New (Electrical)	Electricity Network	R	750,000
LDV (pest and weed control section)	Parks	R	400,000
LDV"s (Replacements)	Parks	R	400,000
Tractors (Replacements)	Parks	R	325,000
LDV - New	Roads & Stormwater	R	400,000
Small Motor Vehicle	Social Services Admin	R	250,000
Vehicle Replacements	Traffic	R	600,000
Compactor (Refuse Truck)	Waste Management	R	2,800,000
Carrier Truck	Waste Management	R	800,000
Total Leases		**R**	**6,725,000**

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 in principle approval for the loan and not final approval of the debt agreement. Bids will be advertised during June / July 2021 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 2021.

Public consultation process

Due the COVID-19 pandemic, the "normal" public consultation process could not take place however the budget document was available on the website. A summary of the budget was placed on the local newspaper and discussed through radio interviews. My Midvaal App was also used as a platform for comments.

All documents in the appropriate format 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.

Approximately 75 comments related to the budget were received. Majority of these related to the proposed tariff increases that were very general in nature. However, the municipality did make a downward adjustment to the property rates increase from the proposed 8% to 7%

Provincial Treasury review of the Draft Budget

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

SECTION ONE: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

Annexure A	National Treasury Format Budget Document
Annexure B	Capital Budget Summary
Annexure C	Capital Budget Project List

SECTION TWO: TARIFF SCHEDULES

Tariff increases are as follows:

- Electricity – 16% (subject to final confirmation of NERSA)
- Water – 6%
- Sanitation – 6%
- Refuse Collection – 6%
- 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 2021/2022

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 2021/2022 – 2023/2024 period.

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 2021/2022

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 2021/2022 – 2023/2024 period.

Overview of budget assumptions

The following attachments are provided for this section:

The abovementioned policies and by-laws 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
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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 Allocation of Payments Policy

It must be noted that all Personnel Policies will be submitted to Council as separate items where amendments are required.

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 following attachment is provided for this section:

The draft SDBIP will be distributed under separate cover (Annexure AQ)

SECTION FIVE: DRAFT PROCUREMENT PLAN

The Tabled Procurement Plan is attached as Annexure AR.

SECTION SIX: DRAFT ORGANISATIONAL STRUCTURES FOR 2021/2022

The Tabled Organisational Structures is attached as Annexure AS.

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 AT Midvaal Service Charter
Annexure AU NT MFMA Cost Containment Regulations
Annexure AV Midvaal Cost Containment Progress
Annexure AW MFMA Budget Circular No 107 dated 4 December 2020
Annexure AX MFMA Budget Circular No 108 dated 8 March 2021
Annexure AY Provincial Treasury Assessment.

FINAL MAY 2021

Medium Term Revenue & Expenditure Framework
2021/2022 – 2023/2024

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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 27 May 2021- 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 2021/22 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;
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    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 2021the 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 2021 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 2021 the following budget related policies for the 2021/2022 financial year:

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    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
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    5.16. Policy related to the provision of free basic water
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    5.32. Impairment on Receivables 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. Alocation of Payments Policy

6. **That** the Council of Midvaal Local Municipality, acting in terms of section 11.2.6 of the Midvaal Property Rates Policy **RE-AFFIRM** property rate rebates, on application, 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)
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 R18 600 000 to fund infrastructure projects as contemplated in the capital budget for the 2021/2022 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 R6 725 000 to fund the purchase of vehicles as contemplated in the capital budget for the 2021/2022 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 2021 the revised departmental organograms, as set out in Annexures AT.

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 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

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.

Commitment to cost containment
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 Cost Containment Regulations.

Revenue collection and indigents

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. There has been no change to the threshold of R150 000 property value and less which are deemed as indigent households. In addition, all RDP households are also regarded as deemed indigents.

- 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 R5 500 per month, the indigent status will be revoked.
- Application process – any household with a combined income of less than R5 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.

RDP houses in Savanna City qualify as deemed indigents, notwithstanding that the value of these properties exceed R150 000.

National Treasury's MFMA Circular No. 107 and 108 was used to guide the compilation of the 2021/22 MTREF.

The main challenges experienced during the compilation of the 2021/22 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy, including weaker than expected growth which is also evident in the local economy;
- Continued deterioration in the public finances which has been exacerbated by the COVID-19 pandemic.
- The outlook remains highly uncertain, and the economic effects of the pandemic are far-reaching. There were R1.7m fewer jobs by the third quarter of 2020 compared to the same period in 2019;
- GDP is only expected to recover to pre-pandemic levels in late 2023. Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, the output is only expected to return to pre-pandemic levels in 2024;
- 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);

- Electricity remains a constraint on economic recovery, with power interruptions expected to continue into 2021. Private generation will only be able to plug the electricity gap to a limited extent over the next year;
- The 2021 Local government elections and the paramount importance of sound decision making so that the long term sustainability of municipal finances and service delivery is achieved beyond the election period.
- 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 without committing the incoming council. The proposed positions motivated for the 2021/2022 financial year, will be placed in abeyance pending the provision of the MSA, as contained within Government Notice 21 in Government Gazette 37245, dated 17 January 2014, chapter 2, that a new staff establishment must be submitted within 12 months of a newly elected Council;
- Affordability of capital projects.

The following budget principles and guidelines directly informed the compilation of the 2021/22MTREF:

- Revised IDP;
- The 2020/21 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 2021/22 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;
- The economic challenges will continue to exert pressure on municipal revenue generation and collection levels; hence a conservative approach is taken for revenue projections;
- 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;
- Improved revenue collection, working more efficiently and implementing cost containment measures can offset the trends of service delivery breakdowns.
- The implementation of mSCOA version 6.5. Water purchases treated as inventory.
- CPI projections of 3.9% in 2021/22, 4.2% in 2022/23 and 4.4% in 2023/24

In view of the aforementioned, the following table is a consolidated overview of the proposed 2021/22 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2021/22– 2022/2023 MTREF

Key Financial Ratios	Adjusted Budget	2021/2022	2022/2023	2023/2024
Financial Overview				
Total Operating Revenue	1,425,849,322	1,443,127,802	1,538,046,097	1,640,041,951
Total Operating Expenditure	1,309,790,082	1,419,373,702	1,502,912,196	1,595,846,338
Total Capital Expenditure	255,868,244	144,993,658	120,554,957	116,853,305
Total Expenditure	1,565,658,326	1,564,367,360	1,623,467,153	1,712,699,643
Employee Cost	336,271,646	367,974,946	385,260,750	404,129,124
Employee Cost as a % of Opex	25.67%	25.93%	25.63%	25.32%

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 2021/2022 is budgeted at R1 443 127 802, which is an increase of 1.21% from the 2020/2021 adjusted budget.

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

- Electricity – 16% (subject to final confirmation of NERSA)
- Water – 6%
- Sanitation – 6%
- Refuse Collection – 6%
- 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 registered indigent households serviced by the Council with 6kl of water free of charge.

The Income Budget has been compiled based on projected billing, however provision has been made for a 92% collection rate through the provision of funds for the impairment of debtors.

The operating expenditure for 2021/2022 is budgeted at R1 419 373 702 (an increase of 8.37% from the 2020/2021 adjusted budget). This includes a provision for salary increases of 6%, increase in repairs and maintenance expenditure of 14.69%, increase in operating cost of 1.68% and increase in contracted services of 5.34%. Bulk purchases has been increased as follows:

Water Purchases from Rand Water – 6%
Electricity Purchases from Eskom – 16%

The capital amount proposed for 2021/2022 amounts to R144 993 658.

The capital budget will be funded as follows:

Capital Budget per Funding Source	R	%
Capital Annuity Loans	18,600,000.00	12.83%
Capital Leases	6,725,000.00	4.64%
Capital Operational Revenue	31,806,088.00	21.94%
Capital Monetary INEP	22,072,000.00	15.22%
Capital Monetary MIG	27,665,570.00	19.08%
Capital Monetary WSIG	18,000,000.00	12.41%
Capital Monetary NHDG	10,000,000.00	6.90%
Capital Monetary Developer Contribution	2,000,000.00	1.38%
Capital Monetary DAC	6,125,000.00	4.22%
Capital Monetary FFRG	2,000,000.00	1.38%
TOTAL CAPITAL	**144,993,658.00**	**100%**

Midvaal mainly spends its capital expenditure on infrastructure services and for the 2021/22 financial year 63% 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 the 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 92% 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 2021/22MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source											
Property rates	2	194,658	213,758	242,117	259,585	253,618	253,618	210,512	271,371	290,367	310,692
Service charges - electricity revenue	2	326,502	347,196	357,488	418,838	404,123	404,123	344,624	468,601	510,233	555,571
Service charges - water revenue	2	183,111	228,957	221,761	249,286	238,538	238,538	200,630	252,846	272,813	294,358
Service charges - sanitation revenue	2	38,450	42,105	45,601	45,004	49,101	49,101	41,303	52,047	55,169	59,031
Service charges - refuse revenue	2	36,023	39,008	41,920	44,560	49,465	49,465	39,050	52,433	55,579	59,470
Rental of facilities and equipment		1,345	1,324	1,214	1,461	1,125	1,125	933	1,193	1,264	1,340
Interest earned - external investments		14,725	18,751	21,721	18,583	18,583	18,583	9,636	19,307	20,118	21,003
Interest earned - outstanding debtors		9,181	12,404	18,964	16,874	18,890	18,890	17,044	19,375	19,918	20,511
Dividends received											
Fines, penalties and forfeits		34,362	44,425	40,839	46,956	47,113	47,113	48,280	49,940	52,936	56,112
Licences and permits		1	–	–	45	–	–	–	–	–	–
Agency services											
Transfers and subsidies		105,174	121,603	130,237	147,307	166,718	166,718	149,694	152,018	162,926	168,081
Other revenue	2	8,854	9,272	11,147	11,083	11,387	11,387	7,594	11,993	12,644	13,339
Gains		998	(413)	(1,158)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		953,385	1,078,388	1,131,851	1,259,581	1,258,659	1,258,659	1,069,301	1,351,123	1,453,969	1,559,509

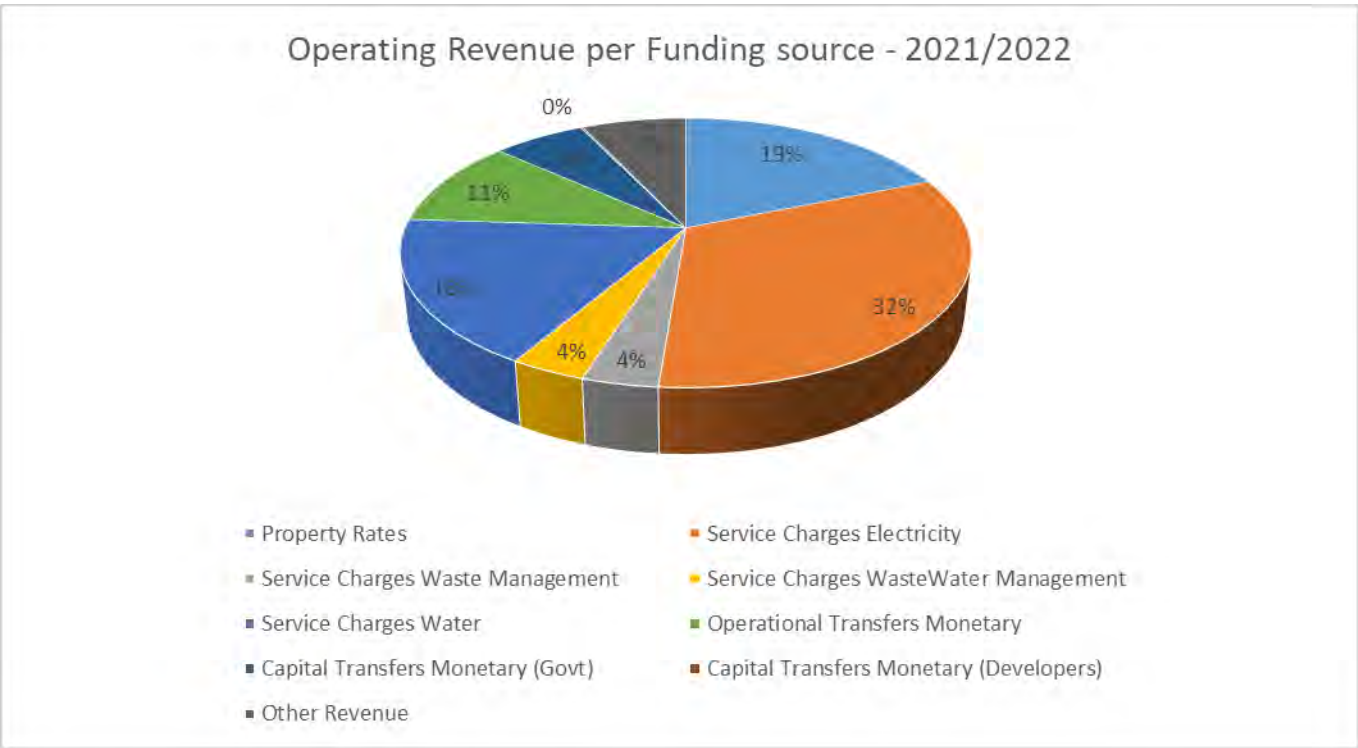

Figure 1: Operating Revenue Distribution for the 2021/22 Financial Year

Table 3 Percentage growth in revenue by main revenue source

Revenue By Source				2021/22 Medium Term Revenue & Expenditure Framework					
	Original Budget	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year 2022/23	%	Budget Year 2023/24	%
Property rates	259,585,185	253,617,598	-2.30%	271,370,829	7.00%	290,366,787	7.00%	310,692,462	7.00%
Service charges - electricity revenue	418,838,270	404,122,658	-3.51%	468,600,817	15.96%	510,233,053	8.88%	555,570,731	8.89%
Service charges - water revenue	249,285,818	238,537,584	-4.31%	252,845,828	6.00%	272,813,309	7.90%	294,358,324	7.90%
Service charges - sanitation revenue	45,003,833	49,100,599	9.10%	52,046,635	6.00%	55,169,433	6.00%	59,031,293	7.00%
Service charges - refuse revenue	44,560,401	49,465,286	11.01%	52,433,203	6.00%	55,579,195	6.00%	59,469,738	7.00%
Rental of facilities and equipment	1,460,680	1,125,370	-22.96%	1,192,892	6.00%	1,264,466	6.00%	1,340,334	6.00%
Interest earned - external investments	18,582,598	18,582,598	0.00%	19,307,319	3.90%	20,118,227	4.20%	21,003,429	4.40%
Interest earned - outstanding debtors	16,873,834	18,889,925	11.95%	19,375,322	2.57%	19,918,441	2.80%	20,511,324	2.98%
Fines, penalties and forfeits	46,955,587	47,112,741	0.33%	49,939,505	6.00%	52,935,875	6.00%	56,112,028	6.00%
Licences and permits	45,187	-	-100.00%	-	0.00%	-	0.00%	-	0.00%
Transfers and subsidies	147,306,827	166,717,631	13.18%	152,017,707	-8.82%	162,926,016	7.18%	168,081,066	3.16%
Other revenue	11,083,153	11,386,834	2.74%	11,992,884	5.32%	12,643,740	5.43%	13,338,719	5.50%
Total Revenue (excl capital transfers)	**1,259,581,373**	**1,258,658,824**	**-0.07%**	**1,351,122,941**	**7.35%**	**1,453,968,542**	**7.61%**	**1,559,509,448**	**7.26%**

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 81% 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 R152 million in the 2021/22 financial year and increases to R168 million by 2023/24. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 – SA18 Operating Transfers and Grant Receipts

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		88,985	99,923	113,301	128,323	139,894	139,894	129,609	139,992	143,990
Local Government Equitable Share		86,316	97,192	107,047	118,071	133,623	133,623	124,899	135,647	139,570
Expanded Public Works Programme Integrated Grai		1,119	1,181	1,564	1,708	1,708	1,708	1,539	–	–
Local Government Financial Management Grant		1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Municipal Disaster Relief Grant		–	–	718	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	922	5,494	1,513	1,513	1,621	1,795	1,870
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	1,500	1,500	1,500	1,500	–	1,000	1,000
Provincial Government:		10,181	10,967	13,853	15,902	18,743	18,743	19,327	19,852	21,010
Health		–	4,217	–	–	–	–	–	–	–
Libraries Archives and Museums		6,265	6,750	–	–	–	–	–	–	–
Primary Health Care		3,916	–	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	13,853	15,902	18,743	18,743	19,327	19,852	21,010
District Municipality:		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Environmental Health and Safety		2,669	–	–	–	–	–	–	–	–
Environmental Protection		–	3,074	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Other grant providers:		–	–	–	–	5,000	5,000	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Old Mutual		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	5,000	5,000	–	–	–
Total Operating Transfers and Grants	5	101,836	113,963	130,237	147,307	166,718	166,718	152,018	162,926	168,081
Capital Transfers and Grants										
National Government:		59,389	47,620	86,200	67,523	92,677	92,677	81,880	76,978	75,233
Energy Efficiency and Demand Side Management Grant		8,000	–	–	–	–	–	–	5,000	–
Integrated National Electrification Programme Grant		–	8,799	37,229	25,600	18,183	18,183	22,072	20,000	21,000
Municipal Infrastructure Grant		36,389	23,870	35,422	26,098	60,169	60,169	31,808	34,114	35,521
Neighbourhood Development Partnership Grant		–	–	–	1,500	–	–	10,000	–	–
Water Services Infrastructure Grant		15,000	14,951	13,549	14,325	14,325	14,325	18,000	17,864	18,712
Provincial Government:		1,550	4,053	1,145	7,550	12,499	12,499	8,125	5,600	5,300
Libraries Archives and Museums		1,550	4,053	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	1,145	7,550	12,499	12,499	8,125	5,600	5,300
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		10,731	24,710	10,408	1,500	81,626	81,626	2,000	1,500	–
Developers Contribution		10,731	24,710	10,408	1,500	81,626	81,626	2,000	1,500	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	71,670	76,384	97,753	76,573	186,802	186,802	92,005	84,078	80,533
TOTAL RECEIPTS OF TRANSFERS & GRANTS		173,506	190,347	227,990	223,880	353,520	353,520	244,023	247,004	248,614

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 within the lower limit of the 3 to 6 per cent Consumer Price Index (CPI) target band. Tariffs could not be contained within the targeted 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
	2021/2022	2022/2023	2023/2024
Property Rates Increase	7.00%	7.00%	7.00%
Refuse Removal Increase	6.00%	6.00%	7.00%
Sanitation Increase	6.00%	6.00%	7.00%
NERSA Increase	16.00%	8.90%	8.90%
Electricity Sales Increase	16.00%	8.90%	8.90%
Rand Water Increase	6.00%	7.90%	7.90%
Water Sales Increase	6.00%	7.90%	7.90%

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. 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 fully operational as the registered institution.
- 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 Municipal Property Rates Act a further R135 000 reduction on the market value of a property will be granted. No property rates will therefore be payable on the first R150 000 of the value of residential property.

Rebates:

- Indigent property owners will be exempted from property rates.
- 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 (R6500) will receive a rebate of 100% of their property rates for the first R1 300 000 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 R8 000 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). Property owners with more than 1 property will not qualify for pensioner rebates. Pensioner rebates will be valid for a period of 12 months from date of approval
- 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).
- 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 proposed an increase on its bulk tariffs with 6% from 1 July 2021. A tariff increase of 6% for MLM customers as from 1 July 2021 for water is proposed.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA is yet to approve an increase in the Eskom bulk electricity tariff to municipalities. The increase of 16% has been included in the budget and will be effective from 1 July 2021.(subject to NERSA approval)

Electricity tariffs will increase by 16%. Registered indigents will be granted 50 kWh per 30-day period free of charge.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6% for sanitation from 1 July 2021 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 6% increase in the waste removal tariff is proposed from 1 July 2021.

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

Projected Residential Tariffs	2021/2022	2022/2023	2023/2024
Property rates	0.0095294	0.010196	0.01091
Residential Reduction	150000	150000	150000
Electricity			
Fixed Charge	0	0	0
Electricity - (block 1: 0 - 50 kwh)	1.3681	1.489828	1.622423
Electricity - (block 2: 51 - 350 kwh)	1.7192	1.872214	2.038841
Electricity - (block 3: 351 - 600 kwh)	2.5366	2.762327	3.008174
Electricity - (block 4: > 600 kwh)	2.9525	3.215254	3.501411
Cost Price per kwh	1.6870	1.837128	2.000632
Water			
0-6 indigent households	0	0	0
7-12 indigent households	32.34	34.90	37.66
0-12 non indigent households	32.34	34.90	37.66
13 - 20kl	35.65	38.46	41.50
21 - 30kl	40.28	43.46	46.90
31 - 45kl	42.76	46.14	49.78
>45kl	44.41	47.92	51.70
Vaalmarina		0	0
Water - 0 - 30kl	25.89	27.93	30.14
Water - 31kl+	35.14	37.92	40.92
Cost Price per kl	10.696070	11.57315	12.48743
Sewerage			
Residential	260.31	275.93	295.24
Refuse Removal			
Residential	226.43	240.02	256.82
Low Cost Housing	113.22	120.02	128.42

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Rand/cent								% incr.			
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		459.00	504.88	352.92	377.62	377.62	377.62	–	436.76	467.34	500.05
Electricity: Basic levy		57.67	–	–	–	–	–				
Electricity: Consumption		1,616.42	1,645.94	1,758.52	1,947.26	1,947.26	1,947.26	–	2,399.00	2,612.85	2,845.40
Water: Basic levy		26.78	–	–	–	–	–				
Water: Consumption		582.70	706.50	773.61	891.84	891.84	891.84	–	1,076.08	1,161.09	1,252.82
Sanitation		183.08	195.89	214.50	229.51	229.51	229.51	–	260.31	275.93	295.25
Refuse removal		157.62	168.66	184.68	197.61	197.61	197.61	–	226.44	240.02	256.83
Other											
sub-total		3,083.27	3,221.87	3,284.23	3,643.84	3,643.84	3,643.84	20.7%	4,398.59	4,757.23	5,150.35
VAT on Services		367.40	407.55	439.70	489.93	489.93	489.93	–	594.32	643.49	697.54
Total large household bill:		3,450.67	3,629.42	3,723.93	4,133.77	4,133.77	4,133.77	20.8%	4,992.91	5,400.72	5,847.89
% increase/-decrease			5.2%	2.6%	11.0%	–	–		20.8%	8.2%	8.3%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		459.00	504.88	352.92	377.62	377.62	377.62	–	436.76	467.34	500.05
Electricity: Basic levy		57.67	–	–		–	–				
Electricity: Consumption		643.25	655.21	700.03	782.91	782.91	782.91	–	964.66	1,050.51	1,144.01
Water: Basic levy		26.78	–	–							
Water: Consumption		453.62	556.20	609.04	714.24	714.24	714.24	–	874.68	943.78	1,018.34
Sanitation		183.07	195.89	214.50	229.51	229.51	229.51	–	260.31	275.93	295.24
Refuse removal		157.62	168.66	184.68	197.61	197.61	197.61	–	226.44	240.03	256.83
Other											
sub-total		1,981.01	2,080.84	2,061.17	2,301.89	2,301.89	2,301.89	20.0%	2,762.85	2,977.59	3,214.47
VAT on Services		213.08	236.39	256.24	288.64	288.64	288.64	–	348.91	376.54	407.16
Total small household bill:		2,194.09	2,317.23	2,317.41	2,590.53	2,590.53	2,590.53	20.1%	3,111.76	3,354.13	3,621.63
% increase/-decrease			5.6%	0.0%	11.8%	–	–		20.1%	7.8%	8.0%
				- 1.00	1,516.22	- 1.00	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		343.07	392.46	419.30	418.59	418.59	418.59	–	515.76	561.66	611.65
Water: Basic levy		–	–	–	–	–	–				
Water: Consumption		324.53	357.63	391.60	422.56	422.56	422.56	–	479.24	517.10	557.95
Sanitation											
Refuse removal											
Other											
sub-total		667.60	750.09	810.90	841.15	841.15	841.15	18.3%	995.00	1,078.76	1,169.60
VAT on Services		93.46	112.51	21.63	126.17	126.17	126.17	–	149.25	161.81	175.44
Total small household bill:		761.06	862.60	832.53	967.32	967.32	967.32	18.3%	1,144.25	1,240.57	1,345.04
% increase/-decrease			13.3%	(3.5%)	16.2%	–	–		18.3%	8.4%	8.4%

1.5 Operating Expenditure Framework

The Council's expenditure framework for the 2021/22 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 2021/2022 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by standard classification item

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available											
Cash/cash equivalents at the year end	1	113,614	184,345	273,784	232,935	1,550,168	1,550,168	72,089	(516,188)	(1,123,990)	(1,727,393)
Other current investments > 90 days		88,370	108,555	126,263	101,258	(1,144,705)	(1,144,705)	138,530	992,462	1,574,962	2,222,360
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		201,984	292,900	400,047	334,193	405,462	405,462	210,619	476,275	450,972	494,967
Application of cash and investments											
Unspent conditional transfers		21,608	54,768	29,429	–	(9,755)	(9,755)	81,296	(9,755)	(9,755)	(9,755)
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	109,549	138,383	154,905	51,129	(112,250)	(112,250)	104,554	(117,351)	(93,898)	(73,160)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	–	–	–
Total Application of cash and investments:		144,000	192,707	168,800	113,448	(59,686)	(59,686)	150,718	(127,105)	(103,653)	(82,915)
Surplus(shortfall)		57,984	100,193	231,247	220,745	465,148	465,148	59,901	603,380	554,625	577,882

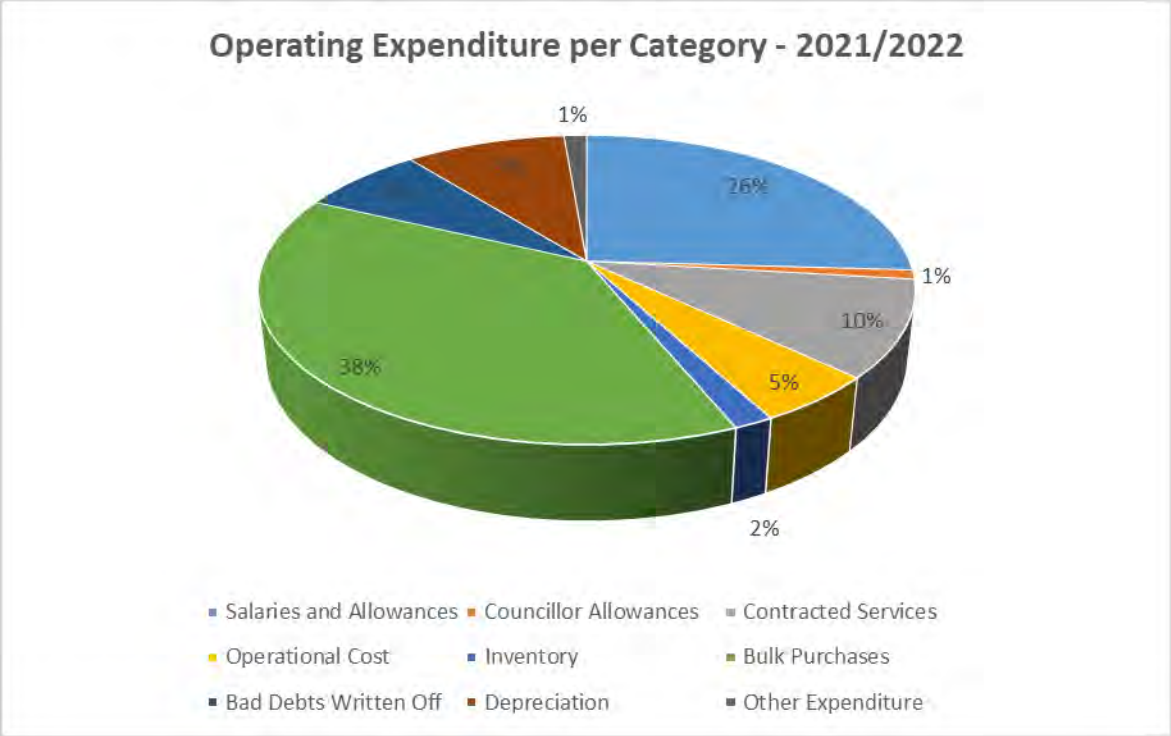

Figure 2 Operating Expenditure Distribution for the 2021/22 Financial Year

The operating expenditure for 2021/2022 is budgeted at R1 419 373 702 (an increase of 8.37% from the 2020/2021 adjusted budget). This includes a provision for salary increases of 6%,

increase in repairs and maintenance expenditure of 14.69%, increase in operating cost of 1.68% and increase in contracted services of 5.34%. Bulk purchases has been increased as follows:

Water Purchases from Randwater – 6%
Electricity Purchases from Eskom – 16%

The budgeted allocation for salaries and allowances for the 2021/22 financial year totals R368 million, which equals 26% of the total operating expenditure. When Councillor's remuneration is included, it increases to 26.9% of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6% for municipal staff and 4.5% for senior managers. In addition, notch increases have been provided. An annual increase of 4.7% (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 92%. In addition, the impairment of traffic fines recognised as revenue in accordance with iGRAP 1 have been provided for. For the 2021/22 financial year this amount equates to R49.9 million and escalates to R52.9 million by 2022/23.

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 R133.7 million for the 2021/22 financial and equates to 9.4% 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 1.2% (R17.3 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 2021/22 MTREF this expenditure category was critically evaluated and operational efficiencies were enforced. In the 2021/22 financial year, this expenditure category totals R143 million. For the two outer years, growth has been limited CPI 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
EXPENDITURE OTHER ITEMS		215,756	235,960	233,989	247,409	249,635	249,635	280,371	292,190	305,387
Depreciation	7	122,503	136,385	130,381	127,714	128,763	128,763	133,748	138,982	144,479
Repairs and Maintenance by Asset Class	3	93,253	99,575	103,609	119,695	120,872	120,872	146,623	153,207	160,908
Roads Infrastructure		26,469	28,630	24,648	29,338	23,477	23,477	29,668	30,996	32,445
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		18,744	18,673	19,129	24,784	26,946	26,946	28,253	29,549	30,962
Water Supply Infrastructure		15,387	18,783	22,829	22,369	26,802	26,802	29,692	31,048	32,528
Sanitation Infrastructure		20,430	20,912	23,766	28,740	27,755	27,755	33,912	35,462	37,154
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	2,520	2,520	2,520	2,626	2,741
Infrastructure		*81,031*	*86,999*	*90,372*	*105,231*	*107,500*	*107,500*	*124,045*	*129,680*	*135,831*
Community Facilities		53	123	38	188	188	188	1,247	1,291	1,844
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*53*	*123*	*38*	*188*	*188*	*188*	*1,247*	*1,291*	*1,844*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2,925	1,912	2,793	1,669	1,639	1,639	8,938	9,306	9,716
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*2,925*	*1,912*	*2,793*	*1,669*	*1,639*	*1,639*	*8,938*	*9,306*	*9,716*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		11	37	11	41	1	1	–	–	–
Furniture and Office Equipment		55	96	56	391	350	350	363	378	395
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		9,179	10,408	10,338	12,174	11,193	11,193	12,030	12,552	13,122
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		215,756	235,960	233,989	247,409	249,635	249,635	280,371	292,190	305,387
Renewal and upgrading of Existing Assets as % of total capex		*55.1%*	*62.2%*	*76.0%*	*72.1%*	*64.9%*	*64.9%*	*60.8%*	*61.8%*	*55.1%*
Renewal and upgrading of Existing Assets as % of deprecn		*67.7%*	*61.0%*	*73.2%*	*77.0%*	*137.6%*	*137.6%*	*63.8%*	*53.6%*	*44.5%*
R&M as a % of PPE		*4.5%*	*4.9%*	*5.1%*	*5.4%*	*5.6%*	*5.6%*	*6.0%*	*6.3%*	*6.6%*
Renewal and upgrading and R&M as a % of PPE		*10.0%*	*10.0%*	*11.0%*	*11.0%*	*16.0%*	*16.0%*	*11.0%*	*11.0%*	*10.0%*

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)	**2021/2022**	**2022/2023**	**2023/2024**
TWS: Cost of Free Basic Electricity	603,200	656,885	715,348
TWS: Cost of Free Basic Water	10,878,510	11,737,912	12,665,207
TWS: Rebate Bona Fide Farmers	-	-	-
TWS: Rebate Discretionary	-	-	-
TWS: Rebate Pensioners	1,002,481	1,072,655	1,147,740
TWS: Rebate Residential	45,713,485	48,913,429	52,337,369
TWS: Revenue cost of Free Waste	5,451,700	5,778,802	6,183,318
TWS: Revenue cost of Free Waste Water	16,110,079	17,076,684	18,272,052
Total Income Foregone	**79,759,454**	**85,236,366**	**91,321,033**
Indigent Income Threshold	R 5,500.00	R 6,000.00	R 6,500.00
Estimated Number of Indigent Households	**6000**	**7000**	**8000**

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:

2021/2022 R124 899 000
2022/2023 R135 647 000
2023/2024 R139 570 000

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:

2021/2022 6 000
2022/2023 7 000
2023/2024 8 000

1.6 Capital expenditure

The capital amount proposed for 2021/22 amounts to R144 993 658.

The capital budget will be funded as follows:

Capital Budget per Funding Source	R	%
Capital Annuity Loans	18,600,000.00	12.83%
Capital Leases	6,725,000.00	4.64%
Capital Operational Revenue	31,806,088.00	21.94%
Capital Monetary INEP	22,072,000.00	15.22%
Capital Monetary MIG	27,665,570.00	19.08%
Capital Monetary WSIG	18,000,000.00	12.41%
Capital Monetary NHDG	10,000,000.00	6.90%
Capital Monetary Developer Contribution	2,000,000.00	1.38%
Capital Monetary DAC	6,125,000.00	4.22%
Capital Monetary FFRG	2,000,000.00	1.38%
TOTAL CAPITAL	**144,993,658.00**	**100%**

Midvaal mainly spends its capital expenditure on infrastructure services and for the 2021/22 financial year (63%) 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 2021/22 Medium-term capital budget per vote

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		12,661	2,876	8,234	400	400	400	–	30	–	–
Vote 02 - Corporate Services		1,511	1,342	974	7,260	13,728	13,728	7,410	3,104	1,680	1,795
Vote 03 - Financial Services		23	123	87	32	132	132	24	680	1,537	2,600
Vote 04 - Development & Planning		208	19	163	1,550	50	50	49	10,180	20	25
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		7,986	6,013	9,244	14,819	26,988	26,988	15,756	18,444	20,026	23,788
Vote 07 - Public Safety		6,541	4,200	591	4,165	4,355	4,355	1,365	3,450	100	2,115
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		25,046	12,858	12,397	10,520	23,377	23,377	12,088	17,100	–	2,000
Vote 11 - Solid Waste Management		7,717	16,470	545	17,700	21,962	21,962	9,922	11,720	19,711	12,420
Vote 12 - Roads And Transport		36,617	24,867	12,632	12,128	18,084	18,084	10,705	4,580	8,217	12,896
Vote 13 - Water Services		26,480	48,226	38,215	36,371	45,443	45,443	29,990	32,052	28,876	25,153
Vote 14 - Electrical Services		25,862	16,044	42,562	31,510	27,409	27,409	13,676	26,997	34,478	30,087
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	150,652	133,039	125,643	136,455	181,930	181,930	100,986	128,336	114,645	112,879
Single-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		–	–	–	–	78,126	78,126	77,104	–	–	–
Vote 02 - Corporate Services		–	597	–	–	22	22	19	1,245	210	–
Vote 03 - Financial Services		–	–	–	–	–	–	–	280	–	–
Vote 04 - Development & Planning		–	–	–	–	–	–	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		–	–	–	–	114	114	17	995	200	2,474
Vote 07 - Public Safety		–	–	–	–	2,700	2,700	–	4,500	–	–
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 - Solid Waste Management		–	–	–	–	–	–	–	3,120	–	–
Vote 12 - Roads And Transport		–	–	–	–	5,000	5,000	–	5,617	–	1,500
Vote 13 - Water Services		–	–	–	–	5,000	5,000	1,970	–	–	–
Vote 14 - Electrical Services		–	–	–	–	67	67	51	900	5,500	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	597	–	–	91,029	91,029	79,160	16,657	5,910	3,974
Total Capital Expenditure - Vote		150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853

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

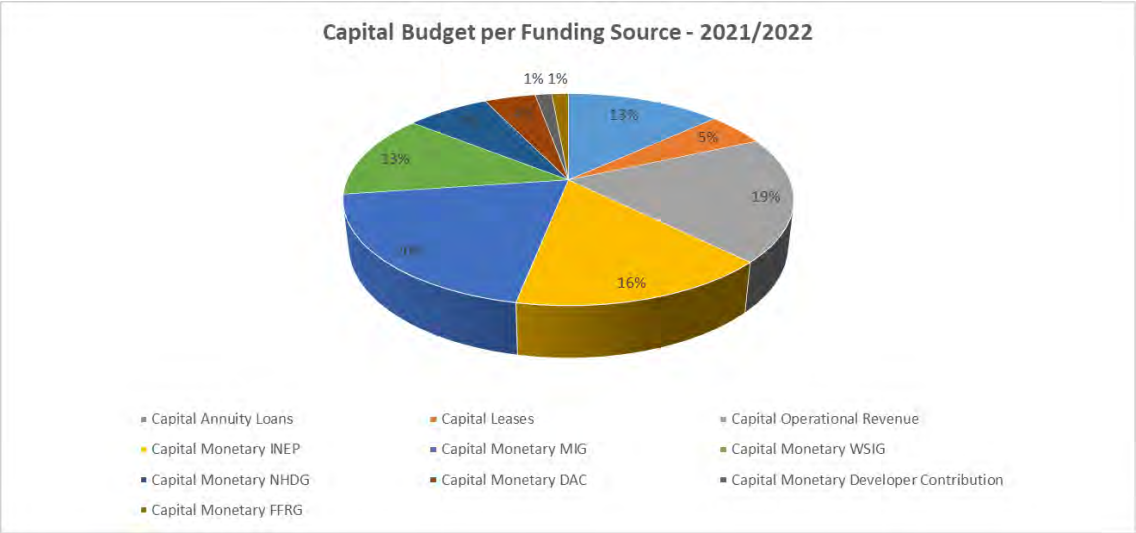

Figure 3 Capital Expenditure per Funding Source for the 2021/2022 financial year

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.

Vote Description	Ref	2021/22 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Present value
Capital expenditure	1							
Vote 01 - Executive & Council		30	–	–	–	–	–	–
Vote 02 - Corporate Services		4,349	1,890	1,795	–	–	–	–
Vote 03 - Financial Services		960	1,537	2,600	–	–	–	–
Vote 04 - Development & Planning		10,180	20	25	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–
Vote 06 - Community And Social Services		19,439	20,226	26,262	–	–	–	–
Vote 07 - Public Safety		7,950	100	2,115	–	–	–	–
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–
Vote 10 - Waste Water Management		17,100	–	2,000	–	–	–	–
Vote 11 - Solid Waste Management		14,840	19,711	12,420	–	–	–	–
Vote 12 - Roads And Transport		10,197	8,217	14,396	–	–	–	–
Vote 13 - Water Services		32,052	28,876	25,153	–	–	–	–
Vote 14 - Electrical Services		27,897	39,978	30,087	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–
List entity summary if applicable								
Total Capital Expenditure		144,994	120,555	116,853	–	–	–	–
Future operational costs by vote	2							
Vote 01 - Executive & Council								
Vote 02 - Corporate Services								
Vote 03 - Financial Services								
Vote 04 - Development & Planning								
Vote 05 - Health								
Vote 06 - Community And Social Services								
Vote 07 - Public Safety								
Vote 08 - Sport And Recreation								
Vote 09 - Environmental Protection								
Vote 10 - Waste Water Management								
Vote 11 - Solid Waste Management								
Vote 12 - Roads And Transport								
Vote 13 - Water Services								
Vote 14 - Electrical Services								
Vote 15 - Other								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates		271,371	290,367	310,692				
Service charges - electricity revenue		468,601	510,233	555,571				
Service charges - water revenue		252,846	272,813	294,358				
Service charges - sanitation revenue		52,047	55,169	59,031				
Service charges - refuse revenue		52,433	55,579	59,470				
Rental of facilities and equipment		1,193	1,264	1,340				
List other revenues sources if applicable		19,307	20,118	21,003				
List entity summary if applicable								
Total future revenue		1,117,798	1,205,544	1,301,466	–	–	–	–
Net Financial Implications		(972,804)	(1,084,990)	(1,184,613)	–	–	–	–

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 2021/22 budget and MTREF as approved by the Council.

Table 11 MBRR Table A1 – Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial Performance										
Property rates	194,658	213,758	242,117	259,585	253,618	253,618	217,744	271,371	290,367	310,692
Service charges	584,086	657,266	666,770	757,688	741,226	741,226	659,030	825,926	893,795	968,430
Investment revenue	14,725	18,751	21,721	18,583	18,583	18,583	9,636	19,307	20,118	21,003
Transfers recognised - operational	105,174	121,603	130,237	147,307	166,718	166,718	149,694	152,018	162,926	168,081
Other own revenue	54,741	67,011	71,006	76,418	78,515	78,515	73,978	82,501	86,763	91,302
Total Revenue (excluding capital transfers and contributions)	953,385	1,078,388	1,131,851	1,259,581	1,258,659	1,258,659	1,110,083	1,351,123	1,453,969	1,559,509
Employee costs	225,728	268,435	277,572	333,712	336,233	336,233	268,720	367,975	385,261	404,129
Remuneration of councillors	11,726	12,460	12,970	13,656	13,656	13,656	11,749	13,656	14,298	14,999
Depreciation & asset impairment	122,503	136,385	130,381	127,714	128,763	128,763	106,671	133,748	138,982	144,479
Finance charges	17,080	18,320	18,568	18,874	16,874	16,874	10,037	17,391	15,411	14,802
Inventory consumed and bulk purchases	241,211	277,766	315,846	333,925	333,925	333,925	328,589	521,242	565,870	614,325
Transfers and grants	21,386	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Other expenditure	235,407	276,200	258,375	317,331	313,658	313,658	221,017	363,861	381,590	401,614
Total Expenditure	875,041	990,155	1,015,014	1,146,344	1,144,280	1,144,280	947,996	1,419,374	1,502,912	1,595,846
Surplus/(Deficit)	78,344	88,234	116,838	113,237	114,379	114,379	162,087	(68,251)	(48,944)	(36,337)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	60,939	51,673	87,345	75,073	105,176	105,176	45,165	90,005	82,578	80,533
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)	30,682	24,710	10,408	1,500	81,626	81,626	77,670	2,000	1,500	–
Surplus/(Deficit) after capital transfers & contributions	169,965	164,618		189,810	301,181	301,181	284,922	23,754	35,134	44,196
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	169,965	164,618	–	189,810	301,181	301,181	284,922	23,754	35,134	44,196
Capital expenditure & funds sources										
Capital expenditure	150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Transfers recognised - capital	72,277	76,384	95,455	76,573	179,270	179,270	137,653	87,863	79,628	75,899
Borrowing	54,637	30,981	23,099	33,365	43,223	43,223	15,141	25,725	27,400	17,550
Internally generated funds	23,738	26,271	7,089	26,517	50,467	50,467	27,353	31,406	13,527	23,404
Total sources of capital funds	150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Financial position										
Total current assets	373,063	505,814	628,015	635,052	665,742	665,742	487,648	742,214	716,912	760,907
Total non current assets	2,052,269	2,046,995	2,014,690	2,207,395	2,158,886	2,158,886	2,088,165	2,446,463	2,446,575	2,453,935
Total current liabilities	238,906	330,291	326,985	159,821	332,462	332,462	351,456	267,868	249,584	270,747
Total non current liabilities	161,836	162,424	152,851	123,586	115,327	115,327	157,471	162,333	164,487	148,896
Community wealth/Equity	2,061,108	2,187,588	2,295,138	2,742,593	2,573,770	2,573,770	2,447,791	2,727,252	2,743,141	2,744,939
Cash flows										
Net cash from (used) operating	–	–	–	–	1,179,270	1,179,270	41,387	(402,526)	(514,647)	(502,100)
Net cash from (used) investing	–	–	–	–	136,504	136,504	42,692	(140,284)	(120,555)	(116,853)
Net cash from (used) financing	(16,457)	(17,639)	(19,115)	(1,258)	–	–	(12,066)	14,605	27,400	15,550
Cash/cash equivalents at the year end	113,614	184,345	273,784	232,935	1,550,168	1,550,168	72,013	(516,188)	(1,123,990)	(1,727,393)
Cash backing/surplus reconciliation										
Cash and investments available	201,984	292,900	400,047	334,193	405,462	405,462	251,275	476,275	450,972	494,967
Application of cash and investments	144,000	192,707	168,800	113,448	(59,686)	(59,686)	158,006	(127,105)	(103,653)	(82,915)
Balance - surplus (shortfall)	57,984	100,193	231,247	220,745	465,148	465,148	93,269	603,380	554,625	577,882
Asset management										
Asset register summary (WDV)	1,840,521	1,900,752	1,850,058	1,915,811	1,867,303	1,867,303	1,867,303	2,154,879	2,154,991	2,162,351
Depreciation	122,503	136,385	130,381	127,714	128,763	128,763	128,763	133,748	138,982	144,479
Renewal and Upgrading of Existing Assets	82,993	83,165	95,493	98,403	177,143	177,143	177,143	85,302	74,541	64,354
Repairs and Maintenance	93,253	99,575	103,609	119,695	120,872	120,872	120,872	146,623	153,207	160,908
Free services										
Cost of Free Basic Services provided	22,342	8,327	10,166	10,547	10,547	10,547	11,493	11,493	12,407	13,394
Revenue cost of free services provided	173,388	40,504	34,439	55,988	64,237	64,237	68,278	68,278	72,842	77,940
Households below minimum service level										
Water:	–	–	5	–	–	–	5	5	5	5
Sanitation/sewerage:	–	–	3	–	–	–	3	3	3	3
Energy:	–	–	13	–	–	–	13	13	13	13
Refuse:	–	–	7	–	–	–	7	7	7	7

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)

GT422 Midvaal - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional										
Governance and administration		256,528	317,772	365,745	372,520	394,676	394,676	382,443	414,004	440,169
Executive and council		5,724	5,754	6,218	6,218	6,218	6,218	6,473	6,674	6,933
Finance and administration		250,804	312,018	359,527	366,302	388,458	388,458	375,970	407,330	433,236
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		56,820	63,373	62,358	79,282	83,446	83,446	83,164	78,267	76,754
Community and social services		8,464	11,615	11,956	18,095	23,397	23,397	20,356	20,408	21,320
Sport and recreation		5,717	1,797	7,585	7,644	13,513	13,513	14,699	9,341	4,362
Public safety		38,723	45,745	38,964	47,590	40,583	40,583	42,156	42,565	45,119
Housing		–	–	–	–	–	–	–	–	–
Health		3,916	4,217	3,853	5,952	5,952	5,952	5,952	5,952	5,952
Economic and environmental services		17,875	15,515	7,459	10,613	12,525	12,525	16,217	12,405	16,104
Planning and development		3,349	2,220	2,073	4,368	2,676	2,676	13,136	3,324	3,523
Road transport		11,856	10,221	2,303	3,163	6,767	6,767	–	6,000	9,500
Environmental protection		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Trading services		713,783	758,112	794,043	873,739	954,814	954,814	961,303	1,033,371	1,107,015
Energy sources		356,943	350,622	393,064	438,261	426,033	426,033	500,248	548,661	591,870
Water management		221,476	303,773	284,534	315,089	314,529	314,529	313,434	342,809	360,275
Waste water management		85,342	58,431	69,380	67,848	163,333	163,333	86,158	74,841	78,756
Waste management		50,022	45,287	47,065	52,541	50,920	50,920	61,463	67,060	76,113
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1,045,006	1,154,772	1,229,604	1,336,154	1,445,461	1,445,461	1,443,128	1,538,046	1,640,042
Expenditure - Functional										
Governance and administration		206,472	209,743	187,525	244,170	239,209	239,209	239,351	248,934	258,988
Executive and council		33,123	31,033	31,910	44,732	39,682	39,682	38,727	40,384	42,195
Finance and administration		173,349	178,711	155,615	199,438	199,527	199,527	200,625	208,550	216,794
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		119,515	140,785	140,041	170,710	165,266	165,266	189,710	198,388	208,733
Community and social services		12,864	14,299	15,784	20,287	22,676	22,676	23,682	24,652	26,292
Sport and recreation		20,807	24,756	23,985	29,911	27,723	27,723	31,787	32,725	34,211
Public safety		81,522	97,109	96,019	114,782	109,261	109,261	128,364	134,864	141,788
Housing		–	–	–	–	–	–	–	–	–
Health		4,322	4,621	4,253	5,730	5,606	5,606	5,876	6,147	6,442
Economic and environmental services		85,798	97,948	98,966	111,111	107,079	107,079	124,565	128,880	134,879
Planning and development		23,294	26,075	28,005	36,889	35,199	35,199	43,539	45,528	47,697
Road transport		59,631	68,712	67,705	70,489	67,739	67,739	76,602	78,720	82,324
Environmental protection		2,873	3,162	3,256	3,732	4,141	4,141	4,424	4,632	4,858
Trading services		582,641	669,172	720,751	799,219	800,294	800,294	865,748	926,710	993,247
Energy sources		326,072	349,658	389,422	431,163	436,449	436,449	504,455	542,761	585,575
Water management		151,667	221,224	221,135	238,757	242,143	242,143	229,201	246,984	264,869
Waste water management		57,421	50,554	56,034	59,930	58,891	58,891	63,168	65,970	68,995
Waste management		47,481	47,736	54,160	69,369	62,811	62,811	68,924	70,994	73,808
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	994,426	1,117,648	1,147,283	1,325,210	1,311,848	1,311,848	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) for the year		50,580	37,124	82,322	10,944	133,613	133,613	23,754	35,134	44,196

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.

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote	1									
Vote 01 - Executive & Council		20,888	27,037	32,467	18,229	37,289	37,289	6,473	6,674	6,933
Vote 02 - Corporate Services		1,641	1,188	1,221	2,030	1,694	1,694	1,796	1,904	2,018
Vote 03 - Financial Services		232,209	287,869	331,021	350,327	354,113	354,113	372,503	403,631	429,348
Vote 04 - Development & Planning		3,349	2,220	2,073	4,368	2,676	2,676	13,136	3,324	3,523
Vote 05 - Health		3,916	4,217	3,853	5,952	5,952	5,952	5,952	5,952	5,952
Vote 06 - Community And Social Services		14,181	13,661	19,541	25,739	36,911	36,911	35,056	29,749	25,682
Vote 07 - Public Safety		5,009	1,385	886	639	3,700	3,700	3,060	1,124	1,191
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Vote 10 - Waste Water Management		84,661	58,431	69,380	67,848	163,333	163,333	86,158	74,841	78,756
Vote 11 - Solid Waste Management		50,022	45,287	47,065	52,541	50,920	50,920	61,463	67,060	76,113
Vote 12 - Roads And Transport		46,251	54,581	40,382	50,114	43,651	43,651	39,096	47,442	53,428
Vote 13 - Water Services		221,476	303,773	284,534	315,089	314,529	314,529	313,434	342,809	360,275
Vote 14 - Electrical Services		358,733	352,050	394,100	440,195	427,612	427,612	501,919	550,456	593,740
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	1,045,006	1,154,772	1,229,604	1,336,154	1,445,461	1,445,461	1,443,128	1,538,046	1,640,042
Expenditure by Vote *to be appropriated*	1									
Vote 01 - Executive & Council		42,044	52,700	42,907	59,844	54,962	54,962	38,727	40,384	42,195
Vote 02 - Corporate Services		43,564	49,148	54,995	68,639	69,489	69,489	75,260	78,649	82,144
Vote 03 - Financial Services		94,792	79,913	61,101	83,236	83,158	83,158	89,716	93,075	96,104
Vote 04 - Development & Planning		23,294	26,075	28,005	36,889	35,199	35,199	43,539	45,528	47,697
Vote 05 - Health		4,322	4,621	4,253	5,730	5,606	5,606	5,876	6,147	6,442
Vote 06 - Community And Social Services		42,083	47,317	49,243	60,731	61,303	61,303	66,864	68,763	72,431
Vote 07 - Public Safety		22,866	25,456	26,319	36,467	34,808	34,808	38,073	39,800	41,649
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		2,873	3,162	3,256	3,732	4,141	4,141	4,424	4,632	4,858
Vote 10 - Waste Water Management		57,421	50,554	56,034	59,930	58,891	58,891	63,168	65,970	68,995
Vote 11 - Solid Waste Management		47,481	47,736	54,160	69,369	62,811	62,811	68,924	70,994	73,808
Vote 12 - Roads And Transport		120,874	144,759	141,645	153,574	146,820	146,820	172,428	179,556	188,492
Vote 13 - Water Services		151,667	221,224	221,135	238,757	242,143	242,143	229,201	246,984	264,869
Vote 14 - Electrical Services		341,145	364,983	404,231	448,312	452,519	452,519	523,174	562,430	606,164
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	994,426	1,117,648	1,147,283	1,325,210	1,311,848	1,311,848	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) for the year	2	50,580	37,124	82,322	10,944	133,613	133,613	23,754	35,134	44,196

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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure By Type											
Employee related costs	2	225,728	268,435	277,572	333,712	336,233	336,233	268,681	367,975	385,261	404,129
Remuneration of councillors		11,726	12,460	12,970	13,656	13,656	13,656	11,749	13,656	14,298	14,999
Debt impairment	3	73,894	115,671	86,918	100,620	107,090	107,090	99,791	103,037	109,150	115,447
Depreciation & asset impairment	2	122,503	136,385	130,381	127,714	128,763	128,763	106,671	133,748	138,982	144,479
Finance charges		17,080	18,320	18,568	18,874	16,874	16,874	10,037	17,391	15,411	14,802
Bulk purchases - electricity	2	241,211	260,569	300,622	333,925	333,925	333,925	313,748	392,353	427,272	465,300
Inventory consumed	8	–	17,197	15,224	–	–	–	14,679	128,890	138,598	149,025
Contracted services		116,537	105,522	107,576	136,796	135,978	135,978	79,294	143,026	148,359	155,265
Transfers and subsidies		21,386	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Other expenditure	4, 5	44,188	54,438	51,516	79,915	70,591	70,591	40,086	72,679	75,398	78,373
Losses		787	569	12,365	–	–	–	–	45,119	48,683	52,529
Total Expenditure		875,041	990,155	1,015,014	1,146,344	1,144,280	1,144,280	945,948	1,419,374	1,502,912	1,595,846
Surplus/(Deficit)		78,344	88,234	116,838	113,237	114,379	114,379	123,353	(68,251)	(48,944)	(36,337)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		60,939	51,673	87,345	75,073	105,176	105,176	45,165	90,005	82,578	80,533
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	30,682	24,710	10,408	1,500	81,626	81,626	77,670	2,000	1,500	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		169,965	164,618	214,591	189,810	301,181	301,181	246,188	23,754	35,134	44,196
Taxation											
Surplus/(Deficit) after taxation		169,965	164,618	214,591	189,810	301,181	301,181	246,188	23,754	35,134	44,196
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		169,965	164,618	214,591	189,810	301,181	301,181	246,188	23,754	35,134	44,196
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		169,965	164,618	214,591	189,810	301,181	301,181	246,188	23,754	35,134	44,196

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

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

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

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		12,661	2,876	8,234	400	400	400	–	30	–	–
Vote 02 - Corporate Services		1,511	1,342	974	7,260	13,728	13,728	7,410	3,104	1,680	1,795
Vote 03 - Financial Services		23	123	87	32	132	132	24	680	1,537	2,600
Vote 04 - Development & Planning		208	19	163	1,550	50	50	49	10,180	20	25
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		7,986	6,013	9,244	14,819	26,988	26,988	15,756	18,444	20,026	23,788
Vote 07 - Public Safety		6,541	4,200	591	4,165	4,355	4,355	1,365	3,450	100	2,115
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		25,046	12,858	12,397	10,520	23,377	23,377	12,088	17,100	–	2,000
Vote 11 - Solid Waste Management		7,717	16,470	545	17,700	21,962	21,962	9,922	11,720	19,711	12,420
Vote 12 - Roads And Transport		36,617	24,867	12,632	12,128	18,084	18,084	10,705	4,580	8,217	12,896
Vote 13 - Water Services		26,480	48,226	38,215	36,371	45,443	45,443	29,990	32,052	28,876	25,153
Vote 14 - Electrical Services		25,862	16,044	42,562	31,510	27,409	27,409	13,676	26,997	34,478	30,087
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	150,652	133,039	125,643	136,455	181,930	181,930	100,986	128,336	114,645	112,879
Single-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		–	–	–	–	78,126	78,126	77,104	–	–	–
Vote 02 - Corporate Services		–	597	–	–	22	22	19	1,245	210	–
Vote 03 - Financial Services		–	–	–	–	–	–	–	280	–	–
Vote 04 - Development & Planning		–	–	–	–	–	–	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		–	–	–	–	114	114	17	995	200	2,474
Vote 07 - Public Safety		–	–	–	–	2,700	2,700	–	4,500	–	–
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 - Solid Waste Management		–	–	–	–	–	–	–	3,120	–	–
Vote 12 - Roads And Transport		–	–	–	–	5,000	5,000	–	5,617	–	1,500
Vote 13 - Water Services		–	–	–	–	5,000	5,000	1,970	–	–	–
Vote 14 - Electrical Services		–	–	–	–	67	67	51	900	5,500	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	597	–	–	91,029	91,029	79,160	16,657	5,910	3,974
Total Capital Expenditure - Vote		150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Capital Expenditure - Functional											
Governance and administration		14,726	5,282	9,596	7,852	92,745	92,745	84,756	5,834	3,427	6,569
Executive and council		67	670	373	400	400	400	–	30	–	–
Finance and administration		14,658	4,612	9,224	7,452	92,345	92,345	84,756	5,804	3,427	6,569
Internal audit											
Community and public safety		14,129	9,930	11,186	20,389	35,895	35,895	18,224	30,149	20,826	26,838
Community and social services		1,550	4,079	2,738	7,550	9,875	9,875	4,145	6,125	7,100	6,300
Sport and recreation		6,038	1,651	6,377	7,169	17,018	17,018	11,536	12,894	13,126	17,788
Public safety		6,541	4,200	2,071	5,670	9,002	9,002	2,543	11,130	600	2,750
Housing											
Health											
Economic and environmental services		36,825	24,885	11,314	12,173	21,187	21,187	9,576	17,197	7,737	13,786
Planning and development		208	19	163	1,550	50	50	49	10,180	20	25
Road transport		36,617	24,867	11,152	10,623	21,137	21,137	9,527	7,017	7,717	13,761
Environmental protection											
Trading services		84,972	93,539	93,547	96,041	123,132	123,132	67,591	91,813	88,564	69,660
Energy sources		25,730	15,984	42,390	31,450	27,349	27,349	13,621	27,822	39,978	30,087
Water management		26,480	48,226	38,215	36,371	50,443	50,443	31,960	32,052	28,876	25,153
Waste water management		25,046	12,858	12,397	10,520	23,377	23,377	12,088	17,100	–	2,000
Waste management		7,717	16,470	545	17,700	21,962	21,962	9,922	14,840	19,711	12,420
Other											
Total Capital Expenditure - Functional	3	150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Funded by:											
National Government		57,231	47,620	82,100	67,523	84,838	84,838	54,203	77,738	72,528	70,599
Provincial Government		1,550	4,053	2,714	7,550	12,499	12,499	4,073	8,125	5,600	5,300
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		13,495	24,710	10,642	1,500	81,933	81,933	79,378	2,000	1,500	–
Transfers recognised - capital	4	72,277	76,384	95,455	76,573	179,270	179,270	137,653	87,863	79,628	75,899
Borrowing	6	54,637	30,981	23,099	33,365	43,223	43,223	15,141	25,725	27,400	17,550
Internally generated funds		23,738	26,271	7,089	26,517	50,467	50,467	27,353	31,406	13,527	23,404
Total Capital Funding	7	150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853

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	2017/18	2018/19	2019/20	Current Year 2020/21				2020/21 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 +1 2021/22	Budget Year +2 2022/23	Budget Year +3 2023/24
ASSETS											
Current assets											
Cash		201,654	216,816	399,717	154,153	285,423	285,423	12,510	476,275	450,972	494,967
Call investment deposits	1	330	76,083	330	180,039	120,039	120,039	198,109	–	–	–
Consumer debtors	1	135,350	170,297	191,428	250,596	232,417	232,417	221,691	218,004	239,804	277,336
Other debtors		27,128	28,358	22,713	36,436	14,036	14,036	5,089	34,109	38,330	40,323
Current portion of long-term receivables											
Inventory	2	8,601	14,260	13,827	13,827	13,827	13,827	13,666	13,827	14,478	15,490
Total current assets		373,063	505,814	628,015	635,052	665,742	665,742	451,065	742,215	743,584	828,117
Non current assets											
Long-term receivables											
Investments											
Investment property		–	(619)	(2,247)	–	–	–	(2,247)	–	–	–
Investment in Associate											
Property, plant and equipment	3	2,051,535	2,046,782	2,014,812	2,205,773	2,155,907	2,155,907	2,086,073	2,135,036	2,143,859	2,148,219
Biological											
Intangible		715	813	2,107	1,602	2,961	2,961	2,900	6,698	5,698	5,698
Other non-current assets		19	19	19	20	19	19	19	19	19	19
Total non current assets		2,052,269	2,046,995	2,014,691	2,207,395	2,158,887	2,158,887	2,086,745	2,141,753	2,149,576	2,153,936
TOTAL ASSETS		2,425,332	2,552,810	2,642,706	2,842,447	2,824,629	2,824,629	2,537,810	2,883,968	2,893,160	2,982,052
LIABILITIES											
Current liabilities											
Bank overdraft	1					–					
Borrowing	4	28,401	31,646	33,581	–	63,129	63,129	13,939	42,233	25,246	31,142
Consumer deposits		16,457	17,320	18,814	20,071	20,071	20,071	19,703	19,809	21,115	22,213
Trade and other payables	4	132,071	202,711	204,915	57,048	170,802	170,802	237,605	165,814	166,716	178,587
Provisions		61,978	78,614	69,675	82,701	78,460	78,460	69,675	77,460	76,262	78,658
Total current liabilities		238,906	330,291	326,985	159,821	332,462	332,462	340,921	305,316	289,339	310,600
Non current liabilities											
Borrowing		161,836	162,424	152,851	123,586	115,327	115,327	157,471	136,365	138,519	122,928
Provisions		–	–	–	–	–	–	–	–	–	–
Total non current liabilities		161,836	162,424	152,851	123,586	115,327	115,327	157,471	136,365	138,519	122,928
TOTAL LIABILITIES		400,742	492,715	479,836	283,407	447,789	447,789	498,392	441,681	427,858	433,528
NET ASSETS	5	2,024,590	2,060,095	2,162,870	2,559,040	2,376,840	2,376,839	2,039,418	2,442,286	2,465,302	2,548,524
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		2,048,266	2,188,032	2,310,671	2,680,274	2,511,451	2,511,451	2,444,188	2,501,409	2,636,452	2,806,200
Reserves	4	12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	62,319	65,559	68,968
TOTAL COMMUNITY WEALTH/EQUITY	5	2,061,108	2,187,588	2,295,138	2,742,593	2,573,770	2,573,770	2,409,057	2,563,728	2,702,011	2,875,168

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	2017/18	2018/19	2019/20	Current Year 2020/21				2020/21 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 +1 2021/22	Budget Year +2 2022/23	Budget Year +3 2023/24
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates						281,235	281,235	22,716	221,235	285,544	308,673
Service charges						669,104	669,104	54,732	708,819	820,058	874,326
Other revenue						299,124	299,124	37,352	349,409	63,216	66,868
Transfers and Subsidies - Operational	1					–	–		152,018	162,926	168,081
Transfers and Subsidies - Capital	1					–	–	(1,236)	92,005	84,078	80,533
Interest						–	–	114	19,307	37,132	38,802
Dividends									–	–	–
Payments											
Suppliers and employees						(70,192)	(70,192)	(72,291)	(1,163,698)	(1,237,869)	(1,319,619)
Finance charges						–	–	–	(17,391)	(15,411)	(14,802)
Transfers and Grants	1					–	–	–	(1,500)	(1,500)	(1,500)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	–	–	1,179,271	1,179,271	41,387	360,204	198,173	201,362
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE								194	–	–	–
Decrease (increase) in non-current receivables									(147,215)	(88,088)	(30,818)
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets						136,504	136,504	42,498	(144,994)	(120,555)	(116,853)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	136,504	136,504	42,692	(292,209)	(208,643)	(147,671)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									25,325	27,400	15,550
Increase (decrease) in consumer deposits		(16,457)	(863)	(1,494)	(1,258)	–	–	(889)	–	–	–
Payments											
Repayment of borrowing		–	(16,776)	(17,622)	–	–	–	(11,101)	(37,046)	(42,233)	(25,246)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(16,457)	(17,639)	(19,115)	(1,258)	–	–	(11,990)	(11,721)	(14,833)	(9,696)
NET INCREASE/ (DECREASE) IN CASH HELD		(16,457)	(17,639)	(19,115)	(1,258)	1,315,775	1,315,775	72,089	56,275	(25,303)	43,995
Cash/cash equivalents at the year begin:	2	130,071	201,984	292,900	234,193	234,393	234,393	–	420,000	476,275	450,971
Cash/cash equivalents at the year end:	2	113,614	184,345	273,785	232,935	1,550,168	1,550,168	72,089	476,275	450,971	494,967

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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available											
Cash/cash equivalents at the year end	1	113,614	184,345	273,784	232,935	1,550,168	1,550,168	72,089	(516,188)	(1,123,990)	(1,727,393)
Other current investments > 90 days		88,370	108,555	126,263	101,258	(1,144,705)	(1,144,705)	138,530	992,462	1,574,962	2,222,360
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		201,984	292,900	400,047	334,193	405,462	405,462	210,619	476,275	450,972	494,967
Application of cash and investments											
Unspent conditional transfers		21,608	54,768	29,429	–	(9,755)	(9,755)	81,296	(9,755)	(9,755)	(9,755)
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	109,549	138,383	154,905	51,129	(112,250)	(112,250)	104,554	(117,351)	(93,898)	(73,160)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	–	–	–
Total Application of cash and investments:		144,000	192,707	168,800	113,448	(59,686)	(59,686)	150,718	(127,105)	(103,653)	(82,915)
Surplus(shortfall)		57,984	100,193	231,247	220,745	465,148	465,148	59,901	603,380	554,625	577,882

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

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

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

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

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

Table 19 MBRR Table A9 – Asset Management

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CAPITAL EXPENDITURE										
Total New Assets	1	67,659	50,470	30,151	38,052	95,817	95,817	59,691	46,014	52,500
Roads Infrastructure		12,850	–	6,304	3,500	42,263	42,263	6,217	7,717	12,261
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		9,723	9,703	10,048	12,200	18,591	18,591	16,100	13,000	13,000
Water Supply Infrastructure		–	20,958	–	–	–	–	–	–	–
Sanitation Infrastructure		14,469	2,335	1,109	750	750	750	1,000	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*37,041*	*32,995*	*17,461*	*16,450*	*61,604*	*61,604*	*23,317*	*20,717*	*25,261*
Community Facilities		6,692	991	–	–	5,200	5,200	150	5,100	14,174
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*6,692*	*991*	–	–	*5,200*	*5,200*	*150*	*5,100*	*14,174*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	1,336	–	–	–	–	–	–	–
Investment properties		–	*1,336*	–	–	–	–	–	–	–
Operational Buildings		564	–	–	100	55	55	–	–	–
Housing		–	–	–	1,500	–	–	10,000	–	–
Other Assets		*564*	–	–	*1,600*	*55*	*55*	*10,000*	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		303	682	–	–	–	–	–	–	–
Licences and Rights		1,017	735	–	1,000	1,000	1,000	1,500	500	500
Intangible Assets		*1,319*	*1,417*	–	*1,000*	*1,000*	*1,000*	*1,500*	*500*	*500*
Computer Equipment		223	1,551	93	300	1,147	1,147	1,100	1,000	1,000
Furniture and Office Equipment		451	163	1,948	2,082	3,128	3,128	6,740	1,287	3,570
Machinery and Equipment		3,729	202	1,011	6,370	6,393	6,393	9,425	2,510	195
Transport Assets		8,009	10,675	1,544	10,250	12,789	12,789	7,150	14,900	7,800
Land		9,631	1,141	8,093	–	4,500	4,500	309	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	38,870	29,925	78,593	80,189	143,533	143,533	67,203	71,541	60,854
Roads Infrastructure		4,889	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,449	3,735	32,201	18,500	7,508	7,508	10,072	22,478	17,087
Water Supply Infrastructure		18,997	18,200	34,467	33,871	96,954	96,954	28,152	25,876	23,153
Sanitation Infrastructure		3,268	2,991	2,305	2,700	5,700	5,700	1,740	–	2,000
Solid Waste Infrastructure		–	–	66	5,600	5,005	5,005	8,100	7,231	6,620
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*31,603*	*24,926*	*69,039*	*60,671*	*115,168*	*115,168*	*48,064*	*55,584*	*48,860*
Community Facilities		929	1,391	1,986	3,000	1,500	1,500	2,000	3,400	3,000
Sport and Recreation Facilities		4,753	955	5,525	5,459	12,480	12,480	11,164	9,326	4,478
Community Assets		*5,682*	*2,346*	*7,510*	*8,459*	*13,980*	*13,980*	*13,164*	*12,726*	*7,478*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		11	150	–	–	–	–	–	–	–
Investment properties		*11*	*150*	–	–	–	–	–	–	–
Operational Buildings		–	–	–	80	75	75	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	*80*	*75*	*75*	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	1,000	–	–
Intangible Assets		–	–	–	–	–	–	*1,000*	–	–
Computer Equipment		159	48	652	7,150	9,096	9,096	2,500	1,650	1,750
Furniture and Office Equipment		99	174	207	15	97	97	–	80	15
Machinery and Equipment		–	983	–	–	–	–	–	–	–
Transport Assets		1,316	1,299	1,185	3,815	5,116	5,116	2,475	1,500	2,750
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets	6	44,123	53,240	16,900	18,213	33,610	33,610	18,100	3,000	3,500
Roads Infrastructure		12,238	23,917	3,808	6,163	7,914	7,914	–	–	1,500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		10,233	–	–	–	–	–	–	–	–
Water Supply Infrastructure		6,324	8,378	3,748	2,500	1,615	1,615	3,500	3,000	2,000
Sanitation Infrastructure		6,269	4,614	8,800	6,300	15,457	15,457	14,600	–	–
Solid Waste Infrastructure		7,429	13,065	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*42,493*	*49,974*	*16,356*	*14,963*	*24,986*	*24,986*	*18,100*	*3,000*	*3,500*
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–

Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	501	543	3,250	8,624	8,624	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	*501*	*543*	*3,250*	*8,624*	*8,624*	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		1,630	2,765	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	150,652	133,636	125,643	136,455	272,959	272,959	144,994	120,555	116,853
Roads Infrastructure		29,977	23,917	10,112	9,663	50,177	50,177	6,217	7,717	13,761
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		24,405	13,438	42,249	30,700	26,099	26,099	26,172	35,478	30,087
Water Supply Infrastructure		25,321	47,536	38,215	36,371	98,569	98,569	31,652	28,876	25,153
Sanitation Infrastructure		24,006	9,940	12,215	9,750	21,907	21,907	17,340	–	2,000
Solid Waste Infrastructure		7,429	13,065	66	5,600	5,005	5,005	8,100	7,231	6,620
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*111,137*	*107,895*	*102,856*	*92,084*	*201,759*	*201,759*	*89,481*	*79,302*	*77,621*
Community Facilities		7,621	2,382	1,986	3,000	6,700	6,700	2,150	8,500	17,174
Sport and Recreation Facilities		4,753	955	5,525	5,459	12,480	12,480	11,164	9,326	4,478
Community Assets		*12,374*	*3,337*	*7,510*	*8,459*	*19,180*	*19,180*	*13,314*	*17,826*	*21,652*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		11	1,486	–	–	–	–	–	–	–
Investment properties		*11*	*1,486*	–	–	–	–	–	–	–
Operational Buildings		564	501	543	3,430	8,754	8,754	–	–	–
Housing		–	–	–	1,500	–	–	10,000	–	–
Other Assets		*564*	*501*	*543*	*4,930*	*8,754*	*8,754*	*10,000*	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		303	682	–	–	–	–	–	–	–
Licences and Rights		1,017	735	–	1,000	1,000	1,000	2,500	500	500
Intangible Assets		*1,319*	*1,417*	–	*1,000*	*1,000*	*1,000*	*2,500*	*500*	*500*
Computer Equipment		382	1,599	745	7,450	10,243	10,243	3,600	2,650	2,750
Furniture and Office Equipment		550	336	2,154	2,097	3,225	3,225	6,740	1,367	3,585
Machinery and Equipment		5,359	3,950	1,011	6,370	6,393	6,393	9,425	2,510	195
Transport Assets		9,325	11,974	2,730	14,065	17,905	17,905	9,625	16,400	10,550
Land		9,631	1,141	8,093	–	4,500	4,500	309	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		150,652	133,636	125,643	136,455	272,959	272,959	144,994	120,555	116,853
ASSET REGISTER SUMMARY - PPE (WDV)	5	1,840,521	1,900,752	1,850,058	1,915,811	1,867,303	1,867,303	2,154,879	2,154,991	2,162,351
Roads Infrastructure		535,579	546,749	528,076	543,497	584,011	584,011	540,051	541,551	547,595
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		510,259	470,412	429,611	741,512	608,218	608,218	613,826	599,169	584,580
Water Supply Infrastructure		187,368	221,080	254,969	124,567	153,757	153,757	402,665	447,404	463,940
Sanitation Infrastructure		286,680	321,958	334,987	273,194	265,351	265,351	260,784	243,444	245,444
Solid Waste Infrastructure		–	–	–	5,600	5,005	5,005	8,100	7,231	6,620
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		*1,519,887*	*1,560,199*	*1,547,642*	*1,688,371*	*1,616,343*	*1,616,343*	*1,825,427*	*1,838,799*	*1,848,180*
Community Assets		65,009	64,187	48,957	54,974	65,696	65,696	59,829	64,342	68,168
Heritage Assets		19	19	19	20	19	19	19	19	19
Investment properties		–	(619)	(2,247)	–	–	–	–	–	–
Other Assets		6,988	20,510	8,287	(9,202)	(5,378)	(5,378)	(4,132)	(14,132)	(14,132)
Biological or Cultivated Assets										
Intangible Assets		715	813	2,107	1,602	2,961	2,961	6,698	5,698	5,698
Computer Equipment		4,513	2,546	3,735	14,266	17,059	17,059	10,416	9,466	9,566
Furniture and Office Equipment		6,053	8,325	6,439	6,732	7,859	7,859	11,875	6,502	8,720
Machinery and Equipment		33,034	32,944	26,876	253,462	253,485	253,485	23,543	16,628	14,313
Transport Assets		40,854	47,238	38,630	31,104	34,944	34,944	49,707	56,482	50,632
Land		163,449	164,590	169,614	(125,518)	(125,686)	(125,686)	171,497	171,188	171,188
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,840,521	1,900,752	1,850,058	1,915,811	1,867,303	1,867,303	2,154,879	2,154,991	2,162,351

EXPENDITURE OTHER ITEMS		215,756	235,960	233,989	247,409	249,635	249,635	280,371	292,190	305,387
Depreciation	7	122,503	136,385	130,381	127,714	128,763	128,763	133,748	138,982	144,479
Repairs and Maintenance by Asset Class	3	93,253	99,575	103,609	119,695	120,872	120,872	146,623	153,207	160,908
Roads Infrastructure		26,469	28,630	24,648	29,338	23,477	23,477	29,668	30,996	32,445
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		18,744	18,673	19,129	24,784	26,946	26,946	28,253	29,549	30,962
Water Supply Infrastructure		15,387	18,783	22,829	22,369	26,802	26,802	29,692	31,048	32,528
Sanitation Infrastructure		20,430	20,912	23,766	28,740	27,755	27,755	33,912	35,462	37,154
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	2,520	2,520	2,520	2,626	2,741
Infrastructure		*81,031*	*86,999*	*90,372*	*105,231*	*107,500*	*107,500*	*124,045*	*129,680*	*135,831*
Community Facilities		53	123	38	188	188	188	1,247	1,291	1,844
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*53*	*123*	*38*	*188*	*188*	*188*	*1,247*	*1,291*	*1,844*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2,925	1,912	2,793	1,669	1,639	1,639	8,938	9,306	9,716
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*2,925*	*1,912*	*2,793*	*1,669*	*1,639*	*1,639*	*8,938*	*9,306*	*9,716*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		11	37	11	41	1	1	–	–	–
Furniture and Office Equipment		55	96	56	391	350	350	363	378	395
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		9,179	10,408	10,338	12,174	11,193	11,193	12,030	12,552	13,122
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		215,756	235,960	233,989	247,409	249,635	249,635	280,371	292,190	305,387
Renewal and upgrading of Existing Assets as % of total capex		*55.1%*	*62.2%*	*76.0%*	*72.1%*	*64.9%*	*64.9%*	*58.8%*	*61.8%*	*55.1%*
Renewal and upgrading of Existing Assets as % of deprecn		*67.7%*	*61.0%*	*73.2%*	*77.0%*	*137.6%*	*137.6%*	*63.8%*	*53.6%*	*44.5%*
R&M as a % of PPE		*4.5%*	*4.9%*	*5.1%*	*5.4%*	*5.6%*	*5.6%*	*6.0%*	*6.3%*	*6.6%*
Renewal and upgrading and R&M as a % of PPE		*10.0%*	*10.0%*	*11.0%*	*11.0%*	*16.0%*	*16.0%*	*11.0%*	*11.0%*	*10.0%*

Explanatory notes to Table A9 – Asset Management

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

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

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

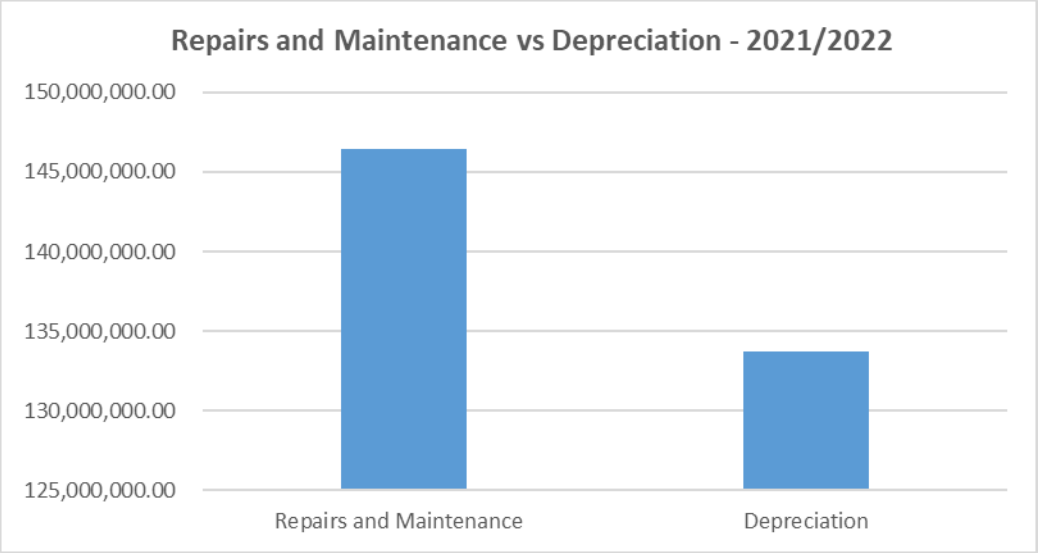

Figure 4 Repairs and Maintenance vs Depreciation

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

GT422 Midvaal - Table A10 Basic service delivery measurement										
Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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	5,848
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	–	–	–	–	–	–	26,830	26,830	26,830
Minimum Service Level and Above sub-total		26,304	26,304	26,304	26,304	26,830	26,830	53,660	53,660	54,024
Using public tap (< min.service level)	3	2,394	2,394	2,394	2,394	2,442	2,442	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	1,291	1,291	1,291
No water supply		1,266	1,266	1,266	1,266	1,291	1,291	3,733	3,733	3,733
Below Minimum Service Level sub-total		3,660	3,660	3,660	3,660	3,733	3,733	5,024	5,024	5,024
Total number of households	5	29,964	29,964	29,964	29,964	30,563	30,563	58,684	58,684	59,048
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		–	–	–	–	–	–	658	658	658
Other toilet provisions (< min.service level)		645	645	645	645	658	658	618	618	618
No toilet provisions		606	606	606	606	618	618	1,276	1,276	1,276
Below Minimum Service Level sub-total		1,251	1,251	1,251	1,251	1,276	1,276	2,552	2,552	2,552
Total number of households	5	29,964	29,964	29,964	29,964	30,563	30,563	31,839	31,839	31,839
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)		–	–	–	–	–	–	6,319	6,319	6,319
Other energy sources		6,195	6,195	6,195	6,195	6,319	6,319	6,689	6,689	6,689
Below Minimum Service Level sub-total		6,558	6,558	6,558	6,558	6,689	6,689	13,378	13,378	13,378
Total number of households	5	29,964	29,964	29,964	29,964	30,563	30,563	37,252	37,252	37,252
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	591	591	591
Using communal refuse dump		579	579	579	579	591	591	–	–	–
Using own refuse dump		3,177	3,177	3,177	3,177	3,241	3,241	370	370	370
Other rubbish disposal		366	363	363	363	370	370	967	967	967
No rubbish disposal		948	948	948	948	967	967	5,478	5,478	5,478
Below Minimum Service Level sub-total		5,370	5,370	5,370	5,370	5,478	5,478	7,406	7,406	7,406
Total number of households	5	29,964	29,964	29,964	29,964	30,564	30,564	32,492	32,492	32,492
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		3,753	3,753	18,100	6,000	6,000	6,000	10,628,891	11,468,574	12,374,591
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		360	360	6,000	3,000	3,000	3,000	603,200	656,885	715,348
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		9,286	21,956	7,996	7,637	8,106	8,106	10,879	11,738	12,665
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	-	-	-
Electricity/other energy (50kwh per indigent household per month)		418	386	331	272	282	282	603	657	715
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	11	12	13
Total cost of FBS provided		9,705	22,342	8,327	7,909	8,387	8,387	11,493	12,407	13,393
Highest level of free service provided per household										
Property rates (R value threshold)		150,000								
Water (kilolitres per household per month)		6								
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		171								
Electricity (kwh per household per month)		50								
Refuse (average litres per week)		85								
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)								–		
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		6,400	161,505	7,828	8,830	23,396	23,396	46,716	49,986	53,485
Water (in excess of 6 kilolitres per indigent household per month)		(9,286)	–	13,710	14,770	15,158	15,158	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		(7,817)	7,465	11,735	11,886	11,886	11,886	16,110	17,077	18,272
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	-	-	-
Refuse (in excess of one removal a week for indigent households)		(3,550)	4,418	7,231	7,254	7,254	7,254	5,452	5,779	6,183
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		(14,253)	173,388	40,504	42,740	57,694	57,694	68,278	72,842	77,940

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, as well as due to the unemployment rate as a result of the COVID-19 pandemic.

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
• **2019/2020 Outcome**	- – Is as per the Stats SA Community Survey for 2016
• **Current year 2020/2021**	- Demographics data is projected as per 3% annual anticipated percentage increase
• **2021/2022 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
• **2019/2020 Outcome**	-Monthly income data is projected as per 3% annual anticipated percentage increase

• **Current year 2020/2021**	-Demographics data is projected as per 3% annual anticipated percentage increase
• **2021/2022 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
• **2019/2020 Outcome**	-Poverty profile data is projected as per 3% annual anticipated percentage increase
• **Current year 2020/2021**	-Poverty profile data is projected as per 3% annual anticipated percentage increase
• **2021/2022 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
• **2021/2022 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 Housing
• **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 settlements 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 2020. Key dates applicable to the process were:

Proposed Date	Activity
27 August 2020	Approved by Council on 27 August 2020 per item C2363/08/2020
27 August 2020	Final Virements for the 2019/2020 financial year approved by the Mayoral Committee 20 October 2020 MC B/5027/10/2020.
27 August 2020	Council approved the Annual Financial Statements and Draft Annual Report for the 2019/2020 financial year on 30 September 2020 SC2385/09/2020.
31 August 2020	Annual Financial Statements and Draft Annual Report submitted to the AG for the 2019/2020 financial on 29 October 2020.
September to October 2020	Draft Tariff modelling undertaken by the Finance department in consultation with service delivery departments and based on indicative tariff increases received from bulk service providers
September to October 2020	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.
13 November 2020	Departmental submissions of Adjustments Budget for 2020/2021.
13 November 2020	Departmental submissions of Draft Capital Budget for 2021/2022: - 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.
17 November 2020	MM / HOD's meeting to discuss Adjustments Budget for 2020/2021 financial year held on 6 December 2020.
24 November 2020	Budget Steering Committee to consider Adjustments Budget for 2020/2021 was held on the 13th of January 2021.

24 November 2020	Finance department submitted Draft Operating Budget for 2021/2022 to departments for comments (including proposed tariffs) in February 2021.
1 December 2020	MM / HOD's meeting to discuss Draft Operating Budget for 2021/2022 (inclusive of tariff increases) held on 16 March 2021
January - February 2021	Public Engagement in terms of sections 28 and 29 of the Municipal Systems Act and subject to COVID-19 Regulations. - In line with the Covid-19 pandemic lockdown regulations, public gathering has been prohibited. Therefore, during the 2021/2022 Midvaal IDP review process, public engagements was conducted virtually including the use of social media.
8 January 2021	Departments to confirm Capital Budget Projects based on latest IDP ward analysis and need collation – adjustments to Capital Budget to be made where applicable.
25 January 2021	Accounting Officer assessed the performance of the municipality during the first half of the financial year and made recommendations as to whether an adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary.
28 January 2021	Tabling of Annual Report (inclusive of Final AFS and AG report) and MPAC Report for the 2019/2020 financial year to Council will be submitted on 27 March 2021: - Tabling of Annual report to Council - Annual report made public - Oversight report made public.
25 January 2021	Council approved 2020/2021 mid-year review on 21 January 2021 C2454/01/2021
25 January 2021	Council approved main adjustments budget for the 2020/2021 financial year on 21 January 2021 C2453/01/2021.
January 2021	Corporate Services to confirm all tariff submissions and by-laws for legal compliance.

February 2021	Budget Steering Committee considered final balanced budget and budget related policies, IDP and SDBIP (final consideration, weekly meetings) on 16 March 2021.
31 March 2021	Formal tabling of Draft IDP, Budget and SDBIP to Council in terms of the MFMA and the Municipal Systems Act was held on 25 March 2021. C2501/03/2021
April 2021	Advertised and published final draft of IDP and Budget for public comment on the week of 30 March to 2 April and submitted 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 26 March 2021. Submission of draft IDP / Budget to organs of state 26 March 2021.
April 2021	Engagements with National and Provincial Treasury regarding the tabled IDP, Budget and SDBIP, were held 3 May 2021
April 2021	Workshop with all councillors regarding the IDP and Budget was held on the 7 April 2021
April 2021 **(Detailed dates to be determined by the Office of the Speaker)**	- Normal public consultation could not be held due to COVID-19, however, summaries of the budget were published on the newspaper, radio interviews were held as well as the My Midvaal app was used to obtain public comment and inputs from communities, provincial government and other relevant stakeholders (performed through ward councilors) - Comments were provided in writing via email or the My Midvaal app - Acknowledgement of comments received - Response to public comment i.r.o. Budget, tariffs and policies (to Budget Steering Committee).
May 2021	Budget Steering Committee to consider final IDP, Budget and SDBIP.
May 2021	Section 80 Committee to recommend final IDP, Budget and SDBIP 24 May 2021
May 2021	Mayoral Committee to recommend final IDP, Budget and SDBIP 25 May 2021.

May 2021	Council to approve final IDP and Budget. SDBIP to be noted by Council. 27 May 2021 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.
June 2021	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).
June 2021	Submission of Draft SDBIP to Executive Mayor: - Executive Mayor to receive Draft Municipal SDBIP within 14 days after approval of the budget.
June 2021	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.
June 2021	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 2020 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2021/22 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 2021/22 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 2021/22 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 2020/21 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 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 2021/22 MTREF is tabled before Council (in March 2021) for endorsement of the budget for community consultation. The budget was published on the municipality's website for public comment. In addition, Cd's were made available at municipal offices, municipal notice boards and various libraries.

All documents in the appropriate format 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. No printed copies were submitted as per the MFMA circular 107 and 108.

No meetings were held as part of the community consultation process due to COVID-19, however, radio interviews were held, as well as newspaper articles published summarising the budget. The recently launched Midvaal app was also used.

Approximately 75 comments related to the budget were received. Majority of these related to the proposed tariff increases that were very general in nature. However, the municipality did make a downward adjustment to the property rates increase from the proposed 8% to 7%

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 2021/22 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 2021/22 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:

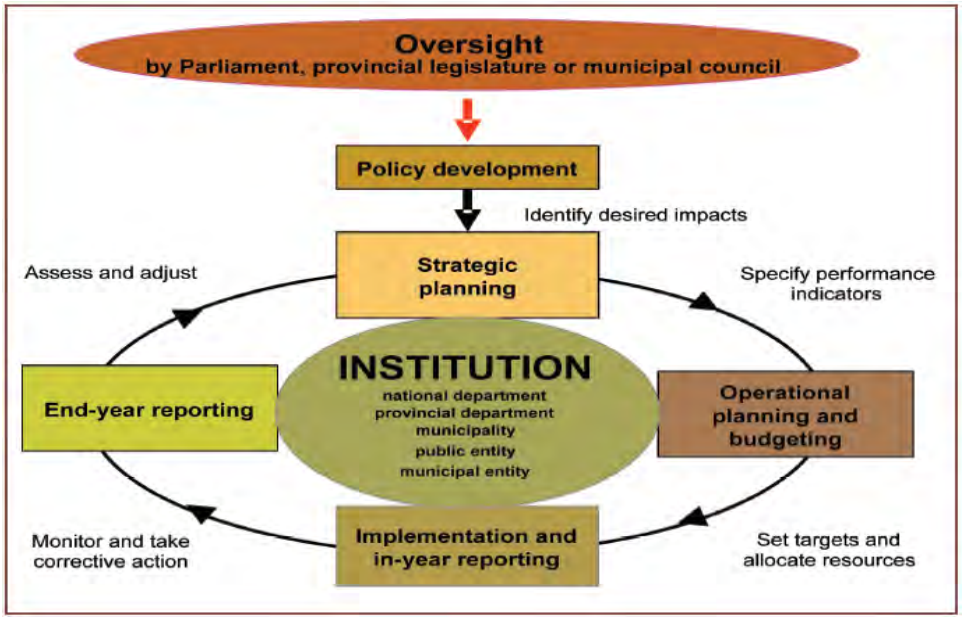

Figure 5 Planning, budgeting and reporting cycle

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:

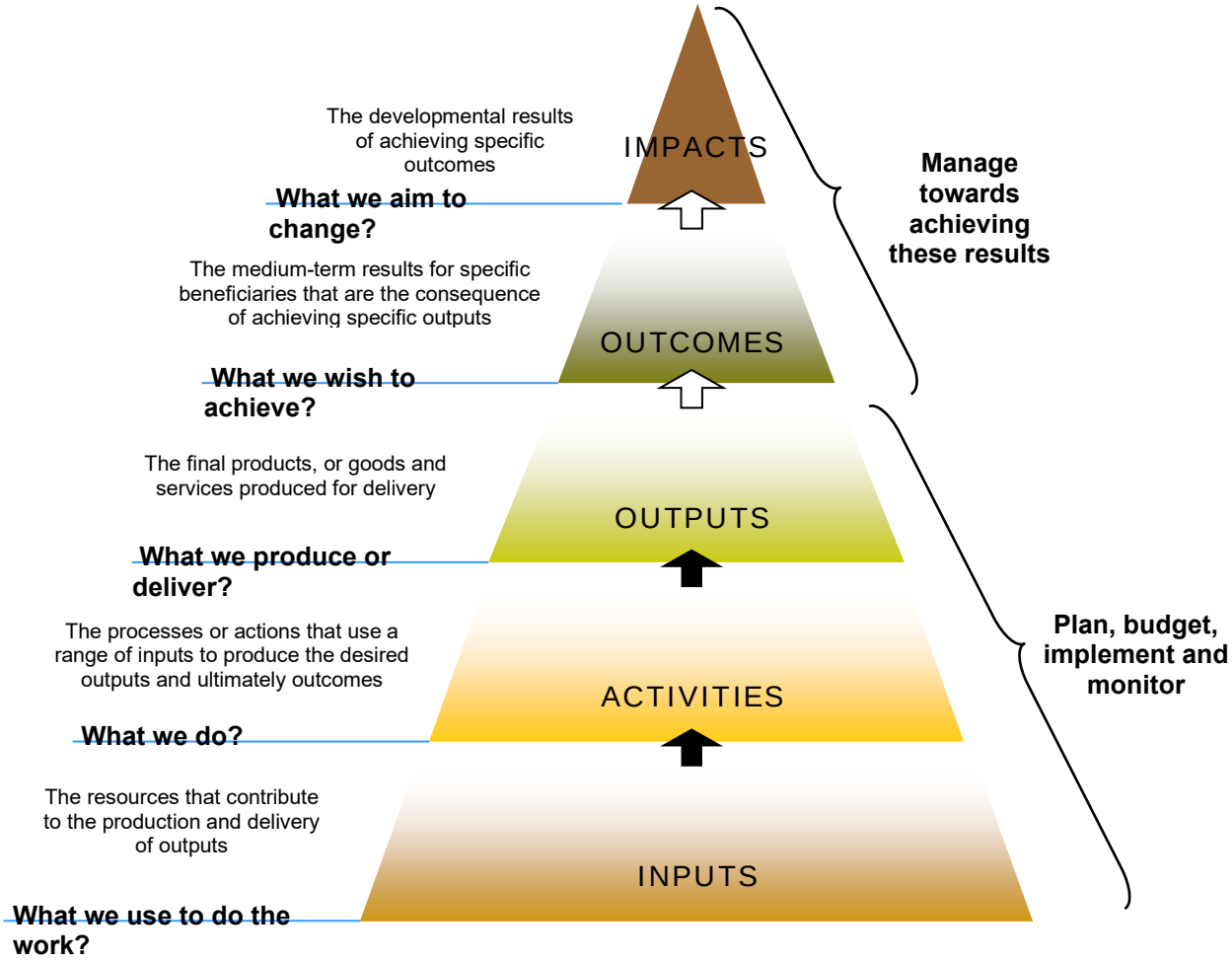

Figure 6 Definition of performance information concepts

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 2021/22 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 municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2021/22 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 92% 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. 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 39,3%, 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 2020/2021 financial year.

2020/21 financial year project scope on WDM

1. **Aged Bulk Pipe Project**

Project Area	Length (km)	Type of Pipe Replaced	Replaced with	Size of pipe replaced ø (mm)
Sicelo	7.1	AC	UPVC	75
Klipwater	1.43	AC	UPVC	110
	5.12	AC	UPVC	75
TOTAL	13.65			

2. **Control Valves and Logging Project**

Replacement of the existing non-functioning PRVs infrastructure, where infrastructure cannot be refurbished, Installation of new bulk water pressure management infrastructure, installation, commissioning and optimization of advanced pressure management system which total to 25 Pressure Reducing Valves. Scope of work:
NEW PRV's installed:

- Rooibos rd, Valley Settlement PRV – 80mm dia
- Tolbos rd, Valley Settlement PRV – 80mm dia

These 2 installations will fall part of a new PRV zone for Valley Settlement to effectively manage the pressures to reduce water losses.

NEW PRV's installed at existing PRV chambers:

- De Deur PRV – 100mm dia
- Daleside PRV – 100mm dia

The existing PRV installations were aged and non-functioning, the installations were refurbished to the NEW Midvaal standard for PRV installations.

3. Internal Leak Repair Project

Internal leak Repairs of indigent households took place in Savannah City EXT 3 & 4 with approximately 1600 stands

4. Valve Replacement Project

Valve replacement project will take place in De Deur. Approximately 83 valves will be replaced.

5. Prepaid Water Meters Project

Completed:

- Savannah City Bonded Section - 800
- Sicelo Walk-ups - 180
- Savannah City RDP – Approximately 1800 stands
- Savannah Prop -132
- Lakeside – 2410 Project is on-going no meter installed yet

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 2021/2022– 2021/2022 period. The Budget related policies will be considered by Council in May 2021. 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	2020/21	2021/22
Policy	**Change Yes/No**	**Change Yes/No**
Annexure E Tariff By-Law	No changes	Minor changes on the definitions.
Annexure F Tariff Policy	Cosmetic changes on the definitions.	Added to 9.4 and the payment level must be realistic taking into account current payment levels and past trends. 13.1.1.2 was changed to • 0 to 6 kl – Indigent households • 7 to 12 kl – Non-Indigents • 0 to 12 kl – Non-Indigents • 13 to 20 kl – Non-Indigents • 21 to 30 kl – Non-Indigents • 31 to 45 kl – Non-Indigents • >45 kl – Non-Indigents And other cosmetic changes
Annexure G Property Rates By-Law	No changes	No changes
Annexure H Property Rates Policy	Cosmetic changes on the abbreviations. Added: 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 Government (Added) Municipal Property Rates Act, Act 6 of 2004, as amended (2014).	Cosmetic changes on the abbreviations. 6.1 (10) was removed from the table. Rebates: 9.3.1 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

	8.1.7 The indispensable contribution which property developers (Added) (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development; and 9.3.1 Application based Indigent property owners: The property rates up to R1 500 000 of the property value will be granted as a rebate for all registered indigent households Pensioners: Persons dependent on a nominal income due to medical incapacitation – medical certificate must be attached as proof thereof. 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 is between R5 000 and R6 000 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 is	R6 500 per month will receive a rebate of 100% of their property rates for the first R1 300 000 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 R8 000 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). Property Owners with more than 1 property will not qualify for Pensioner Rebates. 9.3.8 Was changed to “In the event of owners of properties situated within an area affected by a disaster within a meaning of Disaster Management Act, (Act No. 57 of 2002), and the Property Rates Act, as amended, Section 15(2) (c) and (d), and any other serious adverse social or economic conditions, an additional R70 000 exemption on municipal valuation may be provided to Pensioners, Indigent households, Flisp properties and Residential properties. Council will determine the period for which the rebate will apply.” And grammatic and editorial changes.

	between R6 000 and R7 500 per month will receive a rebate of 50% of their property rates for the first R1 300 000 of their property value 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 50% rebates of their property rates, subject to the school being registered as such at the Deeds Office. And with the department... 9.3.7 First time owners of Government Flips Housing who qualified for government subsidy will receive a 75% rebate of their property rates for the first R500 000 of their property value	12 (10) was removed from the table.

	(i.e. maximum of R350 000 after the first R150 000 residential reduction has been applied). 18.6 Electronic, e-mail, facsimile will be accepted. 18.7 No Late Objections will be received.	
Annexure I Credit Control and Debt Collection By-Law	No changes	No changes
Annexure J Credit Control and Debt Collection Policy	No Changes	Apart from the below mentioned changes, there were cosmetic changes as well to the policy. Removed from 5.1 (a) - All existing guarantees in lieu of a cash deposit below R100 000 must be converted to a cash deposit before 30 June 2020. Added to 5.2 (c) is Queries can also be made through the Call Centre and the My Midvaal App. Added to 5.6 is (g) which states that Interest may be waived on a clearance application if it is in the best interest of the municipality and by approval of the Chief Financial Officer Number 5.9 (g) was changed to Interest may be waived on a clearance application if it is in the best

		interest of the municipality and by approval of the Chief Financial Officer 16 (b) Added: 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. 16 (c) For households with electrical connections limited to 25 amps: A consumption fee for possible lost units equalling 630 electricity units per meter 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. 16(d) A consumption fee for possible lost units equalling 3 000 electricity units per meter or phase, whichever applicable per month will be charged for a six-month period as well as 200kl of water per meter per month. In addition, a penalty fee of R50 000 will be charged for the tampering of bulk meters supply Added: 16 (f) 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. 16 (h) The second offence for illegal connections on electricity and water meters will be charged double the amount of units mentioned in Clause (b), (c), and (d) above And other grammatical changes
Annexure K Cash Management Policy	No changes	Added to 2.5 is "The likelihood of all customers approaching the municipality simultaneously demanding that their deposits be refunded is highly unlikely. In cases where a customer's deposit is refunded, it is often replenished by another customers deposit - who acquires the property."
Annexure L Investment Policy	No Changes	Added to no. 8 "Any downward gradings of the major financial institutions shall be taken into consideration and the revised ratings shall be evaluated holistically. The revised gradings may be lower than what may be required in clause 9. below and may still be acceptable provided that the downgrading was across the industry, affecting all the major financial institutions."

Annexure M Borrowing Policy	No changes	Cosmetic changes to the abbreviations. 5.2.3.1 was replaced with “Approve a short-term transaction individually”. 5.2.4.2 was changed to 5.2.3.2 5.2.3 was changed to 5.2.4. And other cosmetic changes.
Annexure N Funding and Reserves Policy	No Changes	No changes
Annexure O Municipal Supply Chain Management Policy and Procedures	No Changes	Minor grammatical and editorial changes. No. 15 (a) was removed from the policy No. 28.3 was changed to 29.6 and other minor changes.
Annexure P Asset Management Policy	No changes	Cosmetic changes on the abbreviations. Removed No: 4 Council shall indicate the effective date for implementation of the policy Change in useful life was changed to: Where the remaining useful life of the asset has changed, the carrying value of the asset will be written off over the revised remaining useful life of the asset. Removed from Policy Statement: 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. Removed from Responsibilities: 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. The CFO shall report changes made to the remaining useful life of immovable PPE in the asset register to the AO and Council.
Annexure Q Policy on the Planning and Approval of Capital Projects	No Changes	No changes
Annexure R Indigents Policy	Added: 5.1.4 The Indigent Support Policy will seek to provide support to the registered indigents by: • Free basic municipal services • Indigents burials • Employment opportunities	5.2 The indigent registration threshold was increased to R5500 per month. Added: 9.1.4 These properties shall be levied for refuse and sewer services where the occupiers are already receiving the services.

	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) 8.2 Any household, earning less than the R5000.00 per month, qualifies to be registered as…… 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 that the owner does not own multiple properties. 10.1.1 An additional verification will be done with the ITC as an internal control	9.2 (up to a maximum of R1 000 per month) child support grant, foster grant and disability grant and bursaries such as NSFAS. Rental income will be included in the threshold of R5500.00 but will exclude the salary of the tenant living on the Indigent applicant's property. 9.9.2 In the event of joint ownership (e.g 3 owners) where only one owner is staying at the property, the proof of income of all owners shall be included in the joint monthly household. 9.12 Removed: Indigent relief will be withdrawn where upon verification of the deemed indigent household, including owners/ occupants / residents and / or dependants residing on the property, as the case may be, 9.1.3 was replaced with "the RDP allocated houses in Savanna City' 9.1.4 was replaced with "the municipal value of property does not exceed R150 000 subject to the owner having only a single residential property. Added: 9.14 The municipal value of property does not exceed R150 000 subject to

	measure, to all Indigent applicants. 11. BENEFITS OF REGISTERED INDIGENTS 11.1 The indigent account that was handed over to Debtor Collector / Attorneys will be withdrawn. 12.2 Upon the sale of the property in respect of which support is granted and subdivision subject to the Indigent Screening Committee. ADDENDUM TO INDIGENT POLICY An additional verification will be done with the ITC as an internal control measure, to all Indigent applicants. Other cosmetic changes.	the owner having only a single residential property; Indigent relief will be withdrawn where the owners, occupants, residents and or dependants residing on the property, as the case may be, - 9.15 owns more than one property, registered individually or jointly. Other cosmetic changes and change in the numbering.
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	No changes	Minor grammatical and editorial changes.
Annexure U Policy on the Acceptance of Grants, Donations, Sponsorships and Gifts	No Changes	Removed from the policy: 3.3 (2) Whether the Municipal Finance Management Act Training Sponsorship comply with the 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.
Annexure V Long Term Financial Planning Policy	No changes	No changes
Annexure W Disposal of assets Policy	No changes	No changes
Annexure X Budget Implementation and Monitoring Policy	No changes.	Cosmetic changes Removed: 8.2.1.2 the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.
Annexure Y Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	No Changes	Added: No: 11 The municipality will take all possible steps and practical preventative measures to proactively . No. 12 This policy is to be reviewed annually and approved by Council together with the adoption of the MTREF for the following year. And other minor changes.
Annexure AA Bulk Developer Contributions Policy	Added: 4. On cancellation of the approved application Development, Planning and Housing will inform finance within 10 working days to remove the contributions from the system.	No changes.

	6.1 Any payment arrangement made may not exceed a period of 12 months.	
Annexure AB Related Party Policy	No changes	Added: no 14 implementation and review of this policy.
Annexure AC Cell phone and connectivity allowance Policy	No changes	3.3.1 Removed: 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. Replaced by: The Head of Department must ensure that the allowance is budgeted for as a benefit to the salary cost of the post. 3.3.2 was changed to : In the event of an employee not receiving a cell-phone allowance, but due to operations require the allowance, the relevant Head of Department will submit a written motivation to the Municipal Manager for approval of the allowance in relation to the provisions of this policy. The approval must be submitted to Human Resources to inform the Finance Department accordingly to implement the allowance. 4. Added: Any additional airtime not covered by the allowance, or in the event where an employee's network provider charges more than the allowance received, will be for the employee's own account.

		In the event where an employee does not answer or return calls or failing to utilise the allowance as prescribed, the allowance may be forfeited and Minor grammatic changes. Added is 4.1 which states: DATA PROVISION In addition to the cell-phone allowance employees may be entitled to a data allowance in relation to their job level(s). Employees will receive a capped data allowance to a maximum of 10GB across the board. The data allowance is not linked to receiving a cell-phone allowance as the provision of data is linked to employees who are required to provide services outside normal working hours/off-site. Should an employee, as a tool of trade, require additional data, such increase must be motivated by the relevant Head of Department, approved by the IT Section (Director: IT) and Municipal Manager. The motivation may include an increase in data allowance above the capped 10GB (to a maximum of 20GB) or in general an increase in data below 10GB to a maximum of the capped allowance.

		Any additional data not covered by the capped allowance, will be for the employee's own account. The following table represents the data allowance applicable to eligible employees:
Annexure AD Caucus Budget Policy	No changes	No changes
Annexure AE Billing Policy	Cosmetic changes to the terminology. Added: PREAMBLE Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, and the responsibility for Debt Collection of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority, respectively. Water Services Act, 1997 (Act 108 of 1997) 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. 6.7 Municipal By-laws Section 160(4) of the Constitution provides that no bylaw may be passed	Grammatical changes to the abbreviations. 6.6 Was changed to Local Government: Municipal Property Rates Act, (Act 6 of 2004) as amended 10.4 Was replaced with "Guarantees less than R100 000 in lieu of a cash deposit will no longer accepted. Added to 18.6.8 is "…… The amount that may be deducted for the 2021-2022 financial year and allocated towards other arrears will be 30%

	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 in the official gazette of the relevant province can it be enforceable. Where there no changes to the bylaws, there is no need for it to be published in the official gazette of the relevant province. 7.1 As provided by section 99 of the Systems Act, the Executive Mayor of the municipality is responsible for overseeing and monitoring: 8.1 As contemplated in Section 100 of the Systems Act, the Municipal Manager: 8.1.5 Establish customer service centres, located in such communities as determined by the Municipal Manager. 9.3.4 Approved Indigent Customers for the purposes of registering and allocating the applicable subsidy to qualified indigent customers who will	

	be allowed to open an account in the name of the lessee of the property. 10.4 All existing guarantees less than R100 000 in lieu of cash deposits must be converted to cash deposits before 30 June 2021 with effect from the date of this policy all future deposits less than R100 000 must be cash deposits. 10.5 Arrangements for the payment of the deposit shall be entered into only with the approval of the Director Income. 10.9.1 The minimum amount for all new deposits shall be reviewed annually with the review of the tariffs. 18.3 Customers may apply to Council for the installation of the 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	

	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. 20.2 The interest rate is determined by the Chief Financial Officer and is reviewed annually with the review of the Sundry Tariffs. Interest shall accrue for each completed month in respect of any amounts unpaid after 30 days of the due date. A part of a month shall be deemed to be a completed month 20.3 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 the due date of the account 20.6.1 Where the Chief Financial Officer approves such reversal from time to time in terms of interest waiver scheme. 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. 21.4 The Municipality reserves the right to declare a dispute on any account as may be deemed necessary.	

	21.6 Appeals are made by way of written representation to the Council 21.7 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 is to be borne by the customer who requested the inspection and test.	
Annexure AF Electricity By-laws	Cosmetic changes to the definitions Added: 22.2 **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 or arising from the cessation, interruption, surges or any other abnormality of the supply of electricity, unless caused by negligence on the part of the Municipality. Three-phase must have (after the meter) phase failure, reverse phase protection. 53. The consumer must include reverse phasing as well i.e. protection	Cosmetic changes Added: 18.6.8: The amount that may be deducted for the 2021-2022 financial year and allocated towards other arrears will be 30% .

	– electrical protective devices for motors shall be of such a design so as to effectively prevent sustained over current, single phasing and reverse phasing where applicable.	
Annexure AG Water By-laws	Added: 21. (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 33 (5) (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	No changes

	mentioned in Sub-Section (2) was discovered; or 33 (5)(b) the average monthly consumption on the premises registered over three succeeding measuring periods after the date referred to in Sub Section (3)(a). 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 authorized agent undertake an annual water audit at their own cost. And other cosmetic changes.	
Annexure AH SCM Turnaround time policy	No changes	Added: 3. To ensure that services are rendered efficiently and effectively. And other minor changes.
Annexure AI EFT Policy	No changes	Removed: 2. Deputy Chief Financial Officer
Annexure AJ Policy on Impairment of Receivables	No changes	No changes
Annexure AK Supply Chain Policy for Infrastructure Procurement and Delivery Management	Cosmetic changes to terminology only.	Minor cosmetics changes

Annexure AL SCM Contract Management Policy	No changes	Minor cosmetics changes
Annexure AM Driver Policy	No changes	No changes
Annexure AN Cost Containment Policy	No changes	3.1 was replaced with The Municipal manager must adopt a fair and reasonable remuneration framework for consultants. (AG Hourly rates; Guide on hourly fee rates for consultants; Fees of the regulating body for its members) 4.2 was added with “unless it can be procured cheaper at a lower cost through other procurement mechanisms” Added. 7.8 Take advantage of early registration discounts, as far as practicable and feasible. 9.6 Accommodation should only be booked where the return trip exceeds 500 kilometres. Unless here the circumstances make such a limitation impractical, in which case the approval of the Accounting Officer will be required. 10.8 Entertainment budgets for qualifying officials limited to R2000 per annum, unless approved otherwise by the municipal manager.

		10.9 Avoid expensive and elaborate office furniture
Annexure AO Virement Policy	New Policy in compliance with MFMA Regulations on Municipal Standard Chart of Accounts.	Minor grammatic changes.
Annexure AP Indigent Screening Policy	New Policy	No changes
Annexure AR Allocation of payments policy	PURPOSE This policy provides guidelines to determine a uniform approach for the allocation of unclaimed credits on consumer accounts. ACCOUNT CREDITS 2.1 When an account has been finalised and closed after property transfer and the credit remains unclaimed for a period exceeding six months. 2.2 When the credit has not been refunded to the customer or transferring attorney and neither the client nor the transferring attorney claims the refund after transfer of the property has taken place. 2.5 If no claim is received for a specific account and rand value, the unclaimed amount will be transferred to the Income of the Municipality.	No changes

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 2021/22 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
		2021/2022	2022/2023	2023/2024
Projected Growth		3.3%	1.9%	1.9%
Projected CPI	NT Circ 107, 108	3.9%	4.2%	4.4%

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 2021/22– 2021/22 MTREF period requiring both regular principal and interest payments. A 7% 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 (92%) 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	Year 1	Year 2	Year 3
	2021/2022	2022/2023	2023/2024
Property Rates Increase	7.00%	7.00%	7.00%
Refuse Removal Increase	6.00%	6.00%	7.00%
Sanitation Increase	6.00%	6.00%	7.00%
NERSA Increase	16.00%	8.90%	8.90%
Electricity Sales Increase	16.00%	8.90%	8.90%
Rand Water Increase	6.00%	7.90%	7.90%
Water Sales Increase	6.00%	7.90%	7.90%
General income Increase	6.00%	6.00%	6.00%

Table 24 Other Income Increases

Income		Year 1	Year 2	Year 3
Non-Exchange Revenue		**2021/2022**	**2022/2023**	**2023/2024**
TRANSFERS AND SUBSIDIES				
OPERATIONAL : MONETARY				
EPWP GRANT	DORA	0.0%	0.0%	0.0%
LOCAL GOV FIN MNG GRANT	DORA	0.0%	0.0%	0.0%
MIG GRANT	DORA	0.0%	0.0%	0.0%
NEIGHBOURHOOD DEV PART GRANT	DORA	0.0%	0.0%	0.0%
WSIG GRANT	DORA	0.0%	0.0%	0.0%
NRF_EQUITABLE SHARE	DORA	0.0%	0.0%	0.0%
PRIV ENT: OTH TRF -OLD MUTUAL	DORA	0.0%	0.0%	0.0%
PUB CORP O/TRF: UNSPECIFIED	UMG Agreement	0.0%	0.0%	0.0%
DM GP: SEDIBENG - ENVIRON HEALTH	Subsidy	0.0%	0.0%	0.0%
DM GP: SEDIBENG - HEALTH	Subsidy	0.0%	0.0%	0.0%
PG GP - RECAP COMM LIBRARIES GRA	DAC	0.0%	0.0%	0.0%
PG GP - RECAPITAL. COMM LIBRARIES	DAC	0.0%	0.0%	0.0%
PG_GAU_DAC OPEX	DAC	0.0%	0.0%	0.0%
CAPITAL : MONETARY				
INEP GRANT	DORA	0.0%	0.0%	0.0%
MIG GRANT	DORA	0.0%	0.0%	0.0%
NEIGBOORHOUD DEV PARTNER GRAN	DORA	0.0%	0.0%	0.0%
WSIG GRANT	DORA	0.0%	0.0%	0.0%
PRIV ENT: OTH TRF -DEVELOPERS CO	UMG Agreement	0.0%	0.0%	0.0%
PG GP - RECAP COMM LIBRARIES GRA	DAC	0.0%	0.0%	0.0%

		Year 1	Year 2	Year 3
Income		**2021/2022**	**2022/2023**	**2023/2024**
EXCHANGE REVENUE				
INTEREST DIVIDENDS AND RENT ON LAND				
INTER: RECEIV - ELECTRICITY	CPI	3.9%	4.2%	4.4%
INTER: RECEIV - SERVICE CHARGES	CPI	3.9%	4.2%	4.4%
INTER: RECEIV - WASTE MANAGEMENT	CPI	3.9%	4.2%	4.4%
INTER: RECEIV - WASTE WATER MANAGEMENT	CPI	3.9%	4.2%	4.4%
INTER: RECEIV - WATER	CPI	3.9%	4.2%	4.4%
INTER: BANK ACCOUNTS	CPI	3.9%	4.2%	4.4%
INTER: SHORT TERM INVEST & CALL ACCOUNTS	CPI	3.9%	4.2%	4.4%
INT DIV & RENT LAND -INT: REC-PROP RATES	Cash Flow Forecast	0.0%	0.0%	0.0%
OPERATIONAL REVENUE				
ADMINISTRATIVE HANDLING FEES	General income	6.0%	6.0%	6.0%
DISHONOURED CHEQUES	General income	6.0%	6.0%	6.0%
LOST TOKENS	General income	6.0%	6.0%	6.0%
MEMBERSHIP FEES	General income	6.0%	6.0%	6.0%
SERVICE CHARGES	General income	6.0%	6.0%	6.0%
SUNDRY INCOME	General income	6.0%	6.0%	6.0%
BREAKAGES RECOVERED	General income	6.0%	6.0%	6.0%
COLLECTION CHARGES	General income	6.0%	6.0%	6.0%
INCIDENTAL CASH SURPLUSES	CPI	3.9%	4.2%	4.4%
STAFF RECOVERIES	Actual trends	6.0%	6.0%	6.0%
REQ INFO - PLAN PRINTING & DUPLICATES	General income	6.0%	6.0%	6.0%
INSURANCE REFUND	CPI	3.9%	4.2%	4.4%
SALE OF PROPERTY	CPI	3.9%	4.2%	4.4%
BURSARY REFUND	CPI	3.9%	4.2%	4.4%
SKILLS DEVELOPMENT LEVY REFUND	Actual trends	6.0%	6.0%	6.0%
RENTAL FROM FIXED ASSETS				
N-M-R PPE: AD HOC-OTHER ASSETS	Actual trends	6.0%	6.0%	6.0%
M-R PPE: S/LINE -OTHER ASSETS	Actual trends	6.0%	6.0%	6.0%
M-R PPE: AD HOC-OTHER ASSETS	Actual trends	6.0%	6.0%	6.0%
SALES OF GOODS AND RENDERING OF SERVICES				
ADVERTISEMENTS	Actual trends	6.0%	6.0%	6.0%
CEMETERY & BURIAL	Actual trends	6.0%	6.0%	6.0%
CLEANING & REMOVAL	Actual trends	6.0%	6.0%	6.0%
DEVELOPMENT CHARGES	CPI	3.9%	4.2%	4.4%
ESCORT FEES	Actual trends	6.0%	6.0%	6.0%
ENTRANCE FEES	Actual trends	6.0%	6.0%	6.0%
FIRE SERVICES	General income	6.0%	6.0%	6.0%
LEGAL FEES	Actual trends	6.0%	6.0%	6.0%
LIBRARY FEES: MEMBERSHIP	General income	6.0%	6.0%	6.0%
OBJECTIONS & APPEALS	General income	6.0%	6.0%	6.0%
PHOTOCOPIES & FAXES	General income	6.0%	6.0%	6.0%
PLAN & DEV: BUILDING PLAN APPROVAL	General income	6.0%	6.0%	6.0%
PLAN & DEV: CLEARANCE CERTIFICATES	Actual trends	6.0%	6.0%	6.0%
PLAN & DEV: OCCUPATION CERTIFICATES	General income	6.0%	6.0%	6.0%
PLAN & DEV: TOWN PLANNING & SERVITUDES	Actual trends	6.0%	6.0%	6.0%
SALE OF: PUBLICATION - TENDER DOCUMENTS	General income	6.0%	6.0%	6.0%
SALE OF: VALUATION ROLLS	Actual trends	6.0%	6.0%	6.0%
SALE OF SCRAP WASTE & OTH: SCRAP	CPI	3.9%	4.2%	4.4%
LICENCES AND PERMITS				
ROAD & TRSP: ACTIV ON PUBLIC ROADS FEES	CPI	3.9%	4.2%	4.4%

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		**2021/2022**	**2022/2023**	**2023/2024**
Senior Management				
SM - Salaries Allow And Serv Benefits				
MM - Salaries Allow And Serv Benefits				
SM MM: Sal & All - Basic Salary	SALGBC	4.50%	4.7%	4.9%
SM MM: Allow - Cellular & Telephone	SALGBC	4.50%	4.7%	4.9%
SM MM: SRB - Long Service	SALGBC	4.50%	4.7%	4.9%
SM MM: SRB - Entertainment	SALGBC	4.50%	4.7%	4.9%
SM MM: Allow - Travel Or Motor Vehicle	SALGBC	4.50%	4.7%	4.9%
CFO - Salaries Allow And Serv Benefits				
SM CFO: Sal & All - Basic Salary	SALGBC	4.50%	4.7%	4.9%
SM CFO: Allow - Cellular & Telephone	SALGBC	4.50%	4.7%	4.9%
SM CFO: Allow - Travel Or Motor Vehicle	SALGBC	4.50%	4.7%	4.9%
DMM - Salaries Allow And Serv Benefits				
DMM: Sal & All - Basic Salary	SALGBC	4.50%	4.7%	4.9%
DMM: Allow - Cellular & Telephone	SALGBC	4.50%	4.7%	4.9%
DMM: Allow - Travel Or Motor Vehicle	SALGBC	4.50%	4.7%	4.9%
HOD D&P - Salaries Allow And Serv Benefits				
HOD D&P: Sal & All - Basic Salary	SALGBC	4.50%	4.7%	4.9%
HOD D&P: Allow - Cellular & Telephone	SALGBC	4.50%	4.7%	4.9%
HOD D&P: Bonus	SALGBC	4.50%	4.7%	4.9%
HOD D&P: Allow - Travel Or Motor Vehicle	SALGBC	4.50%	4.7%	4.9%
HOD CS - Salaries Allow And Serv Benefits				
HOD CS: Sal & All - Basic Salary	SALGBC	4.50%	4.7%	4.9%
HOD CS: Allow - Cellular & Telephone	SALGBC	4.50%	4.7%	4.9%
HOD CS: Allow - Travel Or Motor Vehicle	SALGBC	4.50%	4.7%	4.9%
HOD ES - Salaries Allow And Serv Benefits				
HOD ES: Sal & All - Basic Salary	SALGBC	4.50%	4.7%	4.9%
HOD ES: Allow - Cellular & Telephone	SALGBC	4.50%	4.7%	4.9%
HOD ES: Bonus	SALGBC	4.50%	4.7%	4.9%
HOD ES: Allow - Travel Or Motor Vehicle	SALGBC	4.50%	4.7%	4.9%
SM - Social Contributions				
MM - Social Contributions				
SM MM: Soc Contr: Medical	SALGBC	4.50%	4.7%	4.9%
SM MM: Soc Contr: Pension Funds	SALGBC	4.50%	4.7%	4.9%
SM MM: Soc Contr: Uif	SALGBC	4.50%	4.7%	4.9%
SM MM: Soc Contr: Bargaining Council	SALGBC	4.50%	4.7%	4.9%
CFO - Social Contributions				
SM CFO: Soc Contr: Pension Funds	SALGBC	4.50%	4.7%	4.9%
SM CFO: Soc Contr: Uif	SALGBC	4.50%	4.7%	4.9%
SM CFO: Soc Contr: Bargaining Council	SALGBC	4.50%	4.7%	4.9%
DMM - Social Contributions				
DMM: Soc Contr: Uif	SALGBC	4.50%	4.7%	4.9%
DMM: Soc Contr: Bargaining Council	SALGBC	4.50%	4.7%	4.9%

Expenditure		Year 1	Year 2	Year 3
Employee Related Cost		**2021/2022**	**2022/2023**	**2023/2024**
Senior Management				
HOD D&P - Social Contributions				
HOD D&P: Soc Contr: Medical	SALGBC	4.50%	4.7%	4.9%
HOD D&P: Soc Contr: Pension Funds	SALGBC	4.50%	4.7%	4.9%
HOD D&P: Soc Contr: Uif	SALGBC	4.50%	4.7%	4.9%
HOD D&P: Soc Contr: Bargaining Council	SALGBC	4.50%	4.7%	4.9%
HOD CS - Social Contributions				
HOD CS: Soc Contr: Medical	SALGBC	4.50%	4.7%	4.9%
HOD CS: Soc Contr: Pension Funds	SALGBC	4.50%	4.7%	4.9%
HOD CS: Soc Contr: Uif	SALGBC	4.50%	4.7%	4.9%
HOD CS: Soc Contr: Bargaining Council	SALGBC	4.50%	4.7%	4.9%
HOD ES - Social Contributions				
HOD ES: Soc Contr: Pension Funds	SALGBC	4.50%	4.7%	4.9%
HOD ES: Soc Contr: Uif	SALGBC	4.50%	4.7%	4.9%
HOD ES: Soc Contr: Medical	SALGBC	4.50%	4.7%	4.9%
HOD ES: Soc Contr: Bargaining Council	SALGBC	4.50%	4.7%	4.9%
Municipal Staff				
MS - Salaries Allow And Serv Benefits				
MS: Sal & All: Basic Salary & Wages	SALGBC	6.00%	4.7%	4.9%
MS: Sal & All: Performance Based Bonuses	SALGBC	6.00%	4.7%	4.9%
MS: All - Cellular & Telephone	SALGBC	6.00%	4.7%	4.9%
MS: Hb & Inc: Housing Benefits	SALGBC	6.00%	4.7%	4.9%
MS: All - Leave Pay	SALGBC	6.00%	4.7%	4.9%
MS: All - Travel Or Motor Vehicle	SALGBC	6.00%	4.7%	4.9%
MS: Overtime - Non Structured	SALGBC	6.00%	4.7%	4.9%
MS: Payments - Shift Add Remuneration	SALGBC	6.00%	4.7%	4.9%
MS: SRB - Acting Allowance	SALGBC	6.00%	4.7%	4.9%
MS: SRB - Annual Bonus	SALGBC	6.00%	4.7%	4.9%
MS: SRB - Long Service Award	SALGBC	6.00%	4.7%	4.9%
MS: SRB - Standby Allowance	SALGBC	6.00%	4.7%	4.9%
MS - Social Contributions				
MS: Soc Contr - Bargaining Council	SALGBC	6.00%	4.7%	4.9%
MS: Soc Contr - Group Life Insurance	SALGBC	6.00%	4.7%	4.9%
MS: Soc Contr - Medical	SALGBC	6.00%	4.7%	4.9%
MS: Soc Contr - Pension	SALGBC	6.00%	4.7%	4.9%
MS: Soc Contr - Unemployment Insur Fund	SALGBC	6.00%	4.7%	4.9%
MS: Soc Contr - Medical (Post retirement)	SALGBC	6.00%	4.7%	4.9%

Expenditure		Year 1	Year 2	Year 3
Employee Related Cost		**2021/2022**	**2022/2023**	**2023/2024**
Remuneration Of Councillors				
Roc - Allowances & Serv Related Benefits				
Speaker - Allowances & Srb				
Speaker: Travelling Allowance	SALGBC	0.0%	4.7%	4.9%
Speaker: Basic Salary	SALGBC	0.0%	4.7%	4.9%
Speaker: Cell Phone Allowance	SALGBC	0.0%	4.7%	4.9%
Whip - Allowances & Srb				
Whip: Travelling Allowance	SALGBC	0.0%	4.7%	4.9%
Whip: Basic Salary	SALGBC	0.0%	4.7%	4.9%
Whip: Cell Phone Allowance	SALGBC	0.0%	4.7%	4.9%
Exec Mayor - Allowances & Srb				
Exec Mayor: Travelling Allowance	SALGBC	0.0%	4.7%	4.9%
Exec Mayor: Basic Salary	SALGBC	0.0%	4.7%	4.9%
Exec Mayor: Cell Phone Allowance	SALGBC	0.0%	4.7%	4.9%
Exco - Allowances & Srb				
Exco: Travelling Allowance	SALGBC	0.0%	4.7%	4.9%
Exco: Basic Salary	SALGBC	0.0%	4.7%	4.9%
Exco: Cell Phone Allowance	SALGBC	0.0%	4.7%	4.9%
Other Council - Allowances & Srb				
Oth Council: Travelling Allowance	SALGBC	0.0%	4.7%	4.9%
Oth Council: Basic Salary	SALGBC	0.0%	4.7%	4.9%
Oth Council: Cell Phone Allowance	SALGBC	0.0%	4.7%	4.9%
Section 79 - Allowance & Srb				
Sect 79 Chair: Travelling Allowance	SALGBC	0.0%	4.7%	4.9%
Sect 79 Chair: Basic Salary	SALGBC	0.0%	4.7%	4.9%
Sect 79 Chair: Cell Phone Allowance	SALGBC	0.0%	4.7%	4.9%

2.5.8 Other expenditure increases

Table 26 Expenditure Increases

Expenditure		Year 1	Year 2	Year 3
Contracted Services		**2021/2022**	**2022/2023**	**2023/2024**
Outsource Services				
OS: Burial Services	MLM Gen Incr	3.9%	4.2%	4.4%
OS: B&A Occupational Health & Safety	MLM Gen Incr	3.9%	4.2%	4.4%
OS: B&A Research & Advisory	MLM Gen Incr	3.9%	4.2%	4.4%
OS: B&A Valuer	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Catering Services	MLM Gen Incr	0.0%	4.2%	4.4%
OS: Catering Services - Munic Activities	MLM Gen Incr	0.0%	4.2%	4.4%
OS: Catering Services - Training	MLM Gen Incr	0.0%	4.2%	4.4%
OS: Call Centre	MLM Gen Incr	0.0%	4.2%	4.4%
OS: Cleaning Services	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Clearing & Grass Cutting Services	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Electrical	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Hygiene Services	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Hygiene Services-Cleaning Services	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Illegal Dumping	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Litter Picking & Street Cleaning	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Meter Management	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Personnel & Labour	MLM Gen Incr	0.0%	4.2%	4.4%
OS: Connect/Dis-Connection: Electicity	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Con/Discon: Restricted Water Flow	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Connect/Disconnection: Water	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Refuse Removal	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Removal Of Struct & Illegal Signs	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Security Services	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Sewerage Services	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Traffic Fines Management	MLM Gen Incr	3.9%	4.2%	4.4%
OS: Transport Services	MLM Gen Incr	0.0%	4.2%	4.4%
Consultants And Professional Services				
C&PS: B&A Accountants & Auditors	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Audit Sitting Allowance	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Internal Audit	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Business & Fin Management	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Communications	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Human Resources	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Medical Examinations	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Project Management	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Research & Advisory	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Forensic Investigators	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Credit Rating Agencies	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: B&A Actuaries	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: I&P Engineering Civil	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: I&P Engineering Electrical	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: I&P Geodetic Control & Surveys	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: I&P Geoinformatic Services	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: I&P Town Planner	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: Lab Serv Agriculture	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: Legal Cost Advice & Litigation	MLM Gen Incr	3.9%	4.2%	4.4%
C&PS: Legal Cost Collection	MLM Gen Incr	3.9%	4.2%	4.4%

Expenditure		Year 1	Year 2	Year 3
Contracted Services		**2021/2022**	**2022/2023**	**2023/2024**
Contractors				
Contr: Artists & Performers	MLM Gen Incr	0.0%	0.0%	0.0%
Contr: Auctioneers	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: Audio-Visual Services	MLM Gen Incr	0.0%	0.0%	0.0%
Contr: Catering Services	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: Employee Wellness	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: First Aid	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: Fire Services	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: Maint Of Buildings & Facilities	MLM Gen Incr	3.9%	4.2%	4.4%
Contr: Maintenance Of Equipment	MLM Gen Incr	3.9%	4.2%	4.4%
Contr: Maintenance Of Unspecified Assets	MLM Gen Incr	3.9%	4.2%	4.4%
Contr: Maintenance Fleet	MLM Gen Incr	3.9%	4.2%	4.4%
Contr: Medical Services	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: Pest Control & Fumigation	MLM Gen Incr	3.9%	4.2%	4.4%
Contr: Plants Flowers & Oth Decorations	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: Safeguard & Security	MLM Gen Incr	3.9%	4.2%	4.4%
Contr: Sports & Recreation	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: Stage & Sound Crew	MLM Gen Incr	0.0%	4.2%	4.4%
Contr: Tracing Agents & Debt Collectors	MLM Gen Incr	3.9%	4.2%	4.4%
Contr: Transportation Contractor	MLM Gen Incr	0.0%	4.2%	4.4%
Operational Cost				
OC: SOCial Services Programme	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Achievements & Awards	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Adv/Pub/Mark - Auctions	MLM Gen Incr	0.0%	4.2%	4.4%
OC: ADV/PUB/MARK -BURSARIES (NON-EMPLOY)	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Adv/Pub/Mark - Corp & Mun Activities	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Corporate & Municipal Activities	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Mayoral Donations	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Nutritional Care	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Services Charges	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Adv/Pub/Mark - Customer/Client Info	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Adv/Pub/Mark - Gifts & Promo Items	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Adv/Pub/Mark - Municipal Newsletters	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Adv/Pub/Mark - Signs: Branding	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Adv/Pub/Mark - Sings - Branding	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Adv/Pub/Mark - Staff Recruitment	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Assets Less Than Capital Threshold	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Audit Cost: External	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Bc/Fac/C Fees - Bank Accounts	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Bc/Fac/C Fees - Third Parties	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Bc/Fac/C Fees - Flt&Oth Ct/Dt Cards	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Bc/Fac/C Fees - Investments	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Bc/Fac/C Fees - Lease Payments	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Bc/Fac/C Fees - Lng/Shrt Loans/Bor	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Bargaining Council	MLM Gen Incr	6.0%	4.7%	4.9%
OC: Bursaries (Employees)	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Clean Serv - Car Valet/Washing Serv	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Commission - Third Party Vendors	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Commission - Prepaid Electricity	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Courier & Delivery Services	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Comm - Licences (Radio & Television)	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Comm - Postage/Stamps/Franking Mach	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Comm - Radio & Tv Transmissions	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Comm - Rent Private Bag & Postal Box	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Comm - Satellite Signals	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Comm - Sms Bulk Message Service	MLM Gen Incr	0.0%	4.2%	4.4%

Expenditure		Year 1	Year 2	Year 3
Operational Cost		**2021/2022**	**2022/2023**	**2023/2024**
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%	0.0%	0.0%
OC: Entertainment - Senior Management	MLM Gen Incr	0.0%	0.0%	0.0%
OC: Ext Com Serv Prov - toets Lines	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Ext Com Serv Prov - Network Extens	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Ext Com Serv Prov - S/Ware Licences	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Ext Com Serv Prov - Spec Comput Serv	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Ext Com Serv Prov - System Adviser	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Ext Com Serv Prov - Wireless Network	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Hire Charges	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Hire Charges - Copiers	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Hire Charges - Telephone	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Fine Road Traffic & Others	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Insur Under - Claim Paid 3rd Parties	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Insur Under - Insurance Brokers Fees	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Insur Under - Insurance Claims	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Insur Under - Excess Payments	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Insur Under - Excess Payments Fleet	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Insur Under - Risk Man Programs	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Insur Under - Premiums	MLM Gen Incr	6.0%	6.0%	6.0%
OC: Water Resource Management Charges	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Lic - Vehicle Lic & Registrations	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Lic - Vehicle Lic & Registr Fleet	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Management Fee	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Printing & Publications	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Printing & Publications: Flyers	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Professional Bodies M/Ship & Subs	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Training - Internship	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Membership Fees	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Reg Fees National	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Remuneration To Ward Committees	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Road Worthy Test Fleet	MLM Gen Incr	0.0%	4.2%	4.4%
OC: System Access & Information Fees	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Skills Development Fund Levy	MLM Gen Incr	6.00%	4.7%	4.9%
OC: Search Fees	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Small Differences Tolerances	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Toll Gate Fees	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Toll Gate Fees Fleet	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Dom - Accommodation	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Accommodation: DA	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Accommodation: ANC	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Accommodation: EFF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Accommodation: FF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Daily Allowance	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Daily Allowance: DA	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Daily Allowance: ANC	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Daily Allowance: EFF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Daily Allowance: FF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Incidental Cost	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Dom - Incidental Cost	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Incidental Cost: DA	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Incidental Cost: ANC	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Incidental Cost: EFF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Incidental Cost: FF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Without opr car rental	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Dom Trp - Without Opr Car Rental	MLM Gen Incr	0.0%	4.2%	4.4%

Expenditure		Year 1	Year 2	Year 3
Operational Cost		**2021/2022**	**2022/2023**	**2023/2024**
OC: Without opr car rental: DA	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Without opr car rental: ANC	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Without opr car rental: EFF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Without opr car rental: FF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Own Transport	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Dom Trp - W/Out Opr Own Transprt	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Air Transport	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Dom Pub Trp - Air Transport	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Air Transport: DA	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Air Transport: ANC	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Air Transport: EFF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Air Transport: FF	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Dom - Daily Allowance	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Accommodation	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Accommodation	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Accommodation	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Accommodation	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Accommodation	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Dom - Daily Allowance	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Daily Allowance	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Daily Allowance	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Daily Allowance	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Daily Allowance	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Daily Allowance	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Incidental Cost	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Incidental Cost	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Incidental Cost	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Incidental Cost	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign - Incidental Cost	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - No Opr Car Rental	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - No Opr Car Rental	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - No Opr Car Rental	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - No Opr Car Rental	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - No Opr Car Rental	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - With Orp Trp Prov	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - With Orp Trp Prov	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - With Orp Trp Prov	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - With Orp Trp Prov	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Trp - With Orp Trp Prov	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Air Transport	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Air Transport	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Air Transport	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Air Transport	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Air Transport	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Railway Trans	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Railway Trans	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Railway Trans	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Railway Trans	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Railway Trans	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Road Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Road Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Road Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Road Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Road Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Water Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Water Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Water Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Water Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: T&S Foreign Pub Trp - Water Transp	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Uniform & Protective Clothing	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Vehicle Tracking	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Vehicle Tracking Fleet	MLM Gen Incr	0.0%	4.2%	4.4%
OC: Workmen's Compensation Fund	MLM Gen Incr	3.9%	4.2%	4.4%
OC: Indigent Relief	MLM Gen Incr	0.0%	4.2%	4.4%

Expenditure		**Year 1**	**Year 2**	**Year 3**
Inventory		**2021/2022**	**2022/2023**	**2023/2024**
Inventory - Consumable Stores -Std Rated Fleet	MLM Gen Incr	0.0%	4.2%	4.4%
Inventory - Finished Goods	MLM Gen Incr	0.0%	4.2%	4.4%
INV - CONSUMABL STORES -ZERO RATED FLEET	MLM Gen Incr	7.0%	7.0%	7.0%
Inventory - Materials & Supplies	MLM Gen Incr	0.0%	4.2%	4.4%
Inventory - Stationery	MLM Gen Incr	0.0%	4.2%	4.4%
Inventory - Stationery (Cartridges)	MLM Gen Incr	0.0%	4.2%	4.4%
Inventory - Computer Requirements	MLM Gen Incr	0.0%	4.2%	4.4%
Inventory - Copy Charges	MLM Gen Incr	0.0%	4.2%	4.4%
Inventory - Materials & Supplies Fleet	MLM Gen Incr	0.0%	4.2%	4.4%
Bulk Purchases				
Eskom	% of Sales	16.0%	8.9%	8.9%
Bulk Water Purchases	% of Sales	6.0%	7.9%	7.9%
Interest Dividends And Rent On Land				
Int Paid Bor: Annuity Loans	Actual	7.0%	7.0%	7.0%
Int Paid Bor: Financial Leases	Actual	7.0%	7.0%	7.0%
Operating Leases				
Opr Leases: Transport Assets Fleet	MLM Gen Incr	0.0%	4.2%	4.4%
Bad Debts Written Off	**Link to SDBIP**			
Bad Debts Written Off	% of Billed Revenue	4.5%	4.5%	4.5%
Bad Debts Written Off	% of Billed Interest	40.0%	40.0%	40.0%
Bad Debts Written Off	% of Traffic Fines	80.0%	80.0%	80.0%
Bad Debts Written Off	% of Cr control Fines	40.0%	40.0%	40.0%

2.5.9 Projected Annual Financial Statements and Cash Flow

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

Table 27 Projected Financial Statement Assumptions

Assets		**2021/2022**	**2022/2023**	**2023/2024**
Current Assets				
Cash and Cash Equivalents	Calculation	Calculated	Calculated	Calculated
Short Term Investments	Calculation	Calculated	Calculated	Calculated
Consumer Debtors	CPI			
VAT Receivable	CPI	3.9%	4.2%	4.4%
Other Receivables from Exchange Transactions	CPI	3.9%	4.2%	4.4%
Other Receivables from Non Exchange Transactions	CPI	3.9%	4.2%	4.4%
Inventories	CPI	3.9%	4.2%	4.4%
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	3.9%	4.2%	4.4%
Consumer Deposits	CPI	3.9%	4.2%	4.4%
Short Term Portion of External Loan	Loans Register			
Short Term Portion of Finance Lease Obligation	Loans Register			
VAT payable	CPI	3.9%	4.2%	4.4%
Unspent Conditional Grants and Receipts	Must spend in full			
Current Portion of Provision	CPI	3.9%	4.2%	4.4%
Non Current Liabilities				
External Loans	Loans Register			
Provisions	CPI	3.9%	4.2%	4.4%
Retirement Benefit Obligation	CPI	3.9%	4.2%	4.4%
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 2021/22 MTREF however, a 100% spending level has been factored into the cash flow budget for prudent cash management.

Table 28 Projected Statement of Financial Performance

Statement of Financial Performance			
Income	**2021/2022**	**2022/2023**	**2023/2024**
Revenue from Non-Exchange Transactions			
Property Rates	271,370,830	290,366,788	310,692,463
Fines, Penalties and Forfeits	49,939,505	52,935,876	56,112,028
Operational Transfers Monetary	152,017,707	162,926,016	168,081,066
Capital Transfers Monetary (Govt)	90,004,859	82,577,550	80,532,500
Capital Transfers Monetary (Developers)	2,000,000	1,500,000	-
Capital Transfers In Kind			
Revenue from Exchange Transactions			
Service Charges Electricity	468,600,817	510,233,054	555,570,731
Service Charges Waste Management	52,433,203	55,579,195	59,469,739
Service Charges WasteWater Management	52,046,635	55,169,433	59,031,293
Service Charges Water	252,845,829	272,813,309	294,358,325
Interest, Dividends and Rent on Land	38,682,641	40,036,669	41,514,753
Operational Revenue	6,079,091	6,375,120	6,693,980
Rental from Fixed Assets	1,192,892	1,264,466	1,340,334
Sales of Goods and Rendering of Services	5,913,793	6,268,621	6,644,738
Licenses and Permits	-	-	-
Gain on disposal of Assets	-	-	-
Inv - Physical & Net-Rel Value Losses			
TOTAL INCOME	**1,443,127,802**	**1,538,046,097**	**1,640,041,951**
Total Income Excluding Capital Revenue	**1,351,122,943**	**1,453,968,547**	**1,559,509,451**
	2021/2022	**2022/2023**	**2023/2024**
Salaries and Allowances			
Senior Managers	9,285,805	9,713,219	10,179,764
Municipal Staff	358,689,141	375,547,531	393,949,360
Councillors Allowances	13,656,304	14,298,150	14,998,760
Contracted Services			
Outsourced Services	59,856,069	61,782,157	64,456,572
Consultants and Professional Services	25,704,505	26,715,032	27,818,146
Contractors	57,465,767	59,861,639	62,990,062
Operational Cost	72,678,780	75,397,590	78,372,668
Inventory	23,612,139	25,003,726	26,456,751
Bulk Purchases			
Electricity	392,352,876	427,272,282	465,299,515
Water	150,396,335	162,277,646	175,097,580
Interest, Dividends and Rent on Land	17,391,375	15,410,846	14,801,592
Operating Leases	-	-	-
Bad Debt Written Off	4,595,502	4,802,300	5,018,404
Transfers and Subsidies	1,500,000	1,500,000	1,500,000
Depreciation and Amortisation	133,747,783	138,982,278	144,478,498
SUB TOTAL EXPENDITURE	**1,320,932,382**	**1,398,564,397**	**1,485,417,671**
Gains and losses			
Loss on Disposal of Assets	-	-	-
Debtors impairment	50,000,000	53,000,000	56,000,000
Traffic fines impairment	48,441,320	51,347,799	54,428,667
Inv - Physical & Net-Rel Value Losses			
Internal Transactions			
TOTAL EXPENDITURE	**1,419,373,702**	**1,502,912,196**	**1,595,846,338**
Creditor Purchases/Payments			
ACCOUNTING SURPLUS / DEFICIT	**23,754,101**	**35,133,901**	**44,195,612**

Key Financial Ratios	2021/2022	2022/2023	2023/2024
Financial Overview			
Total Operating Revenue	1,443,127,802	1,538,046,097	1,640,041,951
Total Operating Expenditure	1,419,373,702	1,502,912,196	1,595,846,338
Total Capital Expenditure	144,993,658	120,554,957	116,853,305
Total Expenditure	1,564,367,360	1,623,467,153	1,712,699,643
Employee Cost	367,974,946	385,260,750	404,129,124
Employee Cost as a % of Opex	25.93%	25.63%	25.32%
Audit Outcome			
Liquidity Ratio's			
Current Ratio	2	2	2
Cost Coverage (total cash and investments)	2	2	3
Number of day's total cash held	67	74	83
Number of day's un-encumbered operating cash held	30	39	50
Number of day's available operating cash held	- 5	5	22
Municipality Funded as per NT (Yes/No)	**Yes**	**Yes**	**Yes**
Productivity Ratio's			
R and M as a % of operating expenditure	10.32%	10.02%	9.91%
Salaries as a % of operating expenditure	25.93%	25.63%	25.32%
Cash Collection rate	92%	93%	94%
Cash Expenditure per year	1,231,030,416	1,306,127,618	1,390,349,437
Cash Expenditure per month	102,585,868	108,843,968	115,862,453
Cash Expenditure per day	3,372,686	3,578,432	3,809,177
Redemption paid for the year	37,045,518	42,233,466	25,246,018
Interest paid for the the year	17,391,375	15,410,846	14,801,592

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 92% 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 2021/22 amounts to R144 993 658.

The capital budget will be funded as follows:

Capital Budget per Funding Source	R	%
Capital Annuity Loans	18,600,000.00	12.83%
Capital Leases	6,725,000.00	4.64%
Capital Operational Revenue	31,806,088.00	21.94%
Capital Monetary INEP	22,072,000.00	15.22%
Capital Monetary MIG	27,665,570.00	19.08%
Capital Monetary WSIG	18,000,000.00	12.41%
Capital Monetary NHDG	10,000,000.00	6.90%
Capital Monetary Developer Contribution	2,000,000.00	1.38%
Capital Monetary DAC	6,125,000.00	4.22%
Capital Monetary FFRG	2,000,000.00	1.38%
TOTAL CAPITAL	**144,993,658.00**	**100%**

Capital expenditure of R144.9m is reflected in the budget for the 2021/2022 financial year, of which the majority revenue is derived from 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 R18.6m will be taken up in the 2021/2022 financial year to fund new infrastructure projects and R6.7m to fund new vehicles through financial leases.

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

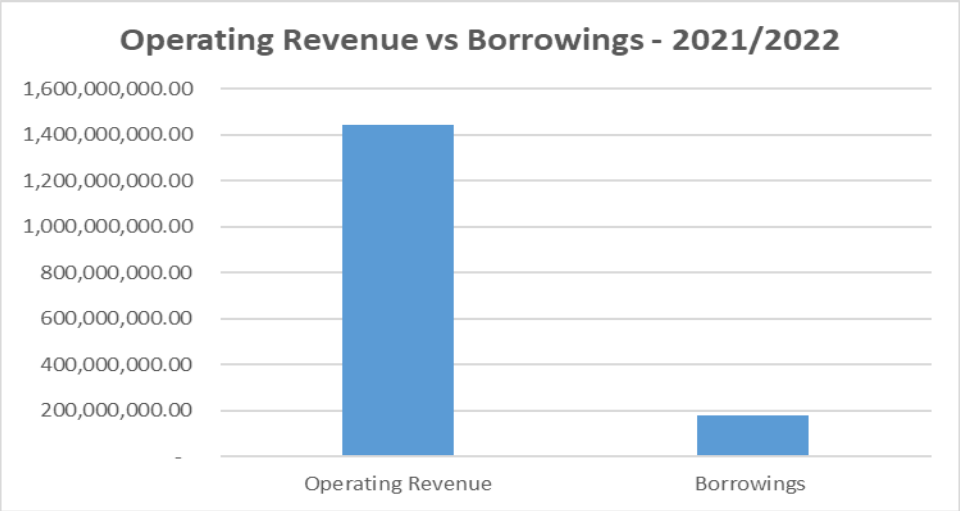

Figure 7 External Borrowings vs Total Operating Revenue

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 R470 million and R490 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:

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 2021/2022 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% has been budgeted for Midvaal employees, and 4.5% for Senior managers. No increase has been budgeted for Councillors.

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 29 MBRR SA29 – Budgeted monthly capital expenditure (standard classification)**
- **Table 30 MBRR SA30 – Budgeted monthly cash flow**

2.9 Annual budgets and SDBIPs – internal departments

The SDBIP is attached as Annexure AR.

2.10 Contracts having future budgetary implications

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

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**
- **31 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 2021/22 MTREF in May 2021.

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, NS Mhlanga, 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 NS MHLANGA
Municipal Manager of Midvaal Local Municipality (GT422)

Signature _____
Date 21 May 2021

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 32 MBRR SA29 – Budgeted monthly capital expenditure (standard classification)**
- **Table 33 MBRR SA30 – Budgeted monthly cash flow**
- **MBRR Table SA1 – Supporting detail to budgeted financial performance**
- **MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**
- **MBRR Table SA3 – Supporting detail to Statement of Financial Position**
- **MBRR Table SA9 – Social, economic and demographic statistics and assumptions**
- **MBRR SA32 – List of external mechanisms**
- **Schedule of Service Delivery Standards Table**

Annexure A1
National Treasury Format
Budget Document

GT422 Midvaal - Table A1 Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial Performance										
Property rates	194,658	213,758	242,117	259,585	253,618	253,618	217,744	271,371	290,367	310,692
Service charges	584,086	657,266	666,770	757,688	741,226	741,226	659,030	825,926	893,795	968,430
Investment revenue	14,725	18,751	21,721	18,583	18,583	18,583	9,636	19,307	20,118	21,003
Transfers recognised - operational	105,174	121,603	130,237	147,307	166,718	166,718	149,694	152,018	162,926	168,081
Other own revenue	54,741	67,011	71,006	76,418	78,515	78,515	73,978	82,501	86,763	91,302
Total Revenue (excluding capital transfers and contributions)	953,385	1,078,388	1,131,851	1,259,581	1,258,659	1,258,659	1,110,083	1,351,123	1,453,969	1,559,509
Employee costs	225,728	268,435	277,572	333,712	336,233	336,233	268,720	367,975	385,261	404,129
Remuneration of councillors	11,726	12,460	12,970	13,656	13,656	13,656	11,749	13,656	14,298	14,999
Depreciation & asset impairment	122,503	136,385	130,381	127,714	128,763	128,763	106,671	133,748	138,982	144,479
Finance charges	17,080	18,320	18,568	18,874	16,874	16,874	10,037	17,391	15,411	14,802
Inventory consumed and bulk purchases	241,211	277,766	315,846	333,925	333,925	333,925	328,589	521,242	565,870	614,325
Transfers and grants	21,386	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Other expenditure	235,407	276,200	258,375	317,331	313,658	313,658	221,017	363,861	381,590	401,614
Total Expenditure	875,041	990,155	1,015,014	1,146,344	1,144,280	1,144,280	947,996	1,419,374	1,502,912	1,595,846
Surplus/(Deficit)	78,344	88,234	116,838	113,237	114,379	114,379	162,087	(68,251)	(48,944)	(36,337)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	60,939	51,673	87,345	75,073	105,176	105,176	45,165	90,005	82,578	80,533
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)	30,682	24,710	10,408	1,500	81,626	81,626	77,670	2,000	1,500	–
	169,965	164,618		189,810	301,181	301,181	284,922	23,754	35,134	44,196
Surplus/(Deficit) after capital transfers & contributions										
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	169,965	164,618	–	189,810	301,181	301,181	284,922	23,754	35,134	44,196
Capital expenditure & funds sources										
Capital expenditure	150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Transfers recognised - capital	72,277	76,384	95,455	76,573	179,270	179,270	137,653	87,863	79,628	75,899
Borrowing	54,637	30,981	23,099	33,365	43,223	43,223	15,141	25,725	27,400	17,550
Internally generated funds	23,738	26,271	7,089	26,517	50,467	50,467	27,353	31,406	13,527	23,404
Total sources of capital funds	150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Financial position										
Total current assets	373,063	505,814	628,015	635,052	665,742	665,742	487,648	742,214	716,912	760,907
Total non current assets	2,052,269	2,046,995	2,014,690	2,207,395	2,158,886	2,158,886	2,088,165	2,446,463	2,446,575	2,453,935
Total current liabilities	238,906	330,291	326,985	159,821	332,462	332,462	351,456	267,868	249,584	270,747
Total non current liabilities	161,836	162,424	152,851	123,586	115,327	115,327	157,471	162,333	164,487	148,896
Community wealth/Equity	2,061,108	2,187,588	2,295,138	2,742,593	2,573,770	2,573,770	2,447,791	2,727,252	2,743,141	2,744,939
Cash flows										
Net cash from (used) operating	–	–	–	–	1,179,270	1,179,270	41,387	(402,526)	(514,647)	(502,100)
Net cash from (used) investing	–	–	–	–	136,504	136,504	42,692	(140,284)	(120,555)	(116,853)
Net cash from (used) financing	(16,457)	(17,639)	(19,115)	(1,258)	–	–	(12,066)	14,605	27,400	15,550
Cash/cash equivalents at the year end	113,614	184,345	273,784	232,935	1,550,168	1,550,168	72,013	(516,188)	(1,123,990)	(1,727,393)
Cash backing/surplus reconciliation										
Cash and investments available	201,984	292,900	400,047	334,193	405,462	405,462	251,275	476,275	450,972	494,967
Application of cash and investments	144,000	192,707	168,800	113,448	(59,686)	(59,686)	158,006	(127,105)	(103,653)	(82,915)
Balance - surplus (shortfall)	57,984	100,193	231,247	220,745	465,148	465,148	93,269	603,380	554,625	577,882
Asset management										
Asset register summary (WDV)	1,840,521	1,900,752	1,850,058	1,915,811	1,867,303	1,867,303	1,867,303	2,154,879	2,154,991	2,162,351
Depreciation	122,503	136,385	130,381	127,714	128,763	128,763	128,763	133,748	138,982	144,479
Renewal and Upgrading of Existing Assets	82,993	83,165	95,493	98,403	177,143	177,143	177,143	85,302	74,541	64,354
Repairs and Maintenance	93,253	99,575	103,609	119,695	120,872	120,872	120,872	146,623	153,207	160,908
Free services										
Cost of Free Basic Services provided	22,342	8,327	10,166	10,547	10,547	10,547	11,493	11,493	12,407	13,394
Revenue cost of free services provided	173,388	40,504	34,439	55,988	64,237	64,237	68,278	68,278	72,842	77,940
Households below minimum service level										
Water:	–	–	5	–	–	–	5	5	5	5
Sanitation/sewerage:	–	–	3	–	–	–	3	3	3	3
Energy:	–	–	13	–	–	–	13	13	13	13
Refuse:	–	–	7	–	–	–	7	7	7	7

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

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional										
Governance and administration		256,528	317,772	365,745	372,520	394,676	394,676	382,443	414,004	440,169
Executive and council		5,724	5,754	6,218	6,218	6,218	6,218	6,473	6,674	6,933
Finance and administration		250,804	312,018	359,527	366,302	388,458	388,458	375,970	407,330	433,236
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		56,820	63,373	62,358	79,282	83,446	83,446	83,164	78,267	76,754
Community and social services		8,464	11,615	11,956	18,095	23,397	23,397	20,356	20,408	21,320
Sport and recreation		5,717	1,797	7,585	7,644	13,513	13,513	14,699	9,341	4,362
Public safety		38,723	45,745	38,964	47,590	40,583	40,583	42,156	42,565	45,119
Housing		–	–	–	–	–	–	–	–	–
Health		3,916	4,217	3,853	5,952	5,952	5,952	5,952	5,952	5,952
Economic and environmental services		17,875	15,515	7,459	10,613	12,525	12,525	16,217	12,405	16,104
Planning and development		3,349	2,220	2,073	4,368	2,676	2,676	13,136	3,324	3,523
Road transport		11,856	10,221	2,303	3,163	6,767	6,767	–	6,000	9,500
Environmental protection		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Trading services		713,783	758,112	794,043	873,739	954,814	954,814	961,303	1,033,371	1,107,015
Energy sources		356,943	350,622	393,064	438,261	426,033	426,033	500,248	548,661	591,870
Water management		221,476	303,773	284,534	315,089	314,529	314,529	313,434	342,809	360,275
Waste water management		85,342	58,431	69,380	67,848	163,333	163,333	86,158	74,841	78,756
Waste management		50,022	45,287	47,065	52,541	50,920	50,920	61,463	67,060	76,113
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1,045,006	1,154,772	1,229,604	1,336,154	1,445,461	1,445,461	1,443,128	1,538,046	1,640,042
Expenditure - Functional										
Governance and administration		206,472	209,743	187,525	244,170	239,209	239,209	239,351	248,934	258,988
Executive and council		33,123	31,033	31,910	44,732	39,682	39,682	38,727	40,384	42,195
Finance and administration		173,349	178,711	155,615	199,438	199,527	199,527	200,625	208,550	216,794
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		119,515	140,785	140,041	170,710	165,266	165,266	189,710	198,388	208,733
Community and social services		12,864	14,299	15,784	20,287	22,676	22,676	23,682	24,652	26,292
Sport and recreation		20,807	24,756	23,985	29,911	27,723	27,723	31,787	32,725	34,211
Public safety		81,522	97,109	96,019	114,782	109,261	109,261	128,364	134,864	141,788
Housing		–	–	–	–	–	–	–	–	–
Health		4,322	4,621	4,253	5,730	5,606	5,606	5,876	6,147	6,442
Economic and environmental services		85,798	97,948	98,966	111,111	107,079	107,079	124,565	128,880	134,879
Planning and development		23,294	26,075	28,005	36,889	35,199	35,199	43,539	45,528	47,697
Road transport		59,631	68,712	67,705	70,489	67,739	67,739	76,602	78,720	82,324
Environmental protection		2,873	3,162	3,256	3,732	4,141	4,141	4,424	4,632	4,858
Trading services		582,641	669,172	720,751	799,219	800,294	800,294	865,748	926,710	993,247
Energy sources		326,072	349,658	389,422	431,163	436,449	436,449	504,455	542,761	585,575
Water management		151,667	221,224	221,135	238,757	242,143	242,143	229,201	246,984	264,869
Waste water management		57,421	50,554	56,034	59,930	58,891	58,891	63,168	65,970	68,995
Waste management		47,481	47,736	54,160	69,369	62,811	62,811	68,924	70,994	73,808
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	994,426	1,117,648	1,147,283	1,325,210	1,311,848	1,311,848	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) for the year		50,580	37,124	82,322	10,944	133,613	133,613	23,754	35,134	44,196

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

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional										
Municipal governance and administration		256,528	317,772	365,745	372,520	394,676	394,676	382,443	414,004	440,169
Executive and council		5,724	5,754	6,218	6,218	6,218	6,218	6,473	6,674	6,933
Mayor and Council		5,724	5,754	6,218	6,218	6,218	6,218	6,473	6,674	6,933
Municipal Manager, Town Secretary and Chief Executive										
Finance and administration		250,804	312,018	359,527	366,302	388,458	388,458	375,970	407,330	433,236
Administrative and Corporate Support		16,954	22,374	26,110	13,952	32,658	32,658	1,679	1,803	1,878
Asset Management										
Finance		232,209	287,869	331,021	350,327	354,113	354,113	372,503	403,631	429,348
Fleet Management		–	–	–	–	–	–	–	–	–
Human Resources		296	451	1,182	562	562	562	596	631	669
Information Technology		–	–	–	–	–	–	–	–	–
Legal Services										
Marketing, Customer Relations, Publicity and Media Co-										
Property Services		1,345	1,324	1,214	1,461	1,125	1,125	1,193	1,264	1,340
Risk Management										
Security Services										
Supply Chain Management										
Valuation Service										
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function										
Community and public safety		56,820	63,373	62,358	79,282	83,446	83,446	83,164	78,267	76,754
Community and social services		8,464	11,615	11,956	18,095	23,397	23,397	20,356	20,408	21,320
Aged Care										
Agricultural										
Animal Care and Diseases										
Cemeteries, Funeral Parlours and Crematoriums		490	629	660	337	750	750	795	843	893
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		7,975	10,986	11,296	17,758	22,647	22,647	19,561	19,565	20,427
Literacy Programmes										
Media Services										
Museums and Art Galleries										
Population Development										
Provincial Cultural Matters										
Theatres										
Zoo's										
Sport and recreation		5,717	1,797	7,585	7,644	13,513	13,513	14,699	9,341	4,362
Beaches and Jetties										
Casinos, Racing, Gambling, Wagering										
Community Parks (including Nurseries)		625	1,199	1,564	1,905	1,905	1,905	1,747	221	234
Recreational Facilities		5,092	598	6,021	5,740	11,609	11,609	12,952	9,120	4,127
Sports Grounds and Stadiums										
Public safety		38,723	45,745	38,964	47,590	40,583	40,583	42,156	42,565	45,119
Civil Defence										
Cleansing										
Control of Public Nuisances										
Fencing and Fences										
Fire Fighting and Protection		4,711	1,299	886	639	3,700	3,700	3,060	1,124	1,191
Licensing and Control of Animals										
Police Forces, Traffic and Street Parking Control		34,012	44,446	38,079	46,951	36,883	36,883	39,096	41,442	43,928
Pounds										
Housing		–	–	–	–	–	–	–	–	–
Housing										
Informal Settlements										
Health		3,916	4,217	3,853	5,952	5,952	5,952	5,952	5,952	5,952
Ambulance										
Health Services		3,916	4,217	3,853	5,952	5,952	5,952	5,952	5,952	5,952
Laboratory Services										
Food Control										
Health Surveillance and Prevention of Communicable Diseases										
Vector Control										
Chemical Safety										

Economic and environmental services		17,875	15,515	7,459	10,613	12,525	12,525	16,217	12,405	16,104
Planning and development		3,349	2,220	2,073	4,368	2,676	2,676	13,136	3,324	3,523
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDs)										
Central City Improvement District										
Development Facilitation										
Economic Development/Planning		6	58	45	1,510	55	55	10,058	62	65
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City		3,343	2,162	2,028	2,858	2,621	2,621	3,077	3,262	3,458
Project Management Unit										
Provincial Planning										
Support to Local Municipalities										
Road transport		11,856	10,221	2,303	3,163	6,767	6,767	–	6,000	9,500
Public Transport										
Road and Traffic Regulation										
Roads		11,856	10,221	2,303	3,163	6,767	6,767	–	6,000	9,500
Taxi Ranks										
Environmental protection		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Biodiversity and Landscape										
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Soil Conservation										
Trading services		713,783	758,112	794,043	873,739	954,814	954,814	961,303	1,033,371	1,107,015
Energy sources		356,943	350,622	393,064	438,261	426,033	426,033	500,248	548,661	591,870
Electricity		356,943	350,622	393,064	438,261	426,033	426,033	500,248	548,661	591,870
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		221,476	303,773	284,534	315,089	314,529	314,529	313,434	342,809	360,275
Water Treatment										
Water Distribution		221,476	303,773	284,534	315,089	314,529	314,529	313,434	342,809	360,275
Water Storage										
Waste water management		85,342	58,431	69,380	67,848	163,333	163,333	86,158	74,841	78,756
Public Toilets										
Sewerage		84,661	58,431	69,380	67,848	163,333	163,333	86,158	74,841	78,756
Storm Water Management		681	–	–	–	–	–	–	–	–
Waste Water Treatment		–	–	–	–	–	–	–	–	–
Waste management		50,022	45,287	47,065	52,541	50,920	50,920	61,463	67,060	76,113
Recycling										
Solid Waste Disposal (Landfill Sites)										
Solid Waste Removal		50,022	45,287	47,065	52,541	50,920	50,920	61,463	67,060	76,113
Street Cleaning										
Other		–	–	–	–	–	–	–	–	–
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation										
Markets										
Tourism										
Total Revenue - Functional	2	1,045,006	1,154,772	1,229,604	1,336,154	1,445,461	1,445,461	1,443,128	1,538,046	1,640,042

Expenditure - Functional									
Municipal governance and administration	206,472	209,743	187,525	244,170	239,209	239,209	239,351	248,934	258,988
Executive and council	33,123	31,033	31,910	44,732	39,682	39,682	38,727	40,384	42,195
Mayor and Council	24,654	26,695	25,855	36,901	31,922	31,922	30,449	31,747	33,167
Municipal Manager, Town Secretary and Chief Executive	8,469	4,338	6,055	7,831	7,760	7,760	8,278	8,636	9,028
Finance and administration	173,349	178,711	155,615	199,438	199,527	199,527	200,625	208,550	216,794
Administrative and Corporate Support	50,622	63,733	60,436	66,445	66,038	66,038	57,315	59,503	62,325
Asset Management									
Finance	94,792	79,913	61,101	83,236	83,158	83,158	89,716	93,075	96,104
Fleet Management	2,587	4,395	4,240	4,769	4,628	4,628	5,535	5,771	6,029
Human Resources	12,060	14,235	14,190	24,152	23,194	23,194	24,563	25,659	26,854
Information Technology	8,617	9,861	9,691	14,676	15,167	15,167	15,871	16,574	17,338
Legal Services									
Marketing, Customer Relations, Publicity and Media Co-	2,643	3,606	2,883	2,694	4,292	4,292	4,353	4,535	4,734
Property Services	2,029	2,966	3,074	3,467	3,051	3,051	3,271	3,433	3,409
Risk Management									
Security Services									
Supply Chain Management									
Valuation Service									
Internal audit	–	–	–	–	–	–	–	–	–
Governance Function									
Community and public safety	119,515	140,785	140,041	170,710	165,266	165,266	189,710	198,388	208,733
Community and social services	12,864	14,299	15,784	20,287	22,676	22,676	23,682	24,652	26,292
Aged Care									
Agricultural									
Animal Care and Diseases									
Cemeteries, Funeral Parlours and Crematoriums	750	1,063	1,263	1,365	1,317	1,317	1,370	1,429	1,493
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	12,114	13,236	14,520	18,922	21,359	21,359	22,312	23,223	24,798
Literacy Programmes									
Media Services									
Museums and Art Galleries									
Population Development									
Provincial Cultural Matters									
Theatres									
Zoo's									
Sport and recreation	20,807	24,756	23,985	29,911	27,723	27,723	31,787	32,725	34,211
Beaches and Jetties									
Casinos, Racing, Gambling, Wagering									
Community Parks (including Nurseries)	17,979	21,536	20,067	25,625	23,499	23,499	27,153	27,886	29,151
Recreational Facilities	2,827	3,220	3,918	4,286	4,224	4,224	4,634	4,839	5,060
Sports Grounds and Stadiums									
Public safety	81,522	97,109	96,019	114,782	109,261	109,261	128,364	134,864	141,788
Civil Defence									
Cleansing									
Control of Public Nuisances									
Fencing and Fences									
Fire Fighting and Protection	22,485	25,456	26,319	36,467	34,808	34,808	38,073	39,800	41,649
Licensing and Control of Animals									
Police Forces, Traffic and Street Parking Control	59,037	71,652	69,700	78,315	74,453	74,453	90,291	95,065	100,139
Pounds									
Housing	–	–	–	–	–	–	–	–	–
Housing									
Informal Settlements									
Health	4,322	4,621	4,253	5,730	5,606	5,606	5,876	6,147	6,442
Ambulance									
Health Services	4,322	4,621	4,253	5,730	5,606	5,606	5,876	6,147	6,442
Laboratory Services									
Food Control									
Health Surveillance and Prevention of Communicable Diseases									
Vector Control									
Chemical Safety									

Economic and environmental services		85,798	97,948	98,966	111,111	107,079	107,079	124,565	128,880	134,879
Planning and development		23,294	26,075	28,005	36,889	35,199	35,199	43,539	45,528	47,697
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDs)										
Central City Improvement District										
Development Facilitation										
Economic Development/Planning		14,121	15,417	17,190	22,608	22,243	22,243	23,707	24,768	25,926
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City		9,173	10,657	10,815	14,281	12,955	12,955	19,832	20,760	21,771
Project Management Unit										
Provincial Planning										
Support to Local Municipalities										
Road transport		59,631	68,712	67,705	70,489	67,739	67,739	76,602	78,720	82,324
Public Transport										
Road and Traffic Regulation										
Roads		59,631	68,712	67,705	70,489	67,739	67,739	76,602	78,720	82,324
Taxi Ranks										
Environmental protection		2,873	3,162	3,256	3,732	4,141	4,141	4,424	4,632	4,858
Biodiversity and Landscape										
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control		2,873	3,162	3,256	3,732	4,141	4,141	4,424	4,632	4,858
Soil Conservation										
Trading services		582,641	669,172	720,751	799,219	800,294	800,294	865,748	926,710	993,247
Energy sources		326,072	349,658	389,422	431,163	436,449	436,449	504,455	542,761	585,575
Electricity		326,072	349,658	389,422	431,163	436,449	436,449	504,455	542,761	585,575
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		151,667	221,224	221,135	238,757	242,143	242,143	229,201	246,984	264,869
Water Treatment										
Water Distribution		151,667	221,224	221,135	238,757	242,143	242,143	229,201	246,984	264,869
Water Storage										
Waste water management		57,421	50,554	56,034	59,930	58,891	58,891	63,168	65,970	68,995
Public Toilets										
Sewerage		47,394	37,792	40,679	41,094	42,448	42,448	43,588	45,481	47,516
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		10,027	12,762	15,354	18,835	16,443	16,443	19,580	20,489	21,479
Waste management		47,481	47,736	54,160	69,369	62,811	62,811	68,924	70,994	73,808
Recycling										
Solid Waste Disposal (Landfill Sites)		2,970	8,879	11,409	27,424	21,727	21,727	23,045	23,662	24,334
Solid Waste Removal		44,511	38,858	42,750	41,945	41,084	41,084	45,878	47,333	49,473
Street Cleaning										
Other		–	–	–	–	–	–	–	–	–
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation										
Markets										
Tourism										
Total Expenditure - Functional	3	994,426	1,117,648	1,147,283	1,325,210	1,311,848	1,311,848	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) for the year		50,580	37,124	82,322	10,944	133,613	133,613	23,754	35,134	44,196

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote	1									
Vote 01 - Executive & Council		20,888	27,037	32,467	18,229	37,289	37,289	6,473	6,674	6,933
Vote 02 - Corporate Services		1,641	1,188	1,221	2,030	1,694	1,694	1,796	1,904	2,018
Vote 03 - Financial Services		232,209	287,869	331,021	350,327	354,113	354,113	372,503	403,631	429,348
Vote 04 - Development & Planning		3,349	2,220	2,073	4,368	2,676	2,676	13,136	3,324	3,523
Vote 05 - Health		3,916	4,217	3,853	5,952	5,952	5,952	5,952	5,952	5,952
Vote 06 - Community And Social Services		14,181	13,661	19,541	25,739	36,911	36,911	35,056	29,749	25,682
Vote 07 - Public Safety		5,009	1,385	886	639	3,700	3,700	3,060	1,124	1,191
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Vote 10 - Waste Water Management		84,661	58,431	69,380	67,848	163,333	163,333	86,158	74,841	78,756
Vote 11 - Solid Waste Management		50,022	45,287	47,065	52,541	50,920	50,920	61,463	67,060	76,113
Vote 12 - Roads And Transport		46,251	54,581	40,382	50,114	43,651	43,651	39,096	47,442	53,428
Vote 13 - Water Services		221,476	303,773	284,534	315,089	314,529	314,529	313,434	342,809	360,275
Vote 14 - Electrical Services		358,733	352,050	394,100	440,195	427,612	427,612	501,919	550,456	593,740
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	1,045,006	1,154,772	1,229,604	1,336,154	1,445,461	1,445,461	1,443,128	1,538,046	1,640,042
Expenditure by Vote *to be appropriated*	1									
Vote 01 - Executive & Council		42,044	52,700	42,907	59,844	54,962	54,962	38,727	40,384	42,195
Vote 02 - Corporate Services		43,564	49,148	54,995	68,639	69,489	69,489	75,260	78,649	82,144
Vote 03 - Financial Services		94,792	79,913	61,101	83,236	83,158	83,158	89,716	93,075	96,104
Vote 04 - Development & Planning		23,294	26,075	28,005	36,889	35,199	35,199	43,539	45,528	47,697
Vote 05 - Health		4,322	4,621	4,253	5,730	5,606	5,606	5,876	6,147	6,442
Vote 06 - Community And Social Services		42,083	47,317	49,243	60,731	61,303	61,303	66,864	68,763	72,431
Vote 07 - Public Safety		22,866	25,456	26,319	36,467	34,808	34,808	38,073	39,800	41,649
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		2,873	3,162	3,256	3,732	4,141	4,141	4,424	4,632	4,858
Vote 10 - Waste Water Management		57,421	50,554	56,034	59,930	58,891	58,891	63,168	65,970	68,995
Vote 11 - Solid Waste Management		47,481	47,736	54,160	69,369	62,811	62,811	68,924	70,994	73,808
Vote 12 - Roads And Transport		120,874	144,759	141,645	153,574	146,820	146,820	172,428	179,556	188,492
Vote 13 - Water Services		151,667	221,224	221,135	238,757	242,143	242,143	229,201	246,984	264,869
Vote 14 - Electrical Services		341,145	364,983	404,231	448,312	452,519	452,519	523,174	562,430	606,164
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	994,426	1,117,648	1,147,283	1,325,210	1,311,848	1,311,848	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) for the year	2	50,580	37,124	82,322	10,944	133,613	133,613	23,754	35,134	44,196

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote	1									
Vote 01 - Executive & Council		20,888	27,037	32,467	18,229	37,289	37,289	6,473	6,674	6,933
01.1 - Municipal Manager		–	–	–	–	–	–	–	–	–
01.2 - Councillors		5,724	5,754	6,218	6,218	6,218	6,218	6,473	6,674	6,933
01.3 - Speakers Office		–	–	–	–	–	–	–	–	–
01.4 - Office Of The Mayor		–	–	–	–	–	–	–	–	–
01.5 - Savanna City		15,164	21,283	26,249	12,011	31,071	31,071	–	–	–
Vote 02 - Corporate Services		1,641	1,188	1,221	2,030	1,694	1,694	1,796	1,904	2,018
02.1 - Corporate Services Admininstration		–	(587)	(1,175)	7	7	7	8	8	9
02.2 - Council Building		1,345	1,324	1,214	1,461	1,125	1,125	1,193	1,264	1,340
02.3 - Public Relations Officer		–	–	–	–	–	–	–	–	–
02.4 - It Services		–	–	–	–	–	–	–	–	–
02.5 - Performance Audit		–	–	–	–	–	–	–	–	–
02.6 - Human Resources		296	451	1,182	562	562	562	596	631	669
Vote 03 - Financial Services		232,209	287,869	331,021	350,327	354,113	354,113	372,503	403,631	429,348
03.1 - Financial Services - Administration		231,370	285,069	326,722	348,327	352,113	352,113	370,425	401,465	427,088
03.2 - Financial Services - Income		556	2,540	4,278	2,000	2,000	2,000	2,078	2,165	2,261
03.3 - Financial Services - Expenditure		282	261	21	–	–	–	–	–	–
Vote 04 - Development & Planning		3,349	2,220	2,073	4,368	2,676	2,676	13,136	3,324	3,523
04.1 - Development & Planning		6	58	45	1,510	55	55	10,058	62	65
04.2 - Building Control		1,873	1,185	1,061	1,858	621	621	898	952	1,009
04.3 - Town Planning		1,470	977	967	1,000	2,000	2,000	2,180	2,310	2,449
04.4 - Building Regulation & Enforcement		–	–	–	–	–	–	–	–	–
Vote 05 - Health		3,916	4,217	3,853	5,952	5,952	5,952	5,952	5,952	5,952
05.1 - Clinic Randvaal		1,279	–	1,125	952	952	952	952	952	952
05.2 - Clinic Meyerton		1,043	–	1,405	2,762	2,762	2,762	2,762	2,762	2,762
05.3 - Clinic Kookrus		1,594	4,217	1,324	2,239	2,239	2,239	2,239	2,239	2,239
Vote 06 - Community And Social Services		14,181	13,661	19,541	25,739	36,911	36,911	35,056	29,749	25,682
06.1 - Library Meyerton		7,134	9,497	9,202	12,208	15,348	15,348	17,761	16,665	17,927
06.2 - Libaray Henley On Klip		100	652	363	650	400	400	200	200	200
06.3 - Library Walkerville		649	148	381	400	1,865	1,865	300	200	200
06.4 - Library Randvaal		92	127	199	250	150	150	200	200	200
06.5 - Library Sicelo		–	254	330	3,500	3,286	3,286	600	300	300
06.6 - Lakeside Library		–	308	297	500	200	200	300	300	300
06.7 - Library Bonte Bonke		–	–	524	250	1,397	1,397	200	200	300
06.8 - Social Services Admin		–	249	–	–	–	–	–	–	–
06.9 - Library Savanna City		–	–	–	–	–	–	–	1,500	1,000
06.10 - Library Mamello		–	–	–	–	–	–	–	–	–
06.11 - Parks		625	1,199	1,564	1,905	1,905	1,905	1,747	221	234
06.12 - Swimming Pool		162	211	193	281	107	107	113	120	127
06.13 - Sport & Recreation Administration		4,930	387	5,828	5,459	11,502	11,502	12,839	9,000	4,000
06.14 - Cemeteries		490	629	660	337	750	750	795	843	893
Vote 07 - Public Safety		5,009	1,385	886	639	3,700	3,700	3,060	1,124	1,191
07.1 - Traffic		298	86	–	–	–	–	–	–	–
07.2 - Fire		4,711	1,299	886	639	3,700	3,700	3,060	1,124	1,191
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
09.1 - Municipal Health Services (Sedibeng Funding)		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
09.2 - Environmental Management		–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		84,661	58,431	69,380	67,848	163,333	163,333	86,158	74,841	78,756
10.1 - Sanitation Network		84,661	58,431	69,380	67,848	163,333	163,333	86,158	74,841	78,756
10.2 - Waste Water Purification		–	–	–	–	–	–	–	–	–
Vote 11 - Solid Waste Management		50,022	45,287	47,065	52,541	50,920	50,920	61,463	67,060	76,113
11.1 - Landfill Sites		–	–	–	–	–	–	–	–	–
11.2 - Solid Waste		50,022	45,287	47,065	52,541	50,920	50,920	61,463	67,060	76,113
Vote 12 - Roads And Transport		46,251	54,581	40,382	50,114	43,651	43,651	39,096	47,442	53,428
12.1 - Traffic		33,714	44,360	38,079	46,951	36,883	36,883	39,096	41,442	43,928
12.2 - Roads		11,856	10,221	2,321	3,163	6,767	6,767	–	6,000	9,500
12.3 - Mechanical Workshop		–	–	–	–	–	–	–	–	–
12.4 - Storm Water		681	–	–	–	–	–	–	–	–
12.5 - Storm Water		–	–	(18)	–	–	–	–	–	–
Vote 13 - Water Services		221,476	303,773	284,534	315,089	314,529	314,529	313,434	342,809	360,275
13.1 - Water Network		221,476	303,773	284,534	315,089	314,529	314,529	313,434	342,809	360,275
Vote 14 - Electrical Services		358,733	352,050	394,100	440,195	427,612	427,612	501,919	550,456	593,740
14.1 - Electrical Network		356,943	350,622	393,064	438,261	426,033	426,033	500,248	548,661	591,870
14.2 - Engineering Admin		1,790	1,428	1,036	1,934	1,580	1,580	1,671	1,795	1,870
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	1,045,006	1,154,772	1,229,604	1,336,154	1,445,461	1,445,461	1,443,128	1,538,046	1,640,042

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure by Vote	1									
Vote 01 - Executive & Council		42,044	52,700	42,907	59,844	54,962	54,962	38,727	40,384	42,195
01.1 - Municipal Manager		8,469	4,338	6,055	7,831	7,760	7,760	8,278	8,636	9,028
01.2 - Councillors		14,491	15,633	16,205	17,701	17,680	17,680	14,280	14,948	15,678
01.3 - Speakers Office		4,095	3,989	4,047	5,524	4,603	4,603	5,471	5,700	5,952
01.4 - Office Of The Mayor		6,068	7,073	5,603	13,676	9,639	9,639	10,697	11,099	11,537
01.5 - Savanna City		8,922	21,667	10,997	15,112	15,279	15,279	–	–	–
Vote 02 - Corporate Services		43,564	49,148	54,995	68,639	69,489	69,489	75,260	78,649	82,144
02.1 - Corporate Services Admininstration		15,062	14,962	19,822	18,628	18,787	18,787	21,948	22,959	24,063
02.2 - Council Building		2,029	2,966	3,074	3,467	3,051	3,051	3,271	3,433	3,409
02.3 - Public Relations Officer		2,643	3,606	2,883	2,694	4,292	4,292	4,353	4,535	4,734
02.4 - It Services		8,617	9,861	9,691	14,676	15,167	15,167	15,871	16,574	17,338
02.5 - Performance Audit		3,154	3,517	5,335	5,023	4,998	4,998	5,253	5,488	5,745
02.6 - Human Resources		12,060	14,235	14,190	24,152	23,194	23,194	24,563	25,659	26,854
Vote 03 - Financial Services		94,792	79,913	61,101	83,236	83,158	83,158	89,716	93,075	96,104
03.1 - Financial Services - Administration		61,103	34,249	21,784	33,918	34,141	34,141	36,273	37,397	37,717
03.2 - Financial Services - Income		17,140	19,306	18,787	23,603	23,166	23,166	25,366	26,507	27,752
03.3 - Financial Services - Expenditure		16,550	26,358	20,530	25,714	25,850	25,850	28,077	29,172	30,636
Vote 04 - Development & Planning		23,294	26,075	28,005	36,889	35,199	35,199	43,539	45,528	47,697
04.1 - Development & Planning		14,121	15,417	17,190	22,608	22,243	22,243	23,707	24,768	25,926
04.2 - Building Control		6,981	7,675	8,108	9,534	9,457	9,457	15,963	16,715	17,533
04.3 - Town Planning		2,193	2,982	2,707	4,746	3,499	3,499	3,869	4,046	4,238
04.4 - Building Regulation & Enforcement		–	–	–	–	–	–	–	–	–
Vote 05 - Health		4,322	4,621	4,253	5,730	5,606	5,606	5,876	6,147	6,442
05.1 - Clinic Randvaal		643	686	676	1,395	1,290	1,290	1,357	1,419	1,487
05.2 - Clinic Meyerton		2,131	2,362	2,431	2,777	2,758	2,758	2,871	3,004	3,149
05.3 - Clinic Kookrus		1,548	1,574	1,146	1,559	1,558	1,558	1,649	1,724	1,806
Vote 06 - Community And Social Services		42,083	47,317	49,243	60,731	61,303	61,303	66,864	68,763	72,431
06.1 - Library Meyerton		9,598	10,252	11,219	15,218	17,536	17,536	18,370	19,117	20,515
06.2 - Libaray Henley On Klip		738	1,046	1,197	1,300	1,341	1,341	1,389	1,452	1,519
06.3 - Library Walkerville		656	620	593	774	704	704	727	758	792
06.4 - Library Randvaal		656	723	809	802	880	880	904	944	987
06.5 - Library Sicelo		151	190	218	273	288	288	296	305	314
06.6 - Lakeside Library		306	278	321	385	405	405	415	427	440
06.7 - Library Bonte Bonke		10	127	163	170	204	204	212	221	230
06.8 - Social Services Admin		8,412	8,262	9,474	10,534	10,904	10,904	11,394	11,386	11,928
06.9 - Library Savanna City		–	–	–	–	–	–	–	–	–
06.10 - Library Mamello		–	–	–	–	–	–	–	–	–
06.11 - Parks		17,979	21,536	20,067	25,625	23,499	23,499	27,153	27,886	29,151
06.12 - Swimming Pool		1,053	1,172	1,189	1,357	1,458	1,458	1,674	1,752	1,836
06.13 - Sport & Recreation Administration		1,775	2,048	2,729	2,929	2,766	2,766	2,960	3,087	3,223
06.14 - Cemeteries		750	1,063	1,263	1,365	1,317	1,317	1,370	1,429	1,493
Vote 07 - Public Safety		22,866	25,456	26,319	36,467	34,808	34,808	38,073	39,800	41,649
07.1 - Traffic		381	–	–	–	–	–	–	–	–
07.2 - Fire		22,485	25,456	26,319	36,467	34,808	34,808	38,073	39,800	41,649
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		2,873	3,162	3,256	3,732	4,141	4,141	4,424	4,632	4,858
09.1 - Municipal Health Services (Sedibeng Funding)		2,873	3,162	3,256	3,732	4,141	4,141	4,424	4,632	4,858
09.2 - Environmental Management		–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		57,421	50,554	56,034	59,930	58,891	58,891	63,168	65,970	68,995
10.1 - Sanitation Network		47,394	37,792	40,679	41,094	42,448	42,448	43,588	45,481	47,516
10.2 - Waste Water Purification		10,027	12,762	15,354	18,835	16,443	16,443	19,580	20,489	21,479
Vote 11 - Solid Waste Management		47,481	47,736	54,160	69,369	62,811	62,811	68,924	70,994	73,808
11.1 - Landfill Sites		2,970	8,879	11,409	27,424	21,727	21,727	23,045	23,662	24,334
11.2 - Solid Waste		44,511	38,858	42,750	41,945	41,084	41,084	45,878	47,333	49,473
Vote 12 - Roads And Transport		120,874	144,759	141,645	153,574	146,820	146,820	172,428	179,556	188,492
12.1 - Traffic		58,656	71,652	69,700	78,315	74,453	74,453	90,291	95,065	100,139
12.2 - Roads		59,631	68,712	67,705	70,489	67,739	67,739	76,602	78,720	82,324
12.3 - Mechanical Workshop		2,587	4,395	4,240	4,769	4,628	4,628	5,535	5,771	6,029
12.4 - Storm Water		–	–	–	–	–	–	–	–	–
12.5 - Storm Water		–	–	–	–	–	–	–	–	–
Vote 13 - Water Services		151,667	221,224	221,135	238,757	242,143	242,143	229,201	246,984	264,869
13.1 - Water Network		151,667	221,224	221,135	238,757	242,143	242,143	229,201	246,984	264,869
Vote 14 - Electrical Services		341,145	364,983	404,231	448,312	452,519	452,519	523,174	562,430	606,164
14.1 - Electrical Network		326,072	349,658	389,422	431,163	436,449	436,449	504,455	542,761	585,575
14.2 - Engineering Admin		15,072	15,325	14,809	17,149	16,069	16,069	18,719	19,669	20,589
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	994,426	1,117,648	1,147,283	1,325,210	1,311,848	1,311,848	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) for the year	2	50,580	37,124	82,322	10,944	133,613	133,613	23,754	35,134	44,196

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source											
Property rates	2	194,658	213,758	242,117	259,585	253,618	253,618	217,744	271,371	290,367	310,692
Service charges - electricity revenue	2	326,502	347,196	357,488	418,838	404,123	404,123	364,924	468,601	510,233	555,571
Service charges - water revenue	2	183,111	228,957	221,761	249,286	238,538	238,538	209,356	252,846	272,813	294,358
Service charges - sanitation revenue	2	38,450	42,105	45,601	45,004	49,101	49,101	44,021	52,047	55,169	59,031
Service charges - refuse revenue	2	36,023	39,008	41,920	44,560	49,465	49,465	40,729	52,433	55,579	59,470
Rental of facilities and equipment		1,345	1,324	1,214	1,461	1,125	1,125	1,020	1,193	1,264	1,340
Interest earned - external investments		14,725	18,751	21,721	18,583	18,583	18,583	9,636	19,307	20,118	21,003
Interest earned - outstanding debtors		9,181	12,404	18,964	16,874	18,890	18,890	16,987	19,375	19,918	20,511
Dividends received											
Fines, penalties and forfeits		34,362	44,425	40,839	46,956	47,113	47,113	48,270	49,940	52,936	56,112
Licences and permits		1	–	–	45	–	–	–	–	–	–
Agency services											
Transfers and subsidies		105,174	121,603	130,237	147,307	166,718	166,718	149,694	152,018	162,926	168,081
Other revenue	2	8,854	9,272	11,147	11,083	11,387	11,387	7,701	11,993	12,644	13,339
Gains		998	(413)	(1,158)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		953,385	1,078,388	1,131,851	1,259,581	1,258,659	1,258,659	1,110,083	1,351,123	1,453,969	1,559,509
Expenditure By Type											
Employee related costs	2	225,728	268,435	277,572	333,712	336,233	336,233	268,720	367,975	385,261	404,129
Remuneration of councillors		11,726	12,460	12,970	13,656	13,656	13,656	11,749	13,656	14,298	14,999
Debt impairment	3	73,894	115,671	86,918	100,620	107,090	107,090	99,791	103,037	109,150	115,447
Depreciation & asset impairment	2	122,503	136,385	130,381	127,714	128,763	128,763	106,671	133,748	138,982	144,479
Finance charges		17,080	18,320	18,568	18,874	16,874	16,874	10,037	17,391	15,411	14,802
Bulk purchases - electricity	2	241,211	260,569	300,622	333,925	333,925	333,925	313,817	392,353	427,272	465,300
Inventory consumed	8	–	17,197	15,224	–	–	–	14,772	128,890	138,598	149,025
Contracted services		116,537	105,522	107,576	136,796	135,978	135,978	81,025	143,026	148,359	155,265
Transfers and subsidies		21,386	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Other expenditure	4, 5	44,188	54,438	51,516	79,915	70,591	70,591	40,202	72,679	75,398	78,373
Losses		787	569	12,365	–	–	–	–	45,119	48,683	52,529
Total Expenditure		875,041	990,155	1,015,014	1,146,344	1,144,280	1,144,280	947,996	1,419,374	1,502,912	1,595,846
Surplus/(Deficit)		78,344	88,234	116,838	113,237	114,379	114,379	162,087	(68,251)	(48,944)	(36,337)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		60,939	51,673	87,345	75,073	105,176	105,176	45,165	90,005	82,578	80,533
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	30,682	24,710	10,408	1,500	81,626	81,626	77,670	2,000	1,500	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		169,965	164,618	214,591	189,810	301,181	301,181	284,922	23,754	35,134	44,196
Taxation											
Surplus/(Deficit) after taxation		169,965	164,618	214,591	189,810	301,181	301,181	284,922	23,754	35,134	44,196
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		169,965	164,618	214,591	189,810	301,181	301,181	284,922	23,754	35,134	44,196
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		169,965	164,618	214,591	189,810	301,181	301,181	284,922	23,754	35,134	44,196

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		12,661	2,876	8,234	400	400	400	–	30	–	–
Vote 02 - Corporate Services		1,511	1,342	974	7,260	13,728	13,728	7,410	3,104	1,680	1,795
Vote 03 - Financial Services		23	123	87	32	132	132	24	680	1,537	2,600
Vote 04 - Development & Planning		208	19	163	1,550	50	50	49	10,180	20	25
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		7,986	6,013	9,244	14,819	26,988	26,988	15,756	18,444	20,026	23,788
Vote 07 - Public Safety		6,541	4,200	591	4,165	4,355	4,355	1,365	3,450	100	2,115
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		25,046	12,858	12,397	10,520	23,377	23,377	12,088	17,100	–	2,000
Vote 11 - Solid Waste Management		7,717	16,470	545	17,700	21,962	21,962	9,922	11,720	19,711	12,420
Vote 12 - Roads And Transport		36,617	24,867	12,632	12,128	18,084	18,084	10,705	4,580	8,217	12,896
Vote 13 - Water Services		26,480	48,226	38,215	36,371	45,443	45,443	29,990	32,052	28,876	25,153
Vote 14 - Electrical Services		25,862	16,044	42,562	31,510	27,409	27,409	13,676	26,997	34,478	30,087
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	150,652	133,039	125,643	136,455	181,930	181,930	100,986	128,336	114,645	112,879
Single-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		–	–	–	–	78,126	78,126	77,104	–	–	–
Vote 02 - Corporate Services		–	597	–	–	22	22	19	1,245	210	–
Vote 03 - Financial Services		–	–	–	–	–	–	–	280	–	–
Vote 04 - Development & Planning		–	–	–	–	–	–	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		–	–	–	–	114	114	17	995	200	2,474
Vote 07 - Public Safety		–	–	–	–	2,700	2,700	–	4,500	–	–
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 - Solid Waste Management		–	–	–	–	–	–	–	3,120	–	–
Vote 12 - Roads And Transport		–	–	–	–	5,000	5,000	–	5,617	–	1,500
Vote 13 - Water Services		–	–	–	–	5,000	5,000	1,970	–	–	–
Vote 14 - Electrical Services		–	–	–	–	67	67	51	900	5,500	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	597	–	–	91,029	91,029	79,160	16,657	5,910	3,974
Total Capital Expenditure - Vote		150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Capital Expenditure - Functional											
Governance and administration		14,726	5,282	9,596	7,852	92,745	92,745	84,756	5,834	3,427	6,569
Executive and council		67	670	373	400	400	400	–	30	–	–
Finance and administration		14,658	4,612	9,224	7,452	92,345	92,345	84,756	5,804	3,427	6,569
Internal audit											
Community and public safety		14,129	9,930	11,186	20,389	35,895	35,895	18,224	30,149	20,826	26,838
Community and social services		1,550	4,079	2,738	7,550	9,875	9,875	4,145	6,125	7,100	6,300
Sport and recreation		6,038	1,651	6,377	7,169	17,018	17,018	11,536	12,894	13,126	17,788
Public safety		6,541	4,200	2,071	5,670	9,002	9,002	2,543	11,130	600	2,750
Housing											
Health											
Economic and environmental services		36,825	24,885	11,314	12,173	21,187	21,187	9,576	17,197	7,737	13,786
Planning and development		208	19	163	1,550	50	50	49	10,180	20	25
Road transport		36,617	24,867	11,152	10,623	21,137	21,137	9,527	7,017	7,717	13,761
Environmental protection											
Trading services		84,972	93,539	93,547	96,041	123,132	123,132	67,591	91,813	88,564	69,660
Energy sources		25,730	15,984	42,390	31,450	27,349	27,349	13,621	27,822	39,978	30,087
Water management		26,480	48,226	38,215	36,371	50,443	50,443	31,960	32,052	28,876	25,153
Waste water management		25,046	12,858	12,397	10,520	23,377	23,377	12,088	17,100	–	2,000
Waste management		7,717	16,470	545	17,700	21,962	21,962	9,922	14,840	19,711	12,420
Other											
Total Capital Expenditure - Functional	3	150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Funded by:											
National Government		57,231	47,620	82,100	67,523	84,838	84,838	54,203	77,738	72,528	70,599
Provincial Government		1,550	4,053	2,714	7,550	12,499	12,499	4,073	8,125	5,600	5,300
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		13,495	24,710	10,642	1,500	81,933	81,933	79,378	2,000	1,500	–
Transfers recognised - capital	4	72,277	76,384	95,455	76,573	179,270	179,270	137,653	87,863	79,628	75,899
Borrowing	6	54,637	30,981	23,099	33,365	43,223	43,223	15,141	25,725	27,400	17,550
Internally generated funds		23,738	26,271	7,089	26,517	50,467	50,467	27,353	31,406	13,527	23,404
Total Capital Funding	7	150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 01 - Executive & Council		12,661	2,876	8,234	400	400	400	–	30	–	–
01.1 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
01.2 - Councillors		–	–	–	–	–	–	–	–	–	–
01.3 - Speakers Office		377	–	373	–	–	–	–	–	–	–
01.4 - Office Of The Mayor		67	670	–	400	400	400	–	30	–	–
01.5 - Savanna City		12,216	2,206	7,862	–	–	–	–	–	–	–
Vote 02 - Corporate Services		1,511	1,342	974	7,260	13,728	13,728	7,410	3,104	1,680	1,795
02.1 - Corporate Services Administration		290	685	302	110	4,632	4,632	131	409	30	45
02.2 - Council Building		–	–	–	–	–	–	–	195	–	–
02.3 - Public Relations Officer		–	–	–	–	–	–	–	–	–	–
02.4 - It Services		1,050	632	672	7,150	9,096	9,096	7,279	2,500	1,650	1,750
02.5 - Performance Audit		30	–	–	–	–	–	–	–	–	–
02.6 - Human Resources		142	25	–	–	–	–	–	–	–	–
Vote 03 - Financial Services		23	123	87	32	132	132	24	680	1,537	2,600
03.1 - Financial Services - Administration		20	29	28	32	132	132	24	680	1,537	2,600
03.2 - Financial Services - Income		4	10	59	–	–	–	–	–	–	–
03.3 - Financial Services - Expenditure		–	84	–	–	–	–	–	–	–	–
Vote 04 - Development & Planning		208	19	163	1,550	50	50	49	10,180	20	25
04.1 - Development & Planning		208	19	163	1,550	50	50	49	10,180	20	25
04.2 - Building Control		–	–	–	–	–	–	–	–	–	–
04.3 - Town Planning		–	–	–	–	–	–	–	–	–	–
04.4 - Building Regulation & Enforcement		–	–	–	–	–	–	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
05.1 - Clinic Randvaal		–	–	–	–	–	–	–	–	–	–
05.2 - Clinic Meyerton		–	–	–	–	–	–	–	–	–	–
05.3 - Clinic Kookrus		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		7,986	6,013	9,244	14,819	26,988	26,988	15,756	18,444	20,026	23,788
06.1 - Library Meyerton		242	2,258	626	2,000	2,847	2,847	2,322	3,800	2,500	2,500
06.2 - Libaray Henley On Klip		673	657	358	650	323	323	323	200	200	200
06.3 - Library Walkerville		76	150	381	400	1,695	1,695	401	300	200	200
06.4 - Library Randvaal		92	149	199	250	150	150	150	200	200	200
06.5 - Library Sicelo		142	252	330	3,500	3,286	3,286	527	600	300	300
06.6 - Lakeside Library		150	311	297	500	200	200	200	300	300	300
06.7 - Library Bonte Bonke		176	302	524	250	1,297	1,297	150	200	200	300
06.8 - Social Services Admin		398	283	129	100	95	95	75	270	–	–
06.9 - Library Savanna City		–	–	–	–	–	–	–	–	1,500	1,000
06.10 - Library Mamello		–	–	–	–	–	–	–	–	–	–
06.11 - Parks		1,188	246	916	1,510	2,151	2,151	1,084	1,250	–	10,310
06.12 - Swimming Pool		–	–	–	–	–	–	–	–	–	–
06.13 - Sport & Recreation Administration		4,850	1,404	5,461	5,659	14,868	14,868	10,452	11,324	13,126	7,478
06.14 - Cemeteries		–	–	24	–	76	76	73	–	1,500	1,000
Vote 07 - Public Safety		6,541	4,200	591	4,165	4,355	4,355	1,365	3,450	100	2,115
07.1 - Traffic		947	279	–	–	–	–	–	–	–	–
07.2 - Fire		5,594	3,922	591	4,165	4,355	4,355	1,365	3,450	100	2,115
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
09.1 - Municipal Health Services (Sedibeng Funding)		–	–	–	–	–	–	–	–	–	–
09.2 - Environmental Management		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		25,046	12,858	12,397	10,520	23,377	23,377	12,088	17,100	–	2,000
10.1 - Sanitation Network		21,707	10,619	11,570	9,320	22,177	22,177	12,034	15,100	–	2,000
10.2 - Waste Water Purification		3,339	2,239	826	1,200	1,200	1,200	54	2,000	–	–
Vote 11 - Solid Waste Management		7,717	16,470	545	17,700	21,962	21,962	9,922	11,720	19,711	12,420
11.1 - Landfill Sites		–	–	15	16,300	13,067	13,067	5,177	7,520	11,100	–
11.2 - Solid Waste		7,717	16,470	530	1,400	8,895	8,895	4,745	4,200	8,611	12,420
Vote 12 - Roads And Transport		36,617	24,867	12,632	12,128	18,084	18,084	10,705	4,580	8,217	12,896
12.1 - Traffic		–	–	1,480	1,505	1,947	1,947	1,178	3,180	500	635
12.2 - Roads		36,617	24,867	11,152	10,073	15,587	15,587	9,527	1,400	7,717	12,261
12.3 - Mechanical Workshop		–	–	–	–	–	–	–	–	–	–
12.4 - Storm Water		–	–	–	–	–	–	–	–	–	–
12.5 - Storm Water		–	–	–	550	550	550	–	–	–	–
Vote 13 - Water Services		26,480	48,226	38,215	36,371	45,443	45,443	29,990	32,052	28,876	25,153
13.1 - Water Network		26,480	48,226	38,215	36,371	45,443	45,443	29,990	32,052	28,876	25,153
Vote 14 - Electrical Services		25,862	16,044	42,562	31,510	27,409	27,409	13,676	26,997	34,478	30,087
14.1 - Electrical Network		25,730	15,984	42,390	31,450	27,349	27,349	13,621	26,922	34,478	30,087
14.2 - Engineering Admin		132	60	173	60	60	60	56	75	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		150,652	133,039	125,643	136,455	181,930	181,930	100,986	128,336	114,645	112,879

Vote Description	Multi-year appropriation for Budget Year 2021/22 in the 2020/21 Annual Budget				Multi-year appropriation for 2022/23 in the 2020/21 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
R thousand	Appropriation for 2021/22	Adjustments in 2020/21	Downward adjustments for 2021/22	Appropriation carried forward	Appropriation for 2021/22	Adjustments in 2020/21	Downward adjustments for 2021/22	Appropriation carried forward	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation											
Vote 01 - Executive & Council	30	–	–	30	–	–	–	–	–	–	–
01.1 - Municipal Manager	–	–	–	–	–	–	–	–	–	–	–
01.2 - Councillors	–	–	–	–	–	–	–	–	–	–	–
01.3 - Speakers Office	–	–	–	–	–	–	–	–	–	–	–
01.4 - Office Of The Mayor	30	–	–	30	–	–	–	–	–	–	–
01.5 - Savanna City	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services	3,104	–	–	3,104	1,680	–	–	1,680	–	–	1,795
02.1 - Corporate Services Administration	409	–	–	409	30	–	–	30	–	–	45
02.2 - Council Building	195	–	–	195	–	–	–	–	–	–	–
02.3 - Public Relations Officer	–	–	–	–	–	–	–	–	–	–	–
02.4 - It Services	2,500	–	–	2,500	1,650	–	–	1,650	–	–	1,750
02.5 - Performance Audit	–	–	–	–	–	–	–	–	–	–	–
02.6 - Human Resources	–	–	–	–	–	–	–	–	–	–	–
Vote 03 - Financial Services	680	–	–	680	1,537	–	–	1,537	–	–	2,600
03.1 - Financial Services - Administration	680	–	–	680	1,537	–	–	1,537	–	–	2,600
03.2 - Financial Services - Income	–	–	–	–	–	–	–	–	–	–	–
03.3 - Financial Services - Expenditure	–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Development & Planning	10,180	–	–	10,180	20	–	–	20	–	–	25
04.1 - Development & Planning	10,180	–	–	10,180	20	–	–	20	–	–	25
04.2 - Building Control	–	–	–	–	–	–	–	–	–	–	–
04.3 - Town Planning	–	–	–	–	–	–	–	–	–	–	–
04.4 - Building Regulation & Enforcement	–	–	–	–	–	–	–	–	–	–	–
Vote 05 - Health	–	–	–	–	–	–	–	–	–	–	–
05.1 - Clinic Randvaal	–	–	–	–	–	–	–	–	–	–	–
05.2 - Clinic Meyerton	–	–	–	–	–	–	–	–	–	–	–
05.3 - Clinic Kookrus	–	–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services	18,444	–	–	18,444	20,026	–	–	20,026	–	–	23,788
06.1 - Library Meyerton	3,800	–	–	3,800	2,500	–	–	2,500	–	–	2,500
06.2 - Libaray Henley On Klip	200	–	–	200	200	–	–	200	–	–	200
06.3 - Library Walkerville	300	–	–	300	200	–	–	200	–	–	200
06.4 - Library Randvaal	200	–	–	200	200	–	–	200	–	–	200
06.5 - Library Sicelo	600	–	–	600	300	–	–	300	–	–	300
06.6 - Lakeside Library	300	–	–	300	300	–	–	300	–	–	300
06.7 - Library Bonte Bonke	200	–	–	200	200	–	–	200	–	–	300
06.8 - Social Services Admin	270	–	–	270	–	–	–	–	–	–	–
06.9 - Library Savanna City	–	–	–	–	1,500	–	–	1,500	–	–	1,000
06.10 - Library Mamello	–	–	–	–	–	–	–	–	–	–	–
06.11 - Parks	1,250	–	–	1,250	–	–	–	–	–	–	10,310
06.12 - Swimming Pool	–	–	–	–	–	–	–	–	–	–	–
06.13 - Sport & Recreation Administration	11,324	–	–	11,324	13,126	–	–	13,126	–	–	7,478
06.14 - Cemeteries	–	–	–	–	1,500	–	–	1,500	–	–	1,000
Vote 07 - Public Safety	3,450	–	–	3,450	100	–	–	100	–	–	2,115
07.1 - Traffic	–	–	–	–	–	–	–	–	–	–	–
07.2 - Fire	3,450	–	–	3,450	100	–	–	100	–	–	2,115
Vote 08 - Sport And Recreation	–	–	–	–	–	–	–	–	–	–	#N/A
Vote 09 - Environmental Protection	–	–	–	–	–	–	–	–	–	–	–
09.1 - Municipal Health Services (Sedibeng Funding)	–	–	–	–	–	–	–	–	–	–	–
09.2 - Environmental Management	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management	17,100	–	–	17,100	–	–	–	–	–	–	2,000
10.1 - Sanitation Network	15,100	–	–	15,100	–	–	–	–	–	–	2,000
10.2 - Waste Water Purification	2,000	–	–	2,000	–	–	–	–	–	–	–
Vote 11 - Solid Waste Management	11,720	–	–	11,720	19,711	–	–	19,711	–	–	12,420
11.1 - Landfill Sites	7,520	–	–	7,520	11,100	–	–	11,100	–	–	–
11.2 - Solid Waste	4,200	–	–	4,200	8,611	–	–	8,611	–	–	12,420
Vote 12 - Roads And Transport	4,580	–	–	4,580	8,217	–	–	8,217	–	–	12,896
12.1 - Traffic	3,180	–	–	3,180	500	–	–	500	–	–	635
12.2 - Roads	1,400	–	–	1,400	7,717	–	–	7,717	–	–	12,261
12.3 - Mechanical Workshop	–	–	–	–	–	–	–	–	–	–	–
12.4 - Storm Water	–	–	–	–	–	–	–	–	–	–	–
12.5 - Storm Water	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water Services	32,052	–	–	32,052	28,876	–	–	28,876	–	–	25,153
13.1 - Water Network	32,052	–	–	32,052	28,876	–	–	28,876	–	–	25,153
Vote 14 - Electrical Services	26,997	–	–	26,997	34,478	–	–	34,478	–	–	30,087
14.1 - Electrical Network	26,922	–	–	26,922	34,478	–	–	34,478	–	–	30,087
14.2 - Engineering Admin	75	–	–	75	–	–	–	–	–	–	–
Vote 15 - Other	–	–	–	–	–	–	–	–	–	–	#N/A
Capital multi-year expenditure sub-total	128,336	–	–	128,336	114,645	–	–	114,645	–	–	#N/A

Capital expenditure - Municipal Vote											
Single-year expenditure appropriation	2										
Vote 01 - Executive & Council		–	–	–	–	78,126	78,126	77,104	–	–	–
01.1 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
01.2 - Councillors		–	–	–	–	–	–	–	–	–	–
01.3 - Speakers Office		–	–	–	–	–	–	–	–	–	–
01.4 - Office Of The Mayor		–	–	–	–	–	–	–	–	–	–
01.5 - Savanna City		–	–	–	–	78,126	78,126	77,104	–	–	–
Vote 02 - Corporate Services		–	597	–	–	22	22	19	1,245	210	–
02.1 - Corporate Services Admininstration		–	597	–	–	–	–	–	245	210	–
02.2 - Council Building		–	–	–	–	–	–	–	–	–	–
02.3 - Public Relations Officer		–	–	–	–	22	22	19	–	–	–
02.4 - It Services		–	–	–	–	–	–	–	1,000	–	–
02.5 - Performance Audit		–	–	–	–	–	–	–	–	–	–
02.6 - Human Resources		–	–	–	–	–	–	–	–	–	–
Vote 03 - Financial Services		–	–	–	–	–	–	–	280	–	–
03.1 - Financial Services - Administration		–	–	–	–	–	–	–	30	–	–
03.2 - Financial Services - Income		–	–	–	–	–	–	–	–	–	–
03.3 - Financial Services - Expenditure		–	–	–	–	–	–	–	250	–	–
Vote 04 - Development & Planning		–	–	–	–	–	–	–	–	–	–
04.1 - Development & Planning		–	–	–	–	–	–	–	–	–	–
04.2 - Building Control		–	–	–	–	–	–	–	–	–	–
04.3 - Town Planning		–	–	–	–	–	–	–	–	–	–
04.4 - Building Regulation & Enforcement		–	–	–	–	–	–	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
05.1 - Clinic Randvaal		–	–	–	–	–	–	–	–	–	–
05.2 - Clinic Meyerton		–	–	–	–	–	–	–	–	–	–
05.3 - Clinic Kookrus		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		–	–	–	–	114	114	17	995	200	2,474
06.1 - Library Meyerton		–	–	–	–	–	–	–	525	200	300
06.2 - Libaray Henley On Klip		–	–	–	–	–	–	–	–	–	–
06.3 - Library Walkerville		–	–	–	–	–	–	–	–	–	–
06.4 - Library Randvaal		–	–	–	–	–	–	–	–	–	–
06.5 - Library Sicelo		–	–	–	–	–	–	–	–	–	–
06.6 - Lakeside Library		–	–	–	–	–	–	–	–	–	–
06.7 - Library Bonte Bonke		–	–	–	–	–	–	–	–	–	–
06.8 - Social Services Admin		–	–	–	–	114	114	17	150	–	2,174
06.9 - Library Savanna City		–	–	–	–	–	–	–	–	–	–
06.10 - Library Mamello		–	–	–	–	–	–	–	–	–	–
06.11 - Parks		–	–	–	–	–	–	–	320	–	–
06.12 - Swimming Pool		–	–	–	–	–	–	–	–	–	–
06.13 - Sport & Recreation Administration		–	–	–	–	–	–	–	–	–	–
06.14 - Cemeteries		–	–	–	–	–	–	–	–	–	–
Vote 07 - Public Safety		–	–	–	–	2,700	2,700	–	4,500	–	–
07.1 - Traffic		–	–	–	–	–	–	–	–	–	–
07.2 - Fire		–	–	–	–	2,700	2,700	–	4,500	–	–
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
09.1 - Municipal Health Services (Sedibeng Funding)		–	–	–	–	–	–	–	–	–	–
09.2 - Environmental Management		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
10.1 - Sanitation Network		–	–	–	–	–	–	–	–	–	–
10.2 - Waste Water Purification		–	–	–	–	–	–	–	–	–	–
Vote 11 - Solid Waste Management		–	–	–	–	–	–	–	3,120	–	–
11.1 - Landfill Sites		–	–	–	–	–	–	–	3,000	–	–
11.2 - Solid Waste		–	–	–	–	–	–	–	120	–	–
Vote 12 - Roads And Transport		–	–	–	–	5,000	5,000	–	5,617	–	1,500
12.1 - Traffic		–	–	–	–	–	–	–	–	–	–
12.2 - Roads		–	–	–	–	5,000	5,000	–	5,617	–	1,500
12.3 - Mechanical Workshop		–	–	–	–	–	–	–	–	–	–
12.4 - Storm Water		–	–	–	–	–	–	–	–	–	–
12.5 - Storm Water		–	–	–	–	–	–	–	–	–	–
Vote 13 - Water Services		–	–	–	–	5,000	5,000	1,970	–	–	–
13.1 - Water Network		–	–	–	–	5,000	5,000	1,970	–	–	–
Vote 14 - Electrical Services		–	–	–	–	67	67	51	900	5,500	–
14.1 - Electrical Network		–	–	–	–	–	–	–	900	5,500	–
14.2 - Engineering Admin		–	–	–	–	67	67	51	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	597	–	–	91,029	91,029	79,160	16,657	5,910	3,974
Total Capital Expenditure		150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853

GT422 Midvaal - Table A6 Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSETS											
Current assets											
Cash		201,654	216,816	399,717	154,153	285,423	285,423	53,166	80,950	75,910	92,797
Call investment deposits	1	330	76,083	330	180,039	120,039	120,039	198,109	395,325	375,062	402,170
Consumer debtors	1	135,350	170,297	191,428	250,596	232,417	232,417	216,032	218,004	218,004	218,004
Other debtors		27,128	28,358	22,713	36,436	14,036	14,036	6,466	34,109	34,109	34,109
Current portion of long-term receivables											
Inventory	2	8,601	14,260	13,827	13,827	13,827	13,827	13,876	13,827	13,827	13,827
Total current assets		373,063	505,814	628,015	635,052	665,742	665,742	487,648	742,214	716,912	760,907
Non current assets											
Long-term receivables											
Investments											
Investment property		–	(619)	(2,247)	–	–	–	(2,247)	–	–	–
Investment in Associate											
Property, plant and equipment	3	2,051,535	2,046,782	2,014,812	2,205,773	2,155,907	2,155,907	2,087,494	2,439,746	2,440,859	2,448,219
Biological											
Intangible		715	813	2,107	1,602	2,961	2,961	2,900	6,698	5,698	5,698
Other non-current assets		19	19	19	20	19	19	19	19	19	19
Total non current assets		2,052,269	2,046,995	2,014,690	2,207,395	2,158,886	2,158,886	2,088,165	2,446,463	2,446,575	2,453,935
TOTAL ASSETS		2,425,332	2,552,810	2,642,705	2,842,447	2,824,628	2,824,628	2,575,813	3,188,677	3,163,487	3,214,842
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	28,401	31,646	33,581	–	63,129	63,129	13,939	42,233	25,246	31,142
Consumer deposits		16,457	17,320	18,814	20,071	20,071	20,071	19,779	1,870	1,870	1,870
Trade and other payables	4	132,071	202,711	204,915	57,048	170,802	170,802	248,063	146,305	146,206	159,077
Provisions		61,978	78,614	69,675	82,701	78,460	78,460	69,675	77,460	76,262	78,658
Total current liabilities		238,906	330,291	326,985	159,821	332,462	332,462	351,456	267,868	249,584	270,747
Non current liabilities											
Borrowing		161,836	162,424	152,851	123,586	115,327	115,327	157,471	162,333	164,487	148,896
Provisions		–	–	–	–	–	–	–	–	–	–
Total non current liabilities		161,836	162,424	152,851	123,586	115,327	115,327	157,471	162,333	164,487	148,896
TOTAL LIABILITIES		400,742	492,715	479,837	283,407	447,789	447,789	508,927	430,202	414,071	419,643
NET ASSETS	5	2,024,590	2,060,095	2,162,869	2,559,040	2,376,840	2,376,840	2,066,886	2,758,475	2,749,416	2,795,199
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		2,048,266	2,188,032	2,310,671	2,680,274	2,511,451	2,511,451	2,482,922	2,727,252	2,743,141	2,744,939
Reserves	4	12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	2,061,108	2,187,588	2,295,138	2,742,593	2,573,770	2,573,770	2,447,791	2,727,252	2,743,141	2,744,939

GT422 Midvaal - Table A7 Budgeted Cash Flows

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2020/21 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 +1 2021/22	Budget Year +2 2022/23	Budget Year +3 2023/24
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates						281,235	281,235	22,716	221,235	285,544	308,673
Service charges						669,104	669,104	54,732	708,819	820,058	874,326
Other revenue						299,124	299,124	37,352	349,409	63,216	66,868
Transfers and Subsidies - Operational	1					–	–		152,018	162,926	168,081
Transfers and Subsidies - Capital	1					–	–	(1,236)	92,005	84,078	80,533
Interest						–	–	114	19,307	37,132	38,802
Dividends									–	–	–
Payments											
Suppliers and employees						(70,192)	(70,192)	(72,291)	(1,163,698)	(1,237,869)	(1,319,619)
Finance charges						–	–	–	(17,391)	(15,411)	(14,802)
Transfers and Grants	1					–	–	–	(1,500)	(1,500)	(1,500)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	–	–	1,179,271	1,179,271	41,387	360,204	198,173	201,362
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE								194	–	–	–
Decrease (increase) in non-current receivables									(151,924)	(88,088)	(30,818)
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets						136,504	136,504	42,498	(140,284)	(120,555)	(116,853)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	136,504	136,504	42,692	(292,208)	(208,643)	(147,671)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									25,325	27,400	15,550
Increase (decrease) in consumer deposits		(16,457)	(863)	(1,494)	(1,258)	–	–	(889)	–	–	–
Payments											
Repayment of borrowing		–	(16,776)	(17,622)	–	–	–	(11,101)	(37,046)	(42,233)	(25,246)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(16,457)	(17,639)	(19,115)	(1,258)	–	–	(11,990)	(11,721)	(14,833)	(9,696)
NET INCREASE/ (DECREASE) IN CASH HELD		(16,457)	(17,639)	(19,115)	(1,258)	1,315,775	1,315,775	72,089	56,275	(25,303)	43,995
Cash/cash equivalents at the year begin:	2	130,071	201,984	292,900	234,193	234,393	234,393	–	420,000	476,275	450,972
Cash/cash equivalents at the year end:	2	113,614	184,345	273,785	232,935	1,550,168	1,550,168	72,089	476,275	450,972	494,967

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

3. The MTREF is populated directly from SA30.

Total receipts	–	–	–	–	1,249,463	1,249,463	113,872	1,390,869	1,364,865	1,506,465
Total payments	–	–	–	–	66,312	66,312	(29,793)	(1,322,873)	(1,375,335)	(1,452,774)
	–	–	–	–	1,315,775	1,315,775	84,079	67,996	(10,470)	53,691
Borrowings & investments & c.deposits	(16,457)	(863)	(1,494)	(1,258)	–	–	(889)	25,325	27,400	15,550
Repayment of borrowing	–	(16,776)	(17,622)	–	–	–	(11,101)	(37,046)	(42,233)	(25,246)
	(16,457)	(17,639)	(19,115)	(1,258)	1,315,775	1,315,775	72,089	56,275	(25,303)	43,995
	–	–	–	–	–	–	–	–	–	–

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available											
Cash/cash equivalents at the year end	1	113,614	184,345	273,784	232,935	1,550,168	1,550,168	72,013	(516,188)	(1,123,990)	(1,727,393)
Other current investments > 90 days		88,370	108,555	126,263	101,258	(1,144,705)	(1,144,705)	179,262	992,462	1,574,962	2,222,360
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		201,984	292,900	400,047	334,193	405,462	405,462	251,275	476,275	450,972	494,967
Application of cash and investments											
Unspent conditional transfers		21,608	54,768	29,429	–	(9,755)	(9,755)	81,296	(9,755)	(9,755)	(9,755)
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	109,549	138,383	154,905	51,129	(112,250)	(112,250)	111,842	(117,351)	(93,898)	(73,160)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	–	–	–
Total Application of cash and investments:		144,000	192,707	168,800	113,448	(59,686)	(59,686)	158,006	(127,105)	(103,653)	(82,915)
Surplus(shortfall)		57,984	100,193	231,247	220,745	465,148	465,148	93,269	603,380	554,625	577,882

References

1. Must reconcile with Budgeted Cash Flows

2. For example: VAT, taxation

3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)

4. For example: sinking fund requirements for borrowing

5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements										
Debtors	–	–	–	–	286,888	286,888	26,866	273,410	249,859	241,992
Creditors due	109,549	138,383	154,905	51,129	174,638	174,638	138,708	156,059	155,961	168,832
Total	(109,549)	(138,383)	(154,905)	(51,129)	112,250	112,250	(111,842)	117,351	93,898	73,160
Debtors collection assumptions										
Balance outstanding - debtors	162,478	198,655	214,141	287,032	246,453	246,453	222,497	252,112	252,112	252,112
Estimate of debtors collection rate	0.0%	0.0%	0.0%	0.0%	116.4%	116.4%	12.1%	108.4%	99.1%	96.0%
Long term investments committed										
Balance (*Insert description; eg sinking fund)*										
	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement	12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	–	–	–
Self-insurance	–	–	–	–	–	–	–	–	–	–
Other reserves	–	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–	–
	12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	–	–	–

GT422 Midvaal - Table A9 Asset Management

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CAPITAL EXPENDITURE										
Total New Assets	1	67,659	50,470	30,151	38,052	95,817	95,817	59,691	46,014	52,500
Roads Infrastructure		12,850	–	6,304	3,500	42,263	42,263	6,217	7,717	12,261
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		9,723	9,703	10,048	12,200	18,591	18,591	16,100	13,000	13,000
Water Supply Infrastructure		–	20,958	–	–	–	–	–	–	–
Sanitation Infrastructure		14,469	2,335	1,109	750	750	750	1,000	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*37,041*	*32,995*	*17,461*	*16,450*	*61,604*	*61,604*	*23,317*	*20,717*	*25,261*
Community Facilities		6,692	991	–	–	5,200	5,200	150	5,100	14,174
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*6,692*	*991*	–	–	*5,200*	*5,200*	*150*	*5,100*	*14,174*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	1,336	–	–	–	–	–	–	–
Investment properties		–	*1,336*	–	–	–	–	–	–	–
Operational Buildings		564	–	–	100	55	55	–	–	–
Housing		–	–	–	1,500	–	–	10,000	–	–
Other Assets		*564*	–	–	*1,600*	*55*	*55*	*10,000*	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		303	682	–	–	–	–	–	–	–
Licences and Rights		1,017	735	–	1,000	1,000	1,000	1,500	500	500
Intangible Assets		*1,319*	*1,417*	–	*1,000*	*1,000*	*1,000*	*1,500*	*500*	*500*
Computer Equipment		223	1,551	93	300	1,147	1,147	1,100	1,000	1,000
Furniture and Office Equipment		451	163	1,948	2,082	3,128	3,128	6,740	1,287	3,570
Machinery and Equipment		3,729	202	1,011	6,370	6,393	6,393	9,425	2,510	195
Transport Assets		8,009	10,675	1,544	10,250	12,789	12,789	7,150	14,900	7,800
Land		9,631	1,141	8,093	–	4,500	4,500	309	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	38,870	29,925	78,593	80,189	143,533	143,533	67,203	71,541	60,854
Roads Infrastructure		4,889	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,449	3,735	32,201	18,500	7,508	7,508	10,072	22,478	17,087
Water Supply Infrastructure		18,997	18,200	34,467	33,871	96,954	96,954	28,152	25,876	23,153
Sanitation Infrastructure		3,268	2,991	2,305	2,700	5,700	5,700	1,740	–	2,000
Solid Waste Infrastructure		–	–	66	5,600	5,005	5,005	8,100	7,231	6,620
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*31,603*	*24,926*	*69,039*	*60,671*	*115,168*	*115,168*	*48,064*	*55,584*	*48,860*
Community Facilities		929	1,391	1,986	3,000	1,500	1,500	2,000	3,400	3,000
Sport and Recreation Facilities		4,753	955	5,525	5,459	12,480	12,480	11,164	9,326	4,478
Community Assets		*5,682*	*2,346*	*7,510*	*8,459*	*13,980*	*13,980*	*13,164*	*12,726*	*7,478*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		11	150	–	–	–	–	–	–	–
Investment properties		*11*	*150*	–	–	–	–	–	–	–
Operational Buildings		–	–	–	80	75	75	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	*80*	*75*	*75*	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	1,000	–	–
Intangible Assets		–	–	–	–	–	–	*1,000*	–	–
Computer Equipment		159	48	652	7,150	9,096	9,096	2,500	1,650	1,750
Furniture and Office Equipment		99	174	207	15	97	97	–	80	15
Machinery and Equipment		–	983	–	–	–	–	–	–	–
Transport Assets		1,316	1,299	1,185	3,815	5,116	5,116	2,475	1,500	2,750
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

Total Upgrading of Existing Assets	6	44,123	53,240	16,900	18,213	33,610	33,610	18,100	3,000	3,500
Roads Infrastructure		12,238	23,917	3,808	6,163	7,914	7,914	–	–	1,500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		10,233	–	–	–	–	–	–	–	–
Water Supply Infrastructure		6,324	8,378	3,748	2,500	1,615	1,615	3,500	3,000	2,000
Sanitation Infrastructure		6,269	4,614	8,800	6,300	15,457	15,457	14,600	–	–
Solid Waste Infrastructure		7,429	13,065	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*42,493*	*49,974*	*16,356*	*14,963*	*24,986*	*24,986*	*18,100*	*3,000*	*3,500*
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	501	543	3,250	8,624	8,624	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	*501*	*543*	*3,250*	*8,624*	*8,624*	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		1,630	2,765	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	150,652	133,636	125,643	136,455	272,959	272,959	144,994	120,555	116,853
Roads Infrastructure		29,977	23,917	10,112	9,663	50,177	50,177	6,217	7,717	13,761
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		24,405	13,438	42,249	30,700	26,099	26,099	26,172	35,478	30,087
Water Supply Infrastructure		25,321	47,536	38,215	36,371	98,569	98,569	31,652	28,876	25,153
Sanitation Infrastructure		24,006	9,940	12,215	9,750	21,907	21,907	17,340	–	2,000
Solid Waste Infrastructure		7,429	13,065	66	5,600	5,005	5,005	8,100	7,231	6,620
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*111,137*	*107,895*	*102,856*	*92,084*	*201,759*	*201,759*	*89,481*	*79,302*	*77,621*
Community Facilities		7,621	2,382	1,986	3,000	6,700	6,700	2,150	8,500	17,174
Sport and Recreation Facilities		4,753	955	5,525	5,459	12,480	12,480	11,164	9,326	4,478
Community Assets		*12,374*	*3,337*	*7,510*	*8,459*	*19,180*	*19,180*	*13,314*	*17,826*	*21,652*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		11	1,486	–	–	–	–	–	–	–
Investment properties		*11*	*1,486*	–	–	–	–	–	–	–
Operational Buildings		564	501	543	3,430	8,754	8,754	–	–	–
Housing		–	–	–	1,500	–	–	10,000	–	–
Other Assets		*564*	*501*	*543*	*4,930*	*8,754*	*8,754*	*10,000*	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		303	682	–	–	–	–	–	–	–
Licences and Rights		1,017	735	–	1,000	1,000	1,000	2,500	500	500
Intangible Assets		*1,319*	*1,417*	–	*1,000*	*1,000*	*1,000*	*2,500*	*500*	*500*
Computer Equipment		382	1,599	745	7,450	10,243	10,243	3,600	2,650	2,750
Furniture and Office Equipment		550	336	2,154	2,097	3,225	3,225	6,740	1,367	3,585
Machinery and Equipment		5,359	3,950	1,011	6,370	6,393	6,393	9,425	2,510	195
Transport Assets		9,325	11,974	2,730	14,065	17,905	17,905	9,625	16,400	10,550
Land		9,631	1,141	8,093	–	4,500	4,500	309	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		150,652	133,636	125,643	136,455	272,959	272,959	144,994	120,555	116,853

ASSET REGISTER SUMMARY - PPE (WDV)	5	1,840,521	1,900,752	1,850,058	1,915,811	1,867,303	1,867,303	2,154,879	2,154,991	2,162,351
Roads Infrastructure		535,579	546,749	528,076	543,497	584,011	584,011	540,051	541,551	547,595
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		510,259	470,412	429,611	741,512	608,218	608,218	613,826	599,169	584,580
Water Supply Infrastructure		187,368	221,080	254,969	124,567	153,757	153,757	402,665	447,404	463,940
Sanitation Infrastructure		286,680	321,958	334,987	273,194	265,351	265,351	260,784	243,444	245,444
Solid Waste Infrastructure		–	–	–	5,600	5,005	5,005	8,100	7,231	6,620
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		*1,519,887*	*1,560,199*	*1,547,642*	*1,688,371*	*1,616,343*	*1,616,343*	*1,825,427*	*1,838,799*	*1,848,180*
Community Assets		65,009	64,187	48,957	54,974	65,696	65,696	59,829	64,342	68,168
Heritage Assets		19	19	19	20	19	19	19	19	19
Investment properties		–	(619)	(2,247)	–	–	–	–	–	–
Other Assets		6,988	20,510	8,287	(9,202)	(5,378)	(5,378)	(4,132)	(14,132)	(14,132)
Biological or Cultivated Assets										
Intangible Assets		715	813	2,107	1,602	2,961	2,961	6,698	5,698	5,698
Computer Equipment		4,513	2,546	3,735	14,266	17,059	17,059	10,416	9,466	9,566
Furniture and Office Equipment		6,053	8,325	6,439	6,732	7,859	7,859	11,875	6,502	8,720
Machinery and Equipment		33,034	32,944	26,876	253,462	253,485	253,485	23,543	16,628	14,313
Transport Assets		40,854	47,238	38,630	31,104	34,944	34,944	49,707	56,482	50,632
Land		163,449	164,590	169,614	(125,518)	(125,686)	(125,686)	171,497	171,188	171,188
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,840,521	1,900,752	1,850,058	1,915,811	1,867,303	1,867,303	2,154,879	2,154,991	2,162,351
EXPENDITURE OTHER ITEMS		215,756	235,960	233,989	247,409	249,635	249,635	280,371	292,190	305,387
Depreciation	7	122,503	136,385	130,381	127,714	128,763	128,763	133,748	138,982	144,479
Repairs and Maintenance by Asset Class	3	93,253	99,575	103,609	119,695	120,872	120,872	146,623	153,207	160,908
Roads Infrastructure		26,469	28,630	24,648	29,338	23,477	23,477	29,668	30,996	32,445
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		18,744	18,673	19,129	24,784	26,946	26,946	28,253	29,549	30,962
Water Supply Infrastructure		15,387	18,783	22,829	22,369	26,802	26,802	29,692	31,048	32,528
Sanitation Infrastructure		20,430	20,912	23,766	28,740	27,755	27,755	33,912	35,462	37,154
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	2,520	2,520	2,520	2,626	2,741
Infrastructure		*81,031*	*86,999*	*90,372*	*105,231*	*107,500*	*107,500*	*124,045*	*129,680*	*135,831*
Community Facilities		53	123	38	188	188	188	1,247	1,291	1,844
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*53*	*123*	*38*	*188*	*188*	*188*	*1,247*	*1,291*	*1,844*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2,925	1,912	2,793	1,669	1,639	1,639	8,938	9,306	9,716
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*2,925*	*1,912*	*2,793*	*1,669*	*1,639*	*1,639*	*8,938*	*9,306*	*9,716*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		11	37	11	41	1	1	–	–	–
Furniture and Office Equipment		55	96	56	391	350	350	363	378	395
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		9,179	10,408	10,338	12,174	11,193	11,193	12,030	12,552	13,122
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		215,756	235,960	233,989	247,409	249,635	249,635	280,371	292,190	305,387
Renewal and upgrading of Existing Assets as % of total capex		*55.1%*	*62.2%*	*76.0%*	*72.1%*	*64.9%*	*64.9%*	*58.8%*	*61.8%*	*55.1%*
Renewal and upgrading of Existing Assets as % of deprecn		*67.7%*	*61.0%*	*73.2%*	*77.0%*	*137.6%*	*137.6%*	*63.8%*	*53.6%*	*44.5%*
R&M as a % of PPE		*4.5%*	*4.9%*	*5.1%*	*5.4%*	*5.6%*	*5.6%*	*6.0%*	*6.3%*	*6.6%*
Renewal and upgrading and R&M as a % of PPE		*10.0%*	*10.0%*	*11.0%*	*11.0%*	*16.0%*	*16.0%*	*11.0%*	*11.0%*	*10.0%*

GT422 Midvaal - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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)		3,753	3,753	18,100	6,000	6,000	6,000	6,000	6,500	7,000
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		360	360	6,000	3,000	3,000	3,000	3,000	4,000	5,000
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		9,286	21,956	7,996	7,637	8,106	8,106	10,027	10,880	11,641
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		418	386	331	272	282	282	520	562	597
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		9,705	22,342	8,327	7,909	8,387	8,387	10,547	11,442	12,238
Highest level of free service provided per household										
Property rates (R value threshold)		150,000								
Water (kilolitres per household per month)		6								
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		171								
Electricity (kwh per household per month)		50								
Refuse (average litres per week)		85								
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		6,400	161,505	7,828	8,830	23,396	23,396	24,856	27,342	29,556
Water (in excess of 6 kilolitres per indigent household per month)		(9,286)	–	13,710	14,770	15,158	15,158	8,280	8,984	9,613
Sanitation (in excess of free sanitation service to indigent households)		(7,817)	7,465	11,735	11,886	11,886	11,886	15,198	16,262	17,400
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		(3,550)	4,418	7,231	7,254	7,254	7,254	7,653	8,418	9,100
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		(14,253)	173,388	40,504	42,740	57,694	57,694	55,988	61,006	65,670

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		356,164	221,586	246,691	284,441	297,277	297,277	256,397	318,087	340,353	364,178
Less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		161,505	7,828	4,574	24,856	43,660	43,660	38,654	46,716	49,986	53,485
Net Property Rates		194,658	213,758	242,117	259,585	253,618	253,618	217,744	271,371	290,367	310,692
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		326,888	347,527	358,090	419,358	404,643	404,643	364,924	469,204	510,890	556,286
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
Less Cost of Free Basis Services (50 kwh per indigent household per month)		386	331	602	520	520	520		603	657	715
Net Service charges - electricity revenue		326,502	347,196	357,488	418,838	404,123	404,123	364,924	468,601	510,233	555,571
Service charges - water revenue	6										
Total Service charges - water revenue		205,068	250,664	239,090	267,593	248,800	248,800	209,602	263,724	284,551	307,024
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)			13,710	7,776	8,280	235	235	246			
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		21,956	7,996	9,553	10,027	10,027	10,027		10,879	11,738	12,665
Net Service charges - water revenue		183,111	228,957	221,761	249,286	238,538	238,538	209,356	252,846	272,813	294,358
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		45,915	53,841	59,774	60,202	64,299	64,299	56,897	68,157	72,246	77,303
Less Revenue Foregone (in excess of free sanitation service to indigent households)		7,465	11,735	14,173	15,198	15,198	15,198	12,876	16,110	17,077	18,272
Less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - sanitation revenue		38,450	42,105	45,601	45,004	49,101	49,101	44,021	52,047	55,169	59,031
Service charges - refuse revenue	6										
Total refuse removal revenue		40,441	46,238	49,836	52,214	54,608	54,608	48,103	57,885	61,358	65,653
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)		4,418	7,231	7,916	7,653	5,143	5,143	7,374	5,452	5,779	6,183
Less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - refuse revenue		36,023	39,008	41,920	44,560	49,465	49,465	40,729	52,433	55,579	59,470
Other Revenue by source											
Fuel Levy											
Other Revenue		8,854	9,272	11,147	11,083	11,387	11,387	7,701	11,993	12,644	13,339
Total 'Other' Revenue	1	8,854	9,272	11,147	11,083	11,387	11,387	7,701	11,993	12,644	13,339
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	142,254	165,607	174,059	208,934	207,510	207,510	171,005	234,247	245,257	257,274
Pension and UIF Contributions		29,267	33,061	34,594	42,484	42,233	42,233	34,204	45,592	47,728	50,060
Medical Aid Contributions		12,224	12,886	16,280	20,505	20,946	20,946	15,523	20,791	21,765	22,829
Overtime		11,866	14,658	15,893	13,410	16,690	16,690	13,070	16,083	16,839	17,664
Performance Bonus		10,518	12,068	13,497	16,081	15,164	15,164	12,369	17,492	18,314	19,212
Motor Vehicle Allowance		9,373	11,101	10,716	13,676	13,838	13,838	11,179	14,347	15,021	15,757
Cellphone Allowance		1,741	1,736	1,867	2,124	2,143	2,143	1,814	2,162	2,263	2,374
Housing Allowances		1,308	1,429	1,537	2,099	2,136	2,136	1,516	2,126	2,226	2,335
Other benefits and allowances		4,648	5,628	6,920	12,756	13,255	13,255	6,355	13,228	13,850	14,528
Payments in lieu of leave		2,342	9,805	1,624	1,643	2,317	2,317	1,751	1,908	1,997	2,095
Long service awards		–	–	120	–	–	–	–	–	–	–
Post-retirement benefit obligations	4	187	455	465	–	–	–	(66)	–	–	–
sub-total	5	225,728	268,435	277,572	333,712	336,233	336,233	268,720	367,975	385,261	404,129
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	225,728	268,435	277,572	333,712	336,233	336,233	268,720	367,975	385,261	404,129

Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		122,384	136,383	130,375	127,710	128,752	128,752	106,663	133,738	138,972	144,468
Lease amortisation		119	2	6	4	10	10	8	10	10	10
Capital asset impairment		–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	122,503	136,385	130,381	127,714	128,763	128,763	106,671	133,748	138,982	144,479
Bulk purchases - electricity											
Electricity bulk purchases		241,211	260,569	300,622	333,925	333,925	333,925	313,817	392,353	427,272	465,300
Total bulk purchases	1	241,211	260,569	300,622	333,925	333,925	333,925	313,817	392,353	427,272	465,300
Transfers and grants											
Cash transfers and grants		20,225	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Non-cash transfers and grants		1,161	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	21,386	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Contracted services											
Outsourced Services		52,187	46,129	46,142	56,306	49,736	49,736	31,453	57,466	59,862	62,990
Consultants and Professional Services		47,179	44,193	46,052	55,040	61,458	61,458	38,548	59,856	61,782	64,457
Contractors		17,171	15,200	15,381	25,450	24,783	24,783	11,023	25,705	26,715	27,818
Total contracted services		116,537	105,522	107,576	136,796	135,978	135,978	81,025	143,026	148,359	155,265
Other Expenditure By Type											
Collection costs		1,304	3,455	3,320	3,600	3,600	3,600	3,014	4,500	4,689	4,895
Contributions to 'other' provisions		3,036	3,334	4,924	16,399	9,590	9,590	–	9,590	9,590	9,590
Audit fees		2,967	2,647	3,399	3,368	3,368	3,368	3,259	3,368	3,510	3,664
Other Expenditure		36,881	45,002	39,874	56,548	54,033	54,033	33,929	55,221	57,609	60,224
Total 'Other' Expenditure	1	44,188	54,438	51,516	79,915	70,591	70,591	40,202	72,679	75,398	78,373
by Expenditure Item	8										
Employee related costs		47,796	58,011	64,105	76,194	76,729	76,729	59,610	87,771	91,896	96,399
Inventory Consumed (Project Maintenance)		1,844	744	53	662	342	342	135	392	409	427
Contracted Services		41,322	34,777	35,880	39,118	40,588	40,588	22,939	54,751	57,035	60,041
Other Expenditure		2,291	6,042	3,571	3,722	3,213	3,213	1,079	3,709	3,868	4,042
Total Repairs and Maintenance Expenditure	9	93,253	99,575	103,609	119,695	120,872	120,872	83,763	146,623	153,207	160,908
Inventory Consumed											
Inventory Consumed - Water		–	–	–	–	–	–	–	105,277	113,594	122,568
Inventory Consumed - Other		–	17,197	15,224	–	–	–	14,772	23,612	25,004	26,457
Total Inventory Consumed & Other Material		–	17,197	15,224	–	–	–	14,772	128,890	138,598	149,025

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

Description	Ref	Vote 01 - Executive & Council	Vote 02 - Corporate Services	Vote 03 - Financial Services	Vote 04 - Development & Planning	Vote 05 - Health	Vote 06 - Community And Social Services	Vote 07 - Public Safety	Vote 08 - Sport And Recreation	Vote 09 - Environmental Protection	Vote 10 - Waste Water Management	Vote 11 - Solid Waste Management	Vote 12 - Roads And Transport	Vote 13 - Water Services	Vote 14 - Electrical Services	Vote 15 - Other	Total
R thousand	1																
Revenue By Source																	
Property rates		–	–	271,371	–	–	–	–	–	–	–	–	–	–	–	–	271,371
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–	–	–	1,502	467,099	–	468,601
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	252,846	–	–	252,846
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	52,047	–	–	–	–	–	52,047
Service charges - refuse revenue		–	–	–	–	–	–	–	–	–	–	52,433	–	–	–	–	52,433
Rental of facilities and equipment		–	1,193	–	–	–	–	–	–	–	–	–	–	–	–	–	1,193
Interest earned - external investments		–	–	19,307	–	–	–	–	–	–	–	–	–	–	–	–	19,307
Interest earned - outstanding debtors		–	–	19,375	–	–	–	–	–	–	–	–	–	–	–	–	19,375
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	53	–	–	–	–	–	38,857	4,102	6,927	–	49,940
Licences and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other revenue		–	603	4,993	3,136	–	1,125	1,060	–	–	838	–	239	–	–	–	11,993
Transfers and subsidies		6,473	–	57,457	–	5,952	14,914	–	–	3,081	18,784	9,030	–	32,555	3,771	–	152,018
Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributio		6,473	1,796	372,503	3,136	5,952	16,092	1,060	–	3,081	71,668	61,463	39,096	291,005	477,797	–	1,351,123
Expenditure By Type																	
Employee related costs		9,092	41,404	36,977	32,196	3,422	40,996	30,204		3,908	27,553	35,487	45,758	23,408	37,569		367,975
Remuneration of councillors		13,656	–	–	–	–	–	–	–	–	–	–	–	–	–	–	13,656
Debt impairment		–	–	19,083	–	–	–	–	–	–	2,685	2,653	48,615	21,294	8,707	–	103,037
Depreciation & asset impairment		417	2,536	148	1,231	401	5,843	2,060	–	167	12,129	2,433	39,911	9,426	57,046	–	133,748
Finance charges		30	503	2,528	–	–	153	153	–	–	1,944	–	4,181	3,927	3,973	–	17,391
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	392,353	–	392,353
Inventory consumed		–	–	23,612	–	–	–	–	–	–	–	–	–	105,277	–	–	128,890
Contracted services		8,666	11,169	12,435	8,716	1,175	13,123	2,663	–	60	14,867	10,632	26,594	17,072	15,855	–	143,026
Transfers and subsidies		1,500	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,500
Other expenditure		4,806	14,555	17,973	1,113	587	4,698	1,714	–	155	1,356	13,940	4,604	1,058	6,119	–	72,679
Losses		–	–	–	–	–	–	–	–	–	–	–	–	45,119	–	–	45,119
Total Expenditure		38,168	70,167	112,756	43,256	5,585	64,812	36,793	–	4,290	60,534	65,146	169,663	226,582	521,621	–	1,419,374
Surplus/(Deficit)		(31,695)	(68,371)	259,747	(40,121)	367	(48,720)	(35,733)	–	(1,209)	11,134	(3,682)	(130,567)	64,423	(43,824)	–	(68,251)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–			10,000		18,964	2,000			14,490	–	–	22,429	22,122		90,005
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–		–							–		–	–	2,000		2,000
Transfers and subsidies - capital (in-kind - all)																	–
Surplus/(Deficit) after capital transfers & contributions		(31,695)	(68,371)	259,747	(30,121)	367	(29,757)	(33,733)	–	(1,209)	25,623	(3,682)	(130,567)	86,853	(19,702)	–	23,754

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSETS											
Consumer debtors											
Consumer debtors		280,709	374,407	402,561	418,257	400,078	400,078	481,059	340,664	340,664	340,664
Less: Provision for debt impairment		(145,359)	(204,111)	(211,133)	(167,661)	(167,661)	(167,661)	(265,027)	(122,661)	(122,661)	(122,661)
Total Consumer debtors	2	135,350	170,297	191,428	250,596	232,417	232,417	216,032	218,004	218,004	218,004
Debt impairment provision											
Balance at the beginning of the year		(104,821)	(125,239)	(159,373)	(167,661)	(167,661)	(167,661)	(209,746)	(122,661)	(122,661)	(122,661)
Contributions to the provision		(20,419)	(34,134)	(49,763)	–	–	–	(12,641)	–	–	–
Bad debts written off		(20,119)	(44,737)	(1,977)	–	–	–	(42,641)	–	–	–
Balance at end of year		(145,359)	(204,111)	(211,133)	(167,661)	(167,661)	(167,661)	(265,027)	(122,661)	(122,661)	(122,661)
Inventory											
Water											
Opening Balance		8,601	8,601	8,601	8,601	8,601	8,601	8,601	8,601	8,601	8,601
System Input Volume		–	–	–	–	–	–	–	150,396	162,278	175,098
Water Treatment Works		–	–	–	–	–	–	–	–	–	–
Bulk Purchases		–	–	–	–	–	–	–	150,396	162,278	175,098
Natural Sources		–	–	–	–	–	–	–	–	–	–
Authorised Consumption	6	–	–	–	–	–	–	–	(105,277)	(113,594)	(122,568)
Billed Authorised Consumption		–	–	–	–	–	–	–	(105,277)	(113,594)	(122,568)
Billed Metered Consumption		–	–	–	–	–	–	–	(105,277)	(113,594)	(122,568)
Free Basic Water		–	–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	–	–	–	–	(105,277)	(113,594)	(122,568)
Billed Unmetered Consumption		–	–	–	–	–	–	–	–	–	–
Free Basic Water		–	–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	–	–	–	–	–	–	–
UnBilled Authorised Consumption		–	–	–	–	–	–	–	–	–	–
Unbilled Metered Consumption		–	–	–	–	–	–	–	–	–	–
Unbilled Unmetered Consumption		–	–	–	–	–	–	–	–	–	–
Water Losses		–	–	–	–	–	–	–	(45,119)	(48,683)	(52,529)
Apparent losses		–	–	–	–	–	–	–	–	–	–
Unauthorised Consumption		–	–	–	–	–	–	–	–	–	–
Customer Meter Inaccuracies		–	–	–	–	–	–	–	–	–	–
Real losses		–	–	–	–	–	–	–	(45,119)	(48,683)	(52,529)
Leakage on Transmission and Distribution Mains		–	–	–	–	–	–	–	–	–	–
Leakage and Overflows at Storage Tanks/Reservoirs		–	–	–	–	–	–	–	–	–	–
Leakage on Service Connections up to the point of Customer Meter		–	–	–	–	–	–	–	–	–	–
Data Transfer and Management Errors		–	–	–	–	–	–	–	–	–	–
Unavoidable Annual Real Losses		–	–	–	–	–	–	–	(45,119)	(48,683)	(52,529)
Non-revenue Water		–	–	–	–	–	–	–	(45,119)	(48,683)	(52,529)
Closing Balance Water		8,601	8,601	8,601	8,601	8,601	8,601	8,601	8,601	8,601	8,601
Agricultural											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Agricultural		–	–	–	–	–	–	–	–	–	–
Consumables											
Standard Rated											
Opening Balance		–	–	5,646	5,271	5,271	5,271	5,271	5,271	5,271	5,271
Acquisitions		–	11,340	4,809	–	–	–	5,359	10,928	11,432	11,935
Issues	7	–	(5,405)	(5,007)	–	–	–	(5,511)	(10,928)	(11,432)	(11,935)
Adjustments	8	–	35	(19)	–	–	–	–	–	–	–
Write-offs	9	–	(323)	(158)	–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated		–	5,646	5,271	5,271	5,271	5,271	5,119	5,271	5,271	5,271
Zero Rated											
Opening Balance		–	–	12	(45)	(45)	(45)	(45)	(45)	(45)	(45)
Acquisitions		–	11,858	10,202	–	–	–	9,461	12,684	13,572	14,522
Issues	7	–	(11,792)	(10,217)	–	–	–	(9,261)	(12,684)	(13,572)	(14,522)
Adjustments	8	–	–	(0)	–	–	–	–	–	–	–
Write-offs	9	–	(54)	(43)	–	–	–	–	–	–	–
Closing balance - Consumables Zero Rated		–	12	(45)	(45)	(45)	(45)	155	(45)	(45)	(45)
Finished Goods											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Finished Goods		–	–	–	–	–	–	–	–	–	–
Materials and Supplies											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Materials and Supplies		–	–	–	–	–	–	–	–	–	–
Work-in-progress											
Opening Balance			–	–	–	–	–	–	–	–	–
Materials											
Transfers											
Closing balance - Work-in-progress		–	–	–	–	–	–	–	–	–	–
Housing Stock											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Transfers											
Sales											
Closing Balance - Housing Stock		–	–	–	–	–	–	–	–	–	–
Land											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Sales											
Adjustments											
Correction of Prior period errors											
Closing Balance - Land		–	–	–	–	–	–	–	–	–	–
Closing Balance - Inventory & Consumables		8,601	14,260	13,827	13,827	13,827	13,827	13,876	13,827	13,827	13,827
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		3,126,855	3,244,911	3,318,093	3,122,187	3,092,321	3,092,321	3,497,438	3,474,602	3,481,749	3,494,605
Leases recognised as PPE	3	46,474	60,822	59,077	14,545	14,545	14,545	59,077	45,345	44,545	44,545
Less: Accumulated depreciation		1,121,794	1,258,951	1,362,358	930,959	950,959	950,959	1,469,021	1,080,201	1,085,436	1,090,932
Total Property, plant and equipment (PPE)	2	2,051,535	2,046,782	2,014,812	2,205,773	2,155,907	2,155,907	2,087,494	2,439,746	2,440,859	2,448,219
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		28,401	31,646	33,581	–	63,129	63,129	13,939	42,233	25,246	31,142
Total Current liabilities - Borrowing		28,401	31,646	33,581	–	63,129	63,129	13,939	42,233	25,246	31,142
Trade and other payables											
Trade Payables	5	109,549	138,383	157,342	51,129	174,638	174,638	141,144	156,059	155,961	168,832
Other creditors		–	–	(2,437)	–	–	–	(2,437)	–	–	–
Unspent conditional transfers		21,608	54,768	29,429	–	(9,755)	(9,755)	81,296	(9,755)	(9,755)	(9,755)
VAT		913	9,560	20,582	5,919	5,919	5,919	28,060	–	–	–
Total Trade and other payables	2	132,071	202,711	204,915	57,048	170,802	170,802	248,063	146,305	146,206	159,077
Non current liabilities - Borrowing											
Borrowing	4	145,657	143,535	138,432	96,434	102,359	102,359	138,432	162,333	164,487	148,896
Finance leases (including PPP asset element)		16,178	18,889	14,419	27,152	12,968	12,968	19,039	–	–	–
Total Non current liabilities - Borrowing		161,836	162,424	152,851	123,586	115,327	115,327	157,471	162,333	164,487	148,896
Provisions - non-current											
Retirement benefits		–	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Provisions - non-current		–	–	–	–	–	–	–	–	–	–
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1,215,966	2,011,728	2,080,660	2,490,464	2,210,270	2,210,270	2,178,402	2,703,497	2,708,008	2,700,744
GRAP adjustments		–	–	–	–	–	–	–	–	–	–
Restated balance		1,215,966	2,011,728	2,080,660	2,490,464	2,210,270	2,210,270	2,178,402	2,703,497	2,708,008	2,700,744
Surplus/(Deficit)		169,965	164,618	214,591	189,810	301,181	301,181	284,922	23,754	35,134	44,196
Transfers to/from Reserves		16,467	13,276	15,089	–	–	–	19,598	–	–	–
Depreciation offsets		641,924	–	–	–	–	–	–	–	–	–
Other adjustments		3,944	(1,590)	322	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	1	2,048,266	2,188,032	2,310,671	2,680,274	2,511,451	2,511,451	2,482,922	2,727,252	2,743,141	2,744,939
Reserves											
Housing Development Fund											
Capital replacement		12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	–	–	–
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	12,842	(444)	(15,533)	62,319	62,319	62,319	(35,131)	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2,061,108	2,187,588	2,295,138	2,742,593	2,573,770	2,573,770	2,447,791	2,727,252	2,743,141	2,744,939

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

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
TO INCREASE THE GDP OF THE LOCAL MUNICIPALITY AND IMPROVE THE ECONOMIC & SOCIAL WELL-BEING OF ITS PEOPLE				15,276	16,611	19,379	22,191	25,239	25,239	26,240	25,549	27,049
TO DELIVER INCLUSIVE AND EXCELLENT SERVICES TO THE COMMUNITY				52,315	69,191	62,713	65,180	74,172	74,172	45,569	48,116	50,861
TO ENSURE EFFICIENT INFRASTRUCTURE AND ENERGY SUPPLY THAT WILL IMPROVE THE QUALITY OF LIFE OF THE COMMUNITY				649,275	700,456	714,434	816,773	800,359	800,359	901,934	971,688	1,047,152
TO IMPROVE THE FINANCIAL SUSTAINABILITY & CAPACITY OF THE MUNICIPALITY, WHILST ADHERING TO STATUTORY REQUIREMENTS				232,209	287,869	331,021	350,327	354,113	354,113	372,503	403,631	429,348
TO CREATE A SUSTAINABLE ENVIRONMENT SAFE FROM HARM				4,310	4,262	4,304	5,111	4,775	4,775	4,877	4,985	5,099
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	953,385	1,078,388	1,131,851	1,259,581	1,258,659	1,258,659	1,351,123	1,453,969	1,559,509

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

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
TO INCREASE THE GDP OF THE LOCAL MUNICIPALITY AND IMPROVE THE ECONOMIC & SOCIAL WELL-BEING OF ITS				92,555	103,342	107,656	139,647	136,711	136,711	154,140	160,018	167,988
TO DELIVER INCLUSIVE AND EXCELLENT SERVICES TO THE COMMUNITY				100,711	124,479	112,771	138,330	129,620	129,620	129,229	135,669	142,564
TO ENSURE EFFICIENT INFRASTRUCTURE AND ENERGY SUPPLY THAT WILL IMPROVE THE OUALITY OF				659,931	757,604	807,504	891,626	888,730	888,730	966,604	1,030,870	1,102,188
TO IMPROVE THE FINANCIAL SUSTAINABILITY & CAPACITY OF THE MUNICIPALITY, WHILST ADHERING TO				94,792	79,913	61,101	83,236	83,158	83,158	89,716	93,075	96,104
TO CREATE AN ENVIRONMENT FOCUSSED ON UPLIFTING THE YOUTH, POOR & MOST VULNERABLE				–	–	–	–	–	–	–	–	–
TO CREATE A SUSTAINABLE ENVIRONMENT SAFE FROM HARM				46,437	52,310	58,251	72,371	73,630	73,630	79,684	83,280	87,001
Allocations to other priorities												
Total Expenditure			1	994,426	1,117,648	1,147,283	1,325,210	1,311,848	1,311,848	1,419,374	1,502,912	1,595,846

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

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
TO INCREASE THE GDP OF THE LOCAL MUNICIPALITY AND IMPROVE THE ECONOMIC & SOCIAL WELL-BEING OF ITS				14,559	9,930	9,473	20,284	32,910	32,910	37,369	18,646	27,102
TO DELIVER INCLUSIVE AND EXCELLENT SERVICES TO THE COMMUNITY				12,837	3,178	10,238	2,155	81,770	81,770	3,410	2,200	1,935
TO ENSURE EFFICIENT INFRASTRUCTURE AND ENERGY SUPPLY THAT WILL IMPROVE THE OUALITY OF				121,722	118,465	104,871	106,724	144,396	144,396	98,906	96,282	83,421
TO IMPROVE THE FINANCIAL SUSTAINABILITY & CAPACITY OF THE MUNICIPALITY, WHILST ADHERING TO STATUTORY				23	123	87	32	132	132	960	1,537	2,600
TO CREATE A SUSTAINABLE ENVIRONMENT SAFE FROM HARM				1,511	1,939	974	7,260	13,750	13,750	4,349	1,890	1,795
Allocations to other priorities			3									
Total Capital Expenditure			1	150,652	133,636	125,643	136,455	272,959	272,959	144,994	120,555	116,853

GT422 Midvaal - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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 planner in consultation with EM	Number of events	10	5	6	7	3	3	3	3	3
Plan drafted on targeted stakeholder engagements per sector/Grouping of sectors with specific messaging in respect of each to enhance image of the municipality and understanding of local government affairs	Report			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 & External)										
Implementation Plan of Communication & Marketing Strategy	Report	-	-	New	1 x strategy	1 x implementaiton plan	1 x implementaiton plan	1 x implementaiton plan	0	0
Customer satisfaction outcome survey distributed to Mayoral and HOD's	Number of reports	1	1	4	4	4	4	4	4	4
Compliance to Section 75 - MFMA requirements ito website updating	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 turn-around time	-	-	100%	-	-	-	-	-	-
Public Safety (Fire)										
Broader Forum meetings attended in terms of Crime Prevention Intervention	Number of meetings	-	-	7	-	-	-	-	-	-
Actions implemented of the Crime Prevention Collaboration Plan	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 method	Number			New	New	New	1	1	?	?
Municipal Health Services										
KFA 6: Emergency Services										
High Risk Industrial Contraventers (Previously Environmental Management	Number of actions executed	3 x industries identified	4	15	16	9	9	9	9	9
Parks & Recreation										
KFA 7: Sport & Recreation Programmes, Facilities, including Parks & Open Space										
Completion of Phase 4 (Construction of the Ablution Facility) at the Lakeside Sport Centre	Phase 3 completed	Phase 1 completed	Phase 2 completed	New	Phase 3 (Construction of Soccer Field)	Phase 4 completed	Phase 4 completed	Phase 4 completed	-	-
Public Safety										
KFA 8: Libraries, Arts, Culture & Special Programmes										
Emergency vehicles dispatched	Turn-around time	99%	100%	96.2%	-	-	-	-	-	-
Health & Social Development										
Programme for gender, elderly, youth & people living with disabilities (GEYODI)	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 Capital & Skills Development)	Percentage expenditure	92%	99.80%	93.84%	97.84%	92.5%	92.5%	92.5%	91%	92%
Employment Equity Target groups employed (Previously KFA 15: Human Capital & Skills Development)	Number of reports submitted	1	1	10	1	1	1	1	1	1
Performance Management										
KFA 10: Performance Management										
Section 52(d) Reports (Previously KFA 16: 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										
WAN/LAN interruptions (Previously KFA 17: Systems & Technology)	Percentage uptime	-	-	98.69%	98.56%	92.50%	92.50%	92.50%	92.50%	92.50%
KFA 12: Policies, Processes & Procedures										
Legal										
Legal Actions assessed (Previously KFA 18: Policies, Processes & Procedures)	Number of average days	14	6	4	2.56	6	6	6	6	6
Development & Planning										
Building & Land Use										
Incorporate the 4th Industrial Revolution concepts (development principles) in to new/revised policies and precinct plans	Number of reports	-	-	New	New	New	New	New	4	4
Policy Framework Development for the decentralisation of bulk infrastructure to unlock green field developments	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 regarding tariff setting process	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%
Households earning less that R1 100 per month (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 to use in paying their municipal accounts		-	-	New	New	New	New	New	1	1
Budget Consultation meetings held with ward committee finance representatives regarding proposed budget	Number of meetings			New	New	New	New	New	5	5
Rebates to toursim establishmens with the aim of increasing tourism within the borders of Midvaal Local Municipality	Number			New	New	New	New	New	0	1
Community Information Workshops with the aim of 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%
Annual Procurement spent awarded to Township Economics	Percentage spent	-	-	New	3.51%	10%	5%	5%	5%	5%
Annual Procurement spent awarded to Youth owned enterprises	Percentage spent	-	-	New	2.14%	5%	3%	3%	4.0%	5%

KFA 16: Asset Management										
Operating Budget allocted to Repairs and 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%
Conduct Section 78(3)-PPP Electricity process by 30 June	Feasibility study signed off by MM	-	-	New	1 x Council Resolution	1	1	1	1	1
(NKPI-1c) - Percentage of households with access to 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 annually	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	?	?
Complete investigation study report with viable options and the implementation plan on the viable and cost effective technological advancement for the efficient provision of roads infrastructure services	Number of reports			New	New	New	New	New	?	?
Water & Sanitation										
KFA 19: Water & Sanitation Infrastructure										
Water losses in line with WDM Plan reduced per 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%
Completed feasibility study with implementation plan on the alternative water supply to informal settlements	Number of reports	1	1	New	New	New	New	New	?	?
KFA 20: Landfill Sites & Transfer Stations										
Appointment of an expert to develop an implementation plan on landfill sites by 30 Jun 19	Number of reports			New	1 x status quo capacity assessment	1	1	1	-	-
Landfill Site Cell developed at Walkerville Landfill Site 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										
Phase 1 of 5 phases of Savannah City Transfer Station completed	Phase 1	-	-	New	Phase 1	Phase 1	Phase 1	Phase 1	-	-
Acquisition of 1 x Skip Bin Loader	1 x loader	-	-	1	-	-	-	-	-	-
Indigent applications received from Finance Dept assessed quarterly	Percentage assessed	76% of 1 300	100% of number of applications received from Finance	100%	-	-	-	-	-	-
Municipal Buildings										
KFA 21: Municipal & Public Facilities (Previoulsy KFA 21: Supply Chain Management)										
Investigate the possible establishment of a facility management unit	Outcome fo feasibility study reported to MM	-	-	-	-	-	-	-	0	0
Building Maintenance projects completed	Number of projects completed annually	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%
Additional formal households with access to basic sanitation	*Number*			1,011	1,227	1,500	1,100	1,100	1,000	1,500
Additional formal households with access to basic level of water	Number of formal households	-	-	1,778	789	1,500	1,100	1,100	1,000	1,500
KFA 23: Electricity										
Additional formal Households with access to basic level of electricity	Number of formal households	79.3%	79.3%	1,108	587	500	200	200	500	500

Investigation Report with implementation plan on the off-grid alternative electricity supply/provision, with specific reference to informal settlements and Council Buildings ?????	Number of reports			New	New	New	New	New	?	?
Community Services										
Waste Section										
KFA 24: Cleansing & Waste Management										
(NKPI- 1d) - Percentage of households with access to basic level of solid waste removal	Percentage of households	83.1%	83.1%	83.10%	86.90%	86%	86%	86%	86%	86%
Additional formal households with access to basic level of solid waste removal per annum	Number of formal households			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 programme	Number of households			New	New	New	New	New	?	?
Development & Planning										
LED										
KFA 25: LED & Capacity Building										
Draft policy to improve Green Buildings focus with respect to building plan approvals considered by HOD	Draft Policy	-	-	New	1 x policy	1 x implementation plan	1 x implementation plan	1 x implementation plan	Implentation of policy	-
Reports on compliance through law enforcement processes conducted quarterly	Number of reports	-	-	New	4	4	4	4	4	4
Jobs created through municipality's local economic development initiatives including capital projects	Number of jobs	-	-	1,932	1,352	1,200	1,200	1,200	1,200	1,300
Report on funded Agricultural LED programme implemented	Report on programme implemented	-	-	1	-	-	-	-	-	-
Revised LED Strategy approved by Council	Report	-	1	1	-	-	-	-	-	-
Land Invasion complaints responded to within 48 hours	Percentage			New	New	90%	90%	90%	95%	95%
Promotion of learnerships in trades through a 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										
Implementation Plan on the Strategy developed to reflect a bias towards appointing youth younger than 35 years	Implementation Plan	-	-	New	1 x Draft Strategy developed	1 x implementation plan developed	1 x implementation plan developed	1 x implementation plan developed	0	0
Promotion of learnerships in trades through a 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 consider land use applications	Percentage compliance	-	-	97%	97%	95%	100% within 14 months	100% within 14 months	100% within 14 months	100% within 14 months
Compliance in terms of turn-around time maintained to consider building plan applications	Percentage compliance			98.5%	100%	95%	100%	100%	100%	100%
Implement Single Land Use Scheme in line with current legislation: (1) Vaal Marina (2) Informal Economy (3) Re-industrialisation	Number of reports	-	-	New	1 x draft Single Land Use Scheme developed	4 x Implementation Reports	4 x Implementation Reports	4 x Implementation Reports	Considered by Council	Promulgated
Certificate of Occupancy's (COO) issued	Percentage			New	New	90%	90%	90%	-	-
Map3's (SPLUMA equivalent) signed off by DD:LUM within an average of 10 working days of receipt of legally and technically compliant Map3's, quarterly maintained	Percentage			New	New	90%	90%	90%	-	-
Land Use Applications promulgated after consideration	Quarterly percentage			New	New	90%	90%	90%	95%	95%
Formulation of the Draft Myerton CBD Urban Design Framework (subject to budget provision)	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 facilitation within the Urban 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

GT422 Midvaal - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.0%	3.5%	3.6%	1.6%	1.5%	1.5%	2.2%	1.2%	1.0%	0.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.0%	3.7%	3.6%	1.7%	1.5%	1.5%	2.2%	1.5%	1.2%	1.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	57.4%	66.9%	38.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	1260.2%	-36543.2%	-984.0%	198.3%	185.1%	185.1%	-448.2%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.6	1.5	1.9	4.0	2.0	2.0	1.4	2.8	2.9	2.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.5	1.9	4.0	2.0	2.0	1.4	2.8	2.9	2.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.9	1.2	2.1	1.2	1.2	0.7	1.8	1.8	1.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	95.5%	95.5%	8.8%	84.8%	79.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	95.5%	95.5%	8.8%	84.8%	79.8%	76.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.0%	18.4%	18.9%	22.8%	19.6%	19.6%	20.0%	18.7%	17.3%	16.2%
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		96.4%	75.1%	57.5%	22.0%	11.3%	11.3%	196.0%	-30.2%	-13.9%	-9.8%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	28811000	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	–	–	30,062	–	–	–	–	39,235	42,727	46,530
	% 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)	0	0	123650173.9	0	0	0	0	45118901	48683293	52529274
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	23.7%	24.9%	24.5%	26.5%	26.7%	26.7%	24.2%	27.2%	26.5%	25.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	24.9%	26.0%	25.7%	27.6%	27.8%	27.8%		28.2%	27.5%	26.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.8%	9.2%	9.2%	9.5%	9.6%	9.6%		10.9%	10.5%	10.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14.6%	14.3%	13.2%	11.6%	11.6%	11.6%	10.5%	11.2%	10.6%	10.2%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	50.6	54.3	–	–	–	–	–	–	–	–
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	20.8%	22.8%	23.5%	28.2%	24.7%	24.7%	25.3%	23.0%	21.3%	19.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.9	2.8	4.0	2.9	19.1	19.1	1.1	(5.5)	(11.4)	(16.4)

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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2017/18 Outcome	2018/19 Outcome	2019/20 Outcome	Current Year 2020/21 Original Budget	2021/22 Medium Term Revenue & Expenditure Framework Outcome	Outcome	Outcome
Demographics												
Population		Narritive report 1.1	–	68	95	–	–	118	122	122	129	133
Females aged 5 - 14		Source: Community Survey 2016 for 2016/17	–	95	7	–	–	9	10	10	10	10
Males aged 5 - 14		Source: STATS SA Census for 2001 and 2011 Census	–	112	7	–	–	9	10	10	10	10
Females aged 15 - 34		Source:2016 Stats SA Community Survey: 18/19, 19/20,	–	169	16	–	–	19	19	19	20	21
Males aged 15 - 34		21/22 and outer years data projected by 3% growth rate	–	204	18	–	–	20	21	21	22	23
Unemployment		As per broad definition= 18.8%	7	–	9	–	–	22	23	23	24	25
Monthly household income (no. of households)	1, 12											
No income		2016/17 Data Projected as per 2011 % distribution Source:	–	–	4,350	–	–	5,650	5,820	5,994	6,174	6,360
R1 - R1 600		2016/17 Data Projected as per 2011 % distribution Source:	–	–	6,867	–	–	9,250	9,527	9,813	10,108	10,411
R1 601 - R3 200		2016/17 Data Projected as per 2011 % distribution Source:	–	–	4,917	–	–	6,623	6,822	7,027	7,237	7,454
R3 201 - R6 400		2016/17 Data Projected as per 2011 % distribution Source:	–	–	3,720	–	–	5,011	5,161	5,316	5,475	5,640
R6 401 - R12 800		2016/17 Data Projected as per 2011 % distribution Source:	–	–	3,078	–	–	4,146	4,270	4,398	4,530	4,666
R12 801 - R25 600		2016/17 Data Projected as per 2011 % distribution Source:	–	–	3,273	–	–	4,408	4,540	4,676	4,817	4,961
R25 601 - R51 200		2016/17 Data Projected as per 2011 % distribution Source:	–	–	2,496	–	–	3,362	3,463	3,567	3,674	3,784
R52 201 - R102 400		2016/17 Data Projected as per 2011 % distribution Source:	–	–	933	–	–	1,256	1,294	1,333	1,373	1,414
R102 401 - R204 800		2016/17 Data Projected as per 2011 % distribution Source:	–	–	195	–	–	262	270	278	286	295
R204 801 - R409 600		2016/17 Data Projected as per 2011 % distribution Source:	–	–	135	–	–	181	187	192	198	204
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		Source:2016 Stats SA Community Survey: 18/19, 19/20,	64,643	83,433	95,301	–	–	115	118	122	126	129
Number of poor people in municipal area		21/22 and outer years data projected by 3% growth rate	-	-	42,777	–	–	56	58	59	61	63
Number of households in municipal area		2016 Data Projected as per 2011 % distribution	20,760	-	29,964	–	–	39	40	42	43	44
Number of poor households in municipal area			-	-	11,216	–	–	15	15	16	16	17
Definition of poor household (R per month)		Definition of poor households as per Indegent	-	-	-	-	-	4,500	5,000	5,500	6,000	6,500
Housing statistics	3											
Formal		Source:2016 Stats SA Community Survey: 18/19, 19/20,	15,915	-	24,042	-	-	32,492	33,467	34,471	35,505	36,570
Informal		Source:2016 Stats SA Community Survey: 18/19, 19/20,	4,845	-	5,922	-	-	6,492	6,687	6,887	7,094	7,307
Total number of households			20,760	-	29,964	-	-	38,984	40,154	41,358	42,599	43,877
Dwellings provided by municipality	4											
Dwellings provided by province/s		Source: Dept of Human Settlements 20/21 - Erf 78 Sicelo	-	-	-	-	-	563	180	185	191	197
Dwellings provided by private sector	5	Source: Dept of Human Settlements 20/21 - Erf 78 Sicelo	-	-	-	-	-	4	4	4	4	4
Total new housing dwellings			-	-	-	-	-	567	184	189	195	201
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services		2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	Household service targets (000)									
	Water:									
	Piped water inside dwelling	–	–	19,461	–	–	–	19,850	19,850	19,850
	Piped water inside yard (but not in dwelling)	–	–	5,376	–	–	–	5,484	5,484	5,848
8	Using public tap (at least min.service level)	–	–	1,467	–	–	–	1,496	1,496	1,496
10	Other water supply (at least min.service level)	–	–	26,304	–	–	–	26,830	26,830	26,830
	Minimum Service Level and Above sub-total	–	–	52,608	–	–	–	53,660	53,660	54,024
9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
10	Other water supply (< min.service level)	–	–	1,266	–	–	–	1,291	1,291	1,291
	No water supply	–	–	3,660	–	–	–	3,733	3,733	3,733
	Below Minimum Service Level sub-total	–	–	4,926	–	–	–	5,024	5,024	5,024
	Total number of households	–	–	57,534	–	–	–	58,684	58,684	59,048
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)	–	–	17,370	–	–	–	17,717	17,717	17,717
	Flush toilet (with septic tank)	–	–	5,505	–	–	–	5,615	5,615	5,615
	Chemical toilet	–	–	1,842	–	–	–	1,879	1,879	1,879
	Pit toilet (ventilated)	–	–	477	–	–	–	487	487	487
	Other toilet provisions (> min.service level)	–	–	3,519	–	–	–	3,589	3,589	3,589
	Minimum Service Level and Above sub-total	–	–	28,713	–	–	–	29,287	29,287	29,287
	Bucket toilet	–	–	648	–	–	–	658	658	658
	Other toilet provisions (< min.service level)	–	–	606	–	–	–	618	618	618
	No toilet provisions	–	–	1,251	–	–	–	1,276	1,276	1,276
	Below Minimum Service Level sub-total	–	–	2,505	–	–	–	2,552	2,552	2,552
	Total number of households	–	–	31,218	–	–	–	31,839	31,839	31,839
	Energy:									
	Electricity (at least min.service level)	–	–	15,906	–	–	–	16,224	16,224	16,224
	Electricity - prepaid (min.service level)	–	–	7,500	–	–	–	7,650	7,650	7,650
	Minimum Service Level and Above sub-total	–	–	23,406	–	–	–	23,874	23,874	23,874
	Electricity (< min.service level)	–	–	363	–	–	–	370	370	370
	Electricity - prepaid (< min. service level)	–	–	6,195	–	–	–	6,319	6,319	6,319
	Other energy sources	–	–	6,558	–	–	–	6,689	6,689	6,689
	Below Minimum Service Level sub-total	–	–	13,116	–	–	–	13,378	13,378	13,378
	Total number of households	–	–	36,522	–	–	–	37,252	37,252	37,252
	Refuse:									
	Removed at least once a week	–	–	24,594	–	–	–	25,086	25,086	25,086
	Minimum Service Level and Above sub-total	–	–	24,594	–	–	–	25,086	25,086	25,086
	Removed less frequently than once a week	–	–	579	–	–	–	591	591	591
	Using communal refuse dump	–	–	–	–	–	–	–	–	–
	Using own refuse dump	–	–	363	–	–	–	370	370	370
	Other rubbish disposal	–	–	948	–	–	–	967	967	967
	No rubbish disposal	–	–	5,370	–	–	–	5,478	5,478	5,478
	Below Minimum Service Level sub-total	–	–	7,260	–	–	–	7,406	7,406	7,406
	Total number of households	–	–	31,854	–	–	–	32,492	32,492	32,492

Municipal in-house services		2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	Household service targets (000)									
	Water:									
	Piped water inside dwelling	–	–	19,461	–	–	–	19,850	19,850	19,850
	Piped water inside yard (but not in dwelling)	–	–	5,376	–	–	–	5,484	5,484	5,848
8	Using public tap (at least min.service level)	–	–	1,467	–	–	–	1,496	1,496	1,496
10	Other water supply (at least min.service level)	–	–	26,304	–	–	–	26,830	26,830	26,830
	Minimum Service Level and Above sub-total	–	–	52,608	–	–	–	53,660	53,660	54,024
9	Using public tap (< min.service level)									
10	Other water supply (< min.service level)	–	–	1,266	–	–	–	1,291	1,291	1,291
	No water supply	–	–	3,660	–	–	–	3,733	3,733	3,733
	Below Minimum Service Level sub-total	–	–	4,926	–	–	–	5,024	5,024	5,024
	Total number of households	–	–	57,534	–	–	–	58,684	58,684	59,048
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)	–	–	17,370	–	–	–	17,717	17,717	17,717
	Flush toilet (with septic tank)	–	–	5,505	–	–	–	5,615	5,615	5,615
	Chemical toilet	–	–	1,842	–	–	–	1,879	1,879	1,879
	Pit toilet (ventilated)	–	–	477	–	–	–	487	487	487
	Other toilet provisions (> min.service level)	–	–	3,519	–	–	–	3,589	3,589	3,589
	Minimum Service Level and Above sub-total	–	–	28,713	–	–	–	29,287	29,287	29,287
	Bucket toilet	–	–	648	–	–	–	658	658	658
	Other toilet provisions (< min.service level)	–	–	606	–	–	–	618	618	618
	No toilet provisions	–	–	1,251	–	–	–	1,276	1,276	1,276
	Below Minimum Service Level sub-total	–	–	2,505	–	–	–	2,552	2,552	2,552
	Total number of households	–	–	31,218	–	–	–	31,839	31,839	31,839
	Energy:									
	Electricity (at least min.service level)	–	–	15,906	–	–	–	16,224	16,224	16,224
	Electricity - prepaid (min.service level)	–	–	7,500	–	–	–	7,650	7,650	7,650
	Minimum Service Level and Above sub-total	–	–	23,406	–	–	–	23,874	23,874	23,874
	Electricity (< min.service level)	–	–	363	–	–	–	370	370	370
	Electricity - prepaid (< min. service level)	–	–	6,195	–	–	–	6,319	6,319	6,319
	Other energy sources	–	–	6,558	–	–	–	6,689	6,689	6,689
	Below Minimum Service Level sub-total	–	–	13,116	–	–	–	13,378	13,378	13,378
	Total number of households	–	–	36,522	–	–	–	37,252	37,252	37,252
	Refuse:									
	Removed at least once a week	–	–	24,594	–	–	–	25,086	25,086	25,086
	Minimum Service Level and Above sub-total	–	–	24,594	–	–	–	25,086	25,086	25,086
	Removed less frequently than once a week	–	–	579	–	–	–	591	591	591
	Using communal refuse dump									
	Using own refuse dump	–	–	363	–	–	–	370	370	370
	Other rubbish disposal	–	–	948	–	–	–	967	967	967
	No rubbish disposal	–	–	5,370	–	–	–	5,478	5,478	5,478
	Below Minimum Service Level sub-total	–	–	7,260	–	–	–	7,406	7,406	7,406
	Total number of households	–	–	31,854	–	–	–	32,492	32,492	32,492

Municipal entity services	Ref.		2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		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.		2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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			2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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)	385,823	331,085	602,045	520,000	520,000	520,000	603,200	656,885	715,348
		Number of HH receiving this type of FBS	–	–	602,045	–	–	–	603,200	656,885	715,348
		Informal settlements (Rands)	–	–	602	–	–	–	603	657	715
		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	–	–	602	–	–	–	603	657	715
Water	Ref.	*Location of households for each type of FBS*									
		Formal settlements - (6 kilolitre per indigent household									
List type of FBS service		per month Rands)	21,956,371	7,995,936	9,553,349	10,027,256	10,027,256	10,027,256	10,878,510	11,737,912	12,665,207
		Number of HH receiving this type of FBS	–	–	9,553,349	–	–	–	10,628,891	11,468,574	12,374,591
		Informal settlements (Rands)	–	–	9,553	–	–	–	10,629	11,469	12,375
		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	–	–	9,553	–	–	–	10,629	11,469	12,375
Sanitation	Ref.	*Location of households for each type of FBS*									
		Formal settlements - (free sanitation service to									
List type of FBS service		indigent households)									
		Number of HH receiving this type of FBS									
		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*									
		Formal settlements - (removed once a week to indigent									
List type of FBS service		households)									
		Number of HH receiving this type of FBS									
		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	–	–	–	–	–	–	–	–	–

GT422 Midvaal Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	113,614	184,345	273,784	232,935	1,550,168	1,550,168	72,013	(516,188)	(1,123,990)	(1,727,393)
Cash + investments at the yr end less applications - R'000	18(1)b	2	57,984	100,193	231,247	220,745	465,148	465,148	93,269	603,380	554,625	577,882
Cash year end/monthly employee/supplier payments	18(1)b	3	1.9	2.8	4.0	2.9	19.1	19.1	1.1	(5.5)	(11.4)	(16.4)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	811,890	164,618	214,591	189,810	301,181	301,181	284,922	23,754	35,134	44,196
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	5.8%	(1.7%)	5.9%	(8.2%)	(6.0%)	(17.9%)	4.3%	1.9%	2.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	0.0%	116.4%	116.4%	12.1%	108.4%	99.1%	96.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	9.5%	13.3%	9.6%	9.9%	10.8%	10.8%	11.4%	9.4%	9.2%	9.0%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	(50.0%)	(50.0%)	(23.6%)	96.8%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	57.4%	66.9%	38.0%
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.	22.3%	7.8%	34.0%	(14.1%)	0.0%	(9.7%)	2.3%	0.0%	0.0%
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	4.5%	4.9%	5.1%	5.4%	5.6%	5.6%	7.0%	6.0%	6.3%	6.6%
Asset renewal % of capital budget	20(1)(vi)	14	25.8%	22.4%	62.6%	58.8%	52.6%	52.6%	0.0%	46.3%	59.3%	52.1%

References
1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators												
% incr *total service charges (incl prop rates)*	18(1)a			11.8%	4.3%	11.9%	(2.2%)	0.0%	(11.9%)	10.3%	7.9%	8.0%
% incr Property Tax	18(1)a			9.8%	13.3%	7.2%	(2.3%)	0.0%	(14.1%)	7.0%	7.0%	7.0%
% incr Service charges - electricity revenue	18(1)a			6.3%	3.0%	17.2%	(3.5%)	0.0%	(9.7%)	16.0%	8.9%	8.9%
% incr Service charges - water revenue	18(1)a			25.0%	(3.1%)	12.4%	(4.3%)	0.0%	(12.2%)	6.0%	7.9%	7.9%
% incr Service charges - sanitation revenue	18(1)a			9.5%	8.3%	(1.3%)	9.1%	0.0%	(10.3%)	6.0%	6.0%	7.0%
% incr Service charges - refuse revenue	18(1)a			8.3%	7.5%	6.3%	11.0%	0.0%	(17.7%)	6.0%	6.0%	7.0%
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		778,745	871,024	908,887	1,017,274	994,844	994,844	876,774	1,097,297	1,184,162	1,279,123
Service charges			778,745	871,024	908,887	1,017,274	994,844	994,844	876,774	1,097,297	1,184,162	1,279,123
Property rates			194,658	213,758	242,117	259,585	253,618	253,618	217,744	271,371	290,367	310,692
Service charges - electricity revenue			326,502	347,196	357,488	418,838	404,123	404,123	364,924	468,601	510,233	555,571
Service charges - water revenue			183,111	228,957	221,761	249,286	238,538	238,538	209,356	252,846	272,813	294,358
Service charges - sanitation revenue			38,450	42,105	45,601	45,004	49,101	49,101	44,021	52,047	55,169	59,031
Service charges - refuse removal			36,023	39,008	41,920	44,560	49,465	49,465	40,729	52,433	55,579	59,470
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			1,345	1,324	1,214	1,461	1,125	1,125	1,020	1,193	1,264	1,340
Capital expenditure excluding capital grant funding			78,376	57,252	30,188	59,882	93,690	93,690	42,494	57,131	40,927	40,954
Cash receipts from ratepayers	18(1)a		–	–	–	–	1,249,463	1,249,463	114,801	1,279,463	1,259,567	1,315,412
Ratepayer & Other revenue	18(1)a		832,488	938,448	981,050	1,093,692	1,073,359	1,073,359	950,752	1,179,798	1,270,924	1,370,425
Change in consumer debtors (current and non-current)			33,917	36,176	15,486	72,891	32,312	32,312	8,356	(34,919)	–	–
Operating and Capital Grant Revenue	18(1)a		166,113	173,276	217,582	222,380	271,894	271,894	194,860	242,023	245,504	248,614
Capital expenditure - total	20(1)(vi)		150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Capital expenditure - renewal	20(1)(vi)		38,870	29,925	78,593	80,189	143,533	143,533		67,203	71,541	60,854
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)												
DoRA operating												
										–	–	–
										–	–	–
Trend												
Change in consumer debtors (current and non-current)			33,917	36,176	15,486	8,356	(34,919)	–	–	–	–	–
Total Operating Revenue			953,385	1,078,388	1,131,851	1,259,581	1,258,659	1,258,659	1,110,083	1,351,123	1,453,969	1,559,509
Total Operating Expenditure			875,041	990,155	1,015,014	1,146,344	1,144,280	1,144,280	947,996	1,419,374	1,502,912	1,595,846
Operating Performance Surplus/(Deficit)			78,344	88,234	116,838	113,237	114,379	114,379	162,087	(68,251)	(48,944)	(36,337)
Cash and Cash Equivalents (30 June 2012)										(516,188)		
Revenue												
% Increase in Total Operating Revenue				13.1%	5.0%	11.3%	(0.1%)	0.0%	(11.8%)	7.3%	7.6%	7.3%
% Increase in Property Rates Revenue				9.8%	13.3%	7.2%	(2.3%)	0.0%	(14.1%)	7.0%	7.0%	7.0%
% Increase in Electricity Revenue				6.3%	3.0%	17.2%	(3.5%)	0.0%	(9.7%)	16.0%	8.9%	8.9%
% Increase in Property Rates & Services Charges				11.8%	4.3%	11.9%	(2.2%)	0.0%	(11.9%)	10.3%	7.9%	8.0%
Expenditure												
% Increase in Total Operating Expenditure				13.2%	2.5%	12.9%	(0.2%)	0.0%	(17.2%)	24.0%	5.9%	6.2%
% Increase in Employee Costs				18.9%	3.4%	20.2%	0.8%	0.0%	(20.1%)	9.4%	4.7%	4.9%
% Increase in Electricity Bulk Purchases				8.0%	15.4%	11.1%	0.0%	0.0%	(6.0%)	17.5%	8.9%	8.9%
Average Cost Per Budgeted Employee Position (Remuneration)					350913.2444	432269.987				469955.2312		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			4.5%	4.9%	5.1%	5.4%	5.6%	5.6%		6.0%	6.3%	6.6%
Asset Renewal and R&M as a % of PPE			10.0%	10.0%	11.0%	11.0%	16.0%	16.0%		11.0%	11.0%	10.0%
Debt Impairment % of Total Billable Revenue			9.5%	13.3%	9.6%	9.9%	10.8%	10.8%	11.4%	9.4%	9.2%	9.0%
Capital Revenue												
Internally Funded & Other (R'000)			23,738	26,271	7,089	26,517	50,467	50,467	27,353	31,406	13,527	23,404
Borrowing (R'000)			54,637	30,981	23,099	33,365	43,223	43,223	15,141	25,725	27,400	17,550
Grant Funding and Other (R'000)			72,277	76,384	95,455	76,573	179,270	179,270	137,653	87,863	79,628	75,899
Internally Generated funds % of Non Grant Funding			30.3%	45.9%	23.5%	44.3%	53.9%	53.9%	64.4%	55.0%	33.1%	57.1%
Borrowing % of Non Grant Funding			69.7%	54.1%	76.5%	55.7%	46.1%	46.1%	35.6%	45.0%	66.9%	42.9%
Grant Funding % of Total Funding			48.0%	57.2%	76.0%	56.1%	65.7%	65.7%	76.4%	60.6%	66.1%	65.0%
Capital Expenditure												
Total Capital Programme (R'000)			150,652	133,636	125,643	136,455	272,959	272,959	180,147	144,994	120,555	116,853
Asset Renewal			82,993	83,165	95,493	98,403	177,143	177,143	177,143	85,302	74,541	64,354
Asset Renewal % of Total Capital Expenditure			55.1%	62.2%	76.0%	72.1%	64.9%	64.9%	98.3%	58.8%	61.8%	55.1%
Cash												
Cash Receipts % of Rate Payer & Other			0.0%	0.0%	0.0%	0.0%	116.4%	116.4%	12.1%	108.4%	99.1%	96.0%
Cash Coverage Ratio			0	0	0	0	0	0	0	(0)	(0)	(0)
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			2.0%	3.5%	3.6%	1.6%	1.5%	1.5%	2.2%	1.2%	1.0%	0.9%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	57.4%	66.9%	38.0%
Reserves												
Surplus/(Deficit)			57,984	100,193	231,247	220,745	465,148	465,148	93,269	603,380	554,625	577,882
Free Services												
Free Basic Services as a % of Equitable Share			25.9%	8.6%	9.5%	8.9%	7.9%	7.9%		9.2%	9.1%	9.6%
Free Services as a % of Operating Revenue (excl operational transfers)			20.4%	4.2%	3.4%	5.0%	5.9%	5.9%		5.7%	5.6%	5.6%
High Level Outcome of Funding Compliance												
Total Operating Revenue			953,385	1,078,388	1,131,851	1,259,581	1,258,659	1,258,659	1,110,083	1,351,123	1,453,969	1,559,509
Total Operating Expenditure			875,041	990,155	1,015,014	1,146,344	1,144,280	1,144,280	947,996	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) Budgeted Operating Statement			78,344	88,234	116,838	113,237	114,379	114,379	162,087	(68,251)	(48,944)	(36,337)
Surplus/(Deficit) Considering Reserves and Cash Backing			57,984	100,193	231,247	220,745	465,148	465,148	93,269	603,380	554,625	577,882
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

References
15. Subject to figures provided in Schedule.

GT422 Midvaal - Supporting Table SA11 Property rates summary

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Valuation:	1									
Date of valuation:		2010/07/01	2000/01/01	2000/01/01	2000/01/01					
Financial year valuation used		20112018	20182019	20192020	0			0		
Municipal by-laws s6 in place? (Y/N)	2			Yes	No			Yes		
Municipal/assistant valuer appointed? (Y/N)				Yes	No			Yes		
Municipal partnership s38 used? (Y/N)				No	No	No	No	No	No	No
No. of assistant valuers (FTE)	3	–	–	3	–	3	3	3	3	3
No. of data collectors (FTE)	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
No. of additional valuers (FTE)	4	–	–	–	–	–	–	–	–	–
Valuation appeal board established? (Y/N)				Yes	No			Yes		
Implementation time of new valuation roll (mths)		–	–	12	–			12		
No. of properties	5	–	–	–	–	36,304	36,304	43,391	–	–
No. of sectional title values	5	–	–	375,129,746	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	809	–	820	820	5,971	6,000	6,200
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–
No. of objections by rate payers		–	–	–	–	–	–	99	–	–
No. of appeals by rate payers		–	–	–	–	–	–	30	–	–
No. of successful objections	8	–	–	–	–	–	–	21	–	–
No. of successful objections > 10%	8	–	–	–	–	–	–	25	–	–
Supplementary valuation		–	–	1	–	1	1	2	–	–
Public service infrastructure value (Rm)	5	–	–	0	–	0	0	0	–	–
Municipality owned property value (Rm)		–	–	0	–	0	0	0	–	–
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	–	–	0	–	0	0	–	–	–
Total land value (Rm)	5	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	5	–	–	–	–	–	–	–	–	–
Total market value (Rm)	5	–	–	0	–	0	0	0	–	–
Rating:										
Residential rate used to determine rate for other categories? (Y/N)				Yes	No			Yes		
Differential rates used? (Y/N)	5			Yes	No			Yes		
Limit on annual rate increase (s20)? (Y/N)				Yes	No	Yes	Yes	Yes	Yes	Yes
Special rating area used? (Y/N)				Yes	No			Yes		
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)				Yes	No			Yes		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6	–	–	242	–	254	254	274	293	314
Rate revenue expected to collect (R'000)	6	–	–	230	–	228	228	247	264	282
Expected cash collection rate (%)		0.0%	0.0%	95.0%	0.0%	90.0%	90.0%	92.0%	92.0%	92.0%
Special rating areas (R'000)	7	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	1	–	1	1	1	1	1
Rebates, exemptions - pensioners (R'000)		–	–	1	–	1	1	1	1	1
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	35	–	38	38	41	44	47
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,reductns,discs (R'000)		–	–	36	–	40	40	43	46	49

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

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

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2020/21																	
Valuation:																	
No. of properties		23,044	684	951	1,955	363	843	263	1	–	15	–	–	62	1	1	6
No. of sectional title property values																	
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)		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
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	0.008906	0.017813	0.002227	0.017813	–	–	–	0.008906	–	–	–	–	–	–	–	0.017813
Rate revenue budget (R '000)		174	48	17	5	9	–	–	–	–	–	–	–	–	–	–	0
Rate revenue expected to collect (R'000)		157	43	15	5	8	–	–	–	–	–	–	–	–	–	–	0
Expected cash collection rate (%)	4	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		20	–	–	9	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)																	

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

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2021/22																	
Valuation:																	
No. of properties		23,721	686	801	1,970	389	1,426	281	1	–	15	–	–	62	1	23	6
No. of sectional title property values		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
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)																	
Frequency of valuation (select)		<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4
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	0.009529	0.019059	0.019059	0.002382	0.019059	–	–	0.009529	–	–	–	–	–	–	–	0.019059
Rate revenue budget (R '000)		187	51	18	6	10	–	–	–	–	–	–	–	–	–	–	0
Rate revenue expected to collect (R'000)		172	47	16	5	9	–	–	–	–	–	–	–	–	–	–	0
Expected cash collection rate (%)	4	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)		21	–	–	9	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)		0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)																	

GT422 Midvaal - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
							Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Property rates *(rate in the Rand)*	1								
Residential properties			-	-	0.0082	0.0089	0.0096	0.0103	0.0110
Residential properties - vacant land			-	-	0.0165	0.0178	0.0286	0.0306	0.0327
Formal/informal settlements									
Small holdings			-	-	0.0082	0.0089	0.0096	0.0103	0.0110
Farm properties - used			-	-	0.0021	0.0022	0.0024	0.0025	0.0027
Farm properties - not used			-	-	0.0021	0.0022	0.0024	0.0025	0.0027
Industrial properties			-	-	0.0165	0.0178	0.0191	0.0204	0.0218
Business and commercial properties			-	-	0.0165	0.0178	0.0191	0.0204	0.0218
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties			-	-	0.0165	0.0178	0.0191	0.0204	0.0218
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner			-	-	0.0082	0.0089	0.0095	0.0102	0.0109
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
Indigent rebate or exemption			-	-	1	1	1	1	1
Pensioners/social grants rebate or exemption			-	-	1	1	1	1	1
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption			-	-	-	-	-	-	-
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)*			-	-	29	31	32	35	38
Water usage - life line tariff			-	-	-	31	32	35	38
Water usage - Block 1 (c/kl)			-	-	29	31	32	35	38
Water usage - Block 2 (c/kl)			-	-	31	34	36	38	42
Water usage - Block 3 (c/kl)			-	-	36	38	40	43	47
Water usage - Block 4 (c/kl)			-	-	38	40	43	46	50
Other	2								

Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			-	-	230	246	260	276	295
Service point - vacant land *(Rands/month)*			-	-	117	125	132	140	150
Waste water - flat rate tariff *(c/kl)*									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
FBE			-	-	1	1	1	1	2
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)			-	-	1	1	1	1	2
Meter - IBT Block 2 (c/kwh)			-	-	1	1	2	2	2
Meter - IBT Block 3 (c/kwh)			-	-	2	2	3	3	3
Meter - IBT Block 4 (c/kwh)			-	-	2	3	3	3	4
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)			-	-	1	1	1	1	2
Prepaid - IBT Block 2 (c/kwh)			-	-	1	1	2	2	2
Prepaid - IBT Block 3 (c/kwh)			-	-	2	2	3	3	3
Prepaid - IBT Block 4 (c/kwh)			-	-	2	3	3	3	4
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge			-	-	198	214	226	240	257
Basic charge/fixed fee									
80l bin - once a week			-	-	99	107	113	120	128
250l bin - once a week									

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

Description	Ref	Provide description of tariff structure where appropriate	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
							Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Exemptions, reductions and rebates *(Rands)*									
Impermissible Reduction			-	-	15,000	15,000	15,000	15,000	15,000
Additional Residential Reduction			-	-	135,000	135,000	135,000	135,000	135,000
Public Service Infrastructure			-	-	1	1	1	1	1
Public Benefit Organization			-	-	1	1	1	1	1
Place Of Worship And/Or Vicarage			-	-	1	1	1	1	1
Communal Land			-	-	1	1	1	1	1
Municipal Properties			-	-	1	1	1	1	1
Protected Areas			-	-	1	1	1	1	1
Farm Properties Used For Residential Purposes			-	-	1	1	1	1	1
Agricultural Holdings Used For Residential Purposes 50%			-	-	1	1	1	1	1
Privately Owned Schools			-	-	1	1	1	1	1
Approved Indigents - For Property Values Up To R500			-	-	1	1	1	1	1
Residential Property Owners Who Are Over 60 Years Of			-	-	1	1	1	1	1
Residential Property Owners Who Are Over 60 Years Of			-	-	1	1	1	1	1
Old Age Institutions Registered At The Department Of			-	-	1	1	1	1	1
Owners Of Properties Exceeding The Municipal Valuation			-	-	-	-	-	-	-
Properties On Which National Monuments Are Situated			-	-	1	1	1	1	1
Farm Properties And Agricultural Holdings Used For			-	-	1	1	1	1	1
Water tariffs									
Industrial Consumption Charge			-	-	36	38	40	43	47
Charitable Institutions Consumption Charge			-	-	36	38	40	43	47
Vaal Marina Availability Charge 0 - 30kl			-	-	23	24	26	28	30
Vaal Marina Availability Charge > 30kl			-	-	31	33	35	38	41
Vaal Marina Flats			-	-	21	23	24	26	28
Water Leak Tariff			-	-	16	17	18	19	21
Township Developers			-	-	24	25	27	29	31
Sport Club Leasing Land From Council			-	-	17	18	19	21	22
Waste water tariffs									
Business Basic Charge			-	-	117	125	132	140	150
Service Point			-	-	113	121	128	136	145
Flat And Business Premises Under One Roof Up To			-	-	113	121	128	136	145
Flat And Business Premises Under One Roof Over 2000			-	-	1,130	1,209	1,282	1,358	1,453
Private Hotels And Boarding Houses			-	-	113	121	128	136	145
Hotels And Clubs			-	-	171	182	193	205	219
Churches			-	-	105	112	119	126	135
Halls			-	-	113	121	128	136	145
Chartable Institutions			-	-	47	50	53	56	60
Schools, Creches, Nurseries And Kolleges			-	-	97	104	110	117	125
Boarding Schools And School Hostels			-	-	138	148	157	166	178
Sports Clubs Excluding School Sports Ground			-	-	327	350	371	393	420
Hospitals And Nursing Homes			-	-	63	67	71	75	81
Prison			-	-	113	121	128	136	145
Private Owned Compouns Or Hostels			-	-	113	121	128	136	145
Power Stations			-	-	113	121	128	136	145
Public Conveniences			-	-	113	121	128	136	145
Storage Premises			-	-	113	121	128	136	145

Electricity tariffs								
Unit Charge		-	-	2	238	276	300	327
R/Kva Low Voltage		-	-	148	157	182	199	216
R/Kva Med Voltage		-	-	145	154	178	194	212
Low Voltage Demand		-	-	320	340	394	429	468
Medium Voltage Demand		-	-	305	324	376	409	445
Peak Hours C Per Kwh		-	-	240	254	295	321	350
Standard Hours C Per Kwh		-	-	108	114	132	144	157
Off-Peak Hours C Per Kwh		-	-	85	90	104	114	124
Maximum Demand Charge Per Kva (30 Minute		-	-	95	101	117	127	138
Maximum Demand Charge R Per Kva (30 Minute		-	-	95	101	117	127	138
Reactive Energy Charge R Per Kvarh		-	-	358	381	442	481	524
Peak Hours C Per Kwh		-	-	364	280	325	354	385
Peak Hours Per Kwh		-	-	535	568	659	718	782
Standard Hours Per Kwh		-	-	179	191	221	241	262
Off-Peak Hours Per Kwh		-	-	96	102	118	129	140
Reactive Energy Charge Per Kvarh Supplied In Excess		-	-	31	32	38	41	45
General Lighting And Itenererant Supplies Basic Charge		-	-	590	626	727	791	862
Agricultural Supply		-	-	241	255	296	323	351
Notified Maximum Demand		-	-	29	31	35	39	42

GT422 Midvaal - Supporting Table SA14 Household bills

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		459.00	504.88	352.92	377.62	377.62	377.62	8.1%	408.19	449.01	480.44
Electricity: Basic levy		57.67	–	–	–	–	–	–	–	–	–
Electricity: Consumption		1,616.42	1,645.94	1,758.52	1,947.26	1,947.26	1,947.26	6.2%	2,068.36	2,411.71	2,819.29
Water: Basic levy		26.78	–	–	–	–	–	–	–	–	–
Water: Consumption		582.71	706.50	773.61	891.84	891.84	891.84	7.0%	1,015.16	1,096.37	1,184.08
Sanitation		183.08	195.89	214.50	229.51	229.51	229.51	7.0%	245.58	262.77	281.16
Refuse removal		157.62	168.66	184.68	197.61	197.61	197.61	8.1%	213.62	234.98	258.48
Other											
sub-total		3,083.28	3,221.87	3,284.24	3,643.84	3,643.84	3,643.84	8.4%	3,950.90	4,454.83	5,023.44
VAT on Services		367.40	407.55	439.70	489.93	489.93	489.93	8.5%	531.41	600.87	681.45
Total large household bill:		3,450.68	3,629.41	3,723.93	4,133.77	4,133.77	4,133.77	8.4%	4,482.31	5,055.71	5,704.89
% increase/-decrease			5.2%	2.6%	11.0%	–	–		8.4%	12.8%	12.8%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		459.00	504.88	352.92	377.62	377.62	377.62	8.1%	408.19	449.01	480.44
Electricity: Basic levy		57.67	–	–		–	–	–		–	–
Electricity: Consumption		643.25	655.21	700.03	782.91	782.91	782.91	6.2%	831.61	898.97	945.72
Water: Basic levy		26.78	–	–		–	–	–		–	–
Water: Consumption		453.62	556.20	609.04	714.24	714.24	714.24	7.0%	825.16	895.30	968.71
Sanitation		183.07	195.89	214.50	229.51	229.51	229.51	7.0%	245.58	262.77	281.16
Refuse removal		157.62	168.66	184.68	197.61	197.61	197.61	8.1%	213.62	234.98	258.48
Other								6.0%			
sub-total		1,981.01	2,080.84	2,061.16	2,301.89	2,301.89	2,301.89	9.7%	2,524.16	2,741.03	2,934.51
VAT on Services		213.08	236.39	256.24	288.64	288.64	288.64	10.0%	317.39	343.80	368.11
Total small household bill:		2,194.09	2,317.23	2,317.40	2,590.53	2,590.53	2,590.53	9.7%	2,841.55	3,084.83	3,302.62
% increase/-decrease			5.6%	0.0%	11.8%	–	–		9.7%	8.6%	7.1%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		343.07	392.46	419.30	418.59	418.59	418.59	6.2%	444.63	480.65	505.64
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		324.53	357.63	391.60	422.56	422.56	422.56	7.0%	452.10	490.53	530.75
Sanitation											
Refuse removal											
Other											
sub-total		667.60	750.08	810.90	841.15	841.15	841.15	6.6%	896.73	971.17	1,036.39
VAT on Services		93.46	112.51	121.63	126.17	126.17	126.17	6.6%	134.51	145.68	155.46
Total small household bill:		761.06	862.59	932.53	967.32	967.32	967.32	6.6%	1,031.24	1,116.85	1,191.85
% increase/-decrease			13.3%	8.1%	3.7%	–	–		6.6%	8.3%	6.7%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water

2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

GT422 Midvaal - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		330	76,083	330	180,039	120,039	120,039	395,325	375,062	402,170
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	330	76,083	330	180,039	120,039	120,039	395,325	375,062	402,170
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		330	76,083	330	180,039	120,039	120,039	395,325	375,062	402,170

GT422 Midvaal - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ª	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														
Municipality sub-total										#REF!		#REF!	#REF!	#REF!
Entities														
N/A														–
														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	1									#REF!		#REF!	#REF!	#REF!

GT422 Midvaal - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality										
Annuity and Bullet Loans		145,657	143,535	138,432	96,434	102,359	102,359	162,333	164,487	148,896
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		16,178	18,889	14,419	27,152	12,968	12,968	–	–	–
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	161,836	162,424	152,851	123,586	115,327	115,327	162,333	164,487	148,896
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	161,836	162,424	152,851	123,586	115,327	115,327	162,333	164,487	148,896

Unspent Borrowing - Categorised by type										
Parent municipality										
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										
Municipality sub-total	1	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–

GT422 Midvaal - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		88,985	99,923	113,301	128,323	139,894	139,894	129,609	139,992	143,990
Local Government Equitable Share		86,316	97,192	107,047	118,071	133,623	133,623	124,899	135,647	139,570
Expanded Public Works Programme Integrated Gra		1,119	1,181	1,564	1,708	1,708	1,708	1,539	–	–
Local Government Financial Management Grant		1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Municipal Disaster Relief Grant		–	–	718	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	922	5,494	1,513	1,513	1,621	1,795	1,870
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	1,500	1,500	1,500	1,500	–	1,000	1,000
Provincial Government:		10,181	10,967	13,853	15,902	18,743	18,743	19,327	19,852	21,010
Health		–	4,217	–	–	–	–	–	–	–
Libraries Archives and Museums		6,265	6,750	–	–	–	–	–	–	–
Primary Health Care		3,916	–	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	13,853	15,902	18,743	18,743	19,327	19,852	21,010
District Municipality:		2,669	3,074	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Environmental Health and Safety		2,669	–	–	–	–	–	–	–	–
Environmental Protection		–	3,074	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	3,083	3,081	3,081	3,081	3,081	3,081	3,081
Other grant providers:		–	–	–	–	5,000	5,000	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Old Mutual		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	5,000	5,000	–	–	–
Total Operating Transfers and Grants	5	101,836	113,963	130,237	147,307	166,718	166,718	152,018	162,926	168,081
Capital Transfers and Grants										
National Government:		59,389	47,620	86,200	67,523	92,677	92,677	81,880	76,978	75,233
Energy Efficiency and Demand Side Management Grant		8,000	–	–	–	–	–	–	5,000	–
Integrated National Electrification Programme Grant		–	8,799	37,229	25,600	18,183	18,183	22,072	20,000	21,000
Municipal Infrastructure Grant		36,389	23,870	35,422	26,098	60,169	60,169	31,808	34,114	35,521
Neighbourhood Development Partnership Grant		–	–	–	1,500	–	–	10,000	–	–
Water Services Infrastructure Grant		15,000	14,951	13,549	14,325	14,325	14,325	18,000	17,864	18,712
Provincial Government:		1,550	4,053	1,145	7,550	12,499	12,499	8,125	5,600	5,300
Libraries Archives and Museums		1,550	4,053	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	1,145	7,550	12,499	12,499	8,125	5,600	5,300
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		10,731	24,710	10,408	1,500	81,626	81,626	2,000	1,500	–
Developers Contribution		10,731	24,710	10,408	1,500	81,626	81,626	2,000	1,500	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	71,670	76,384	97,753	76,573	186,802	186,802	92,005	84,078	80,533
TOTAL RECEIPTS OF TRANSFERS & GRANTS		173,506	190,347	227,990	223,880	353,520	353,520	244,023	247,004	248,614

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		15,137	15,667	19,470	20,256	20,060	20,060	18,366	18,644	19,418
Local Government Equitable Share		11,819	12,512	12,970	13,656	13,793	13,793	13,656	14,298	14,999
Expanded Public Works Programme Integrated Grant		2,228	1,723	1,523	1,630	1,708	1,708	1,539	–	–
Local Government Financial Management Grant		1,090	1,432	1,522	1,546	1,550	1,550	1,550	1,550	1,550
Municipal Disaster Relief Grant		–	–	575	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	1,395	1,932	1,510	1,510	1,621	1,795	1,870
Water Services Infrastructure Grant		–	–	1,485	1,493	1,500	1,500	–	1,000	1,000
Provincial Government:		5,653	10,122	10,144	15,002	17,531	17,531	18,366	19,117	20,522
Health		–	4,028	–	–	–	–	–	–	–
Libraries Archives and Museums		–	–	–	–	–	–	–	–	–
Primary Health Care		–	–	–	–	–	–	–	–	–
Specify (Add grant description)		5,653	6,094	10,144	15,002	17,531	17,531	18,366	19,117	20,522
District Municipality:		–	2,883	2,955	3,227	3,771	3,771	4,041	4,230	4,437
Environmental Protection		–	2,883	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	2,955	3,227	3,771	3,771	4,041	4,230	4,437
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		20,790	28,672	32,570	38,485	41,362	41,362	40,773	41,991	44,377
Capital expenditure of Transfers and Grants										
National Government:		57,231	47,620	82,100	67,523	84,838	84,838	77,738	72,528	70,599
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	5,000	–
Integrated National Electrification Programme Grant		8,000	8,799	37,229	25,600	18,183	18,183	22,072	20,000	21,000
Municipal Infrastructure Grant		34,637	23,870	31,440	26,098	52,330	52,330	27,666	29,664	30,887
Neighbourhood Development Partnership Grant		–	–	–	1,500	–	–	10,000	–	–
Water Services Infrastructure Grant		14,594	14,951	13,431	14,325	14,325	14,325	18,000	17,864	18,712
Provincial Government:		1,550	4,053	2,714	7,550	12,499	12,499	8,125	5,600	5,300
Libraries Archives and Museums		1,550	1,510	–	–	–	–	–	–	–
Libraries; Archives and Museums		–	2,543	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	2,714	7,550	12,499	12,499	8,125	5,600	5,300
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		13,495	24,710	10,642	1,500	81,933	81,933	2,000	1,500	–
Developers Contribution		13,495	24,710	10,642	1,500	81,933	81,933	2,000	1,500	–
Total capital expenditure of Transfers and Grants		72,277	76,384	95,455	76,573	179,270	179,270	87,863	79,628	75,899
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		93,067	105,056	128,025	115,058	220,632	220,632	128,635	121,619	120,277

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating transfers and grants:	1,3									
National Government:		–	(247)	(6,976)	–	–	–	–	–	–
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		–	–	–	–	–	–	–	–	–
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	(11,606)	–	–	–	–	–	–
Current year receipts		–	(59,226)	(90,022)	–	–	–	–	–	–
Conditions met - transferred to revenue		(1,488)	47,620	87,700	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		(1,488)	(11,606)	(13,927)	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		(12,956)	(20,121)	(2,509)	–	9,755	9,755	9,755	9,755	9,755
Current year receipts		(8,445)	(47,505)	(7,060)	–	–	–	–	–	–
Conditions met - transferred to revenue		1,280	24,710	343	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		(20,121)	(42,916)	(9,927)	–	9,755	9,755	9,755	9,755	9,755
Total capital transfers and grants revenue		(208)	72,331	88,043	–	–	–	–	–	–
Total capital transfers and grants - CTBM	2	(21,608)	(54,521)	(23,855)	–	9,755	9,755	9,755	9,755	9,755
TOTAL TRANSFERS AND GRANTS REVENUE		(208)	72,331	88,043	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS - CTBM		(21,608)	(54,521)	(23,855)	–	9,755	9,755	9,755	9,755	9,755

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Transfers to other municipalities											
Insert description	1										
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
	3										
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Priv Ent: Oth Trf - Developers Contr		19,950	–	–	–	–	–	–	–	–	–
Priv Ent: Oth Trf-Mayors' Charity		275	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Total Cash Transfers To Organisations		20,225	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Cash Transfers to Groups of Individuals											
Total Cash Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	6	20,225	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500
Non-Cash Transfers to other municipalities											
	1										
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State											
Nat Dpt Agen - Special Investigation Uni	3	1,161	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		1,161	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations											
	4										
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals											
Hh: Bursaries Non-Employee Cash	5	–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL NON-CASH TRANSFERS AND GRANTS		1,161	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	21,386	588	1,301	1,132	1,172	1,172	1,212	1,500	1,500	1,500

GT422 Midvaal - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7,576	8,977	9,340	9,645	9,645	9,645	9,645	10,098	10,593
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance		1,271	1,283	1,277	1,365	1,365	1,365	1,365	1,429	1,499
Housing Allowances										
Other benefits and allowances		2,878	2,200	2,354	2,646	2,646	2,646	2,646	2,771	2,907
Sub Total - Councillors		11,726	12,460	12,970	13,656	13,656	13,656	13,656	14,298	14,999
% increase	4		6.3%	4.1%	5.3%	–	–	–	4.7%	4.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		7,540	7,141	5,734	6,199	6,503	6,503	7,258	7,600	7,972
Pension and UIF Contributions		1,044	971	508	980	980	980	741	770	801
Medical Aid Contributions		62	108	75	189	131	131	80	81	82
Overtime										
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	864	766	424	996	1,056	1,056	1,056	1,106	1,160
Cellphone Allowance	3	361	138	88	150	150	150	150	157	165
Housing Allowances	3									
Other benefits and allowances	3	1	1	0	1	1	1	1	1	1
Payments in lieu of leave										
Long service awards		–	–	120	–	–	–	–	–	–
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		9,873	9,124	6,950	8,515	8,822	8,822	9,286	9,713	10,180
% increase	4		(7.6%)	(23.8%)	22.5%	3.6%	–	5.3%	4.6%	4.8%
Other Municipal Staff										
Basic Salaries and Wages		134,713	158,467	168,325	202,735	201,007	201,007	226,989	237,657	249,302
Pension and UIF Contributions		28,222	32,090	34,086	41,504	41,253	41,253	44,851	46,959	49,260
Medical Aid Contributions		12,162	12,778	16,205	20,317	20,815	20,815	20,711	21,684	22,747
Overtime		11,866	14,658	15,893	13,410	16,690	16,690	16,083	16,839	17,664
Performance Bonus		10,518	12,068	13,497	16,081	15,164	15,164	17,492	18,314	19,212
Motor Vehicle Allowance	3	8,509	10,335	10,292	12,680	12,782	12,782	13,291	13,915	14,597
Cellphone Allowance	3	1,380	1,598	1,780	1,974	1,993	1,993	2,012	2,106	2,209
Housing Allowances	3	1,308	1,429	1,537	2,099	2,136	2,136	2,126	2,226	2,335
Other benefits and allowances	3	4,648	5,628	6,920	12,755	13,255	13,255	13,227	13,849	14,528
Payments in lieu of leave		2,342	9,805	1,624	1,643	2,317	2,317	1,908	1,997	2,095
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	187	455	465	–	–	–	–	–	–
Sub Total - Other Municipal Staff		215,855	259,311	270,623	325,198	327,411	327,411	358,689	375,548	393,949
% increase	4		20.1%	4.4%	20.2%	0.7%	–	9.6%	4.7%	4.9%
Total Parent Municipality		237,454	280,894	290,543	347,369	349,889	349,889	381,631	399,559	419,128
			18.3%	3.4%	19.6%	0.7%	–	9.1%	4.7%	4.9%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–

Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		237,454	280,894	290,543	347,369	349,889	349,889	381,631	399,559	419,128
% increase	4		18.3%	3.4%	19.6%	0.7%	–	9.1%	4.7%	4.9%
TOTAL MANAGERS AND STAFF	5,7	225,728	268,435	277,572	333,712	336,233	336,233	367,975	385,261	404,129

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

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		757,983		47,064			805,047
Chief Whip			297,321		146,171			443,492
Executive Mayor			947,481		47,064			994,545
Deputy Executive Mayor								–
Executive Committee			2,664,789		1,123,583			3,788,372
Total for all other councillors			3,822,983		2,074,416			5,897,399
Total Councillors	8	–	8,490,557	–	3,438,298			11,928,855
Senior Managers of the Municipality	5							
Municipal Manager (MM)			991,514	172,184	270,118			1,433,816
Chief Finance Officer			974,729	1,893	204,118			1,180,740
SM D02			2,175,482	1,893	84,118			2,261,493
SM D03						–		–
SM D04			1,496,357	309,050	240,118			2,045,525
SM D06			834,081	143,948	204,118	–		1,182,147
SM DCH			786,196	191,770	204,118			1,182,084
SM DCS			–	–	–			–
SM DPS			–	–	–			–
								–
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	7,258,359	820,738	1,206,708	–		9,285,805
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	–	15,748,916	820,738	4,645,006	–		21,214,660

GT422 Midvaal - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
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	–	5	6	–	3	6	–	3
Other Managers	7	37	27	7	37	27	7	37	27	7
Professionals		*43*	*39*	*1*	*43*	*39*	*1*	*43*	*39*	*1*
Finance		6	6	–	6	6	–	6	6	–
Spatial/town planning		7	6	–	7	6	–	7	6	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		1	1	–	1	1	–	1	1	–
Electricity		2	2	–	2	2	–	2	2	–
Water		2	2	–	2	2	–	2	2	–
Sanitation		1	1	–	1	1	–	1	1	–
Refuse		1	1	–	1	1	–	1	1	–
Other		22	19	1	22	19	1	22	19	1
Technicians		*10*	*10*	–	*10*	*10*	–	*10*	*10*	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		7	7	–	7	7	–	7	7	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		1	1	–	1	1	–	1	1	–
Water		1	1	–	1	1	–	1	1	–
Sanitation		1	1	–	1	1	–	1	1	–
Refuse		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)		191	170	4	191	170	4	191	170	4
Service and sales workers		158	99	33	158	99	33	158	99	33
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		99	82	–	99	82	–	99	82	–
Plant and Machine Operators		125	88	–	125	88	–	125	88	–
Elementary Occupations		242	209	–	242	209	–	242	209	–
TOTAL PERSONNEL NUMBERS	9	911	724	50	911	724	48	911	724	48
% increase					–	–	(4.0%)	–	–	–
Total municipal employees headcount	6, 10	911	724	50	964	773	49	964	773	49
Finance personnel headcount	8, 10	911	724	50	964	773	49	964	773	49
Human Resources personnel headcount	8, 10	911	724	50	964	773	49	964	773	49

GT422 Midvaal - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source																
Property rates		22,614	22,614	22,614	22,614	22,614	22,614	22,614	22,614	22,614	22,614	22,614	22,614	271,371	290,367	310,692
Service charges - electricity revenue		39,050	39,050	39,050	39,050	39,050	39,050	39,050	39,050	39,050	39,050	39,050	39,050	468,601	510,233	555,571
Service charges - water revenue		21,070	21,070	21,070	21,070	21,070	21,070	21,070	21,070	21,070	21,070	21,070	21,071	252,846	272,813	294,358
Service charges - sanitation revenue		4,337	4,337	4,337	4,337	4,337	4,337	4,337	4,337	4,337	4,337	4,337	4,337	52,047	55,169	59,031
Service charges - refuse revenue		4,369	4,369	4,369	4,369	4,369	4,369	4,369	4,369	4,369	4,369	4,369	4,369	52,433	55,579	59,470
Rental of facilities and equipment		99	99	99	99	99	99	99	99	99	99	99	99	1,193	1,264	1,340
Interest earned - external investments		1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	19,307	20,118	21,003
Interest earned - outstanding debtors		1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	19,375	19,918	20,511
Dividends received													–	–	–	–
Fines, penalties and forfeits		4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	49,940	52,936	56,112
Licences and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services													–	–	–	–
Transfers and subsidies		12,668	12,668	12,668	12,668	12,668	12,668	12,668	12,668	12,668	12,668	12,668	12,668	152,018	162,926	168,081
Other revenue		999	999	999	999	999	999	999	999	999	999	999	1,000	11,993	12,644	13,339
Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contribution		112,594	112,594	112,594	112,594	112,594	112,594	112,594	112,594	112,594	112,594	112,594	112,594	1,351,123	1,453,969	1,559,509
Expenditure By Type																
Employee related costs		30,665	30,665	30,665	30,665	30,665	30,665	30,665	30,665	30,665	30,665	30,665	30,662	367,975	385,261	404,129
Remuneration of councillors		1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138	13,656	14,298	14,999
Debt impairment		8,586	8,586	8,586	8,586	8,586	8,586	8,586	8,586	8,586	8,586	8,586	8,586	103,037	109,150	115,447
Depreciation & asset impairment		11,146	11,146	11,146	11,146	11,146	11,146	11,146	11,146	11,146	11,146	11,146	11,144	133,748	138,982	144,479
Finance charges		1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	17,391	15,411	14,802
Bulk purchases - electricity		32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	392,353	427,272	465,300
Inventory consumed		10,741	10,741	10,741	10,741	10,741	10,741	10,741	10,741	10,741	10,741	10,741	10,740	128,890	138,598	149,025
Contracted services		11,919	11,919	11,919	11,919	11,919	11,919	11,919	11,919	11,919	11,919	11,919	11,917	143,026	148,359	155,265
Transfers and subsidies		125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,500	1,500
Other expenditure		6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,054	72,679	75,398	78,373
Losses		3,760	3,760	3,760	3,760	3,760	3,760	3,760	3,760	3,760	3,760	3,760	3,760	45,119	48,683	52,529
Total Expenditure		118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,273	1,419,374	1,502,912	1,595,846
Surplus/(Deficit)		(5,688)	(5,688)	(5,688)	(5,688)	(5,688)	(5,688)	(5,688)	(5,688)	(5,688)	(5,688)	(5,688)	(5,679)	(68,251)	(48,944)	(36,337)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,005	82,578	80,533
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													2,000	2,000	1,500	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	3,822	23,754	35,134	44,196
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	3,822	23,754	35,134	44,196

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

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote																
Vote 01 - Executive & Council		539	539	539	539	539	539	539	539	539	539	539	539	6,473	6,674	6,933
Vote 02 - Corporate Services		150	150	150	150	150	150	150	150	150	150	150	150	1,796	1,904	2,018
Vote 03 - Financial Services		31,042	31,042	31,042	31,042	31,042	31,042	31,042	31,042	31,042	31,042	31,042	31,042	372,503	403,631	429,348
Vote 04 - Development & Planning		1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	13,136	3,324	3,523
Vote 05 - Health		496	496	496	496	496	496	496	496	496	496	496	496	5,952	5,952	5,952
Vote 06 - Community And Social Services		2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	35,056	29,749	25,682
Vote 07 - Public Safety		255	255	255	255	255	255	255	255	255	255	255	255	3,060	1,124	1,191
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 - 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		7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	86,158	74,841	78,756
Vote 11 - Solid Waste Management		5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	61,463	67,060	76,113
Vote 12 - Roads And Transport		3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	39,096	47,442	53,428
Vote 13 - Water Services		26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	313,434	342,809	360,275
Vote 14 - Electrical Services		41,827	41,827	41,827	41,827	41,827	41,827	41,827	41,827	41,827	41,827	41,827	41,827	501,919	550,456	593,740
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	1,443,128	1,538,046	1,640,042
Expenditure by Vote to be appropriated																
Vote 01 - Executive & Council		3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,226	38,727	40,384	42,195
Vote 02 - Corporate Services		6,272	6,272	6,272	6,272	6,272	6,272	6,272	6,272	6,272	6,272	6,272	6,271	75,260	78,649	82,144
Vote 03 - Financial Services		7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	89,716	93,075	96,104
Vote 04 - Development & Planning		3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	43,539	45,528	47,697
Vote 05 - Health		490	490	490	490	490	490	490	490	490	490	490	489	5,876	6,147	6,442
Vote 06 - Community And Social Services		5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,570	66,864	68,763	72,431
Vote 07 - Public Safety		3,173	3,173	3,173	3,173	3,173	3,173	3,173	3,173	3,173	3,173	3,173	3,172	38,073	39,800	41,649
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		369	369	369	369	369	369	369	369	369	369	369	368	4,424	4,632	4,858
Vote 10 - Waste Water Management		5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	63,168	65,970	68,995
Vote 11 - Solid Waste Management		5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,743	68,924	70,994	73,808
Vote 12 - Roads And Transport		14,369	14,369	14,369	14,369	14,369	14,369	14,369	14,369	14,369	14,369	14,369	14,368	172,428	179,556	188,492
Vote 13 - Water Services		19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	229,201	246,984	264,869
Vote 14 - Electrical Services		43,598	43,598	43,598	43,598	43,598	43,598	43,598	43,598	43,598	43,598	43,598	43,597	523,174	562,430	606,164
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,273	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) before assoc.		1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,988	23,754	35,134	44,196
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,988	23,754	35,134	44,196

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

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional																
Governance and administration		31,870	31,870	31,870	31,870	31,870	31,870	31,870	31,870	31,870	31,870	31,870	31,870	382,443	414,004	440,169
Executive and council		539	539	539	539	539	539	539	539	539	539	539	539	6,473	6,674	6,933
Finance and administration		31,331	31,331	31,331	31,331	31,331	31,331	31,331	31,331	31,331	31,331	31,331	31,331	375,970	407,330	433,236
Internal audit													–	–	–	–
Community and public safety		6,930	6,930	6,930	6,930	6,930	6,930	6,930	6,930	6,930	6,930	6,930	6,930	83,164	78,267	76,754
Community and social services		1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696	20,356	20,408	21,320
Sport and recreation		1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	14,699	9,341	4,362
Public safety		3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	42,156	42,565	45,119
Housing													–	–	–	–
Health		496	496	496	496	496	496	496	496	496	496	496	496	5,952	5,952	5,952
Economic and environmental services		1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	16,217	12,405	16,104
Planning and development		1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	13,136	3,324	3,523
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	6,000	9,500
Environmental protection		257	257	257	257	257	257	257	257	257	257	257	257	3,081	3,081	3,081
Trading services		80,109	80,109	80,109	80,109	80,109	80,109	80,109	80,109	80,109	80,109	80,109	80,109	961,303	1,033,371	1,107,015
Energy sources		41,687	41,687	41,687	41,687	41,687	41,687	41,687	41,687	41,687	41,687	41,687	41,687	500,248	548,661	591,870
Water management		26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	26,120	313,434	342,809	360,275
Waste water management		7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	7,180	86,158	74,841	78,756
Waste management		5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	5,122	61,463	67,060	76,113
Other													–	–	–	–
Total Revenue - Functional		120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	120,261	1,443,128	1,538,046	1,640,042
Expenditure - Functional																
Governance and administration		19,946	19,946	19,946	19,946	19,946	19,946	19,946	19,946	19,946	19,946	19,946	19,942	239,351	248,934	258,988
Executive and council		3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,227	3,226	38,727	40,384	42,195
Finance and administration		16,719	16,719	16,719	16,719	16,719	16,719	16,719	16,719	16,719	16,719	16,719	16,716	200,625	208,550	216,794
Internal audit													–	–	–	–
Community and public safety		15,809	15,809	15,809	15,809	15,809	15,809	15,809	15,809	15,809	15,809	15,809	15,807	189,710	198,388	208,733
Community and social services		1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,973	23,682	24,652	26,292
Sport and recreation		2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	31,787	32,725	34,211
Public safety		10,697	10,697	10,697	10,697	10,697	10,697	10,697	10,697	10,697	10,697	10,697	10,697	128,364	134,864	141,788
Housing													–	–	–	–
Health		490	490	490	490	490	490	490	490	490	490	490	489	5,876	6,147	6,442
Economic and environmental services		10,381	10,381	10,381	10,381	10,381	10,381	10,381	10,381	10,381	10,381	10,381	10,380	124,565	128,880	134,879
Planning and development		3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	43,539	45,528	47,697
Road transport		6,384	6,384	6,384	6,384	6,384	6,384	6,384	6,384	6,384	6,384	6,384	6,383	76,602	78,720	82,324
Environmental protection		369	369	369	369	369	369	369	369	369	369	369	368	4,424	4,632	4,858
Trading services		72,146	72,146	72,146	72,146	72,146	72,146	72,146	72,146	72,146	72,146	72,146	72,144	865,748	926,710	993,247
Energy sources		42,038	42,038	42,038	42,038	42,038	42,038	42,038	42,038	42,038	42,038	42,038	42,038	504,455	542,761	585,575
Water management		19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	229,201	246,984	264,869
Waste water management		5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	5,264	63,168	65,970	68,995
Waste management		5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,744	5,743	68,924	70,994	73,808
Other													–	–	–	–
Total Expenditure - Functional		118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,282	118,273	1,419,374	1,502,912	1,595,846
Surplus/(Deficit) before assoc.		1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,988	23,754	35,134	44,196
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,988	23,754	35,134	44,196

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

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Multi-year expenditure *to be appropriated*	1															
Vote 01 - Executive & Council		3	3	3	3	3	3	3	3	3	3	3	3	30	–	–
Vote 02 - Corporate Services		259	259	259	259	259	259	259	259	259	259	259	259	3,104	1,680	1,795
Vote 03 - Financial Services		57	57	57	57	57	57	57	57	57	57	57	57	680	1,537	2,600
Vote 04 - Development & Planning		848	848	848	848	848	848	848	848	848	848	848	848	10,180	20	25
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	18,444	20,026	23,788
Vote 07 - Public Safety		288	288	288	288	288	288	288	288	288	288	288	287	3,450	100	2,115
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	17,100	–	2,000
Vote 11 - Solid Waste Management		977	977	977	977	977	977	977	977	977	977	977	977	11,720	19,711	12,420
Vote 12 - Roads And Transport		382	382	382	382	382	382	382	382	382	382	382	382	4,580	8,217	12,896
Vote 13 - Water Services		2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	32,052	28,876	25,153
Vote 14 - Electrical Services		2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	26,997	34,478	30,087
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	10,695	10,695	10,695	10,695	10,695	10,695	10,695	10,695	10,695	10,695	10,695	10,694	128,336	114,645	112,879
Single-year expenditure *to be appropriated*																
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		104	104	104	104	104	104	104	104	104	104	104	104	1,245	210	–
Vote 03 - Financial Services		23	23	23	23	23	23	23	23	23	23	23	23	280	–	–
Vote 04 - Development & Planning		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		83	83	83	83	83	83	83	83	83	83	83	83	995	200	2,474
Vote 07 - Public Safety		375	375	375	375	375	375	375	375	375	375	375	375	4,500	–	–
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Solid Waste Management		260	260	260	260	260	260	260	260	260	260	260	260	3,120	–	–
Vote 12 - Roads And Transport		468	468	468	468	468	468	468	468	468	468	468	468	5,617	–	1,500
Vote 13 - Water Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Electrical Services		75	75	75	75	75	75	75	75	75	75	75	75	900	5,500	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	16,657	5,910	3,974
Total Capital Expenditure	2	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,082	144,994	120,555	116,853

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

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional	1															
Governance and administration		486	486	486	486	486	486	486	486	486	486	486	486	5,834	3,427	6,569
Executive and council		3	3	3	3	3	3	3	3	3	3	3	3	30	–	–
Finance and administration		484	484	484	484	484	484	484	484	484	484	484	484	5,804	3,427	6,569
Internal audit													–	–	–	–
Community and public safety		2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	30,149	20,826	26,838
Community and social services		510	510	510	510	510	510	510	510	510	510	510	510	6,125	7,100	6,300
Sport and recreation		1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,074	12,894	13,126	17,788
Public safety		928	928	928	928	928	928	928	928	928	928	928	927	11,130	600	2,750
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	17,197	7,737	13,786
Planning and development		848	848	848	848	848	848	848	848	848	848	848	848	10,180	20	25
Road transport		585	585	585	585	585	585	585	585	585	585	585	585	7,017	7,717	13,761
Environmental protection													–	–	–	–
Trading services		7,651	7,651	7,651	7,651	7,651	7,651	7,651	7,651	7,651	7,651	7,651	7,651	91,813	88,564	69,660
Energy sources		2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,318	27,822	39,978	30,087
Water management		2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	2,671	32,052	28,876	25,153
Waste water management		1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	17,100	–	2,000
Waste management		1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	14,840	19,711	12,420
Other													–	–	–	–
Total Capital Expenditure - Functional	2	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,082	144,994	120,555	116,853
Funded by:																
National Government		6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478	77,738	72,528	70,599
Provincial Government		677	677	677	677	677	677	677	677	677	677	677	677	8,125	5,600	5,300
District Municipality													–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		167	167	167	167	167	167	167	167	167	167	167	167	2,000	1,500	–
Transfers recognised - capital		7,322	7,322	7,322	7,322	7,322	7,322	7,322	7,322	7,322	7,322	7,322	7,322	87,863	79,628	75,899
Borrowing		2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	25,725	27,400	17,550
Internally generated funds		2,617	2,617	2,617	2,617	2,617	2,617	2,617	2,617	2,617	2,617	2,617	2,617	31,406	13,527	23,404
Total Capital Funding		12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,082	144,994	120,555	116,853

GT422 Midvaal - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Receipts By Source													1		
Property rates	18,436	18,436	18,436	18,436	18,436	18,436	18,436	18,436	18,436	18,436	18,436	18,436	221,235	221,235	221,235
Service charges - electricity revenue	36,361	36,361	36,361	36,361	36,361	36,361	36,361	36,361	36,361	36,361	36,361	36,361	436,337	448,452	461,646
Service charges - water revenue	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390	184,684	184,912	185,159
Service charges - sanitation revenue	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	49,294	49,294	49,294
Service charges - refuse revenue	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	38,504	41,326	58,683
Rental of facilities and equipment												–			
Interest earned - external investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors												–			
Dividends received												–			
Fines, penalties and forfeits	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	4,162	49,940	52,936	56,112
Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services												–			
Transfers and Subsidies - Operational												–			
Other revenue	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	299,469	261,412	283,283
Cash Receipts by Source	106,622	106,622	106,622	106,622	106,622	106,622	106,622	106,622	106,622	106,622	106,622	106,622	1,279,463	1,259,567	1,315,412
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets												–			
Short term loans												–			
Borrowing long term/refinancing	2,734	2,734	2,734	2,734	2,734	2,734	2,734	2,734	2,734	2,734	2,734	2,734	32,806	27,400	15,550
Increase (decrease) in consumer deposits	(1,517)	(1,517)	(1,517)	(1,517)	(1,517)	(1,517)	(1,517)	(1,517)	(1,517)	(1,517)	(1,517)	(1,517)	(18,201)	–	–
Decrease (increase) in non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	107,839	107,839	107,839	107,839	107,839	107,839	107,839	107,839	107,839	107,839	107,839	107,839	1,294,068	1,286,967	1,330,962
Cash Payments by Type															
Employee related costs	31,886	31,886	31,886	31,886	31,886	31,886	31,886	31,886	31,886	31,886	31,886	31,884	382,631	400,559	420,128
Remuneration of councillors												–			
Finance charges												–			
Bulk purchases - electricity	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	32,696	392,353	427,272	465,300
Acquisitions - water & other inventory	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,532	150,396	162,278	162,278
Contracted services												–			
Transfers and grants - other municipalities												–			
Transfers and grants - other												–			
Other expenditure	63,051	63,051	63,051	63,051	63,051	63,051	63,051	63,051	63,051	63,051	63,051	63,048	756,608	784,105	769,807
Cash Payments by Type	140,166	140,166	140,166	140,166	140,166	140,166	140,166	140,166	140,166	140,166	140,166	140,160	1,681,989	1,774,214	1,817,512
Other Cash Flows/Payments by Type															
Capital assets	11,690	11,690	11,690	11,690	11,690	11,690	11,690	11,690	11,690	11,690	11,690	11,690	140,284	120,555	116,853
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments												–			
Total Cash Payments by Type	151,857	151,857	151,857	151,857	151,857	151,857	151,857	151,857	151,857	151,857	151,857	151,850	1,822,273	1,894,769	1,934,365
NET INCREASE/(DECREASE) IN CASH HELD	(44,018)	(44,018)	(44,018)	(44,018)	(44,018)	(44,018)	(44,018)	(44,018)	(44,018)	(44,018)	(44,018)	(44,012)	(528,205)	(607,802)	(603,403)
Cash/cash equivalents at the month/year begin:	12,017	(32,000)	(76,018)	(120,036)	(164,053)	(208,071)	(252,088)	(296,106)	(340,123)	(384,141)	(428,158)	(472,176)	12,017	(516,188)	(1,123,990)
Cash/cash equivalents at the month/year end:	(32,000)	(76,018)	(120,036)	(164,053)	(208,071)	(252,088)	(296,106)	(340,123)	(384,141)	(428,158)	(472,176)	(516,188)	(516,188)	(1,123,990)	(1,727,393)

GT422 Midvaal - NOT REQUIRED - municipality does not have entities

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R million		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial Performance										
Property rates										
Service charges										
Investment revenue										
Transfers recognised - operational										
Other own revenue										
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)										
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	–	–
Employee costs										
Remuneration of Board Members										
Depreciation & asset impairment										
Finance charges										
Inventory consumed and bulk purchases										
Transfers and grants										
Other expenditure										
Total Expenditure		–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–
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										

GT422 Midvaal - Supporting Table SA32 List of external mechanisms

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

GT422 Midvaal - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
														–
														–
														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
														–
														–
														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
ABSA		4,195	1,428	1,428	1,506	1,602								10,158
NdlalaValuation		1,000	1,052	1,110	1,176	1,247								5,584
														–
Total Capital Expenditure Implication		5,195	2,479	2,537	2,682	2,848	–	–	–	–	–	–	–	15,742
Total Parent Expenditure Implication		5,195	2,479	2,537	2,682	2,848	–	–	–	–	–	–	–	15,742
Entities:														
Revenue Obligation By Contract	2													
														–
														–
														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
														–
														–
														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
														–
														–
														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		37,041	32,995	17,461	16,450	61,604	61,604	23,317	20,717	25,261
Roads Infrastructure		12,850	–	6,304	3,500	42,263	42,263	6,217	7,717	12,261
Roads		12,750	–	6,304	3,500	42,263	42,263	6,217	7,717	12,261
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		100	–	–	–	–	–	–	–	–
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		9,723	9,703	10,048	12,200	18,591	18,591	16,100	13,000	13,000
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks		8,194	8,799	9,514	11,100	15,244	15,244	15,500	10,000	13,000
LV Networks		1,528	903	535	1,100	1,632	1,632	600	1,500	–
Capital Spares		–	–	–	–	1,716	1,716	–	1,500	–
Water Supply Infrastructure		–	20,958	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations		–	18,948	–	–	–	–	–	–	–
Water Treatment Works										
Bulk Mains										
Distribution		–	2,009	–	–	–	–	–	–	–
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		14,469	2,335	1,109	750	750	750	1,000	–	–
Pump Station										
Reticulation		12,000	478	–	–	–	–	–	–	–
Waste Water Treatment Works		2,121	1,857	1,109	750	750	750	1,000	–	–
Outfall Sewers		347	–	–	–	–	–	–	–	–
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

Community Assets		6,692	991	–	–	5,200	5,200	150	5,100	14,174
Community Facilities		6,692	991	–	–	5,200	5,200	150	5,100	14,174
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		4,649	182	–	–	2,700	2,700	–	100	–
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks		898	–	–	–	2,500	2,500	150	5,000	14,174
Public Open Space		572	809	–	–	–	–	–	–	–
Nature Reserves										
Public Ablution Facilities										
Markets		–	–	–	–	–	–	–	–	–
Stalls		573	–	–	–	–	–	–	–	–
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		–	1,336	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property										
Non-revenue Generating		–	1,336	–	–	–	–	–	–	–
Improved Property										
Unimproved Property		–	1,336	–	–	–	–	–	–	–
Other assets		564	–	–	1,600	55	55	10,000	–	–
Operational Buildings		564	–	–	100	55	55	–	–	–
Municipal Offices		564	–	–	100	55	55	–	–	–
Pay/Enquiry Points										
Building Plan Offices										
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots		–	–	–	–	–	–	–	–	–
Capital Spares										
Housing		–	–	–	1,500	–	–	10,000	–	–
Staff Housing										
Social Housing		–	–	–	1,500	–	–	10,000	–	–
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		1,319	1,417	–	1,000	1,000	1,000	1,500	500	500
Servitudes		303	682	–	–	–	–	–	–	–
Licences and Rights		1,017	735	–	1,000	1,000	1,000	1,500	500	500
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		1,017	735	–	1,000	1,000	1,000	1,500	500	500
Load Settlement Software Applications										
Unspecified										
Computer Equipment		223	1,551	93	300	1,147	1,147	1,100	1,000	1,000
Computer Equipment		223	1,551	93	300	1,147	1,147	1,100	1,000	1,000
Furniture and Office Equipment		451	163	1,948	2,082	3,128	3,128	6,740	1,287	3,570
Furniture and Office Equipment		451	163	1,948	2,082	3,128	3,128	6,740	1,287	3,570
Machinery and Equipment		3,729	202	1,011	6,370	6,393	6,393	9,425	2,510	195
Machinery and Equipment		3,729	202	1,011	6,370	6,393	6,393	9,425	2,510	195
Transport Assets		8,009	10,675	1,544	10,250	12,789	12,789	7,150	14,900	7,800
Transport Assets		8,009	10,675	1,544	10,250	12,789	12,789	7,150	14,900	7,800
Land		9,631	1,141	8,093	–	4,500	4,500	309	–	–
Land		9,631	1,141	8,093	–	4,500	4,500	309	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	67,659	50,470	30,151	38,052	95,817	95,817	59,691	46,014	52,500

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		31,603	24,926	69,039	60,671	115,168	115,168	48,064	55,584	48,860
Roads Infrastructure		4,889	–	–	–	–	–	–	–	–
Roads		4,889	–	–	–	–	–	–	–	–
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		4,449	3,735	32,201	18,500	7,508	7,508	10,072	22,478	17,087
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations		3,949	1,309	492	1,000	1,508	1,508	1,000	1,000	–
MV Switching Stations										
MV Networks		500	2,426	31,000	16,500	4,709	4,709	9,072	16,478	17,087
LV Networks		–	–	–	–	–	–	–	5,000	–
Capital Spares		–	–	709	1,000	1,291	1,291	–	–	–
Water Supply Infrastructure		18,997	18,200	34,467	33,871	96,954	96,954	28,152	25,876	23,153
Dams and Weirs										
Boreholes										
Reservoirs		1,196	220	–	–	28,026	28,026	–	–	–
Pump Stations										
Water Treatment Works										
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		17,802	17,980	34,467	33,871	68,928	68,928	28,152	25,876	23,153
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		3,268	2,991	2,305	2,700	5,700	5,700	1,740	–	2,000
Pump Station		547	2,259	1,756	1,000	1,000	1,000	–	–	2,000
Reticulation		2,217	732	343	1,500	4,500	4,500	1,740	–	–
Waste Water Treatment Works		505	–	207	200	200	200	–	–	–
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	66	5,600	5,005	5,005	8,100	7,231	6,620
Landfill Sites		–	–	–	5,000	2,467	2,467	7,500	4,500	–
Waste Transfer Stations		–	–	66	600	2,538	2,538	600	2,731	6,620
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		5,682	2,346	7,510	8,459	13,980	13,980	13,164	12,726	7,478
Community Facilities		929	1,391	1,986	3,000	1,500	1,500	2,000	3,400	3,000

Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries		929	1,391	1,986	3,000	1,500	1,500	2,000	3,400	3,000
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		4,753	955	5,525	5,459	12,480	12,480	11,164	9,326	4,478
Indoor Facilities										
Outdoor Facilities		4,753	955	5,525	5,459	12,480	12,480	11,164	9,326	4,478
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		11	150	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		11	150	–	–	–	–	–	–	–
Improved Property										
Unimproved Property		11	150	–	–	–	–	–	–	–
Other assets		–	–	–	80	75	75	–	–	–
Operational Buildings		–	–	–	80	75	75	–	–	–
Municipal Offices		–	–	–	80	75	75	–	–	–
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		–	–	–	–	–	–	1,000	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	1,000	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		–	–	–	–	–	–	1,000	–	–
Load Settlement Software Applications										
Unspecified										
Computer Equipment		159	48	652	7,150	9,096	9,096	2,500	1,650	1,750
Computer Equipment		159	48	652	7,150	9,096	9,096	2,500	1,650	1,750
Furniture and Office Equipment		99	174	207	15	97	97	–	80	15
Furniture and Office Equipment		99	174	207	15	97	97	–	80	15
Machinery and Equipment		–	983	–	–	–	–	–	–	–
Machinery and Equipment		–	983	–	–	–	–	–	–	–
Transport Assets		1,316	1,299	1,185	3,815	5,116	5,116	2,475	1,500	2,750
Transport Assets		1,316	1,299	1,185	3,815	5,116	5,116	2,475	1,500	2,750
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	38,870	29,925	78,593	80,189	143,533	143,533	67,203	71,541	60,854

GT422 Midvaal - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		81,031	86,999	90,372	105,231	107,500	107,500	124,045	129,680	135,831
Roads Infrastructure		26,469	28,630	24,648	29,338	23,477	23,477	29,668	30,996	32,445
Roads										
Road Structures		17,236	17,789	12,253	15,737	9,149	9,149	13,358	13,919	14,531
Road Furniture										
Capital Spares		9,232	10,842	12,396	13,601	14,329	14,329	16,311	17,077	17,914
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation										
Electrical Infrastructure		18,744	18,673	19,129	24,784	26,946	26,946	28,253	29,549	30,962
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks		6,575	5,098	4,474	5,115	7,873	7,873	6,523	6,797	7,096
LV Networks										
Capital Spares		12,169	13,575	14,655	19,668	19,072	19,072	21,731	22,752	23,867
Water Supply Infrastructure		15,387	18,783	22,829	22,369	26,802	26,802	29,692	31,048	32,528
Dams and Weirs										
Boreholes		–	1	–	–	–	–	–	–	–
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		2,978	2,940	5,792	4,122	7,921	7,921	7,914	8,246	8,609
Distribution Points										
PRV Stations										
Capital Spares		12,409	15,842	17,037	18,248	18,880	18,880	21,778	22,801	23,919
Sanitation Infrastructure		20,430	20,912	23,766	28,740	27,755	27,755	33,912	35,462	37,154
Pump Station		4,901	3,686	4,067	4,453	3,833	3,833	4,427	4,613	4,816
Reticulation		–	–	–	38	–	–	–	–	–
Waste Water Treatment Works		8,460	8,860	9,803	13,592	11,413	11,413	16,008	16,739	17,537
Outfall Sewers										
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		7,069	8,366	9,896	10,657	12,509	12,509	13,476	14,110	14,801
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	2,520	2,520	2,520	2,626	2,741
Data Centres		–	–	–	–	2,520	2,520	2,520	2,626	2,741
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		53	123	38	188	188	188	1,247	1,291	1,844
Community Facilities		53	123	38	188	188	188	1,247	1,291	1,844
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries		35	44	31	85	85	85	1,139	1,178	1,727
Cemeteries/Crematoria		17	79	7	104	104	104	108	112	117

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		2,925	1,912	2,793	1,669	1,639	1,639	8,938	9,306	9,716
Operational Buildings		2,925	1,912	2,793	1,669	1,639	1,639	8,938	9,306	9,716
Municipal Offices		2,925	1,912	2,793	1,669	1,639	1,639	8,938	9,306	9,716
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	37	11	41	1	1	–	–	–
Computer Equipment		11	37	11	41	1	1	–	–	–
Furniture and Office Equipment		55	96	56	391	350	350	363	378	395
Furniture and Office Equipment		55	96	56	391	350	350	363	378	395
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		9,179	10,408	10,338	12,174	11,193	11,193	12,030	12,552	13,122
Transport Assets		9,179	10,408	10,338	12,174	11,193	11,193	12,030	12,552	13,122
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	93,253	99,575	103,609	119,695	120,872	120,872	146,623	153,207	160,908
R&M as a % of PPE		*4.5%*	*4.9%*	*5.1%*	*5.4%*	*5.6%*	*5.6%*	*7.0%*	*6.3%*	*6.6%*
R&M as % Operating Expenditure		*10.7%*	*10.1%*	*10.2%*	*10.4%*	*10.6%*	*10.6%*	*15.5%*	*10.8%*	*10.7%*

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

check balance	–	–	–	–	–	–	–	–	–

GT422 Midvaal - Supporting Table SA34d Depreciation by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Depreciation by Asset Class/Sub-class										
Infrastructure		98,711	112,621	106,363	101,637	108,493	108,493	112,925	117,577	122,463
Roads Infrastructure		29,851	31,830	31,572	33,162	35,469	35,469	37,243	39,105	41,060
Roads		29,851	31,830	31,572	33,162	35,469	35,469	37,243	39,105	41,060
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		53,091	53,613	53,669	50,970	53,890	53,890	56,002	58,221	60,550
Power Plants		53,091	–	–	–	–	–	–	–	–
HV Substations		–	1,199	1,199	1,175	1,199	1,199	1,259	1,321	1,388
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413
MV Substations		–	1,683	1,721	1,630	1,803	1,803	1,803	1,803	1,803
MV Switching Stations		–	498	495	498	507	507	507	507	507
MV Networks		–	7,660	7,678	7,588	7,722	7,722	7,722	7,722	7,722
LV Networks		–	40,946	40,975	38,447	41,052	41,052	43,105	45,260	47,523
Capital Spares		–	216	189	218	194	194	194	194	194
Water Supply Infrastructure		6,478	7,494	7,509	6,771	8,153	8,153	8,153	8,153	8,153
Dams and Weirs		6,478	0	0	0	0	0	0	0	0
Boreholes		–	–	0	0	0	0	0	0	0
Reservoirs		–	1,732	1,772	1,732	1,817	1,817	1,817	1,817	1,817
Pump Stations		–	78	82	78	82	82	82	82	82
Water Treatment Works		–	84	86	84	97	97	97	97	97
Bulk Mains		–	7	7	7	23	23	23	23	23
Distribution		–	5,267	5,195	4,544	5,733	5,733	5,733	5,733	5,733
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	326	367	325	401	401	401	401	401
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		9,291	10,966	10,831	10,734	10,981	10,981	11,526	12,099	12,700
Pump Station		9,291	10,948	10,783	10,674	10,904	10,904	11,449	12,022	12,623
Reticulation		–	19	45	54	45	45	45	45	45
Waste Water Treatment Works		–	–	3	7	32	32	32	32	32
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	8,717	2,781	–	–	–	–	–	–
Landfill Sites		–	8,717	2,781	–	–	–	–	–	–
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		11,277	9,336	9,046	10,221	8,093	8,093	8,497	8,921	9,366
Community Facilities		11,277	9,336	9,046	10,142	8,093	8,093	8,497	8,921	9,366
Halls		11,277	9,286	8,741	9,881	7,723	7,723	8,109	8,515	8,941
Centres		–	1	3	6	12	12	12	12	12
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	49	302	256	358	358	376	395	414
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		–	–	–	79	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities		–	–	–	79	–	–	–	–	–
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	28	28	31	28	28	30	31	33
Operational Buildings		4	28	28	31	28	28	30	31	33
Municipal Offices		4	28	28	31	28	28	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	6	4	10	10	10	10	10
Servitudes										
Licences and Rights		119	2	6	4	10	10	10	10	10
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		119	2	6	4	10	10	10	10	10
Load Settlement Software Applications										
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		1,642	1,833	1,516	2,645	1,546	1,546	1,623	1,704	1,789
Computer Equipment		1,642	1,833	1,516	2,645	1,546	1,546	1,623	1,704	1,789
Furniture and Office Equipment		881	1,250	1,563	1,541	1,425	1,425	1,497	1,571	1,650
Furniture and Office Equipment		881	1,250	1,563	1,541	1,425	1,425	1,497	1,571	1,650
Machinery and Equipment		2,065	2,250	2,594	2,475	2,469	2,469	2,469	2,469	2,469
Machinery and Equipment		2,065	2,250	2,594	2,475	2,469	2,469	2,469	2,469	2,469
Transport Assets		7,804	9,064	9,264	9,160	6,698	6,698	6,698	6,698	6,698
Transport Assets		7,804	9,064	9,264	9,160	6,698	6,698	6,698	6,698	6,698
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	122,503	136,385	130,381	127,714	128,763	128,763	133,748	138,982	144,479

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		42,493	49,974	16,356	14,963	24,986	24,986	18,100	3,000	3,500
Roads Infrastructure		12,238	23,917	3,808	6,163	7,914	7,914	–	–	1,500
Roads		12,238	23,917	3,808	6,163	7,914	7,914	–	–	1,500
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		10,233	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations										
MV Networks										
LV Networks		10,233	–	–	–	–	–	–	–	–
Capital Spares										
Water Supply Infrastructure		6,324	8,378	3,748	2,500	1,615	1,615	3,500	3,000	2,000
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		6,324	8,378	3,748	2,500	1,615	1,615	3,500	3,000	2,000
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		6,269	4,614	8,800	6,300	15,457	15,457	14,600	–	–
Pump Station		–	–	11	1,000	1,000	1,000	2,000	–	–
Reticulation		5,606	4,614	8,789	5,300	14,457	14,457	12,600	–	–
Waste Water Treatment Works		663	–	–	–	–	–	–	–	–
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		7,429	13,065	–	–	–	–	–	–	–
Landfill Sites		7,429	13,065	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries		–	–	–	–	–	–	–	–	–
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		–	501	543	3,250	8,624	8,624	–	–	–
Operational Buildings		–	501	543	3,250	8,624	8,624	–	–	–
Municipal Offices		–	501	543	3,250	8,624	8,624	–	–	–
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		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		1,630	2,765	–	–	–	–	–	–	–
Machinery and Equipment		1,630	2,765	–	–	–	–	–	–	–
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	44,123	53,240	16,900	18,213	33,610	33,610	18,100	3,000	3,500
Upgrading of Existing Assets as % of total capex		*0.0%*	*39.8%*	*13.5%*	*13.3%*	*12.3%*	*12.3%*	*12.5%*	*2.5%*	*3.0%*
Upgrading of Existing Assets as % of deprecn"		*36.0%*	*39.0%*	*13.0%*	*14.3%*	*26.1%*	*26.1%*	*13.5%*	*2.2%*	*2.4%*

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

Vote Description	Ref	2021/22 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Present value
Capital expenditure	1							
Vote 01 - Executive & Council		30	–	–	–	–	–	–
Vote 02 - Corporate Services		4,349	1,890	1,795	–	–	–	–
Vote 03 - Financial Services		960	1,537	2,600	–	–	–	–
Vote 04 - Development & Planning		10,180	20	25	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–
Vote 06 - Community And Social Services		19,439	20,226	26,262	–	–	–	–
Vote 07 - Public Safety		7,950	100	2,115	–	–	–	–
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–
Vote 10 - Waste Water Management		17,100	–	2,000	–	–	–	–
Vote 11 - Solid Waste Management		14,840	19,711	12,420	–	–	–	–
Vote 12 - Roads And Transport		10,197	8,217	14,396	–	–	–	–
Vote 13 - Water Services		32,052	28,876	25,153	–	–	–	–
Vote 14 - Electrical Services		27,897	39,978	30,087	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–
List entity summary if applicable								
Total Capital Expenditure		144,994	120,555	116,853	–	–	–	–
Future operational costs by vote	2							
Vote 01 - Executive & Council								
Vote 02 - Corporate Services								
Vote 03 - Financial Services								
Vote 04 - Development & Planning								
Vote 05 - Health								
Vote 06 - Community And Social Services								
Vote 07 - Public Safety								
Vote 08 - Sport And Recreation								
Vote 09 - Environmental Protection								
Vote 10 - Waste Water Management								
Vote 11 - Solid Waste Management								
Vote 12 - Roads And Transport								
Vote 13 - Water Services								
Vote 14 - Electrical Services								
Vote 15 - Other								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates		271,371	290,367	310,692				
Service charges - electricity revenue		468,601	510,233	555,571				
Service charges - water revenue		252,846	272,813	294,358				
Service charges - sanitation revenue		52,047	55,169	59,031				
Service charges - refuse revenue		52,433	55,579	59,470				
Rental of facilities and equipment		1,193	1,264	1,340				
List other revenues sources if applicable		19,307	20,118	21,003				
List entity summary if applicable								
Total future revenue		1,117,798	1,205,544	1,301,466	–	–	–	–
Net Financial Implications		(972,804)	(1,084,990)	(1,184,613)	–	–	–	–

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))

2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))

3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

GT422 Midvaal - Supporting Table SA36 Detailed capital budget

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 Latitude	Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework: Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:																
List all capital projects grouped by Function																
Executive And Council	n-Infrastructure:New:Furniture And Office	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	HEAD OFFICE	0	0	–	–	30	–	–
Executive And Council	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	HEAD OFFICE	0	0	373	400	–	–	–
Finance And Administration	Capital:Infrastructure:Existing:Renewal:Wa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Water Supply Infrastructure	Reservoirs	WHOLE OF MUNICIPALITY	0	0	–	28,026	–	–	–
Finance And Administration	Capital:Infrastructure:Existing:Renewal:Wa	Distrib010	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Water Supply Infrastructure	Distribution	WHOLE OF MUNICIPALITY	0	0	–	20,120	–	–	–
Finance And Administration	Capital:Infrastructure:New:Roads Infrastru	–	NEW	mpetitive and responsive economic infrastru	Growth		Roads Infrastructure	Roads	WHOLE OF MUNICIPALITY	0	0	–	30,000	–	–	–
Finance And Administration	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	nt: effective and development-oriented publi	Governance		Operational Buildings	Municipal Offices	HEAD OFFICE	0	0	–	75	–	–	–
Finance And Administration	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	nt: effective and development-oriented publi	Governance		Computer Equipment	Computer Equipment	HEAD OFFICE	0	0	652	9,096	2,500	1,650	1,750
Finance And Administration	Astructure:Existing:Renewal:Intangible As	–	RENEWAL	nt: effective and development-oriented publi	Governance		Licences And Rights	Computer Software And Applications	HEAD OFFICE	0	0	–	–	1,000	–	–
Finance And Administration	Capital:Non-Infrastructure:New:Computer	–	NEW	nt: effective and development-oriented publi	Growth		Computer Equipment	Computer Equipment	WHOLE OF MUNICIPALITY	0	0	93	–	–	–	–
Finance And Administration	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	HEAD OFFICE	0	0	236	423	745	67	2,645
Finance And Administration	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WHOLE OF MUNICIPALITY	0	0	49	30	105	–	–
Finance And Administration	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	HEAD OFFICE	0	0	–	94	745	1,710	–
Finance And Administration	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	HEAD OFFICE	0	0	–	–	250	–	–
Finance And Administration	Capital:Non-Infrastructure:Existing:Upgra	–	UPGRADING	nt: effective and development-oriented publi	Governance		Operational Buildings	Municipal Offices	HEAD OFFICE	0	0	100	–	–	–	–
Finance And Administration	Capital:Non-Infrastructure:New:Communit	–	NEW	nt: effective and development-oriented publi	Growth		Community Facilities	Parks	WARD 10	0	0	–	–	150	–	2,174
Finance And Administration	Capital:Non-Infrastructure:Land	–	NEW		Spatial Integration		Land	Land	WARD 11	0	0	7,862	–	–	–	–
Finance And Administration	Capital:Non-Infrastructure:Land	–	NEW		Spatial Integration		Land	Land	WHOLE OF MUNICIPALITY	0	0	232	4,500	309	–	–
Community And Social Services	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	Quality basic education	Inclusion and Access		Community Facilities	Libraries	WARD 01	0	0	297	150	200	200	300
Community And Social Services	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	Quality basic education	Inclusion and Access		Community Facilities	Libraries	WARD 04	0	0	199	150	200	200	200
Community And Social Services	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	Quality basic education	Inclusion and Access		Community Facilities	Libraries	WARD 06	0	0	297	200	300	300	300
Community And Social Services	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	Quality basic education	Inclusion and Access		Community Facilities	Libraries	WARD 10	0	0	298	200	300	300	300
Community And Social Services	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	Quality basic education	Inclusion and Access		Community Facilities	Libraries	WARD 11	0	0	196	150	300	1,700	1,200
Community And Social Services	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	Quality basic education	Inclusion and Access		Community Facilities	Libraries	WARD 14	0	0	499	500	500	500	500
Community And Social Services	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	Quality basic education	Inclusion and Access		Community Facilities	Libraries	WARD 15	0	0	199	150	200	200	200
Community And Social Services	Infrastructure:Existing:Renewal:Commun	–	RENEWAL	A long and healthy life for all South Africans	Inclusion and Access		Sport And Recreation Facilities	Outdoor Facilities	WARD 03	0	0	24	76	–	1,500	1,000
Community And Social Services	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	nt: effective and development-oriented publi	Governance		Furniture And Office Equipment	Furniture And Office Equipment	WARD 09	0	0	127	–	–	–	–
Community And Social Services	Capital:Non-Infrastructure:New:Computer	–	NEW	nt: effective and development-oriented publi	Growth		Computer Equipment	Computer Equipment	WARD 09	0	0	–	1,147	1,100	1,000	1,000
Community And Social Services	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WARD 09	0	0	–	–	1,200	700	800
Community And Social Services	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WARD 10	0	0	–	–	300	–	–
Community And Social Services	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WARD 11	0	0	–	330	–	–	–
Community And Social Services	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WARD 15	0	0	159	118	–	–	–
Community And Social Services	Capital:Non-Infrastructure:New:Intangible	–	NEW	nt: effective and development-oriented publi	Growth		Licences And Rights	Computer Software And Applications	WARD 09	0	0	–	1,000	1,500	500	500
Community And Social Services	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	WHOLE OF MUNICIPALITY	0	0	–	–	25	–	–
Community And Social Services	Capital:Non-Infrastructure:Existing:Upgra	–	UPGRADING	nt: effective and development-oriented publi	Governance		Operational Buildings	Municipal Offices	WARD 01	0	0	412	1,988	–	–	–
Community And Social Services	Capital:Non-Infrastructure:Existing:Upgra	–	UPGRADING	nt: effective and development-oriented publi	Governance		Operational Buildings	Municipal Offices	WARD 04	0	0	–	375	–	–	–
Community And Social Services	Capital:Non-Infrastructure:Existing:Upgra	–	UPGRADING	nt: effective and development-oriented publi	Governance		Operational Buildings	Municipal Offices	WARD 09	0	0	–	200	–	–	–
Community And Social Services	Capital:Non-Infrastructure:Existing:Upgra	–	UPGRADING	nt: effective and development-oriented publi	Governance		Operational Buildings	Municipal Offices	WARD 10	0	0	31	3,086	–	–	–
Community And Social Services	Capital:Non-Infrastructure:New:Other Ass	–	NEW	nt: effective and development-oriented publi	Growth		Operational Buildings	Municipal Offices	WARD 15	0	0	–	55	–	–	–
Sport And Recreation	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Reticulation	WHOLE OF MUNICIPALITY	0	0	–	–	120	–	–
Sport And Recreation	Infrastructure:Existing:Renewal:Commun	–	RENEWAL	A long and healthy life for all South Africans	Inclusion and Access		Sport And Recreation Facilities	Outdoor Facilities	WARD 06	0	0	5,365	12,203	11,164	7,826	3,478
Sport And Recreation	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	nt: effective and development-oriented publi	Governance		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	763	1,968	1,125	–	2,150
Sport And Recreation	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	HEAD OFFICE	0	0	7	8	–	–	–
Sport And Recreation	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	WHOLE OF MUNICIPALITY	0	0	242	339	485	300	160
Sport And Recreation	Capital:Non-Infrastructure:New:Communit	–	NEW	nt: effective and development-oriented publi	Growth		Community Facilities	Parks	WHOLE OF MUNICIPALITY	0	0	–	2,500	–	5,000	12,000
Public Safety	Infrastructure:Existing:Renewal:Commun	–	RENEWAL	A long and healthy life for all South Africans	Inclusion and Access		Sport And Recreation Facilities	Outdoor Facilities	WARD 01	0	0	138	201	–	–	–
Public Safety	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	nt: effective and development-oriented publi	Governance		Furniture And Office Equipment	Furniture And Office Equipment	WHOLE OF MUNICIPALITY	0	0	67	15	–	–	15
Public Safety	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WARD 01	0	0	82	–	–	–	–
Public Safety	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WHOLE OF MUNICIPALITY	0	0	306	1,650	3,350	–	100
Public Safety	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	WHOLE OF MUNICIPALITY	0	0	–	–	2,100	–	–
Public Safety	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	WARD 01	0	0	–	2,489	–	–	–
Public Safety	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	–	–	2,500	–	2,000
Public Safety	Capital:Non-Infrastructure:New:Communit	–	NEW	sive; responsive and sustainable social prot	Growth		Community Facilities	Fire/Ambulance Stations	HEAD OFFICE	0	0	–	2,700	–	–	–
Public Safety	Capital:Non-Infrastructure:New:Communit	–	NEW	sive; responsive and sustainable social prot	Growth		Community Facilities	Fire/Ambulance Stations	WHOLE OF MUNICIPALITY	0	0	–	–	–	100	–
Planning And Development	Capital:Non-Infrastructure:New:Other Ass	–	NEW	uman settlements and improved quality of li	Growth		Housing	Social Housing	WHOLE OF MUNICIPALITY	0	0	–	–	10,000	–	–
Planning And Development	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	HEAD OFFICE	0	0	8	50	180	20	25
Planning And Development	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	HEAD OFFICE	0	0	154	–	–	–	–
Road Transport	Capital:Infrastructure:Existing:Upgrading:	–	UPGRADING	mpetitive and responsive economic infrastru	Inclusion and Access		Roads Infrastructure	Roads	WHOLE OF MUNICIPALITY	0	0	3,808	7,914	–	–	1,500
Road Transport	Capital:Infrastructure:New:Roads Infrastru	–	NEW	mpetitive and responsive economic infrastru	Growth		Roads Infrastructure	Roads	WHOLE OF MUNICIPALITY	0	0	9,304	12,263	6,217	7,717	12,261
Road Transport	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	nt: effective and development-oriented publi	Governance		Furniture And Office Equipment	Furniture And Office Equipment	WHOLE OF MUNICIPALITY	0	0	13	–	–	–	–
Road Transport	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL		Governance		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	422	466	600	–	600
Road Transport	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WHOLE OF MUNICIPALITY	0	0	1,045	431	830	500	–
Road Transport	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	HEAD OFFICE	0	0	–	1,050	1,750	–	–
Road Transport	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	WHOLE OF MUNICIPALITY	0	0	163	410	400	–	35
Road Transport	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	877	550	400	–	–
Energy Sources	Capital:Infrastructure:New:Electrical Infra	–	NEW	mpetitive and responsive economic infrastru	Growth		Electrical Infrastructure	Mv Networks	WARD 08	0	0	9,014	14,744	15,000	10,000	11,000
Energy Sources	Capital:Infrastructure:New:Electrical Infra	–	NEW	mpetitive and responsive economic infrastru	Growth		Electrical Infrastructure	Mv Networks	WHOLE OF MUNICIPALITY	0	0	499	500	500	–	2,000
Energy Sources	Capital:Infrastructure:New:Electrical Infra	–	NEW	mpetitive and responsive economic infrastru	Growth		Electrical Infrastructure	Lv Networks	WARD 10	0	0	393	900	–	1,000	–
Energy Sources	Capital:Infrastructure:New:Electrical Infra	–	NEW	mpetitive and responsive economic infrastru	Growth		Electrical Infrastructure	Lv Networks	WHOLE OF MUNICIPALITY	0	0	142	732	600	530	–
Energy Sources	Capital:Infrastructure:New:Electrical Infra	–	NEW	mpetitive and responsive economic infrastru	Growth		Electrical Infrastructure	Capital Spares	WHOLE OF MUNICIPALITY	0	0	–	1,718	–	1,500	–
Energy Sources	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL		Governance		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	–	750	750	1,500	–
Energy Sources	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	HEAD OFFICE	0	0	–	–	500	500	–
Energy Sources	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	WHOLE OF MUNICIPALITY	0	0	–	–	400	–	–
Energy Sources	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	141	500	–	2,500	–
Energy Sources	Capital:Infrastructure:Existing:Renewal:El	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Electrical Infrastructure	Mv Substations	WHOLE OF MUNICIPALITY	0	0	492	1,508	1,000	1,000	–
Energy Sources	Capital:Infrastructure:Existing:Renewal:El	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Electrical Infrastructure	Mv Networks	WARD 02	0	0	1,731	269	–	–	–
Energy Sources	Capital:Infrastructure:Existing:Renewal:El	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Electrical Infrastructure	Mv Networks	WARD 08	0	0	485	–	–	1,000	1,000
Energy Sources	Capital:Infrastructure:Existing:Renewal:El	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Electrical Infrastructure	Mv Networks	WARD 11	0	0	28,214	3,439	7,072	13,478	16,087
Energy Sources	Capital:Infrastructure:Existing:Renewal:El	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Electrical Infrastructure	Mv Networks	WHOLE OF MUNICIPALITY	0	0	570	1,000	2,000	2,000	–
Energy Sources	Capital:Infrastructure:Existing:Renewal:El	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Electrical Infrastructure	Lv Networks	WHOLE OF MUNICIPALITY	0	0	–	–	–	5,000	–
Energy Sources	Capital:Infrastructure:Existing:Renewal:El	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Electrical Infrastructure	Capital Spares	WHOLE OF MUNICIPALITY	0	0	709	1,291	–	–	–
Water Management	Capital:Infrastructure:Existing:Renewal:Wa	Distrib010	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Water Supply Infrastructure	Distribution	WARD 02	0	0	–	4,500	7,500	–	–
Water Management	Capital:Infrastructure:Existing:Renewal:Wa	Distrib010	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Water Supply Infrastructure	Distribution	WARD 08	0	0	–	5,000	–	–	–
Water Management	Capital:Infrastructure:Existing:Renewal:Wa	Distrib010	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Water Supply Infrastructure	Distribution	WHOLE OF MUNICIPALITY	0	0	34,467	39,328	20,652	25,876	23,153
Water Management	Capital:Infrastructure:Existing:Upgrading:	–	UPGRADING	mpetitive and responsive economic infrastru	Inclusion and Access		Water Supply Infrastructure	Distribution	WARD 01	0	0	299	115	–	–	–
Water Management	Capital:Infrastructure:Existing:Upgrading:	–	UPGRADING	mpetitive and responsive economic infrastru	Inclusion and Access		Water Supply Infrastructure	Distribution	WHOLE OF MUNICIPALITY	0	0	3,448	1,500	3,500	3,000	2,000
Water Management	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	–	–	400	–	–
Waste Water Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Pump Station	WARD 01	0	0	152	–	–	–	–
Waste Water Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Pump Station	WARD 11	0	0	737	–	–	–	–
Waste Water Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Pump Station	WHOLE OF MUNICIPALITY	0	0	867	1,000	–	–	2,000
Waste Water Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Reticulation	WHOLE OF MUNICIPALITY	0	0	343	4,500	1,500	–	–
Waste Water Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Waste Water Treatment Works	WHOLE OF MUNICIPALITY	0	0	207	200	–	–	–
Waste Water Management	Capital:Infrastructure:Existing:Upgrading:	–	UPGRADING	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Pump Station	WHOLE OF MUNICIPALITY	0	0	11	1,000	2,000	–	–
Waste Water Management	Capital:Infrastructure:Existing:Upgrading:	–	UPGRADING	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Reticulation	WARD 01	0	0	186	–	–	–	–
Waste Water Management	Capital:Infrastructure:Existing:Upgrading:	–	UPGRADING	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Reticulation	WARD 08	0	0	3,473	630	–	–	–
Waste Water Management	Capital:Infrastructure:Existing:Upgrading:	–	UPGRADING	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Reticulation	WARD 11	0	0	288	–	–	–	–
Waste Water Management	Capital:Infrastructure:Existing:Upgrading:	–	UPGRADING	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Reticulation	WARD 15	0	0	4,942	13,827	12,600	–	–
Waste Water Management	Capital:Infrastructure:New:Sanitation Infra	–	NEW	mpetitive and responsive economic infrastru	Growth		Sanitation Infrastructure	Waste Water Treatment Works	WHOLE OF MUNICIPALITY	0	0	1,109	750	1,000	–	–
Waste Water Management	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL		Governance		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	–	1,470	–	–	–
Waste Water Management	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	WHOLE OF MUNICIPALITY	0	0	182	–	–	–	–
Waste Management	Capital:Infrastructure:Existing:Renewal:Wa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Sanitation Infrastructure	Reticulation	WHOLE OF MUNICIPALITY	0	0	–	–	120	–	–
Waste Management	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL	nt: effective and development-oriented publi	Governance		Furniture And Office Equipment	Furniture And Office Equipment	HEAD OFFICE	0	0	–	82	–	80	–
Waste Management	Capital:Non-Infrastructure:Existing:Renew	–	RENEWAL		Governance		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	–	462	–	–	–
Waste Management	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	HEAD OFFICE	0	0	25	–	–	–	–
Waste Management	Capital:Non-Infrastructure:New:Furniture	–	NEW	nt: effective and development-oriented publi	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WHOLE OF MUNICIPALITY	0	0	31	88	–	–	–
Waste Management	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	WARD 11	0	0	–	4,500	3,000	–	–
Waste Management	Capital:Non-Infrastructure:New:Machinery	–	NEW		Growth		Machinery And Equipment	Machinery And Equipment	WHOLE OF MUNICIPALITY	0	0	424	–	20	–	–
Waste Management	Capital:Non-Infrastructure:New:Transport	–	NEW		Growth		Transport Assets	Transport Assets	WHOLE OF MUNICIPALITY	0	0	–	8,850	3,600	12,400	5,800
Waste Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Solid Waste Infrastructure	Landfill Sites	WARD 05	0	0	–	–	2,000	–	–
Waste Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Solid Waste Infrastructure	Landfill Sites	WARD 15	0	0	–	467	1,500	1,500	–
Waste Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Solid Waste Infrastructure	Landfill Sites	WHOLE OF MUNICIPALITY	0	0	–	2,000	4,000	3,000	–
Waste Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Solid Waste Infrastructure	Waste Transfer Stations	WARD 02	0	0	66	2,538	600	600	–
Waste Management	Capital:Infrastructure:Existing:Renewal:Sa	–	RENEWAL	mpetitive and responsive economic infrastru	Inclusion and Access		Solid Waste Infrastructure	Waste Transfer Stations	WARD 09	0	0	–	–	–	2,131	6,620
Waste Management	Capital:Non-Infrastructure:Existing:Upgra	–	UPGRADING	nt: effective and development-oriented publi	Governance		Operational Buildings	Municipal Offices	WHOLE OF MUNICIPALITY	0	0	–	2,375	–	–	–
Parent Capital expenditure												125,643	272,959	144,994	120,559	116,853
Entities:																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure																
Total Capital expenditure												125,643	272,959	144,994	120,559	116,853

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

R thousand													Current Year 2020/21		2021/22 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	Previous target year to complete	Original Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:																	
List all capital projects grouped by Function																	
Water Management	Capital:Infrastructure:Existing:Upgrading:Wa	–	UPGRADING	*An efficient; co*	*Inclusion and Access*		*Water Supply Infrastructure*	*Distribution*	*WARD 01*	*0*	*0*		299	115	–	–	–
Water Management	Capital:Infrastructure:Existing:Upgrading:Wa	–	UPGRADING	*An efficient; co*	*Inclusion and Access*		*Water Supply Infrastructure*	*Distribution*	*WHOLE OF MUNICIPALITY*	*0*	*0*		3,449	1,500	3,500	3,000	2,000
List all capital projects grouped by Entity																	
Entity Name																	
Project name																	

GT422 Midvaal - Supporting Table SA38 Consolidated detailed operational projects

R thousand													Prior year outcomes		2021/22 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 Latitude		Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:																	
List all operational projects grouped by Function																	
Executive And Council	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				HEAD OFFICE	0	0		16,895	18,372	20,432	21,268	22,181
Executive And Council	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		13,708	17,470	14,230	14,883	15,598
Executive And Council	Operational Typical Work Streams:Communication And Public Participation:Mayoral/	–	Work Streams	ure settlements and improved quality	Inclusion and Access				HEAD OFFICE	0	0		79	855	861	897	937
Executive And Council	Operational Typical Work Streams:Communication And Public Participation:Mayoral/	–	Work Streams	ure settlements and improved quality	Inclusion and Access				WARD 01	0	0		1	–	–	–	–
Executive And Council	Operational Typical Work Streams:Functions And Events:Social Events And Functio	–	Work Streams	effective and development-oriented p	Inclusion and Access				HEAD OFFICE	0	0		10	11	183	190	197
Executive And Council	Operational Typical Work Streams:Strategic Management And Governance:Strategic	–	Work Streams	accountable, effective and efficient loc	Inclusion and Access				HEAD OFFICE	0	0		363	1,303	1,625	2,065	2,093
Executive And Council	Operational Typical Work Streams:Ward Committees:Meetings	–	Work Streams	accountable, effective and efficient loc	Inclusion and Access				HEAD OFFICE	0	0		715	865	833	868	907
Executive And Council	Two:Community Development:Education & Training	–	Work Streams	e, responsive and sustainable social p	Inclusion and Access				HEAD OFFICE	0	0		35	5	46	47	49
Executive And Council	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	HEAD OFFICE	0	0		–	2	2	2	2
Executive And Council	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	HEAD OFFICE	0	0		–	46	16	17	18
Executive And Council	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance	effective and development-oriented p	Governance		Transport Assets	Transport Assets	HEAD OFFICE	0	0		104	594	198	206	216
Finance And Administration	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				HEAD OFFICE	0	0		118,183	146,696	156,948	164,174	171,267
Finance And Administration	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		29,007	38,852	26,184	26,670	27,220
Finance And Administration	Operational Typical Work Streams:Communication And Public Participation:Awarene	–	Work Streams	ure settlements and improved quality	Inclusion and Access				HEAD OFFICE	0	0		19	76	76	79	83
Finance And Administration	Operational Typical Work Streams:Community Development:Disability	Disab200	Work Streams	e, responsive and sustainable social p	Inclusion and Access				HEAD OFFICE	0	0		–	15	15	15	16
Finance And Administration	Operational Typical Work Streams:Community Development:Disability	Disab200	Work Streams	e, responsive and sustainable social p	Inclusion and Access				WHOLE OF MUNICIP	0	0		–	13	13	14	14
Finance And Administration	Operational Typical Work Streams:Expanded Public Works Programme:Project	–	Work Streams	effective and development-oriented p	Inclusion and Access				HEAD OFFICE	0	0		1,429	2,157	2,301	1,863	1,945
Finance And Administration	Operational Typical Work Streams:Expanded Public Works Programme:Project	–	Work Streams	effective and development-oriented p	Inclusion and Access				WHOLE OF MUNICIP	0	0		36	–	–	–	–
Finance And Administration	Operational Typical Work Streams:Financial Management Grant:Interns Conversionals	–	Work Streams	accountable, effective and efficient loc	Governance				HEAD OFFICE	0	0		450	584	792	830	870
Finance And Administration	Operational Typical Work Streams:Functions And Events:Social Events And Functio	–	Work Streams	effective and development-oriented p	Inclusion and Access				HEAD OFFICE	0	0		6	–	117	122	127
Finance And Administration	Operational Typical Work Streams:Human Resources:Human Resource Managemen	–	Work Streams	accountable, effective and efficient loc	Governance				HEAD OFFICE	0	0		2	116	121	126	131
Finance And Administration	Operational Typical Work Streams:Human Resources:Staff Rehabilitation	–	Work Streams	accountable, effective and efficient loc	Governance				HEAD OFFICE	0	0		5	9	9	9	10
Finance And Administration	Two:Emergency & Disaster Management:Disaster Relief	–	Work Streams	e, responsive and sustainable social p	Governance				HEAD OFFICE	0	0		575	4,000	4,000	4,168	4,351
Finance And Administration	Two:Strategic Management & Governance:Communication & Development	–	Work Streams	accountable, effective and efficient loc	Inclusion and Access				WHOLE OF MUNICIP	0	0		–	125	338	352	368
Finance And Administration	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	e, responsive and sustainable social p	Inclusion and Access		Community Facilities	reatories/Crem	HEAD OFFICE	0	0		7	104	108	112	117
Finance And Administration	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance	effective and development-oriented p	Governance		Computer Equipment	omputer Equipm	HEAD OFFICE	0	0		11	–	–	–	–
Finance And Administration	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance	effective and development-oriented p	Governance		Computer Equipment	omputer Equipm	WHOLE OF MUNICIP	0	0		–	1	–	–	–
Finance And Administration	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	HEAD OFFICE	0	0		1	13	18	19	19
Finance And Administration	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	WHOLE OF MUNICIP	0	0		–	2	2	2	2
Finance And Administration		–	An efficient, competitive and responsive economic infra		Governance		Information And Communication Infrast	Data Centres	HEAD OFFICE	0	0		–	2,520	2,520	2,626	2,741
Finance And Administration	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	HEAD OFFICE	0	0		2,575	897	3,368	3,503	3,657
Finance And Administration	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	WHOLE OF MUNICIP	0	0		–	7	7	8	8
Finance And Administration	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based Ro	–	Preventative Maintenance	ective and responsive economic infra	Inclusion and Access		Roads Infrastructure	Road Structures	WHOLE OF MUNICIP	0	0		–	315	–	–	–
Finance And Administration	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Sanitation V	–	Corrective Maintenance	ective and responsive economic infra	Inclusion and Access		Sanitation Infrastructure	Water Treatment	WHOLE OF MUNICIP	0	0		–	315	–	–	–
Finance And Administration	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	HEAD OFFICE	0	0		–	22	27	28	29
Finance And Administration	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	WHOLE OF MUNICIP	0	0		2,967	3,103	3,402	3,562	3,736
Finance And Administration	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	HEAD OFFICE	0	0		39	129	153	159	166
Finance And Administration	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	WHOLE OF MUNICIP	0	0		23	55	107	111	116
Finance And Administration	Operational Maintenance:Infrastructure:Preventative Maintenance:Interval Based Wa	–	Preventative Maintenance	ective and responsive economic infra	Inclusion and Access		Water Supply Infrastructure	Distribution	WHOLE OF MUNICIP	0	0		283	263	–	–	–
Community And Social Services	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		15,467	19,597	21,514	22,462	23,445
Community And Social Services	Operational Typical Work Streams:Capacity Building:Trainins And Development:Cate	–	Work Streams	sable workforce to support an inclusi	Governance				WHOLE OF MUNICIP	0	0		81	–	75	78	82
Community And Social Services	Operational Typical Work Streams:Capacity Building:Trainins And Development:Work	–	Work Streams	sable workforce to support an inclusi	Governance				WHOLE OF MUNICIP	0	0		–	–	200	208	218
Community And Social Services	Operational Typical Work Streams:Community Development:Library Programmes	–	Work Streams	e, responsive and sustainable social p	Inclusion and Access				WHOLE OF MUNICIP	0	0		126	20	330	333	348
Community And Social Services	Two:Emergency & Disaster Management:Disaster Relief	–	Work Streams	e, responsive and sustainable social p	Governance				HEAD OFFICE	0	0		–	2,845	300	313	326
Community And Social Services	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	Quality basic education	Inclusion and Access		Community Facilities	Libraries	LE OF MUNICIP	0	0		31	85	1,138	1,178	1,727
Community And Social Services	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	LE OF MUNICIP	0	0		–	11	12	12	13
Community And Social Services	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		46	90	88	87	102
Community And Social Services	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		–	6	6	6	7
Community And Social Services	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		13	23	23	24	25
Sport And Recreation	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		19,133	21,103	25,023	26,210	27,410
Sport And Recreation	Operational Typical Work Streams:Environmental:Environmental Health	–	Work Streams	tance our environmental assets and n	Spatial Integration				WHOLE OF MUNICIP	0	0		11	125	130	135	141
Sport And Recreation	Operational Typical Work Streams:Environmental:Nursery	–	Work Streams	tance our environmental assets and n	Spatial Integration				WHOLE OF MUNICIP	0	0		19	53	53	55	57
Sport And Recreation	Operational Typical Work Streams:Expanded Public Works Programme:Project	–	Work Streams	effective and development-oriented p	Inclusion and Access				WHOLE OF MUNICIP	0	0		1,523	1,579	1,232	739	772
Sport And Recreation	Operational Typical Work Streams:Parks Programme	–	Work Streams	tance our environmental assets and n	Inclusion and Access				WHOLE OF MUNICIP	0	0		2,418	3,801	4,161	4,336	4,526
Sport And Recreation	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	LE OF MUNICIP	0	0		–	1	1	1	1
Sport And Recreation	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		88	192	240	253	265
Sport And Recreation	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		7	55	57	60	62
Sport And Recreation	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		786	824	897	935	976
Public Safety	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		25,343	33,850	37,080	38,769	40,572
Public Safety	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	LE OF MUNICIP	0	0		55	161	162	169	176
Public Safety	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		920	797	828	862	900
Health	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		4,242	4,974	5,198	5,441	5,704
Health	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	LE OF MUNICIP	0	0		–	132	137	143	149
Health	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		–	362	398	415	433
Health	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		–	28	29	30	31
Health	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		11	111	115	119	125
Planning And Development	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				HEAD OFFICE	0	0		215	143	149	155	162
Planning And Development	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		26,397	34,020	42,027	43,953	46,053
Planning And Development	Operational Typical Work Streams:Communication And Public Participation:By-Laws	–	Work Streams	ure settlements and improved quality	Inclusion and Access				WHOLE OF MUNICIP	0	0		475	10	10	11	11
Planning And Development	Operational Typical Work Streams:Strategic Management And Governance:Risk Man	–	Work Streams	accountable, effective and efficient loc	Inclusion and Access				WHOLE OF MUNICIP	0	0		3	–	–	–	–
Planning And Development	Operational Typical Work Streams:Strategic Management And Governance:Strategic	–	Work Streams	accountable, effective and efficient loc	Spatial Integration				WHOLE OF MUNICIP	0	0		1,015	994	1,250	1,347	1,407
Planning And Development	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	LE OF MUNICIP	0	0		–	14	14	15	16
Planning And Development	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		–	–	27	28	30
Planning And Development	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		–	18	18	19	20
Road Transport	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		111,940	118,052	136,134	141,652	148,831
Road Transport	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	LE OF MUNICIP	0	0		–	11	12	12	13
Road Transport	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		26	29	106	110	115
Road Transport	Operational Maintenance:Infrastructure:Corrective Maintenance Planned:Roads Infra	–	Corrective Maintenance	ective and responsive economic infra	Inclusion and Access		Roads Infrastructure	Capital Spares	LE OF MUNICIP	0	0		12,396	14,329	16,311	17,077	17,914
Road Transport	Operational Maintenance:Infrastructure:Preventative Maintenance:Interval Based Ro	–	Preventative Maintenance	ective and responsive economic infra	Inclusion and Access		Roads Infrastructure	Road Structures	LE OF MUNICIP	0	0		12,253	8,834	13,358	13,919	14,531
Road Transport	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		19	–	–	–	–
Road Transport	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		772	938	974	1,015	1,059
Environmental Protection	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		3,234	4,086	4,368	4,573	4,796
Environmental Protection	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		11	9	9	10	10
Environmental Protection	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		11	46	47	49	51
Energy Sources	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		369,646	408,574	474,677	511,624	552,954
Energy Sources	Operational Typical Work Streams:Strategic Management And Governance:Master P	–	Work Streams	accountable, effective and efficient loc	Spatial Integration				WHOLE OF MUNICIP	0	0		–	46	48	50	52
Energy Sources	Operational Maintenance:Infrastructure:Corrective Maintenance Planned:Electrical Inf	–	Corrective Maintenance	ective and responsive economic infra	Inclusion and Access		Electrical Infrastructure	Capital Spares	LE OF MUNICIP	0	0		14,655	19,072	21,731	22,752	23,867
Energy Sources	Operational Maintenance:Infrastructure:Corrective Maintenance Planned:Electrical Inf	–	Corrective Maintenance	ective and responsive economic infra	Inclusion and Access		Electrical Infrastructure	Mv Networks	LE OF MUNICIP	0	0		4,474	7,873	6,523	6,797	7,099
Energy Sources	Operational Maintenance:Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		50	–	525	547	571
Energy Sources	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		16	–	–	–	–
Energy Sources	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		581	884	952	992	1,035
Water Management	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		190,569	205,593	190,695	205,752	221,753
Water Management	Operational Typical Work Streams:Parks Programme	–	Work Streams	tance our environmental assets and n	Inclusion and Access				WHOLE OF MUNICIP	0	0		–	25	–	–	–
Water Management	Operational Typical Work Streams:Water Saving Initiatives	–	Work Streams	effective and development-oriented p	Inclusion and Access				WHOLE OF MUNICIP	0	0		7,604	9,624	8,438	9,793	10,160
Water Management	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		2	12	13	14	14
Water Management	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		3	–	–	–	–
Water Management	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		390	349	363	378	395
Water Management	Operational Maintenance:Infrastructure:Corrective Maintenance Planned:Water Supp	–	Corrective Maintenance	ective and responsive economic infra	Inclusion and Access		Water Supply Infrastructure	Capital Spares	LE OF MUNICIP	0	0		17,037	18,880	21,778	22,801	23,919
Water Management	Operational Maintenance:Infrastructure:Preventative Maintenance:Interval Based Wa	–	Preventative Maintenance	ective and responsive economic infra	Inclusion and Access		Water Supply Infrastructure	Distribution	LE OF MUNICIP	0	0		5,509	7,859	7,914	8,246	8,609
Waste Water Management	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		31,364	30,565	24,261	25,303	26,406
Waste Water Management	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		4	–	4,093	4,254	4,420
Waste Water Management	Operational Maintenance:Infrastructure:Corrective Maintenance Planned:Sanitation I	–	Corrective Maintenance	ective and responsive economic infra	Inclusion and Access		Sanitation Infrastructure	Capital Spares	LE OF MUNICIP	0	0		9,896	12,509	13,476	14,110	14,801
Waste Water Management	Operational Maintenance:Infrastructure:Preventative Maintenance:Interval Based Sa	–	Preventative Maintenance	ective and responsive economic infra	Inclusion and Access		Sanitation Infrastructure	Pump Station	LE OF MUNICIP	0	0		4,067	3,833	4,427	4,613	4,816
Waste Water Management	Operational Maintenance:Infrastructure:Corrective Maintenance Planned:Sanitation V	–	Corrective Maintenance	ective and responsive economic infra	Inclusion and Access		Sanitation Infrastructure	Water Treatment	LE OF MUNICIP	0	0		9,803	11,698	16,008	16,759	17,537
Waste Water Management	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		275	41	42	44	46
Waste Water Management	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		625	845	890	927	969
Waste Management	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				HEAD OFFICE	0	0		15	25	68	69	72
Waste Management	Operational Municipal Running Cost	M123	Municipal Running Cost	ure settlements and improved quality	Governance				WHOLE OF MUNICIP	0	0		49,571	57,543	63,486	65,983	68,451
Waste Management	Operational Typical Work Streams:Expanded Public Works Programme:Project	–	Work Streams	effective and development-oriented p	Inclusion and Access				HEAD OFFICE	0	0		–	569	513	–	–
Waste Management	Operational Typical Work Streams:Expanded Public Works Programme:Project	–	Work Streams	effective and development-oriented p	Inclusion and Access				WHOLE OF MUNICIP	0	0		1,734	1,716	1,718	1,791	1,869
Waste Management	Two:Strategic Management & Governance:Dev Interrated Waste Management Plan	–	Work Streams	accountable, effective and efficient loc	Spatial Integration				WHOLE OF MUNICIP	0	0		75	158	164	171	178
Waste Management	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Furnitu	–	Corrective Maintenance	effective and development-oriented p	Governance		Furniture And Office Equipment	e And Office Equ	LE OF MUNICIP	0	0		–	4	4	4	4
Waste Management	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Base	–	Preventative Maintenance	effective and development-oriented p	Governance		Operational Buildings	Municipal Office	LE OF MUNICIP	0	0		2	75	78	81	84
Waste Management	Operational Maintenance:Non-Infrastructure:Corrective Maintenance Planned:Transp	–	Corrective Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		60	–	–	–	–
Waste Management	Operational Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Bas	–	Preventative Maintenance		Governance		Transport Assets	Transport Assets	LE OF MUNICIP	0	0		2,702	2,719	2,896	3,016	3,149
Parent Operational expenditure												0	1,147,261	1,311,846	1,419,374	1,502,912	1,595,848
Entities:																	
List all Operational projects grouped by Entity																	
Entity A																	
Water project A																	
Entity B																	
Electricity project B																	
Entity Operational expenditure													–	–	–	–	–
Total Operational expenditure													1,147,261	1,311,846	1,419,374	1,502,912	1,595,848

Annexure B
Capital Budget Summary

Capital Budget per Funding Source	2021/2022	2022/2023	2023/2024
Capital Annuity Loans	18,600,000	11,000,000	7,000,000
Capital Leases	6,725,000	16,400,000	8,550,000
Capital Operational Revenue	31,806,088	13,527,000	25,403,913
Capital Monetary INEP	22,072,000	20,000,000	21,000,000
Capital Monetary MIG	27,665,570	29,663,957	30,887,392
Capital Monetary WSIG	18,000,000	17,364,000	18,712,000
Capital Monetary NHDG	10,000,000	-	-
Capital Monetary Developer Contribution	2,000,000	1,500,000	-
Capital Monetary DAC	6,125,000	5,600,000	5,300,000
Capital Monetary FFRG	2,000,000	-	-
Capital Monetary Energy Efficiency	-	5,000,000	-
TOTAL CAPITAL	**144,993,658**	**120,054,957**	**116,853,305**

Capital expenditure per Department			
Council	-	-	-
Municipal Manager	-	-	-
Corporate Services	4,378,697	1,890,000	1,795,000
Development & Planning	10,180,000	20,000	25,000
Financial Services	960,000	1,537,000	2,600,000
Community Services	37,888,959	29,436,783	41,432,652
Engineering Services	91,586,002	87,671,174	71,000,653
Savanna City	-	-	-
Total Expenditure	**144,993,658**	**120,554,957**	**116,853,305**

Annexure C
Capital Budget Project List

CAPEX BUDGET MTREF

Project Name	Department	Budget 2021/2022	
NDPG			
Construct traffic circle and public art feature at the intersection of Holiday and Loch Street (UDF)	Development and Planning Dept	R	1,500,000
Develop Public Open Spaces on western and eastern side of Meyer Station (UDF)	Development and Planning Dept	R	1,000,000
Economic Infrastructure / Urban Regeneration	Development and Planning Dept	R	7,500,000
		R	**10,000,000**
INEP			
Savanna City Electrification Network	Electricity Network	R	7,072,000
Sicelo electrification network	Electricity Network	R	15,000,000
		R	**22,072,000**
MIG			
Extension to Henley on Klip Sewer	Water & Sanitation	R	12,599,700
Sicelo/Highbury (Valley Settlements)Res	Water & Sanitation	R	3,851,602
Lakeside Sport Centre (MIG)	Sports & Recreation	R	11,163,959
Office furniture - New (MIG)	Engineering Admin	R	50,309
		R	**27,665,570**
DAC			
De Deur Library Books (DAC)	Libraries	R	300,000
Hok Library Books (DAC)	Libraries	R	200,000
ITC Hardware (Computers) - New	Libraries	R	1,100,000
Lakeside Library Books (DAC)	Libraries	R	300,000
Library Furniture - Sicelo - New	Libraries	R	300,000
Library furniture & equipment - Meyerton - New	Libraries	R	700,000
Meyerton Aircons	Libraries	R	500,000
Meyerton Library Books (DAC)	Libraries	R	500,000
Bantu Bonke Library books	Libraries	R	200,000
Randvaal Library Books (DAC)	Libraries	R	200,000
RFID Security System - Meyerton	Libraries	R	1,500,000
Sicelo Library Books (DAC)	Libraries	R	300,000
Vehicle Canopy & accessories	Libraries	R	25,000
		R	**6,125,000**
WSIG			
Aged Bulk Water Pipe Replacement	Water & Sanitation	R	13,000,000
Bulk Water Meters	Water & Sanitation	R	2,000,000
Installation of Onsite Toilets	Water & Sanitation	R	1,000,000
Pressure Management Infrastructure	Water & Sanitation	R	1,000,000
Refurbishment/Replacement-Supply Valves	Water & Sanitation	R	1,000,000
		R	**18,000,000**
Functional Fire and Rescue Grant			
Replacement of BA- Compressor system	Fire	R	550,000
Portable Pump	Fire	R	500,000
Rescue & Fire Fighting Equipment	Fire	R	950,000
		R	**2,000,000**

Project Name	Department	Budget 2021/2022	
Council Funding			
3 x 3 Bay Bulk filing units	Corporate Services Admin	R	60,000
Office Furniture	Corporate Services Admin	R	30,000
Overhead Projector (PMU)	Corporate Services Admin	R	10,000
Plastic Chairs - Hall	Corporate Services Admin	R	20,000
Recording Equipment (PMU)	Corporate Services Admin	R	35,000
Recording system	Corporate Services Admin	R	210,000
Steel Square Tables - Hall	Corporate Services Admin	R	20,000
Stragtegic Land Purchase (Ptn 55 of Farm Kookfontein)	Corporate Services Admin	R	48,950
Strategic Land Purchase (Ptn 53 farm Kookfontein)	Corporate Services Admin	R	25,300
Strategic Land Purchases (Plot 113 Ohio Road)	Corporate Services Admin	R	180,146
Strategic Land Purchases (Portion 102 Farm Kookfontein)	Corporate Services Admin	R	49,500
Strategic Land Purchases (Ptn 102 Farm Kookfontein)	Corporate Services Admin	R	4,801
Furniture and Equipment	Development and Planning Dept	R	170,000
New hand Held Devices	Development and Planning Dept	R	10,000
H/Mast & Street Lights:Unserviced Areas	Electricity Network	R	500,000
Ladders and Bins	Electricity Network	R	400,000
Renewable Energy For Municipal Building	Electricity Network	R	500,000
Replacement of Tools for Mechanics	Electricity Network	R	100,000
Building Air Conditioners	Engineering Admin	R	15,000
Furniture & Equipment	Engineering Admin	R	10,000
Aircons	Financial Services Dept	R	30,000
Fuel Tanks and Pumps	Financial Services Dept	R	500,000
Furniture and Equipment	Financial Services Dept	R	100,000
Heavy Duty office shredder	Financial Services Dept	R	50,000
Shelving for stores	Financial Services Dept	R	250,000
Stationary Cabinet x 6	Financial Services Dept	R	30,000
Wild land Fire & Rescue vehicle	Fire	R	2,500,000
New CCTV Cameras	Fire	R	2,500,000
Radios and Repeater	Fire	R	750,000
Security Equipment	Traffic	R	1,750,000
Small Gear Meyerton Fire Station	Fire	R	100,000
Swift Water Rescue Equipment (Training Centre)	Fire	R	100,000
Software & applications	IT Services	R	1,000,000
Midvaal Network Infrastructure Upgrade	IT Services	R	2,500,000
Brush Cutters - New	Landfill Sites	R	20,000
Rehabilitation of Henley (Closing June 2021)	Landfill Sites	R	1,500,000
Rehabilitation of Walker (Closing June 2022)	Landfill Sites	R	2,000,000
Air conditioners (Buildings)	Municipal Buildings	R	155,000
New Furniture (Office of the Mayor)	Office of the Mayor	R	30,000
mobile toilets	Parks	R	120,000
Pest control equipment (new pest and herbicide section)	Parks	R	200,000
self propelled lawn mower	Parks	R	100,000

Project Name	Department	Budget 2021/2022	
Telescopic Pole Pruners	Parks	R	25,000
Engineering HAND EQUIPMENT	Roads & Stormwater	R	400,000
Upgrading of Bronk Drive Road	Roads & Stormwater	R	5,217,391
Furniture & Equipment	Social Services Admin	R	20,000
Jungle Gym (ECD - Sicelo)	Social Services Admin	R	150,000
Ride on Lawnmowers with Trailers	Sports & Recreation	R	160,000
Blue Lights	Traffic	R	35,000
Equipment for Traffic Law Enforcement	Traffic	R	500,000
Folding & pressure sealer machine for Traffic	Traffic	R	150,000
Franking Machine	Traffic	R	90,000
Linux v/m Server	Traffic	R	55,000
Mobile toilets	Waste Management	R	120,000
Refurbishment of Blackwood Transfer Station	Waste Management	R	600,000
New Sewerage Connections	Water & Sanitation	R	1,000,000
Reservior Refurbishment -W/L Programme	Water & Sanitation	R	500,000
Water Meter Replacement Programme	Water & Sanitation	R	700,000
Vehicle replacements - Insurance	Water & Sanitation	R	400,000
Landfill Compactor	Waste Management	R	3,000,000
		R	**31,806,088**
External Loans			
Replace Redundant Switch Gear	Electricity Network	R	1,000,000
Replacement of Conventional Meters with Pre-paid Meters	Electricity Network	R	1,000,000
Landfill Cell Development (Expansion)	Landfill Sites	R	4,000,000
Rehabilitation of roads	Roads & Stormwater	R	1,000,000
Upgrading and Refublishment of Pump Stations & WWTW	Water & Sanitation	R	2,000,000
Replacement -Prepaid & Conventional Water M	Water & Sanitation	R	100,000
Prepaid Water meters (new)	Water & Sanitation	R	2,000,000
Rissiville Water Network (New)	Water & Sanitation	R	7,500,000
		R	**18,600,000**
Leases			
Land Cruisers New (Electrical)	Electricity Network	R	750,000
LDV (pest and weed control section)	Parks	R	400,000
LDV's (Replacements)	Parks	R	400,000
Tractors (Replacements)	Parks	R	325,000
LDV - New	Roads & Stormwater	R	400,000
Small Motor Vehicle	Social Services Admin	R	250,000
Vehicle Replacements	Traffic	R	600,000
Compactor (Refuse Truck)	Waste Management	R	2,800,000
Carrier Truck	Waste Management	R	800,000
		R	**6,725,000**
Developer Contributions			
Electricity Metering	Electricity Network	R	1,000,000
New Connections	Electricity Network	R	500,000
Extend Sewer Network	Water & Sanitation	R	500,000
		R	**2,000,000**
		R	**144,993,658**

Annexure D
Tariff Schedule for 2020/2021

ANNEXURE “D”

TARIFFS

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

INDEX

1. Property Rates Tariffs
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PROPERTY RATES TARIFFS FOR 2021/2022 FINANCIAL YEAR, EFFECTIVE 1 JULY 2021

No	Tariff Code	Policy Ref	Property Category	Rate Ratio (to residential rate)	Tariff 2021/2022	Impermissible	Reductions	Exemptions	Rebate
CATEGORIES OF PROPERTIES AS PER PROPERTY RATES POLICY									
1	RES001	9.1.8	Residential properties	1:1	0.0095294	15 000		135 000	
2	IND001		Industrial properties	1:2	0.019059				
3	BUS001		Business and Commercial properties	1:2	0.019059				
4	AGR001		Agricultural properties	1:0.25	0.002382				
5	MIN001		Mining Properties	1:2	0.019059				
6	POS001		Properties owned by an organ of state and used for public service purposes	1:2	0.019059				
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	PRO001	9.1.4	Protected areas	Exempt				100%	
10	MUN001	9.1.2	Municipal properties	Exempt				100%	
11	PMM001	9.1.3	Public monuments and memorials	Exempt				100%	
12	UNR001		Unregistered Properties (Administrative Purposes)	Exempt				100%	
13	COM001	9.1.5	Communal land and Land Reform Beneficiaries	Exempt				100%	
14	POW001	9.1.6	Place of Worship and Vicarage	Exempt				100%	
15	VAC001		Vacant Land	1:3	0.028588				
CATEGORIES OF OWNERS QUALIFYING FOR ADDITIONAL REBATES									
16		9.3.7	Approved Indigents	As per Council's Indigent Policy					100%
17		9.3.1	Pensioners earning two state pensions with a combined income not exceeding R6 500	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 R1 300 000 property value
18		9.3.1	Pensioners earning a combined income of between R6 500 and R8 000 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 R8 000 per month					50% up to R1 300 000 property value
19		9.3.2	Sports grounds used for amateur sports	Application Based					75%
20		9.3.3	Old Age Institutions registered at the Department of Welfare	Application Based					85%
21	RESAGR	9.3.4	Residential property owners residing on agriculatural holdings	Owners of small holdings (with property type agricultural holdings / farms)					50% up to R750 000 property value
22		9.3.5	Privately Owned Schools	Application Based					50%
23	RESFLP	9.3.6	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
24	BREW01	9.4.1	Developer Incentive	Application Based					10%
25	SAV005	9.4.1	Developer Incentive	Application Based					75%
26		9.4.2 to 9.4.3	Special Development rebate on Residential, Business/Commercial and Industrial.	As per Council's Property Rates Policy					
27		9.3.8	Pensioners, Indigent households, Flisp properties and Residential properties in terms of a Natural Disaster.	As per Council's Property Rates Policy					Council to determine Amount and the Period

Assessment Rates is Non Vatable

A. LAMBAT
EXECUTIVE DIRECTOR FINANCE

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION		2020/2021			2021/2022		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021							16.00
								%
	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		2020/2021			2021/2022		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		117.94	c		136.81	c	16.00%
	51 to 350 units-c/ per unit		148.21	c		171.92	c	16.00%
	351 to 600 units-c/ per unit		218.67	c		253.66	c	16.00%
	Above 600 units-c/ per unit		254.52	c		295.25	c	16.00%
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		237.57	c		275.59	c	16.00%
	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		227.19	c		263.54	c	16.00%
	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		227.19	c		263.54	c	16.00%
	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		227.19	c		263.54	c	16.00%
	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		237.57	c		275.59	c	16.00%
	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							
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)		237.57	c		275.59	c	16.00%
	Availability charge per meter per month	R			R			

ITEM	DESCRIPTION		2020/2021			2021/2022		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
3.3	Where the notified maximum demand is at least 100 kVA, the charges for electricity consumed shall be calculated in accordance with the provisions of a two-part tariff based upon metered demand and energy as set out in 3.3.1 and 3.3.2							
	Regardless of the meter-reading period, the following charges shall be levied for the consumption of electricity where the electricity is supplied or made available at a separate point of supply, per month or part thereof.							
	Availability charge per meter per month	R	0.00		R	0.00		0.00
3.3.1 a	**Low Voltage Demand**. When the supply is furnished at the nominal voltage of 400 Volts between phases, per kVA, (EEL041) (WAO444),(EEL034) (EEL077)	R	157.24		R	182.40		16.00%
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) (EEL074)	R	153.83		R	178.44		16.00%
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)		173.92			201.75	c	16.00%
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)		175.15	c		203.18	c	16.00%
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	339.99		R	394.39		16.00%
(b)	**Medium Voltage Demand**. When the supply is furnished at a nominal phase to phase of 11 000 volts, per kVA (EEL066)	R	323.83		R	375.64		16.00%

ITEM	DESCRIPTION		2020/2021			2021/2022		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		108.53	c		125.89	c	16.00%
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)		254.49	c		295.21	c	16.00%
(b)	Standard hours c per kWh (EEL82) .		114.20	c		132.48	c	16.00%
(c)	Off-peak hours c per kWh (EEL083)		89.89	c		104.27	c	16.00%
(d)	Maximum demand charge per kVA (EEL088) (30 minute integrating period)	R	100.52		R	116.60		16.00%
4.2.3	WINTER PERIOD (JUNE TO AUGUST)							
(a)	Peak hours c per kWh (EEL085)		380.69	c		441.60	c	16.00%
(b)	Standard hours c per kWh (EEL086) .		158.97	c		184.41	c	16.00%
(c)	Off-peak hours c per kWh (EEL087) .		96.24	c		111.64	c	16.00%
(d)	Maximum demand charge R per kVA (EEL088) (30 minute integration period)	R	100.52		R	116.60		16.00%
4.2.4	Reactive energy charge R per kVArh (EEL089)		47.71	c		55.34	c	16.00%
	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)		280.13	c		324.95	c	16.00%
(b)	Standard hours c per kWh (EEL092)		140.98	c		163.53	c	16.00%
(c)	Off-peak hours c per kWh (EEL093)		88.80	c		103.01	c	16.00%
4.3.2	WINTER PERIOD (JUNE TO AUGUST)							
(a)	Peak hours per kWh (EEL094)		568.22	c		659.13	c	16.00%
(b)	Standard hours per kWh (EEL095)		190.54	c		221.02	c	16.00%
(c)	Off-peak hours per kWh (EEL096)		102.03	c		118.36	c	16.00%
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.		32.41	c		37.59	c	16.00%
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		2020/2021			2021/2022		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	626.33		R	726.54		16.00%
5.2	Regardless of the meter-reading period, an energy charge for the consumption of electricity, since the previous meter reading per kWh (EEL055)		394.66	c		457.81	c	16.00%
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)		255.46	c		296.33	c	16.00%

ITEM	DESCRIPTION		2020/2021			2021/2022		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		255.46	c		296.33	c	16.00%
7.2.2	For all electricity consumed between 22:00 and 06:00 during weekdays, over weekends and during Megaflex public holidays, per kWh		125.00	c		145.00	c	16.00%
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	157.24		R	182.40		16.00%
(b)	**Medium Voltage Demand**. When the supply is furnished at a nominal phase to phase voltage of 11 000 volts, R per kVA (EEL072) (EEL074)	R	153.83		R	178.44		16.00%
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)		173.92			201.75	c	16.00%
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)		175.15	c		203.18	c	16.00%
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	30.60		R	35.49		16.00%

ITEM	DESCRIPTION		2020/2021			2021/2022		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) (ELSTRL)		168.66	c		195.64	c	16.00%
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	643.88		R	682.51		6.00%
1.2	Three phase meter	R	643.88		R	682.51		6.00%
1.2.1	Electro mechanical	R	1017.99		R	1079.06		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	585.34		R	620.46		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	604.43		R	640.69		6.00%
4.2	Business and industrial	R	805.48		R	853.81		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.							
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	7272.04		R	7 708.36		6.00%
5.4	New or upgrading to a three phase 60 A connection	R	15632.67		R	16 570.63		6.00%
	Three phase pre-paid meter/Conventional (business only)	R	2255.67		R	2 391.01		6.00%

ITEM	DESCRIPTION		2020/2021			2021/2022		PERCENTAGE
	Electricity		[R] VAT EXCL			[R] VAT EXCL		INCREASE %
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	3992.20		R	4 231.74		6.00%
5.6.2	New or upgrading to a three phase 60 A connection	R	8851.10		R	9 382.17		6.00%
	Three phase pre-paid meter/Conventional (business only)	R	2255.67		R	2 391.01		6.00%
5.7	Change over to Prepaid electrical meter	R	2255.67		R	2 391.01		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	2255.67		R	2 391.01		6.00%
5.7.3	Single phase pre-paid meter including labour and transport	R	1223.43		R	1 296.84		6.00%
5.8	Registration and sealing of meters if consumer obtain meter from contractor	R	449.00		R	475.94		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		2020/2021			2021/2022		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	3506.43		R	3716.82		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	2020/2021	2021/2022	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		2020/2021			2021/2022		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	3473.34		R	3 681.74		6.00%
(b)	For connections made to the low-voltage distribution network, per kVa	R	3224.82		R	3 418.31		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	2816.54		R	2 985.53		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	2523.64		R	2 675.06		6.00%
(b)	Taken directly from the 11 kV switchgear of a satellite- or 88kV substation, per kVA	R	2213.00		R	2 345.78		6.00%
(c)	Taken directly from the 11 kV switchgear of a 88kV substation where the developer provides the substation, per kVA	R	2011.81		R	2 132.52		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		2020/2021			2021/2022		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	1810.63		R	1 919.27		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	905.32		R	959.64		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	2 816.54		R	2 985.53		6.00%
			-			-		
9.6	Consumers of flats (excluding users with pre-paid meters) an initial deposit,	R	1 810.63		R	1 919.27		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		2020/2021			2021/2022		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.

P MOGODI

EXECUTIVE DIRECTOR ENGINEERING

MIDVAAL LOCAL MUNICIPALITY

ITEM	TARIFF CODE	DESCRIPTION WATER	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	Percentage Increase
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			6.00%
		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%
	WAIND	7-12 Indigent households	30.51	32.34	6.00%
	RV0331, DD0331, EWA001, WA0331, RV0380, SAVWA1;	0-12 Non indigent households	30.51	32.34	6.0%
	RV0331, DD0331, EWA001, WA0331, RV0380, SAVWA1; WAIND;	13 - 20kl	33.63	35.65	6.00%
		21 - 30kl	38.00	40.28	6.00%
		31 - 45kl	40.34	42.76	6.00%
		45+kl	41.90	44.41	6.00%
(b)	VA0450	Vaal Marina Holiday Township			
		0 - 30 kl	24.42	25.89	6.00%
		31 kl +	33.16	35.15	6.00%
(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)	VA0452	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 WATER	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	Percentage Increase
(a)	EWA012; RV0012	Residential Areas	28.47	30.18	6.00%
(b)	VA0451; VA0452	Vaal Marina Holiday Town(bulk), Resorts	22.57	23.92	6.00%
(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	28.47	30.18	6.00%
(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.	38.00	40.28	6.00%
	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	38.00	40.28	6.00%
(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	11.26	11.94	6.00%
(3.10)		Water Leak Adjustment Tariff applicable to residential tariffs	16.93	17.95	6.00%
(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.	25.28	26.80	6.00%
		(The tariff is based on Business/Industrial Tariff Less 25%)			
(3.12)	EWA015	Sport Clubs leasing land from Council	17.94	19.02	6.00%
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	3 439	3 645	6.00%
		25 mm	4 901	5 195	6.00%
		50 mm	16 292	17 270	6.00%
		80 mm	23 213	24 606	6.00%
		100 mm	30 263	32 079	6.00%
(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	8 598	9 114	6.00%
5.		CHARGES IN CONNECTION WITH METERS			
(5.1)		For a special or unnecessary duplication reading of a meter	267	283	6.00%
(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	1 720	1 823	6.00%
(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	1 290	1 367	6.00%
		In cases where it was found that the meter is faulty, the meter test fee will			
		be fully refunded to the customer.			

ITEM	TARIFF CODE	DESCRIPTION WATER	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	Percentage Increase
(5.6)		Rental per portable meter per month or part thereof	225	239	6.00%
(5.7)		Refundable deposit per portable meter	7 316	7 755	6.00%
(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.	796	844	6.00%
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.	1 424	1 509	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.	5 423	5 748	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.	1 424	1 509	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.	586	621	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	2020/2021 [R] VAT EXCL	2021/2022 [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.

P MOGODI
EXECUTIVE DIRECTOR: ENGINEERING SERVICES

MIDVAAL

2021/03/02

Capital Contribution Unit Rates (all excl. VAT)

From 1 Jul 2021

			Streets		Stormwater		Water		Sewer	
			Unit	Rate	Unit	Rate	Unit	Rate	Unit	Rate
Vacant / Open Space	01	POS / Agricultural / Road Reserves	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Residential	10a	Res 1 (>= 4 001m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10b	Res 1 (4 000 - 2 001m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10c	Res 1 (2 000 - 1 751m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10d	Res 1 (1 750 - 1 501m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10e	Res 1 (1 500 - 1 001m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10f	Res 1 (1 000 - 751m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10g	Res 1 (750 - 551m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10h	Res 1 (550 - 450m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10i	Res 1 Give Away/RDP (<450m²)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	10j	Res 1 (2nd dwelling / granny flat)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	11	Res 2 Duplexes & Simplexes	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	12	Res 3 Flats	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	13	Retirement Village	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	14	Holiday home	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	15	Mobile home or park	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Accommodation	21	Hostel	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	22	Guest house	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	23	Boarding house	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	24	Economy hotel	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	25	Hotel or Lodge	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	26	Motel	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Community Facilities	31	Public Library	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Educational	41	Créche or Nursery School	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	42	Preparatory School	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	43	Primary school	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	44	Secondary school	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	45	Day-care / After-school centre	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	46	Private school	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	47	Technical College	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	48	University	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Places of Public Worship	51	Church	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	52	Synagogue	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Places of Refreshment	61	Restaurants	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	62	Drive-in Restaurant	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	63	Take-away / Fast Food	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Recreation & Entertainment	71	Cinema	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Sport	81	Fitness centre / Gym	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	82	Golf course	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	83	Sport stadiums	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	84	Tennis Courts	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Medical	91	Private hospital	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	92	Public hospital	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	93	Nursing home	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	94	Medical Centre	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	95	CBD medical office	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	96	Suburban medical office	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	97	Dentist	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Offices	101	CBD offices	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	102	Sub-urban offices	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	103	Research & Development Centres	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Businesses	111	Conference Centres	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	112	Financial (Banks etc)	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	113	Building materials	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	114	Bakery / Dairy	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	115	Hardware/Paint Shop	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	116	Nursery	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Shopping Centres	121a	Local < 1 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	121b	Local < 2 500m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	122a	Neighbourhood < 5 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	122b	Neighbourhood < 10 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	122c	Neighbourhood < 15 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	123a	Community < 20 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	123b	Community < 30 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	124a	Regional < 50 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	124b	Regional < 75 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	124c	Regional < 100 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Motor related	131	Filling Station	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	132	Garage	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	133	New & Used car sales	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	134	Vehicle spares / tyres	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Commercial	141	Warehousing	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	142	Wholesale	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
Industrial	151	Light industries	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	152	Factory	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	153	Transport undertaking	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	154	Industrial Park	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	155	Small industries < 10 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21
	156	Medium industries < 35 000m²	trip	3 096.64	100m² area	1 071.91	kl	2 977.54	kl	8 456.21

MIDVAAL LOCAL MUNICIPALITY					
ITEM	TARIFF CODE	DESCRIPTION SANITATION	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	% Increase
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
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.			

ITEM	TARIFF	DESCRIPTION	2020/2021	2021/2022	%
	CODE	SANITATION	[R] VAT EXCL	[R] VAT EXCL	Increase
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.			
(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	124.68	132.16	6.00%
(a)	RV0440	Approved Indigents			
	RV0440,	Developed residential land - all areas			
	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	397.81	421.68	6.00%
(d)	EBS111	In respect of every piece of land other than those specified	124.68	132.16	6.00%
4	RV0440	in (a), (b) or (c) above, per 1000 m² or part thereof	111.94	118.66	6.00%
		Kliprivier Business Park	1 534.65	1 626.72	6.00%
		Provided that no such charges shall exceed this			
	EBS123	amount per month for Meyerton, Risiville	3 788.87	4 016.20	6.00%
		Provided that no such charges shall exceed this amount per			
	RV0441	month for Randvaal, Walkerville, De Deur end Vaal Marina	1 290.81	1 368.26	6.00%
(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			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	% Increase
		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.			
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	DSL001, ESE211, EYE003 RV0206, RV0204, WA0224, VA0223, VA0224 SAVSE, SAVASE, SAVISE, SICELO	**Residential 1 erven, for each dwelling-house**	245.58	260.31	6.00%
		Approved Indigents			
3.2		**Residential 2, 3 & 4 erven for each flat/ townhouse**	207.62	220.08	6.00%
		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)	ESE283, RV0205, VA0225	Up to 2000 m², per 100 m² or part thereof:	120.90	128.15	6.00%
(b)	ESE233, RV0205	Over 2000 m², per 2000 m² or part thereof:	1 208.96	1 281.50	6.00%
		Provided that no such charges shall exceed this amount per month for			
(i)	ESE233	Meyerton, Risiville and Duncanville	15 259.50	16 175.07	6.00%
(ii)	RV0205	Randvaal, Walkerville, De Deur and Vaal Marina	4 237.33	4 491.57	6.00%
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	120.90	128.15	6.00%
(b)	ESE243	Over 2000 m², per 2000 m² or part thereof	1 208.96	1 281.50	6.00%

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	% Increase
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.	120.90	128.15	6.00%
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.	182.45	193.40	6.00%
3.7	ESE282	**For each church**	111.94	118.66	6.00%
3.8	ESE292	**Church hall** per hall	111.94	118.66	6.00%
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.	120.90	128.15	6.00%
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.	49.94	52.94	6.00%
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.	104.19	110.44	6.00%
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.	148.11	157.00	6.00%
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.	349.56	370.53	6.00%
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	67.17	71.20	6.00%
(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	32.40	34.34	6.00%

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	% Increase
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	120.90	128.15	6.00%
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.	120.90	128.15	6.00%
		(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	120.90	128.15	6.00%
3.18	ESE393	**Public conveniences.** For every 10 m² or part thereof occupied	120.90	128.15	6.00%
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.	120.90	128.15	6.00%
4.		**VOLUME CHARGE**			
		A user discharging effluent per kl	16.37	17.35	6.00%
5.		**INDUSTRIAL EFFLUENTS**			
5.1		Industrial Effluent Discharge Permit			6.00%
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	DESCRIPTION	2020/2021	2021/2022	%
	CODE	SANITATION	[R] VAT EXCL	[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	DESCRIPTION	2020/2021	2021/2022	%
	CODE	SANITATION	[R] VAT EXCL	[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	2020/2021 [R] VAT EXCL	2021/2022 [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	2020/2021 [R] VAT EXCL	2021/2022 [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	9.49	10.06	6.00%
		201 - 1 000 kl/month	7.46	7.90	6.00%
		1 001 - 2 500 kl/month	4.37	4.63	6.00%
		2 501 - 5 000 kl/month	2.14	2.27	6.00%
		5 001 - 25 000 kl/month	1.92	2.04	6.00%
		25 001 - 50 000 kl/month	1.80	1.91	6.00%
		50 001 or more kl/month	0.96	1.02	6.00%
		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	4.31	4.57	6.00%
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			

ITEM	TARIFF CODE	DESCRIPTION SANITATION	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	% Increase
(b)		the purchaser undertakes in writing to use the sludge according			
		to the guidelines set by the Department of National Health			
		1 ton	25.58	27.11	6.00%
		Above 1 ton and up to 3 tons	47.74	50.61	6.00%
		Above 3 tons and up to 6 tons	98.90	104.83	6.00%
		Above 6 tons	145.79	154.54	6.00%
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**	604.56	640.83	6.00%
		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	637.73	675.99	6.00%
		2nd follow-up inspection subsequent to the notice of rectification intended above	1 894.44	2 008.10	6.00%
		3rd or subsequent follow-up inspection subsequent			
		to the notice of rectification intended above	5 166.64	5 476.64	6.00%
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	637.73	675.99	6.00%
		First follow-up inspection on the site intended above	1 894.44	2 008.10	6.00%
		3rd follow-up inspection on the site intended above	5 166.64	5 476.64	6.00%

ITEM	TARIFF	DESCRIPTION	2020/2021	2021/2022	%
	CODE	SANITATION	[R] VAT EXCL	[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.	567.82	601.89	6.00%

The abovementioned tariffs exclude VAT

P MOGODI
EXECUTIVE DIRECTOR ENGINEERING

MIDVAAL LOCAL MUNICIPALITY

ITEM	TARIFF CODE	DESCRIPTION CLEANSING AND SOLID WASTE	2020/2021 [R] VAT EXCL	2021/2022 [R] VAT EXCL	PERCENTAGE INCREASE
		THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			6.00%
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, SAVARF,DD0111, SU0101,VA0110, EYE005	Meyerton / Risiville, Randvaal / Vaal Marina, Walkerville / De Deur / Savanna City/Eye of Africa	213.62	226.43	6.0%
b.	DLS001, SAVRFL, SICELO	Lakeside Estates / Sicelo/ Bantu Bonke / Savanna Low Cost Housing	106.81	113.22	6.0%
c.	VA0111	Resorts in Vaal Marina and Suikerbosrand (Bulk Resorts)	158.50	168.01	6.0%
1.2	ERF541	From flats and other (res 2, 3 and 4): once per week per residential unit	158.50	168.01	6.0%
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; DD0112, RV0106, EIK001	Agricultural holding, once per week	213.62	226.43	6.0%
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	213.62	226.43	6.0%
1.5	ERF522	Non-Sectional Title properties containing Living Rooms with shared facilities	43.90	46.53	6.0%
1.6		Replacement of lost/damaged and worn out 240lt bin	1 160.06	1229.67	6.0%
1.7	MUN001	Departmental refuse	213.62	226.43	6.0%
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, DD0110, VA0112, SU0102, RV0160,	One removal per week	248.11	262.99	6.00%
b.	SAVREF	Savanna city business refuse	248.11	262.99	6.00%
c.	ERF514	Two removals per week / Once a week removal o of between 4 and 10 bags.	475.46	503.99	6.00%
d.	ERF515	Three removals per week / Once a week removal of between 10 and 20 bags.	694.24	735.89	6.00%
e.	ERF516	Daily removals	1 307.51	1385.96	6.00%

2.2		In containers with a conserving capacity of not more than 2.5 m³ p/month			
a.	ERF561	One removal per week	2 020.71	2141.95	6.00%
b.		Two removals per week	3 367.77	3569.83	6.00%
c.		Three removals per week	5 348.96	5669.90	6.00%
d.		Daily removals	10 103.59	10709.81	6.00%
2.3		Rental of the above mentioned container with a conservancy capacity of not			
		more than 2.5 m³ per month	534.03	566.07	6.00%
3.	**REMOVAL OF BUSINESS AND RESIDENTIAL REFUSE IN CONTAINERS WITH A CAPACITY OF NOT MORE THAN 6 m³ FOR RENTAL LONGER THAN ONE WEEK**				
3.1					
a.		Rental per week or part thereof	170.54	180.77	6.00%
b.	EBINS, RV0102	Rental per month	633.95	671.98	6.00%
c.	ERF512, RV0106	Removal by means of compactor, per removal	913.02	967.80	6.00%
d.	ERF513, RV0104	Removal by means of a skip loader, per removal	1 248.95	1323.89	6.00%
e.	MUN002	Departmental refuse	633.95	671.98	6.00%
4.	**REMOVAL OF BUSINESS AND RESIDENTIAL REFUSE IN CONTAINERS WITH A CONSERVANCY 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	2 575.42	2729.95	6.00%
b.		Removal of 18 m³ skip bin, per removal	3 169.75	3359.94	6.00%
c.		Removal of 30 m³ skip bin, per removal	5 150.85	5459.90	6.00%
5.	**REMOVAL AND DISPOSAL OF CONDEMNED FOODSTUFFS**				
5.1	EBINS	Per removal, per m³ or part thereof	227.40	241.04	6.00%
6.	**REMOVAL AND DISPOSAL OF BUILDING RUBBLE**				
6.1		Per removal, per m³ or part thereof	189.50	200.87	6.00%
7.	**REMOVAL AND DISPOSAL OF GARDEN REFUSE**				
7.1		Per removal, per m³ or part thereof	167.11	177.14	6.00%
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	167.11	177.14	6.00%
9.	**REHAB**	**DUMPING AT TRANSFER STATIONS/LANDFILL SITES(NON-WEIGHBRIDGE)**			
9.1	BRREHA	**(INCLUDES A TARIFF PER TON REHABILITATION LEVY)**	20.68	21.92	6.00%
9.2	DISPOSAL	Dumping of household and garden refuse by residents of Midvaal			
9.3	BRDISP	Dumping of waste by Non-residents per 1m3	142.98	151.56	6.00%
9.4		Dumping of waste by Non-residents			
a.		Per skip bin non municipal per bin	1 343.70	1424.32	6.00%

b.		Non-household or garden refuse - 1 ton vehicle with/without trailer	142.98	151.56	6.00%
c.		3 ton vehicle	365.21	387.12	6.00%
d.		Larger than 3 ton vehicle	1 226.57	1300.16	6.00%
e.		Single Axle Tipper	1 009.51	1070.08	6.00%
f.		Double Axle Tipper	1 226.57	1300.16	6.00%
g.		Articulated Tipper Trailer	1 757.77	1863.24	6.00%
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	279.09	295.83	6.00%
c.		Disposal of clean compostable garden refuse by the general public			
		and contractors in excess of 1000 kg	75.79	80.34	6.00%
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	709.75	752.34	6.00%
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	189.50	200.87	6.00%
h		Clean soil, usable as cover material in excess of 5000kg	378.99	401.73	6.00%
11.	**DISPOSAL OF WASTE BY REGISTERED LANDFILL USERS**				
11.1		**Non-Weighbridge**			
a.		Per skip bin non municipal	1 094.80	1160.48	6.00%
b.		Non-household or garden refuse - 1 ton vehicle with/without trailer	80.50	85.33	6.00%
c.		3 ton vehicle	202.86	215.04	6.00%
d.		Larger than 3 ton vehicle	711.63	754.32	6.00%
e.		Single Axle Tipper	592.47	628.02	6.00%
f.		Double Axle Tipper	619.85	657.04	6.00%
g.		Articulated Tipper Trailer	901.60	955.69	6.00%
12	**ILLEGAL DUMPING**				
12.1		Cleaning of Illegal Dumping on private vacant stands & Open Spaces (Rate per hour)	1 490.73	1580.18	6.00%
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 COMMUNITY SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE	2021/2022
	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 2021				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	476.41	504.99	6%	580.70
	1.1 A refundable breakage deposit is payable on all Halls/side halls	565.73	599.68	6%	599.70
	bookings confirm on deposit (NO VAT)				
2	Concerts and films	238.20	252.50	6%	290.40
3	Bazaars, fun-fairs, selling and promotions, per occasion	238.20	252.50	6%	290.40
4	Church services and meetings per occasion:				
	4.1 Church services and non-political meetings	238.20	252.50	6%	290.40
	4.2 Political meeting or gatherings	238.20	252.50	6%	290.40
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	359.55	381.13	6%	438.30
	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)	565.73	600.00	6%	600.00
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 NO VAT	Not available	Not available	Not available	Not available
9	Levying of fees for the cleaning of the hall and accessories	R371/function	R393/function	R393/function	R393/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,	119.10	126.25	6%	145.20
	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	R53.00/table	6%	61.00
	Square Tables	R38.26/table	R40.00/table	0%	46.00
	Chairs	Free	Free	Free	Free
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	321.57	340.00	6%	340.00
	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

N AMEER VAN WYK
ACT. DEPUTY MUNICIPAL MANAGER

Johannes Mokgoba
06/5/2021

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE	2021/2022
	MEYERTON CITY HALL	[R] VAT EXCL	[R] VAT EXCL	INCREASE	[R] VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	R2 382.03	R2 524.95	6%	R2 903.70
	1.1 A refundable breakage deposit is payable on all Halls/side halls	R565.73	R599.68	6%	R599.70
	bookings confirm on deposit				
2	Concerts and films	R833.71	R883.73	6%	R1 016.30
3	Bazaars, fun-fairs, selling and promotions, per occasion	R833.71	R883.73	6%	R1 016.30
4	Church services and meetings per occasion:				
	4.1 Church services and non-political meetings	R833.71	R883.73	6%	R1 016.30
	4.2 Political meeting or gatherings	R833.71	R883.73	6%	R1 016.30
5	Gatherings/functions in support of a religion, educational and bona fide	25% Disc	25% Disc		25% Disc
	registered charitable organisations - provided/written application is				
	approved				
6	Hiring of the halls for cultural practices or any other cultural group	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 NO VAT	R565.73	R600.00	6%	R600.00
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	R416.86	R441.87	6%	R508.10
10	Hiring of the moveable stage	R128.65	R136.37	6%	R156.80
	1. A refundable breakage deposit is payable (NO VAT)	R565.73	R599.68	6%	R600.00
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	R53.00/table	0%	R61.00
	Square Tables	R38.00/table	R40.00/table	0%	R46.00
	Chairs	Free	Free		Free
14	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R321.57	R340.87	6%	R340.90
	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

N. AMEER VAN WYK
ACT. DEPUTY MUNICIPAL MANAGER

Johannes Makgoba
06/5/2021

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE	2021/2022
	ROTHDENE HALL	[R] VAT EXCL	[R] VAT EXCL	INCREASE	[R] VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	833.71	883.73	6%	1016.30
	1.1 A refundable breakage deposit is payable on all Halls/side halls	533.71	565.73	6%	565.70
	bookings confirm on deposit				
2	Concerts and films	533.71	565.73	6%	650.60
3	Bazaars, fun-fairs, selling and promotions, per occasion	533.71	565.73	6%	650.60
4	Church servies and meetings per occasion:	0	0.00		
	4.1 Church services and non-political meetings	533.71	565.73	6%	650.60
	4.2 Political meeting or gatherings	533.71	565.73	6%	650.60
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	646.07	684.83	6%	787.60
	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 No VAT	533.71	565.00	6%	565.00
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 NO VAT	Not available	Not available	Not available	Not available
9	Levying of fees for the cleaning of the hall and accessories	R417	441.87	6%	508.10
10	Hiring of the moveable stage				
	1. A refundable breakage deposit is payable NO VAT	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	112.36	119.10	6%	137.00
	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	R53.00/table	6%	61.00
	Square Tables	R38.00/table	R40.00/table	6%	46.00
	Chairs	Free	Free	Free	Free
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	303.372	322	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

N. AMEER VAN WYK
ACT. DEPUTY MUNICIPAL MANAGER

Johannes Matebeba
06/5/2021

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	Percentage	2021/2022
	VAAL MARINA COMMUNITY HALL	VAT EXCL	VAT EXCL	% Increase	VAT INCL
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021				
1	Balls, Dance, Parties, Social and Similar functions from 8:00- 24:00	685.396	726.52	6%	835.50
	1.1 A refundable breakage deposit is payable on all Halls/side halls	533.71	565.73	6%	565.70
	bookings confirm on deposit				
2	Concerts and films	393.26	416.86	6%	479.40
3	Bazaars, fun-fairs, selling and promotions, per occasion	393.26	416.86	6%	479.40
4	Church servies and meetings per occasion:				
	4.1 Church services and non-political meetings	393.26	416.86	6%	479.40
	4.2 Political meeting or gatherings	393.26	416.86	6%	479.40
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	685.396	726.52	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 NO VAT	565.7326	600.00	6%	565.70
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 NO VAT	Not available	Not available	Not available	Not available
9	Levying of fees for the cleaning of the hall and accessories	R417	R442	6%	508.10
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,	R121	128.63	6%	147.90
	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	R53.00/table	6%	61.00
	Square Tables	R38.00/table	R40.00/table	6%	46.00
	Chairs	Free	Free	Free	Free
13	Hiring of Council cutlery				
	A refundable deposit of a breakage is payable when cutlery	R303.37	321.57	6%	321.60
	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

N. AMEER VAN WYK
ACT. DEPUTY MUNICIPAL MANAGER

Johannes Matequba
06/5/2021

MIDVAAL LOCAL MUNICIPALITY				
ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
1.	CLASS 1 ADVERTISMENTS			
	SUPER BILLBOARDS, CUSTOM-MADE BILLBOARDS, LARGE			
1.1.	NEW APPLICATIONS	R 2 166	R 2 296	6.00%
	Application fee per sign			
1.2.	APPLICATIONS FOR AMENDMENTS	R 1 084	R 1 149	6.00%
	Application fee per sign			
1.3.	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 758	R 803	6.00%
	Application fee per sign			
	Inspection fee per m² of the total face of each sign applicable to class 1	R 215	R 228	6.00%
2	CLASS 2 ADVERTISMENTS			
	LARGE POSTERS AND ADVERTISEMENTS ON STREET FURNITURE			
2.1	NEW APPLICATIONS	R 614	R 651	6.00%
	Application fee per poster or sign			
2.2	APPLICATIONS FOR AMENDMENTS	R 308	R 326	6.00%
	Application fee per poster or sign			
2.3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 471	R 499	6.00%
	Application fee per poster or sign			
3	BANNERS AND FLAGS FOR FUNCTIONS OR EVENTS			
	LAW ENFORCEMENT UNIT			

ITEM	DESCRIPTION	2020/2021	2021/2022	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 1 038	R 1 100	6.00%
	per enterprise per sign with a minimum fee of			
4.2	**APPLICATIONS FOR AMENDMENTS**			
	Application fee	R 716	R 759	6.00%
	per enterprise per sign with a minimum fee of			
4.3	**APPLICATIONS FOR EXTENSION OF TIME PERIOD**	R 614	R 651	6.00%
	Application fee per enterprise per sign with a minimum fee of			
5	**SUBURBAN ADVERTISEMENTS**			
5.1	**NEW APPLICATIONS**	R 306	R 324	6.00%
	Application fee per sign			
5.2	**APPLICATIONS FOR AMENDMENTS**	R 205	R 217	6.00%
	Application fee per sign			
5.3	**APPLICATIONS FOR EXTENSION OF TIME PERIOD**	R 155	R 164	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	2020/2021	2021/2022	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
9	**PROJECT AND DEVELOPMENT BOARDS (If not exempted under section 9)**			
9.1	**NEW APPLICATIONS**	R 1 038	R 1 100	6.00%
	Application fee			
	per m2 of the total face of the display with a minimum fee of			
9.2	**APPLICATIONS FOR AMENDMENTS**	R 716	R 759	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 614	R 651	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 1 038	R 1 100	6.00%
	Application fee			
	per m^2 of the total face of each sign with a minimum fee of			

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
13.2	APPLICATIONS FOR AMENDMENTS	R 716	R 759	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 614	R 651	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 1 038	R 1 100	6.00%
	Application fee			
15.2	***Inspection fee***	R 205	R 217	6.00%
	Applicatble to all roof Signes per m^2 of the total face of each sign			
15.3	APPLICATIONS FOR AMENDMENTS	R 716	R 759	6.00%
	Application fee			
15.4	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 614	R 651	6.00%
	Application fee			
16	FLAT SIGNS			
16.1	NEW APPLICATIONS	R 1 038	R 1 100	6.00%
	Application fee			
16.2	APPLICATIONS FOR AMENDMENTS	R 716	R 759	6.00%
	Application fee			

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
16.3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 614	R 651	6.00%
	Application fee			
16.4	*Inspection fee*	R 205	R 217	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 1 038	R 1 100	6.00%
	Application fee			
17.2	APPLICATIONS FOR AMENDMENTS	R 718	R 761	6.00%
	Application fee			
17.3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 614	R 651	6.00%
	Application fee			
17.4	*Inspection fee*	R 205	R 217	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 308	R 326	6.00%
	Application fee per sign			
18.2	APPLICATIONS FOR AMENDMENTS	R 205	R 217	6.00%
	Application fee per sign			
18.3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 104	R 110	6.00%
	Application fee per sign			
19	SIGNS PAINTED ON WALLS AND ROOFS			
	Prohibited			

ITEM	DESCRIPTION	2020/2021	2021/2022	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 1 038	R 1 100	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 614	R 651	6.00%
	Application fee per sign			
23.2	APPLICATIONS FOR AMENDMENTS	R 308	R 326	6.00%
	Application fee per sign			
23.3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 308	R 326	6.00%
	Application fee per sign			
24	ON-PREMISES BUSINESS SIGNS			
	NEW APPLICATIONS			
24.1	***Application fee***	R 189	R 200	6.00%
	Fee per m^2 of the total face of the advertisement with a minimum fee of R274.32			

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
	APPLICATIONS FOR AMENDMENTS			
24.2	***Application fee***	R 103	R 109	6.00%
	Fee per m^2 of the total face of the advertisement wit a minimum fee of R223.56			
	APPLICATIONS FOR EXTENSION OF TIME PERIOD			
24.3	***Application fee***	R 103	R 109	6.00%
	Fee per m^2 of the total face of the advertisement with a minimum fee of R149.04			
	ADVERTISEMENTS ON TOWERS, BRIDGES, GANTRIES AND			
25	PYLONS			
25.1	NEW APPLICATIONS	R 2 046	R 2 169	6.00%
	Application fee per sign			
25.2	APPLICATIONS FOR AMENDMENTS	R 576	R 611	6.00%
	Application fee per sign			
25.3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 716	R 759	6.00%
	Application fee per sign			
25.4	**Inspection fee**	R 205	R 217	6.00%
	per m^2 of the total face of each sign applicable on Towers, Bridges, Gantries & Pylons			
	CLASS 4 ADVERTISEMENTS			
26	SPONSORED ROAD TRAFFIC PROJECTS			
	Exempted			
27	SERVICE FACILITY SIGNS			
27.1	NEW APPLICATIONS	R 2 047	R 2 170	6.00%
	Application fee per sign			
27.2	APPLICATIONS FOR AMENDMENTS	R 1 022	R 1 083	6.00%
	Application fee per sign			

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	OUTDOOR ADVERTISING APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
27.3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 716	R 759	6.00%
	Application fee per sign			
27.4	***Inspection fee***	R 205	R 217	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 308	R 326	6.00%
	Application fee per sign			
28.2	APPLICATIONS FOR AMENDMENTS	R 205	R 217	6.00%
	Application fee per sign			
28.3	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 155	R 164	6.00%
	Application fee per sign			
29	FUNCTIONAL ADVERTISEMENTS BY PUBLIC BODIES			
	Exempted			
30	CLASS 5 ADVERTISEMENTS			
	AERIAL SIGNS			
30.1	NEW APPLICATIONS	R 1 022	R 1 083	6.00%
	Application fee per sign			
30.2	APPLICATIONS FOR EXTENSION OF TIME PERIOD	R 614	R 651	6.00%
	Application fee per sign			

ITEM	DESCRIPTION	2020/2021	2021/2022	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 15% VAT.**			
34	**All fees levied in terms hereof, are payable in advance.**			

29.04.2021

E VAN DER MERWE
DEPUTY DIRECTOR: BUILDING & LAND USE CONTROL

D CHAMBOKO
EXECUTIVE DIRECTOR: DEVELOPMENT AND PLANNING

OUTDOOR ADVERTISING TARIFFS FOR 2021 - 2022

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021				
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 371	R 393	6.00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 371	R 393	6.00%
	50m² to 100m²	R 743	R 788	6.00%
	Inspection Fee (Residential) PER OCCUPANCY	R 743	R 788	6.00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 817	R 866	6.00%
	101m² - 1 000m² = p/m²	R 12	R 13	6.00%
	Inspection Fee (Residential) PER OCCUPANCY	R 743	R 788	6.00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1486	R 1 575	6.00%
	1 001m² - 10 000m² = p/m²	R 10	R 11	6.00%
	Inspection Fee (Residential) PER OCCUPANCY	R 743	R 788	6.00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1486	R 1 575	6.00%
	10 001m² - 100 000m² (Fixed Rate)	R 126276	R 133 853	6.00%
	Inspection Fee (Residential) PER OCCUPANCY	R 743	R 788	6.00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1486	R 1 575	6.00%
	100 001m² - 200 000m² (Fixed Rate)	R 155988	R 165 347	6.00%
	Inspection Fee (Residential) PER OCCUPANCY	R 743	R 788	6.00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1486	R 1 575	6.00%
	200 000m² - No Limit (Fixed Rate)	R 185700	R 196 842	6.00%
	Inspection Fee (Residential) PER OCCUPANCY	R 743	R 788	6.00%
	Inspection Fee (Residential & Non -Residential) PER OCCUPANCY	R 1486	R 1 575	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	2020/2021	2021/2022	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 446	R 473	6.00%
	Callout for each additional inspection for building plan clearance	R 446	R 473	6.00%
4	TARIFFS FOR THE APPROVAL OF STATE (FULLY AND PARTLY) FUNDED HOUSING PROJECTS			
	Individual single units ≤ 50m² per type/unit	R 163	R 173	6.00%
	Callout inspection on a State/Municipal funded project ≤ 500 units ≤ 50m² per batch of 50 units	R 490	R 519	6.00%
	Callout inspection on a State/Municipal funded project ≥ 500 units ≤ 50m² per batch of 50 units	R 297	R 315	6.00%
	Individual single units ≥ 50m² per type/unit, Charges per type	R 316	R 335	6.00%
	Callout inspection on a State/Municipal funded project ≤ 500 units ≥ 50m² per batch of 50 units	R 817	R 866	6.00%
	Callout inspection on a State/Municipal funded project ≥ 500 units ≥ 50m² per batch of 50 units	R 817	R 866	6.00%
	Blocks of flats (Walk-up) with individual flats are ≤ 50m² per flat/occupancy	R 82	R 87	6.00%
	Blocks of flats (Walk-up) with individual flats are ≥ 50m² per flat/occupancy, charges per type	R 165	R 175	6.00%
	Callout inspection on each block of flats with units ≤ 50m² per flat	R 518	R 549	6.00%
	Callout inspection on each block of flats with units ≥ 50m² per flat	R 941	R 997	6.00%
5	TARIFFS FOR THE EVALUATION OF MINOR BUILDING WORK APPLICATIONS ON RESIDENTIAL, BUSINESS,COMMERCIAL,			
	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 321	340	6.00%
	Boundary walls adjacent to any street front	R 321	340	6.00%
	Boundary walls along any side or rear boundary of a property	R 321	340	6.00%
	Poultry house not exceeding 10 m2 in area,	R 138	146	6.00%
	Aviary not exceeding 20 m2 in area,	R 138	146	6.00%
	Solid fuel store not exceeding 10 m2 in area and 2 m in height,	R 138	146	6.00%
	Tool shed not exceeding 10 m2 in area,	R 138	146	6.00%
	Child's playhouse not exceeding 5 m2 in area,	R 138	146	6.00%
	Cycle shed not exceeding 5 m2 in area,	R 138	146	6.00%
	Greenhouse not exceeding 15 m2 in area	R 138	146	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 138	146	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 594	630	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 594	630	6.00%
	Any Pergola, Open Porch and / or Build Braai	R 594	630	6.00%
	Private swimming pool,	R 594	630	6.00%
	Change room, not exceeding 10 m2 in area, at a private swimming pool;	R 594	630	6.00%
	The replacement of a roof or part thereof with the same or similar material;	R 594	630	6.00%
	The conversion of a door into a window or a window into a door without increasing the width of the opening	R 138	146	6.00%
	The making of an opening in a wall which does not affect the structural safety of the building concerned	R 138	146	6.00%
	The partitioning or the enlarging of any room by the erection or demolition of an internal wall if such erection or demolition does not affect ther structural safety of the buildig concerned	R 138	146	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 275	292	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 275	292	6.00%
	Tariffs are charged as per section 2.1 above where any minor building works encroach over any building lines. The floor area of a minor building works structure is calculated from the external surface/covering to the opposite external surface/covering of the wall/covering as per section C of SANS 10400			

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
	TARIFFS FOR THE EVALUATION OF PLANS FOR BUILDINGS/STRUCTURES THAT HAVE A SPECIAL CHARACTER ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL			
6				
	Buildings or structures such as ; Factory shafts, elevators, chimneys, elevated security watchrooms, masts and towers.	R 4457	R 4 724	6.00%
	LP GAS AND OTHER HAZARDOUS FUEL INSTALLATION APPLICATIONS			
7	This application includes all types of gas and fuel installations on any property as required in terms of Part T of SANS 10400	R 891	R 944	6.00%
	No inspection charge because the inspection is done by the fire department.	R 0.00	R 0	
	TARIFFS FOR THE EVALUATION OF PLANS FOR TEMPORARY BUILDINGS ON RESIDENTIAL, BUSINESS,COMMERCIAL, INDUSTRIAL & RURAL PROPERIES FOR WHICH A PERMIT IS			
8	The permit for any temporary building or structure is valid for 6 months from date of issue and renewable on written request	R 275	R 292	6.00%
	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			
	APPLICATIONS FOR APPROVAL OF PREVIOUSLY APPROVED PLANS THAT HAVE LAPSED			
9	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		35.00%	
	Renewal of a building plan application = **Inspection fees + 35% of tariff** in terms of item 2 and 4 - 8			
	CANCELLATION OF ANY APPLICATION ON OWNERS REQUEST			
10	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%	
	CANCELLATION OF AN APPLICATION DUE TO NON APPROVAL			
11	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%	
	PROVISIONAL AUTHORISATION TO COMMENCE BUILDING WORK - 7(6) Application			
12	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 5200	R 5 512	6.00%
	PROVISIONAL AUTHORISATION TO COMMENCE BUILDING WORK ON FULLY AND PARTLY SUBSIDISED HOUSING PROJECTS - 7(6) Application			
13	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 5200	R 5 512	6.00%
	PROVISIONAL AUTHORISATION TO OCCUPY A BUILDING			
14	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 5151	R 5 460	6.00%

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
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 1040	R 1 102	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. Should the applicant not apply for the 10% refund within the same 24 months period, the applicant will automatically forfeit the refund.		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. Should the applicant not apply for the 20% refund within the same 12 months period, the applicant will automatically forfeit the refund.		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
19	**ADMINISTRATION FEE, PRINTS AND COPIES OF DOCUMENTATION AND MONTHLY STATISTICS**			
	Copies of monthly building statistics and schedules of approved plans per month per item copy	R 149	R 158	6.00%
	Copies of Archive documents from previously submitted Applications / documentation (Admin fee + paper size as per schedule 20 and /or 21	R 69	R 73	6.00%
	Softcopy record of own application documentation via e-mail / drop-box subject to formal application	No Cost	No Cost	No Cost
20	**B & W 2D/ LINE DRAWING ON BOND PAPER:**			
	Size A4 =	R 7	R 7	6.00%
	Size A3 =	R 10	R 11	6.00%
	Size A2 =	R 20	R 21	6.00%
	Size A1 =	R 29	R 31	6.00%
	Size A0 =	R 60	R 64	6.00%

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	BUILDING CONTROL APPLICATIONS	[R] VAT INCL	[R] VAT INCL	INCREASE = 6%
	Colour 2D/Line/GIS/POSTER ON BOND/COATED PAPER:			
	Size A4 =	R 8	R 8	6.00%
21	Size A3 =	R 17	R 18	6.00%
	Size A2 =	R 59	R 63	6.00%
	Size A1 =	R 94	R 100	6.00%
	Size A0 =	R 179	R 190	6.00%
22	**All tariffs shown, includes 15% VAT.**			
23	**All fees levied in terms hereof, are payable in advance.**			

29.04.2021

E VAN DER MERWE
DEPUTY DIRECTOR: BUILDING AND LAND USE CONTROL

D CHAMBOKO
EXECUTIVE DIRECTOR: DEVELOPMENT AND PLANNING

BUILDING CONTROL APPLICATION TARIFFS FOR 2021 - 2022

ITEM	DESCRIPTION	2020/2021	PERCENTAGE	2021/2022
	Development & Planning (Land Use Applications)	VAT INCL	INCREASE %	VAT INCL
				(ROUNDED OFF)
	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.*	7367.00	6.00	7809.00
2	Application for an amendment of a township application.*	4648.10	6.00	4927.00
3	Application for extension of boundaries of an approved township.*	5384.80	6.00	5708.00
4	Application for phasing of Township application.*	5384.80	6.00	5708.00
5	Application for the merger of townships.*	5098.60	6.00	5405.00
6	Amendment or cancellation in whole or in part of a general plan.*	2544.00	6.00	2700.00
7	Application for rezoning (Amendment of a Land Use Scheme).*	5501.40	6.00	5832.00
8	Application for removal, amendment or suspension of a restrictive or obsolete condition, servitude or reservation registered against the title of the land.*	1590.00	6.00	1686.00
9	Application for consolidation of any land.*	1759.60	6.00	1686.00
10	Application for subdivion of any land (10 or less portions).*	5671.00	6.00	6011.00
11	Application for subdivion of any land (11 or more portions).*	7080.80	6.00	7506.00
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.*	1992.80	6.00	2112.00
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.*	1007.00	6.00	1067.00
14	Application in terms of Section 92 for exemption from complying with any provision of the Midvaal Local Municipality Planning and Land Use Management By-Law.*			750.00
15	Application for excison.*	1007.00	6.00	1067.00
16	The withdrawal of an approved subdivision/consolidation application.*	848.00	6.00	899.00
17	The amendment of the conditions on which the consolidation/subdivision was approved.*	901.00	6.00	955.00
18	An amendment of the approved consolidation or subdivision plan.*	901.00	6.00	955.00

19	Preparation of Town-planning Scheme if prepared by Council.*	4823.00	6.00	5112.00
20	Application for Council's reasons.*	901.00	6.00	955.00
21	Application for amendment of the conditions on which consent was given.*	848.00	6.00	899.00
22	The revoking of an approved scheme/ the revoking of a provision in an approved scheme.*	2204.80	6.00	2337.00
23	Relaxation of a building line provision/the approval of an encroachment on a building restriction area.*	848.00	6.00	899.00
24	Application for approval of site development plans.*	1876.20	6.00	1989.00
25	Application for approval of revised site development plans.*	848.00	6.00	899.00
26	Regulation 47 certificate (per certificate)- (SPLUMA equivalent of a Section 82) (Up to ten portions, then in batches of 50 portions).*	964.60	6.00	1022.00
27	Regulation 46(11) certificate (per subdivided portion)- (SPLUMA equivalent of a Regulation 38) (Up to ten portions, then in batches of 50 portions).*	583.00	6.00	618.00
28	Regulation 47 Certificate - (SPLUMA equivalent of a Section 101)	964.60	6.00	1022.00
29	SPLUMA compliance letter.*	530.00	6.00	562.00
30	Application that is not provided for elsewhere in this schedule.*	2491.00	6.00	2640.00
31	Appeals against decision of authorised local authority to MPT (Municipal Planning Tribunal).*	3402.60	6.00	3607.00
32	Extension of approval timeframes.*	689.00	6.00	730.00
33	Application for the granting of intervener status.*	1876.20	6.00	1989.00
34	Fees payable to Council if the Council gives notice of an application in the Official, Gazette/newspaper.*	2120.00	6.00	2247.00
35	Fees payable to Council if the Council gives notice on behalf of an applicant in the Official Gazette.* (Failure of applicant to comply with Sections 39(4) and 46(15) of the Midvaal Local Municipality Planning and Land Use Management By-Law.*			1500.00
	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. C = Estimated Construction Cost per parking bay			

	C. PROPERTY SECTION			
36	PARK CLOSURES.*	7950.00	6.00	8427.00
37	STREET CLOSURES.*	7950.00	6.00	8427.00
38	Administration fees - New applications for the selling and leasing of Council property.*	530.00	6.00	562.00
	D. PROVISION OF INFORMATION			
39	Extraction from LAND USE scheme, per page (Size A4).*	90.10	6.00	96.00
40	Issue of Zoning certificates, each.*	90.10	6.00	96.00
41	Inspection of any deed, document/any relative particulars, including the issuing of a printout.*	137.80	6.00	146.00
42	Issue of a Surveyor General (SG) Diagram.*	120.00	6.00	127.00
43	Compilation of a Locality Plan.*	130.00	6.00	138.00
44	Copy of a locality plan.*	30.00	6.00	32.00
	E. CHARGES FOR PLANS & MAPS - PLOTTING & PRINTING			
	(i) BLACK & WHITE 2D/LINE DRAWING ON BOND PAPER*			
45	SIZE A4	6.50	6.00	7.00
46	SIZE A3	12.70	6.00	14.00
47	SIZE A2	23.30	6.00	25.00
48	SIZE A1	31.80	6.00	34.00
49	SIZEA0	63.60	6.00	68.00
	(ii) COLOUR 2D/LINE/GIS/POSTER ON BOND/COATED PAPER*			
50	SIZE A3	10.60	6.00	11.00
51	SIZE A2	15.90	6.00	17.00
52	SIZE A1	63.60	6.00	68.00
53	SIZE A0	169.60	6.00	178.00

	(iii) COLOUR GIS/POSTER ON GLOSS PAPER*			
54	SIZE A3	79.50	6.00	84.00
55	SIZE A2	148.40	6.00	157.00
56	SIZE A1	275.60	6.00	292.00
57	SIZE A0	508.80	6.00	539.00

***NOTE: Applicable to all aplications - Areas forming part of Economic Transformation Zone as contained in the Midvaal land Use Scheme, 2017. limited to 50% rebate.**

DEFINITION: "Areas forming part of Economic Transformation Zone as contained in the Midvaal Land Use Scheme, 2017. limited to 50% rebate", refers to the Economic Tranformation Zones contained in the Midvaal Land Use Scheme (SLUS) made up of the following areas:
Sicelo (Meyerton Farms), Lakeside, Mamello, Ohenimuri & Savanna City.

Tariffs are effective from 1 July 2021

..... Date 03/05/2021

D CHAMBOKO
EXECUTIVE DIRECTOR DEVELOPMENT AND PLANNING

IN ORDER
03/05/2021

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	Tariffs for Protection Services-(Fire) for 2021/2022	INCL VAT	INCL VAT	INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
1	EXTINGUISHING OF FIRES (As listed below)			
A	Call out fee per incident			
1	Industrial Fire (High Risk)	R2 517.10	R 2668.10	6%
2	Industrial Fire (Low Risk)	R 1256.7	R 1332.10	6%
3	Residential	R 629.5	R 667.30	6%
4	Institutions	R 629.5	R 667.30	6%
5	Public Assembly	R 629.5	R 667.30	6%
6	Commercial	R 629.5	R 667.30	6%
7	Storage	R 629.5	R 667.30	6%
8	Shack or Informal housing	R 126.1	R 133.70	6%
9	Heavy Motor Vehicle Fire	R 629.5	R 667.30	6%
10	Motor vehicle, motor bike, trailer with content	R 253.6	R 268.80	6%
11	Train	R 1185.8	R 1256.90	6%
12	Lamp or electrical poles	R 253.6	R 268.80	6%
13	Transformers	R 629.5	R 667.30	6%
14	Tyres or Stacks of tyres	R 2517.1	R 2668.10	6%
15	Water used per Kilo litre	R 25.2	R 26.70	6%
16	Where damping down is necessary	R 503.4	R 533.60	6%
B	Personnel			
1	Per Senior Officer(DIV OFF & ABOVE)	R 236.7	R 250.90	6%
2	Per Officer	R 181.4	R 192.30	6%
3	Per Senior Fireman	R 145.4	R 154.10	6%
4	Per Junior Fireman	R 103.4	R 109.60	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			
	Fire Vehicles to be calculated per hour or part thereof from the time the vehicle has been dispatched until the fire has been reported as extinguished	R 1266.4	R 1342.40	6%
D	Material used- Foam per litre			
	Real cost of the fire extinguishing material used Silvex	R 111.7	R 118.40	6%
	including VAT and as certified by the Chief Fire Hi-Exp	R 90.1	R 95.50	6%
	Officer plus 20% Flame Block	R 64.9	R 68.80	6%
2	GRASS-, BUSH- AND RUBBISH FIRES			
A	Call out fee - Calculate the flat rate			
1	Grass fires - Flat rate (Sedibeng) per call	R 1766.2	R 1872.20	6%
2	Rubbish fires- Flat rate(Sedibeng) Per call	R 1766.2	R 1872.20	6%
3	Grass fires - Flat rate (residential) per call - account sent to owner	R 1766.2	R 1872.20	6%
4	Rubbish fires- Flat rate(Residential) Per call- Account sent to owner	R 1766.2	R 1872.20	6%
5	Bales of feed or Hey stacks	R 2517.1	R 2668.10	6%
6	Where dumping down is necessary	R 503.4	R 533.60	6%

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	Tariffs for Protection Services-(Fire) for 2021/2022	INCL VAT	INCL VAT	INCREASE
3	HAZARDOUS MATERIAL INCIDENTS			
	OIL SPILLAGES ECT			
A	Call out fee	R 2517.1	R 2668.10	6%
B	Personnel			
1	Per Senior Officer	R 236.7	R 250.90	6%
2	Per Officer	R 181.4	R 192.30	6%
3	Per Senior Fireman	R 145.4	R 154.10	6%
4	Per Junior Fireman	R 103.4	R 109.60	6%
C	Vehicles - Per Vehicle			
	Fire Vehicles to be calculated per hour or part thereof from the time the vehicle has been dispatched until the service is reported to be completed	R 1266.4	R 1342.40	6%
1	Per kilometre (Travelled to and from the incident per utility vehicle) (AA Tariffs)	R 6.	R 6.40	6%
2	Per portable pump (Real working time of pump per hour)	R 126.1	R 133.70	6%
3	Per Fire hose (Per hour or part thereof)	R 26.5	R 28.10	6%
4	Per ladder used per call	R 126.1	R 133.70	6%
4	PROTECTION SERVICES (STANDBY SERVICES)			
	Where the presence of the Fire department is compulsory with a Fire Vehicle and crew the company responsible for the situation will be liable for the account			
A	Call out fee			
		R 1266.4	R 1342.40	6%
B	Personnel			
1	Per Senior Officer	R 236.7	R 250.90	6%
2	Per Officer	R 181.4	R 192.30	6%
3	Per Senior Fireman	R 145.4	R 154.10	6%
4	Per Junior Fireman	R 103.4	R 109.60	6%
C	Vehicles - Per Vehicle			
	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	R 1266.4	R 1342.40	6%
1	Per kilometre (Travelled to and from the incident per utility vehicle) (AA tariffs)	R 6.	R 6.40	6%
2	Per portable pump (Real working time of pump per hour)	R 126.1	R 133.70	6%
3	Per Fire hose (Per hour or part thereof)	R 26.5	R 28.10	6%
4	Per ladder used per call	R 126.1	R 133.70	6%
5	FILLING OF SWIMMING POOLS AND WATER TANKS			
1	Flat rate of:	R 1928.4	R 2044.10	6%
2	Swimming Pools	R 1928.4	R 2044.10	6%
3	Water tanks drinking water less than 6kl charge per kl	R 25.2	R 26.70	6%
4	Water tanks drinking water more than 6kl charge per flat rate	R 1928.4	R 2044.10	6%

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE INCREASE
	Tariffs for Protection Services-(Fire) for 2021/2022	INCL VAT	INCL VAT	
5	Water per Kilo Litre	R 25.2	R 26.70	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 1/min,	R 949.1	R 1006.00	6%
	per hour or part thereof			
2	Medium pump with a capacity of up to 2250 1/min,	R 1266.4	R 1342.40	6%
	per hour or part thereof			
3	Heavy pump with a capacity of up to 4500 1/min,	R 1266.4	R 1342.40	6%
	per hour or part thereof			
4	Per Officer	R 169.4	R 179.60	6%
5	Per Senior Fireman	R 135.8	R 143.90	6%
6	Per Junior Fireman	R 96.1	R 101.90	6%
B	**Using Compressor per hour or part thereof**	R 149.	R 157.90	6%
1	Per Officer	R 181.4	R 192.30	6%
2	Per Senior Fireman	R 145.4	R 154.10	6%
3	Per Junior Fireman	R 103.4	R 109.60	6%
8	**Any other duty not mentioned under item 6**			
A	**Call out Fee**			
		R 253.6	R 268.80	6%
B	**Personnel**			
	Per Officer	R 181.4	R 192.30	6%
	Per Senior Fireman	R 145.4	R 154.10	6%
	Per Junior Fireman	R 103.4	R 109.60	6%
C	**Vehicles - Per Vehicle**			
	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	R 949.1	R 1006.00	6%
	Per kilometre (Travelled to and from the incident per utility vehicle (AA Tariffs)	R 6.	R 6.40	6%
9	**Firebreaks - where businesses and community needs Fire Breaks**			
1	flat Rate	531.10	R 563.00	6%
2	Where the services of a Fire pump is needed- Flat Rate	531.10	R 563.00	6%
10	**SPECIAL EVENTS**			
	When a Fire Vehicle and Crew are required for standby purposes			
1	CALL OUT FEE PER EVENT	R 1266.4	R 1342.40	6%
2	FIRE VEHICLE	R 1266.4	R 1342.40	6%
3	PER OFFICER	R 181.4	R 192.30	6%
4	PER SENIOR FIRE FIGHTER	R 145.4	R 154.10	6%
5	PER JUNIOR FIRE FIGHTER	R 103.4	R 109.60	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**			

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	Tariffs for Protection Services-(Fire) for 2021/2022	INCL VAT	INCL VAT	INCREASE
A	**Inspection on request(limited to two inspections)**			
1	Certificate of Compliance - Fire Safety Requirements	R 253.6	R 268.80	6%
2	Residential	R 187.4	R 198.60	6%
3	Institutions	R 187.4	R 198.60	6%
4	Public Assembly	R 187.4	R 198.60	6%
5	Commercial	R 253.6	R 268.80	6%
6	Storage	R 253.6	R 268.80	6%
7	Industry	R 253.6	R 268.80	6%
8	Per kilometre (Travelled to and from the incident per utility vehicle (AA Tariffs)	R 6.	R 6.40	6%
9	Inspection on request	R 253.6	R 268.80	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 253.6	R 268.80	6%
3	Institutions	R 187.4	R 198.60	6%
4	Public Assembly	R 187.4	R 198.60	6%
5	Commercial	R 253.6	R 268.80	6%
6	Storage	R 253.6	R 268.80	6%
7	Industry	R 253.6	R 268.80	6%
C	**Compiling & Issuing of :**			
1	Compliance Certificate	R 253.6	R 268.80	6%
2	Occupancy Certificate	R 253.6	R 268.80	6%
3	Inspection on request	R 253.6	R 268.80	6%
4	Special event Clearance Certificate	R 246.3	R 261.10	6%
5	Km travelled to and from (AA Tariffs)	R 6.	R 6.40	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 126.1	R 133.70	6%
2	Up to including 5000 litres	R 177.8	R 188.50	6%
3	Up to including 25 000 litres	R 273.9	R 290.30	6%
4	Up to including 50 000 litres	R 377.3	R 399.90	6%
5	Exceeding 50 000 litres	R 414.5	R 439.40	6%
6	Per kilometre (Travelled to and from the incident per utility vehicle (AA Tariffs)	R 6.	R 6.40	6%
7	Inspection on request	R 253.6	R 268.80	6%
8	50% payable on re issue of transport permits			
E	**Certificate of Registration Flammable liquids/Gas**			
	Class:0, I ,II,III - Issuing of certificates of registration			
1	Up to including 2500 litres	R 150.2	R 159.20	6%
2	Up to including 5000 litres	R 299.1	R 317.00	6%
3	Up to including 25 000 litres	R 1506.7	R 1597.10	6%
4	Up to including 50 000 litres	R 3016.9	R 3197.90	6%
5	up to including 100 000 litres	R 3386.9	R 3590.10	6%
6	Bulk Depots exceeding 100 000	R 3805.	R 4033.30	6%
7	Per Spray Booth	R 150.2	R 159.20	6%
8	Per Flammable liquid Store	R 150.2	R 159.20	6%
9	Per Spray Booth	R 150.2	R 159.20	6%
10	Per Flammable liquid / Paint Store	R 150.2	R 159.20	6%
11	Per kilometre (Travelled to and from the incident per utility vehicle (AA Tariffs)	R 6.	R 6.40	6%
12	Inspection on request	R 253.6	R 268.80	6%

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE INCREASE
	Tariffs for Protection Services-(Fire) for 2021/2022	INCL VAT	INCL VAT	
13	50% payable on re-issue of Certificate of registration			
F	FIRE RISK ASSESSMENTS			
1	Fire Risk Assessment (PER HOUR)	R 656.	R 695.40	6%
2	Fire Risk Assessment insurance (Per Hour)	R 656.	R 695.40	6%
3	Fire Risk and insurance (PER DAY)	R 5439.	R 5765.30	6%
G	COMPILING / PRINT REPORT			
1	Emergency Preparedness (evacuations)	R 467.4	R 495.40	6%
2	Fire Risk Assessment	R 735.3	R 779.40	6%
3	Fire Risk insurance report	R 735.3	R 779.40	6%
H	FIRE REPORT PUBLIC & INSURANCE			
1	Fire Investigation cause and origin determination full report per hour	R 467.4	R 495.40	6%
2	PRELIMANARY FIRE REPORT	R 117.8	R 124.90	6%
3	Compiling /print report full Fire investigation	R 735.3	R 779.40	6%
I	TRAINING			
1	Administration fee per person per course	R 300.4	R 318.40	6%

S M MOSIDI
EXECUTIVE DIRECTORCOMMUNITY SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021 [R] VAT INCL	2021/2022 [R] VAT INCL	Percentage Increase
	Protection Services: Traffic Department			
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
1	Attendance of Traffic Officer/s per occasion for an hour or part thereof + vehicle	112.90	119.70	6%
2	For an hour or part thereof after hours at time and half (@ 1-1/2) and vehicle	180.20	191.00	6%
3	Attendance of Traffic Officer/s during public holidays/Sundays. Double time (x2) + vehicle	240.30	254.70	6%
4	Patrol vehicle attendance of patrol for an hour or part thereof	629.50	667.30	6%
5	Towing fee cost plus 10% to defray handling costs:			
	Storage fees for impounded vehicles per day	161.00	170.70	6%
6	Copies of accident report	216.20	229.20	6%
7	**Traffic escorts per hour or part thereof**			
	Funerals	No Charge	No Charge	
	Abnormal vehicles: Vehicle cost + km traveling @ R4.50 per km	629.60	667.40	6%
8	**Temporary road closure:**			
	Filming	629.60	667.40	6%
	Flea markets	629.60	667.40	6%
	Attendance of Traffic Officer/s per occasion for an hour or part thereof + vehicle	112.90	119.70	6%
	For an hour or part thereof after hours at time and half (@ 1-1/2)and vehicle	180.20	191.00	6%
	Attendance of Traffic Officer/s during public holidays/Sundays. Double time (x2) + vehicle	240.30	254.70	6%
9	Residential Road closure application fee: New Tariff	2 833.70	3 003.70	6%

S M MOSIDI
EXECUTIVE DIRECTOR COMMUNITY SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION Grass Cutting of Vacant Stands	2020/2021 VAT INCL	2021/2022 VAT INCL	PERCENTAGE INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
1	Grass cutting up to 1 000 m²	R 2 407.20	R 2 551.60	6%
2	Grass cutting over 1 000 m² per additional 1000 m²	R 825.30	R 874.80	6%

S M MOSIDI
EXECUTIVE DIRECTOR COMMUNITY SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION SWIMMING POOL TARIFFS	2019/2020 Vat Incl	2021/2022 Vat Incl	Percentage Increase
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
	(Children under 5 years: Free (must be accompanied by an Adult)			
	(Children under 12 years: (must be accompanied by an Adult)			
1	Single Admission Ticket: Adult	R **13.00**	14.00	6%
2	Single Admission Ticket: Scholars	R **9.00**	10.00	6%
3	Season Tickets for School Groups (Monday - Friday: 10h00 to 14h00)	R **1 575.00**	1 670.00	6%
4	Monthly Tickets: Adults	R **119.00**	126.00	6%
5	Monthly Tickets: Scholars	R **64.00**	68.00	6%
6	Clubs-Diving (Weekends: Sat 07h00 - 10h00 and Sun 07h00 - 12h00	R **585.00**	620.00	6%
7	Clubs Hockey: Weekdays: Monday to Friday 19h00 - 22h00	R **600.00**	636.00	6%
8	Clubs-Swimming Club: Weekdays: Monday to Friday 16h00 - 17h30	R **600.00**	636.00	6%
9	Once off usage of Swimming Pool (Irregular Hours)	R **1 575.00**	1 670.00	6%
	Closed on Mondays for General public			
	Tuesdays to Saturdays: 10h00 - 18h00			
	Sundays 12h00 to 18h00			
	Public Holidays: Closed for General Public			

S M MOSIDI
EXECUTIVE DIRECTOR COMMUNITY SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	Cemeteries: Meyerton ; Old Kookrus & Riversdal	VAT INCL	VAT INCL	INCREASE
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
1	Plot Reservation	R575.1	R 609.60	6%
2	Transferral Rights	R575.1	R 609.60	6%
3	Permit: Headstone & Monumental Section	R575.1	R 609.60	6%
4	Ashes Burial or Scattered	R575.1	R 609.60	6%
5	Niché	R1551.6	R 1 644.70	6%
6	Exhumation	R7608.2	R 8 064.70	6%
	Weekday Openings & Re-openings (Monday to Friday)			
	Monumental			
1	Child Size	R2298.5	R 2 436.40	6%
2	Standard Opening & Re-Openings - 6ft	R4334.4	R 4 594.50	6%
3	8ft Opening & Re-Opening	R5326.2	R 5 645.80	6%
4	Casket Opening & Re-Openings	R5326.2	R 5 645.80	6%
5	Casket, 8ft Opening & Re-Openings	R6316.5	R 6 695.50	6%
6	Child section/ Dome 6ft Opening	New	R 3 248.50	
7	Special Request/ Dome 6ft Opening	New	R 5 743.10	
8	Special Request/ Dome 8ft Opening	New	R 7 057.25	
	Headstone			
1	Child Size	R1858.4	R 1 969.90	6%
2	Standard Opening & Re-Openings - 6ft	R2176.1	R 2 306.70	6%
3	8ft Opening & Re-Opening	R3167.9	R 3 358.00	6%
4	Casket Opening & Re-Openings	R3167.9	R 3 358.00	6%
5	Casket, 8ft Opening & Re-Openings	R4156.90	R 4 406.30	6%
6	Child Section/ Dome 6ft Opening	New	R 2 626.50	
7	Special Request/ Dome 6ft Opening	New	R 2 883.40	
8	Special Request/ Dome 8ft Opening	New	R 4 197.50	
	Weekend Openings & Re-Openings (Saterday & Sunday)			
	Monumental			
1	Child Size	R4364.7	R 4 626.60	6%
2	Standard Opening & Re-Openings - 6ft	R5091.	R 5 396.50	6%
3	8ft Opening & Re-Opening	R6027.7	R 6 389.40	6%
4	Casket Opening & Re-Openings	R6027.7	R 6 389.40	6%
5	Casket, 8ft Opening & Re-Openings	R6960.3	R 7 377.90	6%
6	Child section/ Dome 6ft Opening	New	R 6 168.80	
7	Special Request/ Dome 6ft Opening	New	R 6 745.60	
8	Special Request/ Dome 8ft Opening	New	R 7 986.75	
	Headstone			
1	Child Size	R4183.1	R 4 434.10	6%
2	Standard Opening & Re-Openings - 6ft	R4405.9	R 4 670.30	6%
3	8ft Opening & Re-Opening	R5397.7	R 5 721.60	6%
4	Casket Opening & Re-Openings	R5397.7	R 5 721.60	6%
5	Casket, 8ft Opening & Re-Openings	R6386.7	R 6 769.90	6%
6	Child Section/ Dome 6ft Opening	New	R 5 912.10	
7	Special Request/ Dome 6ft Opening	New	R 5 837.90	
8	Special Request/ Dome 8ft Opening	New	R 7 152.00	
	PLEASE NOTE TARIFF FOR NON-RESIDENT IS 30 % ADDED ON			

S M MOSIDI
EXECUTIVE DIRECTOR COMMUNITY SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	INCREASE
	Cemeteries: Meyerton South & Kookrus New - HEADSTONE ONLY	**Vat Incl**	**Vat Incl**	**%**
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
1	Plot Reservation	**R 575.10**	**R 609.60**	6%
2	Transferral Rights	**R 575.10**	**R 609.60**	6%
3	Permit: Headstone & Monumental Section	**R 575.10**	**R 609.60**	6%
4	Ashes Burial or Scattered	**R 575.10**	**R 609.60**	6%
5	Indigent	**R 796.50**	**R 844.30**	6%
6	Pauper	**R 796.50**	**R 844.30**	6%
7	Exhumation	**R 7 608.20**	**R 8 064.70**	6%
	Weekday Openings & Re-openings (Monday to Friday) Headstone only			
1	Child Size	**R 760.66**	**R 806.30**	6%
2	Standard Opening & Re-Openings - 6ft	**R 894.11**	**R 947.80**	6%
3	8ft Opening & Re-Opening	**R 1 929.94**	**R 2 045.70**	6%
4	Casket Opening & Re-Openings	**R 1 929.94**	**R 2 045.70**	6%
5	Casket, 8ft Opening & Re-Openings	**R 2 918.92**	**R 3 094.10**	6%
6	Child Section/Dome 6ft Opening	**New**	**R 1 075.05**	
7	Special Request/ Dome 6ft Opening	**New**	**R 1 184.80**	
8	Special Request/ Dome 8ft Opening	**New**	**R 2 557.10**	
	Weekend Openings & Re-Openings (Saterday & Sundays) Headstone Only			
1	Child Size	**R 1 654.77**	**R 1 754.10**	6%
2	Standard Opening & Re-Openings - 6ft	**R 1 858.39**	**R 1 969.90**	6%
3	8ft Opening & Re-Opening	**R 2 848.75**	**R 3 019.70**	6%
4	Casket Opening & Re-Openings	**R 2 848.75**	**R 3 019.70**	6%
5	Casket, 8ft Opening & Re-Openings	**R 3 839.21**	**R 4 069.60**	6%
6	Child Section/ Dome 6ft Opening	**New**	**R 2 338.80**	
7	Special Request/ Dome 6ft Opening	**New**	**R 2 462.40**	
8	Special Request/ Dome 8ft Opening	**New**	**R 3 774.60**	
	PLEASE NOTE TARIFF FOR NON-RESIDENT IS 30 % ADDED ON TO NORMAL FEE			

S M MOSIDI
EXECUTIVE DIRECTOR COMMUNITY SERVICES

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE	2021/2022
	ISSUING OF CERTIFICATES	[R] VAT Excl	[R] VAT Excl	INCREASE %	[R] VAT Incl
				6.00%	
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021				
1	Copies of Voters roll of any Ward, for each copy	R611.09	R647.8	6.00%	R744.90
2	Copies of valuation roll, per copy	R522.38	R553.7	6.00%	R636.80
3	Any certificate in terms of the Local Government Ordinance, 1939,	R60.14	R63.7	6.00%	R73.30
	or any other Ordinance applicable to the Council, each:				
4	The furnishing, in writing in accordance with the records of the Council	R41.43	R43.9	6.00%	R50.50
	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	R41.43	R43.9	6.00%	R50.50
6	Endorsements on declaration by purchaser forms, each	R53.20	R56.4	6.00%	R64.90
7	For any certificate, information, extract from or perusal of a	R61.11	R64.8	6.00%	R74.50
	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	R413.92	R438.8	6.00%	R504.60
	singular extracts only will entail a search fee and cost per page				
	each:				
9	Alphabetical numerical computer printed address lists, each	R611.09	R647.8	6.00%	R744.90
	Alphabetical numerical address lists, each Compact Disk	R192.18	R203.7	6.00%	R234.30
10	Photocopies at one of the printing offices, each:				
	Size A4	R4.83	R5.1	6.00%	R5.90
	Size A3	R7.18	R7.6	6.00%	R8.80
11	Photocopies of Council documents, Size A4:	R4.93	R5.2	6.00%	R6.00
	Photocopies of Council documents, Size A3:	R7.33	R7.8	6.00%	R8.90
12	Requests for Access/ Information in terms of promotion of Access				
	to information Act, 2000:				
	Access fee	R57.45	R60.9	6.00%	R70.00
	Search fee	R57.45	R60.9	6.00%	R70.00
	Copy charges (as Above in Item 10.)				

N.AMEER VAN WYK
ACT. DEPUTY MUNICIPAL MANAGER

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	Comments	PERCENTAGE INCREASE
	Midvaal Libraries	VAT INCL.	VAT INCL.		
	THE TARIFFS LISTED BELOW ARE VALID FROM 01 JULY 2021				
1	Adult Membership - Midvaal Residents	Free	Free		0.00%
2	Adult Membership - Non-Midvaal Residents	90.00	95.00		6.00%
3	Child Membership - Midvaal Residents	Free	Free		0.00%
4	Child Membership - Non-Midvaal Residents	48.00	50.00		6.00%
5	Family Membership - Midvaal Residents	Free	Free		0.00%
6	Family Membership - Non-Midvaal Residents	180.00	190.00		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	1.70	1.80		6.00%
10	Media Lost Items	Replacement Value	Replacement Value		Variable
11	Lost User Cards	32.00	34.00		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	3.00	3.00	Due to coinbox and rounding it is recommended that 3.00 be charged.	
15	Photocopies A3 Coloured	14.00	15.00		0.00%
16	Fax transmissions local calls (016 & 0860) per page	7.00	8.00	Rounding	6.00%
17	Fax transmissions Long distance & 0861-0864 per page	8.00	8.50	Rounding	6.00%
18	Fax transmissions - fax to email & cellphones (0865-0869/082/072/083/073/060/061/081) per page	16.00	17.00	Rounding	6.00%
19	Fax transmissions received per page	7.50	8.00		6.00%
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	8.00	8.00	No increase for the next 3 years.	0.00%
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.		6.00%
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 M MOSIDI
EXECUTIVE DIRECTOR COMMUNITY SERVICES

MIDVAAL LOCAL MUNICIPALITY

FINANCE SUNDRY TARIFFS EFFECTIVE FROM 1 JULY 2021

ITEM	DESCRIPTION	2020/2021	2021/2022
		EXCL VAT	EXCL VAT
1.	Warning Notices (disconnection notice hand delivered)	147.27	156.10
2.	Final Notices (handover to attorney - posted to customer)	51.55	54.64
3.	Admin Fees Arrear account Water: Restrict	250.00	250.00
4.	Admin Fees Arrear account Electricity: Restrict	250.00	250.00
5.	Confirmation of disconnection status	51.55	54.64
6.	Dishonoured Cheque: Bank Rate	142.70	151.26
7.	Refer to Drawer Cheque: Bank rate	142.70	151.26
8.	Post Dated Cheque: Bank Rate	142.70	151.26
9.	Assessment Rates Admin Fee (requesting clearance figures)	51.99	55.11
10.	Clearance Certificate	77.22	81.85
11.	Valuation Certificate	36.24	38.42
12.	Unauthorised Consumption Admin Levy (illegal connection or tampering with a meter)	3 930.35	4 166.17
13.	Unauthorised Consumption Admin Levy (illegal connection or tampering with Bulk meter supply)	New	50 000.00
14.	Meter reading on request of customer	153.16	162.35
15	Printed Bid Document Fees	344.97	365.22
15.1	0 to 100 Pages	217.39	230.43
15.2	101 to 200 Pages	304.35	322.61
15.3	201 To 300 Pages	434.78	460.87
15.4	300 Pages and Above	652.17	691.30
15.5	E-mailed Bid Document Fees	0.00	0.00
16.	Interest on arrears. Prime rate (from time to time) Plus 2%		

All abovementioned Tariffs excludes VAT

A. LAMBAT
EXECUTIVE DIRECTOR FINANCE

MIDVAAL LOCAL MUNICIPALITY

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	Development & Planning Department: Law Enforcement Unit	**[R] VAT INCL**	**[R] VAT INCL**	**INCREASE**
	THE TARIFFS LISTED BELOW ARE VALID FROM 1 JULY 2021			
	Trade license:			
	Business premises (once off)	523	554	6.00%
	Food caravan	360	382	6.00%
	Monthly subscription	135	143	6.00%
	Health facilities or entertainment	323	342	6.00%
	Providing massage	539	571	6.00%
	Keeping three or more snooker/billiard tables/s	406	430	6.00%
	Night club	809	858	6.00%
1	Cinema and theatre	406	430	6.00%
	Issuing of duplicate Trade licenses as above:			
	Premises	337	357	6.00%
	Food caravan	180	191	6.00%
	Amending or revoking licensing conditions:			
	Premises	337	357	6.00%
	Food caravan	180	191	6.00%
	Hawkers license/application:			
	CBD	414	439	6.00%
	Outside areas	271	287	6.00%
	Monthly subscription:			
	CBD	100	106	6.00%
2	Outside areas	81	86	6.00%
	Hawking at pension pay point (per day)	44	47	6.00%
	Impounding fee	393	417	6.00%
	Storage fee consumable	113	120	6.00%
	Storage fee non-consumable	113	120	6.00%
	Traveling distance per km from where impound takes place to Office	10	11	6.00%
	Posters impounded	45	48	6.00%
	Mobile signs			
3				
	Aerial signs:	207	219	6.00%
	Aerial signs per 24 hours or part thereof, per aerial sign			
	Trailer advertisement			
	Single sided trailer advetisement for the first square metre	219	232	6.00%
	or part thereof			
	Thereafter for each square metre or part thereof per month	31	33	6.00%
	Double sided trailer signs on which identical	219	232	6.00%
	advertisements appear			
4	For the first square metre or part thereof of the advertisement	219	232	6.00%
	area, thereafter for each square metre or part thereof per			
	month			
	Signs on trailers on which advertisements of different	219	232	6.00%
	organizations appear			
	For the first square metre or part thereof the	219	232	6.00%
	advertisement area, therafter for each square metre or			
	part thereof per organization per month			
	Posters			
	Posters or any placard advertising any product or services	233	247	6.00%
	or announcing the sale of goods.			
	Deposit (Refundable)			
	Rental	113	120	6.00%

ITEM	DESCRIPTION	2020/2021	2021/2022	PERCENTAGE
	Development & Planning Department: Law Enforcement Unit	[R] VAT INCL	[R] VAT INCL	INCREASE
	Posters for National, Provincial and Local Government	12856	13627	6.00%
5	**Election and activities**			
	Advertising board/signs:			
	Registration fee per annum	531	563	6.00%
	Sticker per board	10	11	6.00%
	Outdoor advertising:			
	Banners - Loch Street - Rental (no deposit)	444	471	6.00%
	Banner - Mimosa Street - Deposit and rental	444	471	6.00%
	Banner application - Henley on Klip - Deposit and rental	444	471	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 **including 15% VAT**

29.04.2021

E VAN DER MERWE
DEPUTY DIRECTOR: BUILDINBG AND LAND USE CONTROL

D CHAMBOKO
EXECUTIVE DIRECTOR: DEVELOPMENT AND PLANNING

Annexure E Tariff By-Law

TARIFF BY-LAW

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

MIDVAAL LOCAL MUNICIPALITY
TARIFF BY-LAW

To give effect to the implementation of the Midvaal Local Municipality's 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 Municipal 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 Municipal 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 Municipal 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 Municipal 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 Municipal 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 referred to as the Tariff By-law, and takes effect on 1 July **2021**.

Annexure F Tariff Policy

TARIFF POLICY

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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	Kilo-volt-- Ampere
KL	Kilolitre
c/kWh	Cent per Kilowatt Hour
R/kWh	Rand per Kilowatt Hour
NERSA	National Energy Regulator Of South Africa

1. PURPOSE OF THIS DOCUMENT

The purpose of the policy is to meet the legislative requirements.

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;**
- **consider of the impact that the tariffs may have on local economic development;**
- **move towards implementing cost reflective tariffs, having due regard of the impact that this may have on the residents and businesses**

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” 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” 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 residences 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” 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” 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 that the facility can accommodate; the accommodation is for non-permanent residents and transient guests.

(e) “Self-catering Apartments” is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen/kitchenette facility, and which may include other communal facilities for the use of non-permanent 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” 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 representative 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;

“Calendr year” shall mean 12 consecutive months of a financial year; Commencing 1 July

“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 CPX 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 to, 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 is the 7th of each 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 Midvaal Local Municipality.

"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 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;

"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:-

- (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 deceased 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;

(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” – means immovable 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 2021.

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 together with the adoption of the MTREF for the following year.

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;
- Indigent Policy;
- Budget Implementation and Monitoring Policy;
- Free Basic Electricity Policy
- 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 6, 2004 as amended
- 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 unableto 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 to pay for the cost of the services.

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 own funds: 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 and the payment level must be realistic taking into account current payment levels and past trends. It is therefore important tocontinuously ensure that users indeed pay punctually. Non-payment has a direct effect in that the provision for debt impairment, in accordance with current payment levels, mustbe provided for as expenditure in the budget.

9.4.2 However, it is also a fact that there are consumers 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 for debt impairment and 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, and or or certain property value 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 net 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 <u>Fixed costs</u>: 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 <u>Variable costs</u>: 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 <u>Surplus</u>: The tariffs for these services are determined in such a way that a net 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 thecredit 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 sewer charge 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.

<u>Customers with conventional meters</u>

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

<u>Pre-paid customers</u>

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**
- **7 to 12 kl – Non Indigents**
- **0 to 12 kl – Non Indigents**
- **13 to 20 kl – Non Indigents**
- **21 to 30 kl – Non Indigents**
- **31 to 45 kl – Non Indigents**
- **>45 kl – Non Indigents**

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 By-law 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 detection .

Responsibility of water leak

18.1 Customer

- The customer remains responsible for any water leak that occurred from the meter to his property.
- The customer is responsible to repair the pipes in his/her property.
- Should the customer discover any water leak, he/she must take immediate steps to stop the loss of water by turning off the water supply .
- 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 municopality.
- 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 may be 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 in any financial year, 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 that exceeds the average usage per month, and will adjust retrospectively up to a maximum of six (6) months.

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

The policy will be effective as from 1 July 2021.

This policy is to be reviewed annually and approved by Council together with the adoption of the MTREF for the following year.

Annexure G Property Rates By-Law

PROPERTY RATES BY-LAWS

2021/2022 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 Property Rates By-law, and takes effect on 1 July 2021.

Annexure H Property Rates Policy

PROPERTY RATES POLICY

EFFECTIVE 1 JULY 2021

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 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;

“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, subject 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.

"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 Indigent 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.

"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.

"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.

"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 Property Rates Act.**
10	Protected areas	As per definition of “protected area”.
11	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 vested in the Municipality which is used for residential and / or commercial purposes.

Ref no	Category	Clarification (Must be read together with definitions)
12	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.
13	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 Property Rates Act.**
154	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.
15	Place of Worship and Vicarage	As per definition of "Place of Public Worship".
16	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 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 purposes 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 property developers (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 exempted from paying property rates, subject to the property being in fully operation as the registered institution;

9.1.2 Municipal properties will be exempted 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.

9.3 Rebates

Pensioners

Persons dependent on a nominal income due to medical incapacitation – medical certificate must be attached as proof thereof.

9.3.1 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 R6 500 per month will receive a rebate of 100% of their property rates for the first R1 300 000 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 R8 000 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). Property Owners with more than 1 property will not qualify for Pensioner Rebates.

Pensioner rebates will be valid for a period of 12 months from date of approval.

9.3.2 Sports grounds used for amateur sports will receive a rebate of 75% of their property rates (application based, annually).

9.3.3 Old age institutions registered at the Department of Welfare will receive a rebate of 85% of their property rates (application based, annually).

9.3.4 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).

9.3.5 Owners of Private Schools will receive a 50% rebates of their property rates, subject to the school being registered as such at the Deeds Office and with the department...

9.3.6 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.

9.3.7 Indigent Customers will be exempted from Property Rates.

9.3.8 In the event of owners of properties situated within an area affected by a disaster within a meaning of Disaster Management Act, (Act No. 57 of 2002), and the Property Rates Act, as amended, Section 15(2) (c) and (d), and any other serious adverse social or economic conditions, an additional exemption on municipal valuation may be provided toresidential customer . Council will determine the amount and the period for which the rebate will apply.

9.4 Development incentives and special rebates

9.4.1 Development Incentives

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;

Property Developers must submit a proper motivation (in writing) to the municipality which should include but not limited to:

- Timeframes;
- Cost of development;
- How will municipality and community benefit, etc;

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;

The Municipality reserves the right to refuse or reverse any rebate if the details submitted in the application are incomplete, incorrect, or false.

9.4.2 Special rebate on Residential

In order to be granted a special rebate, the development must consist of at least 10 residential units and more.

For the purpose of special rebates on residential development which is defined as any construction in a designated (Residential zoned area), the property rates will be phased in as follows after completion of the development, which is subjected to the occupancy certificate being issued:

- In the first year a rebate of 100%
- In the second year a rebate of 75%
- In the third year a rebate of 50%

The rebate will fall away on receipt of an Occupancy Certificate, and the full property rates will be payable.

9.4.3 Special rebate on Industrial

For the purpose of special rebates on industry development which is defined as any construction in a designated (Industrial Site Zone), the property rates will be phased in as follows after completion of the development:

- In the first year a rebate of 100%
- In the second year a rebate of 75%
- In the third year a rebate of 50%

In the fourth year the full property rates will be payable

9 COST TO MUNICIPALITIES DUE TO EXEMPTION, REBATES, REDUCTIONS, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO MUNICIPALITIES

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**
KINDLY REFER TO THE BUDGET DOCUMENT FOR THE FINAL FIGURES		

SECTION E

RATES INCREASES/DECREASE

10 CRITERIA FOR INCREASING OF RATES

The municipality will consider increasing property rates levies annually during the budget process:

10.1 The Municipality will in determining the rate levy increase take the following into consideration:
10.1.1 To treat persons liable for rates equitably;
10.1.2 Take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them.
10.1.3 Priorities of a municipality reflected in its Integrated Development Plan.
10.1.4 The revenue needs of the municipality.
10.1.5 A need for management of rates shocks.

10.1.6 Affordability of rates to ratepayers.

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

11 LIABILITY FOR RATES BY PROPERTY OWNERS

11.1 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.

11.2 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.

11.3 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.

11.4 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).

11.5 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.

12 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 2020/2021 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
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	Protected areas	Exempted
11	Municipal properties	Exempted
12	Public monuments and memorials	Exempted
13	Unregistered Properties (Administrative Purposes)	1:0
14	Communal land and Land Reform Beneficiaries	Exempted
15	Place of Worship and Vicarage	Exempted
16	Vacant	1:3

13 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.

14 PHASING IN OF RATES

14.1 The rates to be levied on newly rateable property shall be phased in as provided for in Section 21 of the Act.

14.2 The phasing-in discount on the properties referred to in Section 21 of the Act shall be as follows:

14.2.1	First year	: 75% of the relevant rate;
14.2.2	Second year	: 50% of the relevant rate; and
14.2.3	Third year	: 25% of the relevant rate

15 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.

16 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 was 1 July 2017. The Valuation date for the 2023/2028 will be 1 July 2022. and the valuation roll will be prepared by the person designated as Municipal Valuer and be implemented 1 July 2023.

17 INSPECTION OF AND OBJECTIONS TO AN ENTRY IN THE VALUATION ROLL

17.1 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.

17.2 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.

17.3 Objections must be in relation to a specific individual property and not against the valuation roll as such;

17.4 The lodging of an objection shall not defer liability for the payment of rates beyond the date determined for payment; and

17.5 All objections received shall be dealt with in accordance with the Act.

17.6 Electronic, e-mail, facsimile will be accepted.

17.7 No Late Objections will be received.

18 SPECIAL RATING AREAS

The municipality may by resolution of its council:

18.1 Determine an area within that municipality as a special rating area;

18.2 Levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and

18.3 Differentiate between categories of properties when levying an additional rate referred to in paragraph (b).

19 ANNUAL REVIEW OF RATES POLICY

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

20 THE EFFECTIVE DATES OF THE RATES POLICY

The rates policy takes effect from the start of the municipal financial year, 1 July 2021

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.

Annexure I
Credit Control and Debt Collection By-Law

CREDIT CONTROL AND DEBT COLLECTION BY-LAWS

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

MIDVAAL LOCAL MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION
BY-LAWS

Date of Commencement: 1 July 2021

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 2021;

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) Property 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 Bylawand takes effect on 1 July 2021.

Annexure J
Credit Control and Debt Collection Policy

CREDIT CONTROL AND DEBT COLLECTION POLICY

2021/2022 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 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. Accounting Officer also means Municipal Manager and vice versa.
"**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 which has not been 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**" (CFO)	:	means the person appointed by the municipality as Chief Financial Officer of the Municipality in terms of section 56 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000);

"**Municipal Manager**"	:	Refer to "Accounting Officer"
"**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**"		an account reflecting all fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties in respect of multiple accounts held by customer;
"**Council**"	:	(a) "Council" consists of a number of councillors determined by the MEC for local government in the province concerned by notice in the Provincial Gazette. (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; There is a difference between the Council (councillors that have executive authority) and the

municipality which encompasses the whole institution.

"**Customer**"	:	means any occupier or the owner 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 whose account is 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 Policy of the Municipality
"**Municipality**"	:	"Municipality" means the collective of the duly elected politicians, the senior managers, and the employees of the organization.
"**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, as amended by the Companies Act, 2008; a trust, a close corporation registered in terms of the Close Corporations Act, 1984;

(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 property 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 impairment provision for non-collectible revenue that is billed.;

(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 actions that may be taken 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 arrears including but not limited to –

  (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) Farmers

(i) 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 afford to pay from those that can afford to but simply do not want to pay. The "Indigent Policy" will be applied to those who meet the criteria and qualify for certain relief.

(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 any of it's subsidiary company(ies).

(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, and any bonuses.

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. .

(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 Municipal Systems Act.–

(i) Consolidate any separate accounts of customers liable for payments to the council;

(ii) Set-off 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 channels of communication;

- Conventional postal services,
- Hand delivery at the premises
- By means of an e-mail if so requested by the customer or
- By means of Multimedia system (MMS) if registered for such a service

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) Queries can also be made through the Call Centre and the My Midvaal App

(d) Customers are required to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which any amount owing is being queried;

(e) Customers 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) Pending the outcome of the query, customer may apply for temporary payment extension, **on the affected service only,** in terms of provisions of this policy;

(g) 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. (Refer 5.5 below)

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) Customers are required to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which any amount owing is being disputed.

(c) The dispute must be recorded in a dispute register.

(d) Only disputes lodged by registered account holder will be considered.

(e) Customers 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 dispute arising, 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 dispute arising 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 or the delegated official's decision shall be 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 arrears.

(d) If a customer enters into an arrangement to settle arrear debt, all interest will be waived as a payment incentive. All interest will be written off on entering into a debt repayment arrangement, however, should the arrangement not be 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 purposes). Interest waiver shall only apply when the property is being transferred from a deceased estate to the surviving spouse or heirs.

(g) Interest may be waived on a clearance application if it is in the best interest of the municipality and by approval of the Chief Financial Officer

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, 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.

(b) Customers 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 initial period of sixty days from date of application and may be extended on a month-to-month basis. The extension period(s) may however not cumulatively exceed 12 months.

(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, or suspension of interest on arrears.

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 cellular phone number on record 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 the consumer for the recovery of any amounts in arrears, 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 minimum amount must be paid after receipt of the Warning Notice.(Refer also to 9.2 (f) below)

(g) If a Customer was disconnected, the full amount must be paid before the services can be reconnected. No arrangement will be made on the Disconnection date.

(h) In the case of an Illegal By-pass**, s**ervices can only be restored once the payment(s) made reflects in the municipality's bank account.

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 the 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 prove 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.

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 of this policy; 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 off-set 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 a 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 –

Council may amend the percentage deduction for outstanding debt via the prepaid system on an annual basis. The current percentage is 30%.

(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) defaults on any payment 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 reconnects 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 cellular number of such customer on record, 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 :-

(i) Levy and recover an admin fee in terms of the tariff provisions of Council;

(ii) Install water management devices as determined by the Council from time to time;

(iii) Install of a pre-paid electricity and or water meter or equivalent as determined by Council from time to time;

(iv) Increase the amount of the consumer deposit held against the customer account, subject to the provisions of deposit policy and tariff provisions of Council;

(v) Levy and recover any other applicable fees, tariffs, charges in terms of tariff provisions of Council.

(vi) Waive any admin fees - 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 have been accepted; penalties and / or deposit has been increased in accordance with this policy.

(b) Services may only be reinstated or reconnected by the municipality or duly it's 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 provide acceptable proof 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 services, restricted or disconnected in terms of this policy, reconnection fees 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 the Magistrates 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 the 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 the 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.

(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 further extended longer than an additional 60 months.

(d) The customer may be required to prove levels of income and must agree to a monthly instalment;

(e) The Council must, in exercising its discretion under paragraph (a) and (b) have regard to a consumer's –

(i) internal credit record history;

(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 **on a last instalment made** but will be re-instated if the customer does not honour the arrangement.

(h) The customer will be required to effect payment of current account plus arrangement instalment on or before account due date. Failure to do so which will result in the immediate cancellation of debt repayment arrangement.

(i) Customers who default on three separate debt repayment arrangements made, may be denied facility to enter into further debt repayment arrangements and the full amount remains 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 Income or his / her nominee on submission of full motivation.

(k) In the case of multiple defaults, the following steps may be undertaken:

- Installation of water management devices as determined by the Council from time to time;
- 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 the 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 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 the notice not be settled within 21 (twenty one) days of such notice, legal proceedings will be instituted for the recovery of the debt plus any additional costs incurred in the application of this policy and will further obtain 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 the court of competent jurisdiction, against the 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 and make recommendations to Council for approval to write off the 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 affect 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 delegated power of authority or approved by Council.

(c) (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 recommended 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) For households with electrical connections of 60 amps and above : 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 months period as well as 100 kl of water per meter per month. In addition, an admin fee will be charged.

(c) For households with electrical connections limited to 25 amps: A consumption fee for possible lost units equalling 630 electricity units per meter per month will be charged for a six months period as well as 100 kl of water per meter per month. In addition, an admin fee will be charged.

(d) A consumption fee for possible lost units equalling 3 000 electricity units per meter or phase, whichever applicable per month will be charged for a six months period as well as 200kl of water per meter per month. In addition a penalty fee of R50 000 will be charged for the tampering of bulk meters supply

(e) Illegal connection, reconnection or tampering with a service supply of Council is considered a criminal offence which may result in legal actions being taken.

(f) 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).

(g) 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.

(h) The second offence for illegal connections on electricity and water meters will be charged double the amount of units mentioned in Clause (b), (c), and (d) above

17. SHORT TITLE

This Policy shall be called the Credit Control Policy of Midvaal Local Municipality.

EFFECTIVE DATE:

The Policy is effective from 1 July **2021**.

Annexure K
Cash Management Policy

CASH MANAGEMENT POLICY

2021/2022 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 surpluses.

Cash Management will include the management of the following line items in the financial statements:

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 for 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 acquisition of capital assets in accordance with the approved capital budget of Council, may be held in cash and referred to as Capital Replacement Reserve.

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 that the customer does not have any money owing to the municipality on any of municipal accounts.

Consumer deposits may be cash-backed, however: -

The likelihood of all customers approaching the municipality simultaneously demanding that their deposits be refunded is highly unlikely.
In cases where a customer's deposit is refunded, it is often replenished by another customers deposit - who acquires the property.

2.6 Retentions held

Retention in contracts are amounts held as a set off in the event the contractor does not honour the contract in rectifying any 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.

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 that must be cash backed:

3.1 Provision for annual leave

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 should be cash backed.

3.2 Provision for the rehabilitation of the landfill site(s)

The **provision for the rehabilitation of the landfill site(s)** is created for the rehabilitation of the current operational sites at the future estimated time of closure.

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.

Cash will be provided over the period until it becomes necessary for the rehabilitation.

3.3 Provision for post-retirement benefits (medical)

Actuarial valuations are conducted on an annual basis by independent actuaries to determine the amount of the provision that is required.

The provision should be 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 should be cash backed.

4. Determination of minimum cash levels to retain: Working Capital

Working capital is a financial metric which represents the operating liquidity that will be available to the organization Working capital is considered a part of operating capital. Net working capital is calculated as current assets minus current liabilities.
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: Liquidity Ratios

5.1 Liquidity ratio (also called current ratio)

This ratio expresses the current assets (debtors after provision has been made for impairment , inventory, investments maturing in 1 – 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 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 municipalityto 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 on hand

This indicator looks at, the number of days that the entity will be able to sustain itself, if no further cash is received.

This number of days should always be a minimum of 30 days.

These liquidity indicators should not be seen in isolation as a number 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 bulk purchases are paid.

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 2021.

Annexure L
Investment Policy

INVESTMENT POLICY

2021/2022 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. (herein referred to as MLM).

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)
- Local Government 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 Municipal Finance Management 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, liquidity requirements of MLM, and the risk associated with the sensitivity of investment returns against changes in the repo and prime rates.

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 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 by one institution 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. Any downward gradings of the major financial institutions shall be taken into consideration and the revised ratings shall be evaluated holistically. The revised gradings may be lower than what may be required in clause 9. below and may still be acceptable

provided that the downgrading was across the industry, affecting all the major financial institutions.

9. Authorised Investments

All investments must be in the name of the MLM or one of the municipal entities.

10. Investment Limitations

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 jeopardizing 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:

- Prevention 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
- Limiting 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 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 is to be reviewed annually and approved by Council together with the adoption of the MTREF for the following year.

Annexure M
Borrowing Policy

BORROWING POLICY

2021/2022 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 owed 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) a statement of financial position;

(b) a statement of financial performance;

(c) a statement of changes in net assets;

(d) any other statements that may be prescribed; and

(e) any notes to these statements.

"Financial year" – means a year commencing on 1 July and ending on 30 June of the following year;

"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 commence 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.

5.1 A municipality may incur 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 - Conditional Grants

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 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 5.2.3 A municipal Council may:

5.2.3.1 Approve a short-term transaction individually; or

5.2.3.2 Approve 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) the 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.

5.2.4 The Municipality:

5.2.4.1 Must pay off short-term debt within the financial year; and

5.2.4.2 May not renew or refinance short-term debt, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year

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 Section 5.2.6 above 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 the purpose of capital expenditure on property, plant and equipment for the purpose of achieving 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 approved capital budget

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 2021.

Annexure N
Budget Funding and Reserves Policy

FUNDING AND RESERVES POLICY

2021/2022 FINANCIAL YEAR

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ABBREVIATIONS

MLM	Midvaal Local Municipality
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
CRR	Capital Replacement Reserve
GRAP	Generally Recognised Accounting Practise
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
VAT	Value Added Tax
SDBIP	Service Delivery and Budget Implementation Plan

1. PURPOSE OF THIS DOCUMENT

This policy sets outs the principles for determining the following:-

- Projected billings, collections and all direct revenues;
- The provision for revenue that will not be collected;
- The funds the Municipality can expect to receive from investments;
- The proceeds the Municipality can expect to receive from the transfer or disposal of assets;
- The funds to be set aside in reserves.

2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No 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 No. 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 period of twelve months ending on the 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 No 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 No 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 2021.

6. POLICY AMENDMENT

The AO must–

(a) at least annually review the implementation of this Policy; and

(b) when the AO considers it necessary, submit proposals for the amendment of this Policy to the Council.

The review of this policy and any amendment should be made with due consideration and in conjunction with the annual review of the budget related policies as prescribed in the Municipal Budget and Reporting Regulations, 2008.

7. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Accounting Policy;
- Cash Management and Investment Policy
- Long Term Financial Plan Policy;

8. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- MFMA Budget Circular 51
- Municipal Budget and Reporting Regulations, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice

9. PRINCIPLES REGARDING THE FUNDING OF THE ANNUAL BUDGET

9.1 An annual budget may only be funded from:-

9.1.1 Realistically anticipated revenues to be collected;

9.1.2 Cash backed accumulated funds from previous years surpluses and reserves not committed for any other purpose; and

9.1.3 Borrowed funds but only for the capital budget.

9.2 Realistic anticipated revenue projections must take into account:-

9.2.1 Projected revenue for the current year based on collection levels to date; and

9.2.2 Actual revenue collected in previous financial years.

9.3 Spending on a capital project may only occur if:-

9.3.1 The money for the project, excluding the cost of feasibility studies, has been appropriated in the budget;

9.3.2 The project, including the total cost, has been approved by Council;

9.3.3 The sources of funding have been considered, are available and have not been committed for other purposes;

9.3.4 Council has considered:-

9.3.4.1 The projected cost covering all financial years until the project is operational; and

9.3.4.2 The future operations costs and revenue on the project, including municipal tax and tariff implications.

10. FUNDING THE OPERATING BUDGET

10.1 The operating budget provides funding to departments for their medium term expenditure as planned.

10.1.1 The Municipality categorises services rendered to the community according to its revenue generating capabilities as follows:-

10.1.2 Trading services (services that generate predetermined surpluses that can be used to fund other services rendered by the Municipality);

10.1.3 Economic services (services that should at least break-even, but do not necessarily generate any surpluses to fund other services rendered by the Municipality);

10.1.4 Rates and General (services that are funded by property rates, government grants or surpluses generated by the trading services).

10.2 The operating budget is funded from the following main sources of revenue:-

10.2.1 Property rates;

10.2.2 Service charges;

10.2.3 Government grants and subsidies;

10.2.4 Other sundry revenue, such as fines, interest received etc; and

10.2.5 Cash backed accumulated surpluses from previous years not committed for any other purposes.

10.3 The following guiding principles apply when compiling the operating budget:-

10.3.1 The annual budget must be funded ;

10.3.2 Growth parameters must be realistic taking into account the current economic conditions;

10.3.3 Tariff adjustments must be realistic, taking into consideration affordability, bulk increases and future projected growth according to the approved Integrated Development Plan (IDP);

10.3.4 Revenue from government grants and subsidies must be in line with allocations gazetted in the Division of Revenue Act and Provincial Gazettes;

10.3.5 Revenue from public contributions, donations or any other grants may only be included in the budget if there are acceptable documentation that guarantees the funds such as:-

10.3.5.1 A signed service level agreement;
10.3.5.2 A contract or written confirmation; or
10.3.5.3 Any other legally binding document.

10.3.6 Property rates are levied according to the Municipal Property Rates Act and Property Rates Policy based on the market values. The budget is compiled using the latest approved Valuation Roll and any Supplementary Roll, consistent with current and past trends. Property rates tariffs and rebates are determined annually as part of the tariff setting process;

10.3.7 Property rates rebates, exemptions and reductions are budgeted either as revenue foregone or as a grant as per MFMA Budget Circular 51 depending on the conditions thereof;

10.3.8 Projected revenue from service charges must be realistic - based on current and past trends with expected growth considering the current economic conditions. The following factors must be considered for each service:-

10.3.9 Metered services comprising of electricity and water:-

10.3.9.1 The consumption trends for the previous financial years;

10.3.9.2 Envisaged water restrictions or load shedding when applicable; and

10.3.9.3 Actual revenue collected in previous financial years.

10.3.10 Refuse removal services:-

10.3.10.1 The actual number of erven receiving the service per category; and

10.3.10.2 Actual revenue collected in previous financial years.

10.3.11 Sewerage services:-

10.3.11.1 The actual number of erven receiving the service per category and the consumption trends per category; and

10.3.11.2 Actual revenue collected in previous financial years.

10.3.12 Rebates, exemptions or reductions for service charges are budgeted either as revenue foregone or as a grant as per MFMA Budget Circular 51 depending on the conditions thereof;

10.3.13 Other projected revenue is charged in terms of the approved sundry tariffs and fines considering the past trends and growth for each category.

10.3.14 Provision for revenue that will not be collected is made against the expenditure item debt impairment and is based on actual collection levels for the previous financial year and the latest projected annual non-payment rate.

10.3.15 Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects and with no recurring operating expenditure resulting thereof.

10.3.16 Interest received from actual long-term and or short-term investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends.

10.3.17 Depreciation charges are fully budgeted for according to the asset register and to limit the impact of the implementation of Asset Related GRAP Standards a transfer is made from the accumulated surplus.

10.3.18 A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total and new and/or funded vacant positions are budgeted for nine (9) months only of the total package considering the time for the recruitment process.

10.3.19 To ensure the health of the municipal asset base, sufficient provision must be made for the maintenance of existing and infrastructure assets based on affordable levels as maintenance budgets are normally lower than the recommended levels. As a guiding principle repair and maintenance should constitute at least between 7% and 9% of total operating expenditure and should annually be increased incrementally until the required targets are achieved. Actual spending in previous years

10.3.20 Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over operating expenditure. Increases for these line items must be linked to the average inflation rate and macro-economic indicators unless a signed agreement or contract stipulates otherwise.

11. FUNDING THE CAPITAL BUDGET

11.1 The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent. In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets. The capital budget provides funding for the Municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and enlargement of bulk infrastructure. Provisions on the capital budget will be limited to availability of sources of funding and affordability. The main sources of funding for capital expenditure are:-

11.1.1 Cash backed accumulated surpluses;

11.1.2 Borrowings;

11.1.3 Government grants and subsidies;

11.1.4 Public donations and contributions; and

11.1.5 Operating revenue.

11.2 The following guiding principles apply when considering sources of funding for the capital budget:-

11.2.1 Government grants and subsidies:-

11.2.1.1 Only gazette allocations or transfers as reflected in the Division of Revenue Act or allocations as per Provincial Gazettes may be used to fund projects;

11.2.1.2 The conditions of the specific grant must be taken into consideration when allocated to a specific project; and

11.2.1.3 Government grants and subsidies allocated to specific capital projects are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.

11.2.2 In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding is guaranteed by means of:-

11.2.2.1 A signed service level agreement;

11.2.2.2 A contract or written confirmation; and/or

11.2.2.3 Any other legally binding document.

11.2.3 Public donations, contributions and other grants are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.

11.2.4 The borrowing requirements as contained in the borrowing policy are used as a basis to determine the affordability of external loans over the Medium Term Revenue and Expenditure Framework. The ratios to be considered to take up new borrowings include:-

11.2.4.1 long-term debt to revenue (excluding grants) not to exceed 40%;

11.2.4.2 payment rate of above 90%;

11.2.4.3 percentage of capital charges to operating expenditure less than 15% (Interest and redemption).

11.2.5 Allocations to capital projects from cash backed accumulated surpluses will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve as follows:-

11.2.5.1 Capital projects of a smaller nature such as office equipment, furniture, plant and equipment etc. must be funded from own generated revenue from the operating budget for that specific year;

11.2.5.2 Capital projects to upgrade bulk services will be allocated to the capital bulk contributions reserve for each service.

11.2.6 All capital projects have an effect on future operating budgets. The following cost factors should therefore be considered before approval:-

11.2.6.1 Additional personnel cost to staff new facilities once operational;

11.2.6.2 Additional contracted services, such as security, cleaning etc.

11.2.6.3 Additional general expenditure, such as services cost, stationery, telephones, material etc.

11.2.6.4 Additional other capital requirements to operate the facility, such as vehicles, plant and equipment, furniture and office equipment etc.

11.2.6.5 Additional costs to maintain the assets;

11.2.6.6 Additional interest and redemption in the case of borrowings;

11.2.6.7 Additional depreciation charges;

11.2.6.8 Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.

All Reserves are “ring fenced” as internal reserves within the accumulated surplus, except for provisions as allowed by the standards of Generally 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 retired employees and their legitimate spouses. The entitlement to retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost of these benefits is accrued over a period of employment.

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 2021

Annexure O
Municipal Supply Chain Management Policy and Procedures

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

2021/2022 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 –

"Accounting Officer" means the person appointed by the Municipality as the Municipal Manager of the 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. Accounting Officer also means Municipal Manager and vice versa.

"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 a bid or quote to is 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.

(f) The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)

"Petty Cash", means a small amount for incidental purchases of low value goods and services

"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 only from a selected few supplier, 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 exists in the market, with sole distribution rights and/or patent rights or being a sole manufacturer, supplier, or distributer of the goods or services required.

“Strip & quote:” When it is not certain what repairs and maintenance should be performed on equipment and 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;

“Municipal Cost Containment Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Cost Containment Regulations, 2019;

“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 of goods no longer needed;

(c) appoints 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 as well as the Midvaal Local Municipality's Policy Document : Division of Legislative and Executive Functions And Delegations of Authority

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
- Executive Director: Development & Planning
- Executive Director: Community Services
- Director: Expenditure (and SCM)

5.2.3 not exceeding R200 000 (VAT inclusive) is hereby sub-delegated as follows:

(a) The Chief Financial Officer to approve acquisitions above R30 000 up to R200 000 (All amounts are 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; Deputy Director: Supply Chain Management and Assistant Director: Supply Chain Management to approve acquisitions above R2 000 up to R30 000 (All amounts are VAT inclusive);

(ii) The Director: Expenditure; Deputy Director Supply Chain Management; Assistant Director: Supply Chain Management and the Assistant Director: Expenditure to approve acquisitions up to R2 000 (All amounts are 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 or person 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 made 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, they can only recommend to the Bid Adjudication Committee.

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;

(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 and 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.

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 timeously 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);

(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 and limits 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 applicable legislation;

(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) Subscription fees to professional bodies;

(e) Payments for and renewal of licence fees;
(e) Tuition or enrolment fees payable through bursaries.

12. RANGE OF PROCUREMENT PROCESSES

12.1 Goods and services may only be procured by way of –

(a) Petty cash , up to a transaction value of R2 000 (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 up to R30 000 (vat inclusive);

(c) Formal written price quotations process for procurement of a transaction value over R30 000 up to R200 000 (vat inclusive); and

(d) a formal competitive bidding process for–

(i) procurement above a transaction value of R200 000 (VAT inclusive);

(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 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 and 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, or to circumvent the requirements of the procurement processes. 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;

14. LISTS OF ACCREDITED PROSPECTIVE PROVIDERS

a.1 The accounting officer must –

(a) In terms of MFMA Circular 81, transact only with 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) 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;

(c) 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 Central Supplier database prior to awarding any 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 AMOUNTS UP TO R2 000

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) Petty cash requests not exceeding R2 000 VAT inclusive, per transaction may be issued by the approved officials.

(b) Petty cash purchases are restricted to emergency cases where the necessity is required within 1 day to a maximum of R2 000 VAT inclusive that could not have been foreseen.

(c) A monthly reconciliation must be prepared.

16. WRITTEN QUOTATIONS (ABOVE R2 000 UP TO R10 000 INCLUDING VAT)

16.1 The conditions for the procurement of goods or services through written quotations for amounts above R2 000 up to R10 000 (Amounts inclusive of VAT) are as follows*:*

(a) 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 as well as the National Treasury Central Supplier Database;

(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 (ABOVE R10 000 UP TO R30 000 INCLUDING VAT)

17.1 The conditions for the procurement of goods or services through formal written price quotations for amounts above R10 000 up to R30 000 (amounts inclusive of VAT) 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 Midvaal Local Municipality as well as 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 ABOVE R30 000 UP TO R200 000 (AMOUNTS INCLUSIVE OF VAT)

18.1 The procedure for the procurement of goods or services through formal written price quotations above R30 000 up to R200 000 (amounts inclusive of VAT) is as follows*:*

(a) All requirements above R30 000 (VAT included) that are to be procured 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;

(c) The accounting officer must take all reasonable steps to ensure that the procurement of goods and services through written 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 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 of 2017 as follows:

i. Tenderer having a B-BBEE status level of 1 (one); and/ or
ii. An EME

(g) Evaluation of offers are subject to the preference point system in terms of section 6 of the Preferential Procurement Regulations 2017 and is awarded

to the bidder who scored the highest procurement points, whereas a formula will be applied to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R200 000, inclusive of all applicable taxes.

(h) The following formula will be applied:

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

(i) Thereafter, price points will be added to the B-BBEE points in order to ascertain the highest procurement points sorcerer.

(j) 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 (INCLUSIVE OF VAT)

19.1 Goods or services above a transaction value of R200 000 (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 (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 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 for 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 decide to apply pre-qualifying criteria to advance certain designated groups, that specific tender must be advertised with a specific tender condition that, only one or more of the following tenderers may respond:

i. a tenderer having a stipulated minimum B-BBEE status level of contributor;
ii. an EME or QSE;
iii. a tenderer subcontracting a minimum of 30% to:
    a. an EME or QSE which is at least 51% owned by black people who are women;
    b. an EME or QSE which is at least 51% owned by black people with disabilities;
    c. an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
    d. a cooperative which is at least 51% owned by black people;
    e. an EME or QSE.
iv. A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

(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;
- If the bidder is not required by law to prepare audited financial statements, then the unaudited financial statements for the past three years or since inception 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.

21.2 The Midvaal Local Municipality intends to promote small businesses and create a competitive environment, therefore by ensuring that:

a. No supplier may be awarded more than one long-term contract per financial year.
b. The Accounting Officer may waive this restriction if there are no other bidders who qualify for the 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 fairly and equitably. 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.

22.6 The bid document must always make reference to Section 21.2 (a) of this policy.

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 at least two SCM officials in the presence of the bidders;

(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;

23.4 The accounting officer must –

(a) record in a register all bids received in time;

(b) make the register available for public inspection;

(c) publish the entries in the register and the bid results on the website.

24. NEGOTIATIONS WITH PREFERRED BIDDERS

24.1 The accounting officer only may negotiate on bids above R10 million VAT Included) and may delegate the BAC to negotiate for awards above R200 000 up to R10 million VAT Included, 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 and an attendance register 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-

(k) 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 or 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 at least the following committees for all procurement or cluster of procurements as the accounting officer may determine:

(a) a bid specification committee;

(b) a bid evaluation committee; and

(c) a bid adjudication committee;

26.2 The Accounting Officer is to appoint members for each bid spec and bid evaluation committee based on expertise and knowledge required, 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, appointed by the accounting officer, may attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

26.4 The accounting officer may co-opt members to assist with the technical evaluation of bids, such members can only make recommendations.

26.4 The committee system must be consistent with –

(a) Paragraph 27, 28 and 29 of this Policy; and

(b) Any other applicable legislation.

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 of 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 50% 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 for more than three months; and

(d) Verify if the recommended bidder is not in the employ of the state through the National Treasury's Central Supplier Database.

(e) submit to the bid adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

28.2 B-BBEE 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 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.

28.4 Quorum for Bid Evaluation Committee meetings consists of 50% 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 has been involved in the specifications and or evaluation process.

Should the bid committee member have been involved in the evaluation of the item under consideration, they must recuse themselves from the decision-making process and be recorded in the minutes 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 for more than three months, and

(c) notify the accounting officer.

29.6 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.

29.7 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.

29.8 The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

29.8 The accounting officer must comply with section 114 of the Act within 10 working days.

30. PROCUREMENT OF BANKING SERVICES

30.1 A contract for banking services –

(a) must be procured through competitive bids;

(b) must be consistent with section 7 or 85 of the Act; and

(c) may not be for a period of more than five years at a time.

30.2 The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

30.3 The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act 94 of 1990).

31. PROCUREMENT OF IT RELATED GOODS OR SERVICES

31.1 The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

31.2 The parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

31.3 The accounting officer must notify SITA together with a motivation of the IT needs if –

(a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

(b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

31.4 Should SITA comment on the submission and the Midvaal Local Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the Gauteng Provincial Treasury and the Auditor General.

32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

32.1 The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –

(a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

(b) there is no reason to believe that such contract was not validly procured;

(c) there are demonstrable discounts or benefits to do so; and

(d) that other organ of state and the provider have consented to such procurement in writing.

32.2 Subparagraphs (32.1) (c) and (d) do not apply if –

(a) a municipal entity procures goods or services through a contract secured by its parent municipality; or

(b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

32.3 Solicit the views of Gauteng Provincial Treasury on the intention to participate in a contract secured by another organ of state in terms of regulation 32.

Correspondence in terms of the aforementioned requirement must be addressed and submitted to the Head of Department and the municipality may proceed with the relevant procurement if no response is forthcoming from treasury after 14 days of submission to treasury.

32.4 Must ensure full compliance with the issued National Treasury Regulations, relating to MFMA Municipal SCM Regulation 32.

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; and

(ii) 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.

(c) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should be penalised up to a maximum of 10 percent of the value of the contract;

(d) if it concludes, after considering the representations referred to in sub regulation (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;

34.2 (a) An organ of state must-

(i) inform the National Treasury, in writing, of any actions taken in terms of sub regulation (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 sub regulation (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.

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 recommended bidder on the National Treasury's Central Supplier Database prior to awarding any contract so as to ensure that the recommended bidder, or any of its directors, is/are not listed as a person(s) 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;

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 (VAT Included) 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 policy, may lodge within 14 days of the decision or action been made public, 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. COST CONTAINMENT

This policy must be read in conjunction with the cost containment regulations of National Treasury and the Cost Containment Policy of the Midvaal Local Municipality

53. COMMENCEMENT

This Policy takes effect from 1 July 2021.

Annexure P
Asset Management Policy

ASSET MANAGEMENT POLICY

2020/2021 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 assets, 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, biological assets, intangible assets and heritage assets are central to meeting the above challenges. Accordingly, the Municipal Systems Act, 2000 (MSA) Chapter 2 section 4(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 practices 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.

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. . 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/her 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 responsible for the fixed asset register 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.

The Chief Financial Officer must prepare the annual financial statements in such a manner that it discloses all compulsory disclosures as required by the relevant standards of GRAP.

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 Policy 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

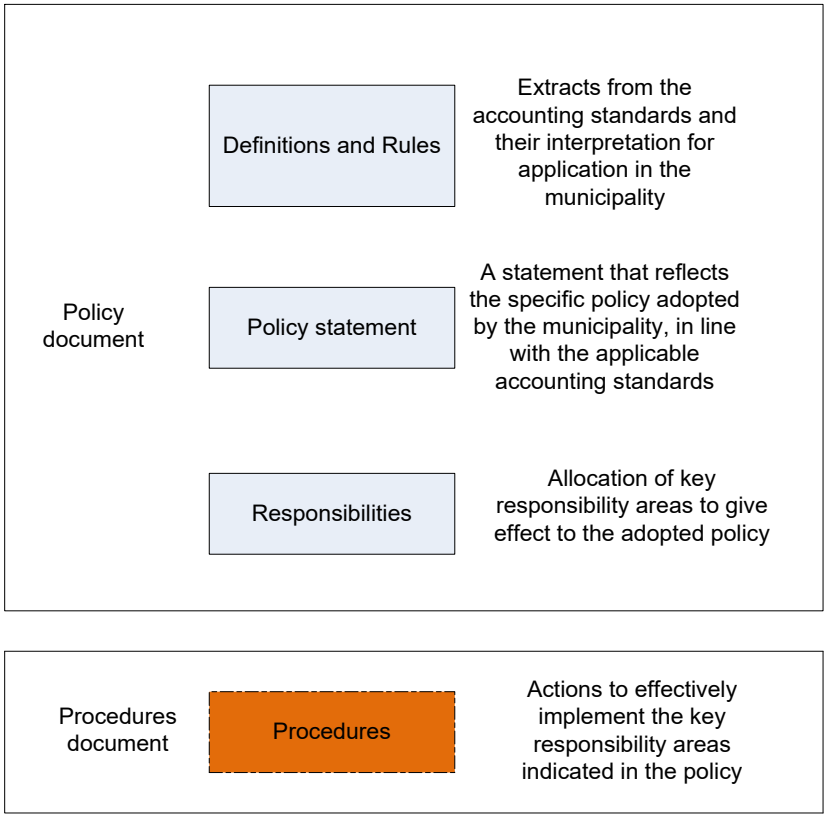
The following references were observed in compiling this document:

- The Constitution of the Republic of South Africa, 1996
- 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
- Local Government Capital Asset Management Guidelines, National Treasury, 2008
- Generally Recognised Accounting Practice (1-14, 16, 17, 19-21, 23-27, 31, 32 and 100-104, 108 - 110)
- Interpretations of the standards of GRAP issued by the Accounting Standards Board (ASB) (IGRAP 1- 19)
- Directives issued by the ASB
- Municipal transfer and disposal regulations, No. 878 of 2008 (Government Gazette No. 31346)
- Accounting guideline issued by National Treasury relating to intangible assets
- Supply Chain Management Regulations No. 868 of 2005 (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 and from which 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, regardless of whether the municipality intends to do so or;

(b) arises from binding arrangements 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 standard on Agriculture.

Capital Spares (Major Spare Parts)

Spares and materials used regularly 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, if they meet the definition 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 or similar 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 municipality has the capacity to control the service potential or future economic benefit of the asset, is able to deny or regulate access to 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 .

Past transactions or events

Assets are only recognised from the point when some event or transaction transferred control to the municipality .

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 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 incidental 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, is responsible for communication and recordingof the asset.

Reliable measurement

Items are recognised that possess a cost or fair value that can be reliably measured in terms of this policy.

Heritage assets

Heritage assets are defined as assets that have cultural, environmental, historical, natural, scientific, technological, or artistic significance and are held indefinitely for the benefit of present and future generations.

(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 (/27 and GRAP 110);
- 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, assets should be classified under the following heading in the Asset Register:

- Land
- Transport assets
- Infrastructure assets
- Machinery and equipment
- Computer equipment
- Community assets
- Other assets

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.

General characteristics of infrastructure assets are that they:

a) Are part of a system or network;
b) They are specialised in nature and do not have alternative uses;
c) They are immovable; and
d) They may be subjected to constraints on disposals

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: Other Assets

PPE which is defined as capital assets utilised in normal operations administrative function of the municipality, for example, office buildings.

PPE Land:

PPE which is defined as capital assets utilised in normal operations administrative function of the municipality, for example, land.

The definition of an asset is met when the resource is controlled by the municipality as a result of past events and from which future economic benefits or service potential is expected to flow to the entity. To satisfy the recognition criteria, it should be probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably.

The municipality must control the resource. Control of the resource is evidenced by the municipality's ability to use the resource, or direct other parties to use it, so as to benefit from the future economic benefits or service potential embodied in the resource.

The principle of ***substance over form*** acknowledges that the substance of transactions or other events is not always consistent with that which is apparent from their legal form. Legal ownership is one method to demonstrate control of land, but the ability to generate future economic benefits or the right to service potential may exist without legal ownership of land. As a result, although the capacity of the municipalityto control benefits is usually the result of legal rights, an item may nonetheless satisfy the definition of an asset even when there is no legal ownership. The municipality should assess whether it controls land using the following criteria. Control is

evidenced by the rights and obligations arising from a binding agreement. Judgement should be used to assess control.

1) Control is evidenced by the rights and obligations arising from a binding arrangement. Control of land is evidenced by the following criteria:

(a) legal ownership; and/or

(b) the right to direct access to land, and to restrict or deny the access of others to land.

At each reporting date, the municipalityneeds to assess whether there are any changes to the binding arrangement that may impact its assessment of control.

PPE Machinery and equipment:

PPE which is defined as capital assets utilised in normal operations administrative function of the municipality, for example, toolboxes and generators.

PPE Furniture and office equipment:

PPE which is defined as capital assets utilised in normal operations administrative function of the municipality, for example, office tables and chairs.

PPE Computer equipment

PPE which is defined as capital assets utilised in normal operations administrative function of the municipality, for example, laptops and desktops.

PPE: Transport assets.

PPE which is defined as capital assets utilised in normal operations administrative function of the municipality, for example, motor vehicles.

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 administration purposes or sale in the ordinary course of operations). Examples of investment property are office parks that are rented out. The municipality may need to consider, on an ongoing basis, substance over form in assessing whether land and/or buildings are used to deliver on its mandated functions. If the asset is used to deliver goods/services in accordance with its mandated function it will be accounted for under GRAP 17. 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 an investment property until the use of the land has been determined.

The land is held for a currently undetermined future use when

a) The municipality has not determined that it will use the land as owner-occupied property
b) A municipality does not hold the land for sale in the ordinary course of operations
c) An entity has not determined that it holds the land for strategic purposes which will be accounted for in accordance with GRAP 17.

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, regardless of whether the municipality intends to do so or;

b) Arises from binding arrangements 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. Costs incurred to register these servitudes (if any) are expensed.

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 use judgement whether to 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.

(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

(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.

The Chief Financial Officer will establish and maintain the Register containing key financial data on each item of Property, Plant or Equipment, Investment Property, Intangible Assets, Heritage Assets and Agricultural Assets that satisfies the criterion for recognition.
The Asset Manager is responsible for establishing and maintaining any additional register or database required by the managers to demonstrate the physical management of their assets.

The asset register shall be maintained in the format determined by the Chief Financial Officer, which format shall comply with the requirements of GRAP and any other accounting requirements which may be prescribed.

The details in the asset register must, as far as possible, include:

- A unique identification number;
- GIS identification number in the case of infrastructure;
- A short but meaningful description of each asset;
- Date of acquisition of the date that the asset was ready for use;
- Location of the asset;
- The responsible manager and department(s) or vote(s) within which the asset will be used;
- The title deed number, in the case of fixed property;
- The erf number, in the case of fixed property;
- The measurement basis of the asset (Cost or Fair Value);
- The original useful life of the asset;
- The revised useful life of the asset;
- The residual value of the asset;
- The revised residual value of the asset;
- The historical cost or revalued amount or fair value, where no cost is available;
- The accumulated depreciation to date;
- Depreciation charged for the current financial year;
- The carrying value of the asset;
- The depreciation methods and rate used;
- Impairment losses incurred during the financial year (and the reversal of such losses, where applicable);
- Method of calculating recoverable amount (in the case where an impairment is required in terms of GRAP;
- Source of finance;
- Condition of the asset;
- Current insurance arrangements/agreements;
- Whether the asset is required to perform basic municipal services;
- Whether the asset has been used to secure any debt, and – if so - the nature and duration of such security arrangements;

- Security arrangements;
- Date and value of disposal;
- Selling price; and
- The date on which the asset is retired from use, if not disposed of.

All managers under whose control any asset falls shall promptly provide the Chief Financial Officer in writing with any information required to compile the asset register, and shall promptly advise the Chief Financial Officer in writing of any material change which may occur in respect of such information.

An asset shall be recorded in the asset register as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately capitalised as a fixed asset. The fact that an asset has been fully depreciated shall not in itself be a reason for deleting it from the register.

Controls relating to the asset register should be sufficient to provide HOD's with an accurate, reliable and up-to-date account of assets under their control, in line with the standards specified by the Chief Financial Officer and as required by relevant legislative and other requirements.

These controls must include:

- Details of the physical management;
- The recording of all acquisitions, assignments, transfers, losses and disposals of assets;
- Regular stock-takes; and
- Systems audit to confirm the accuracy of the records.

The Chief Financial Officer must establish a system to ensure that each moveable asset bears a unique identification number/ barcode which shall be recorded in the asset register.

HOD's must ensure that the asset identification system approved for use by the municipality is scrupulously applied to all assets controlled or used by the department in question.

(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 through a non-exchange transaction (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 and should the principles of GRAP 17 be applied to determine the 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 the recognition of intangible assets

Intangible assets will be measured at cost at initial recognition. Where assets are acquired for through a non-exchange transaction (no or nominal consideration) the cost is deemed to equal the fair value of the asset on the date acquired.

Measurement at the recognition of heritage assets

Heritage assets will be measured at cost at initial recognition. Where assets are acquired through a non-exchange transaction (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. Where the fair value cannot be measured reliably the principles of GRAP 27 should be followed.

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 when the recognition criteria of a heritage asset are met.

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.

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 the asset once the asset is ready for use as intended by management.

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 may include

a) Interest expense calculated using the effective interest method as described in the Standard of GRAP on Financial instruments;
b) Finance charges in respect of finance leases and service concession arrangements; and

c) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The municipality shall recognise borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of the asset. The amount of borrowing cost eligible for capitalisation shall be determined in accordance with the GRAP 5.

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, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

(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, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

Examples of 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 assets and 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**.

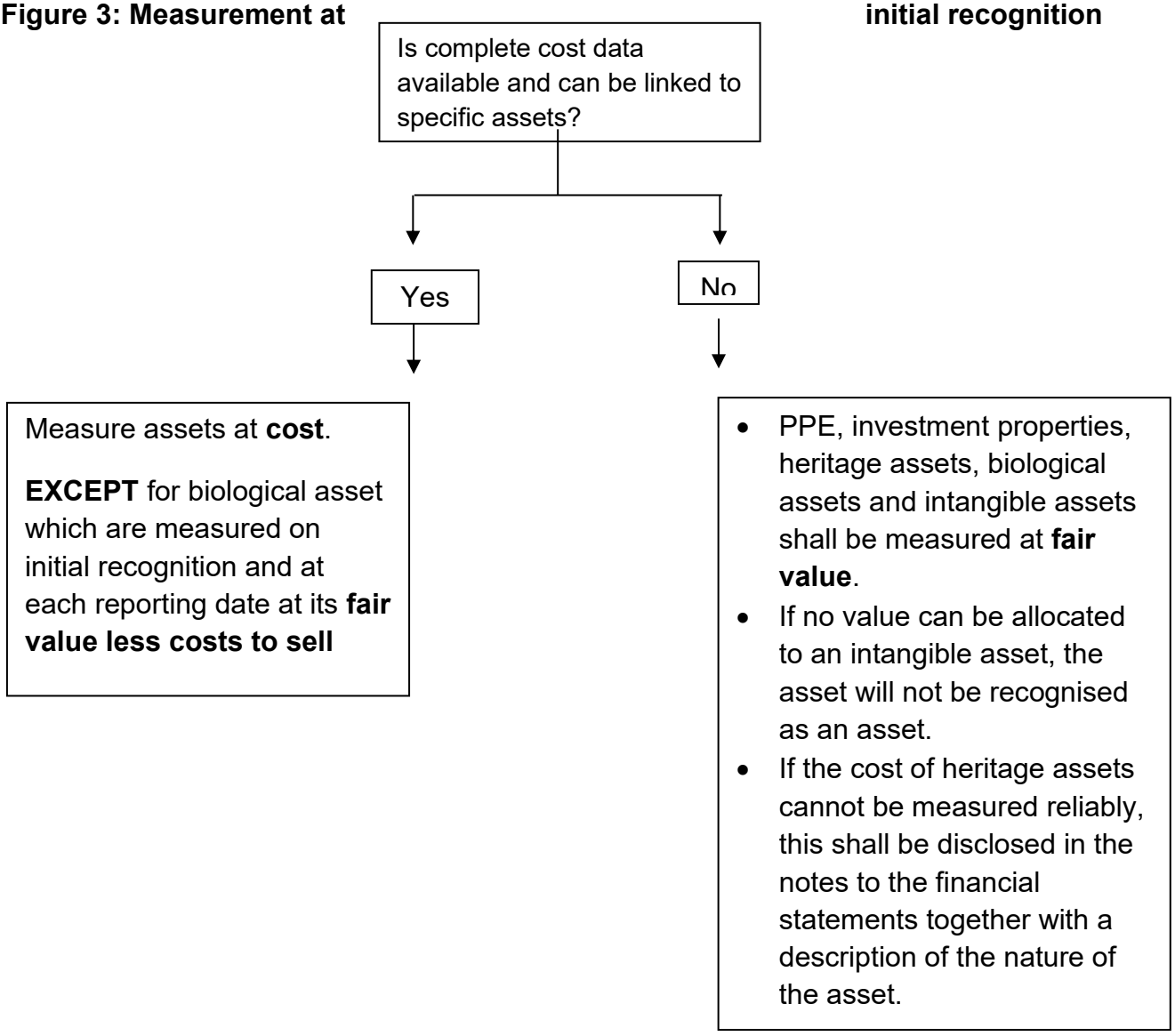
In cases where complete cost data is not available or cannot be reliably linked to specific assets:

- The fair value of PPE shall be adopted on the basis of depreciated replacement cost;
- If the cost of heritage assets cannot be measured reliably, the Chief Financial Officer may, if it is believed that the determination of fair value for the assets in question will be a laborious or expensive undertaking, record such asset/assets in the asset register without an indication of the costs or fair value concerned. 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, it will not be recognised as an asset.

In cases where the fair value for biological assets cannot be measured reliably:

- The biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses.
- Once the fair value becomes reliably measurable the municipality shall measure it at its fair value less cost to sell.
- Additional disclosure requirements include the following:
    - A description of the biological assets;
    - An explanation of why fair value cannot be measured reliably;
    - If possible, the range of estimates within which fair value is highly likely to lie;
    - The depreciation method used;
    - The useful lives or the depreciation rates used; and
    - The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and the end of the period.

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 revalued 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.*

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 if the recognition criteria are satisfied 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: *fair value less cost to sell*

Figure 4: Measurement after recognition

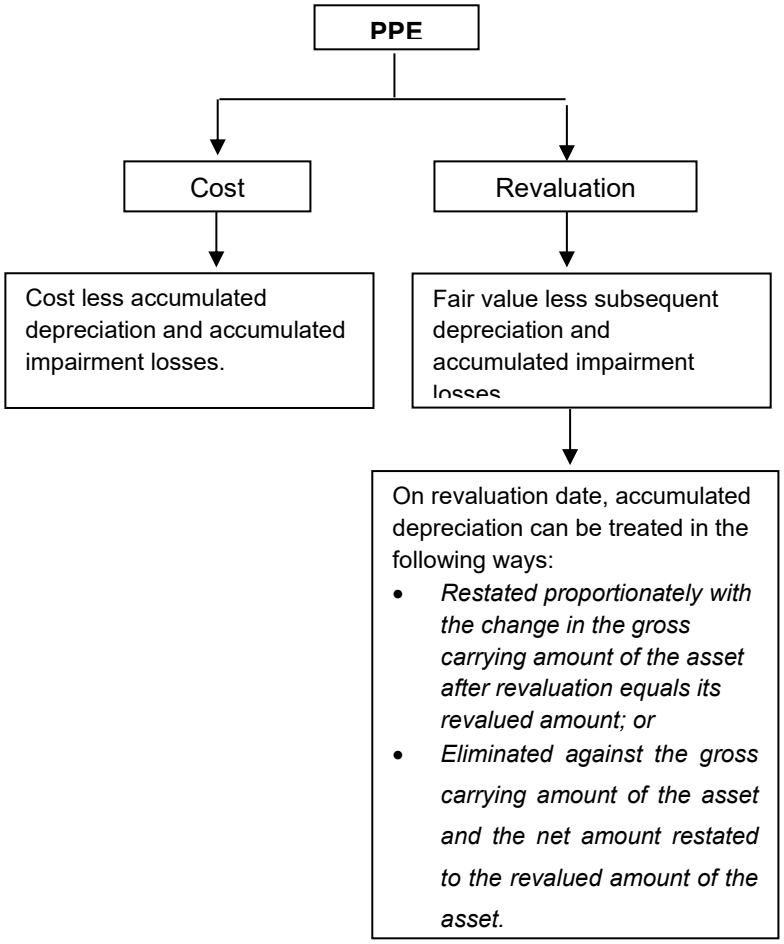


Figure 5: Measurement after recognition

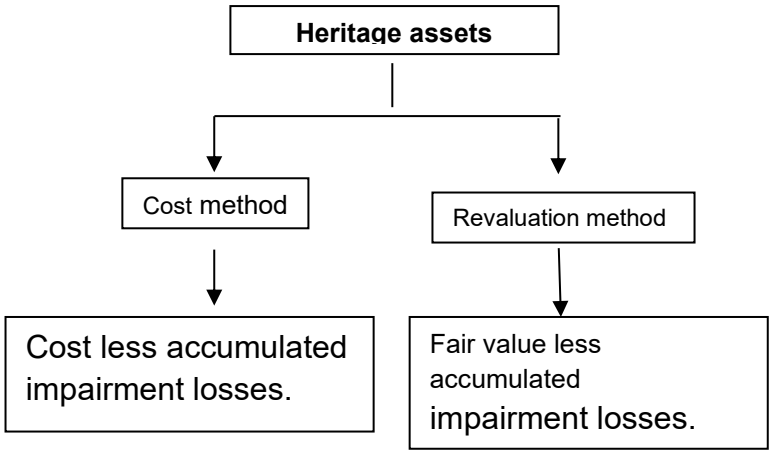


Figure 6: Measurement after recognition

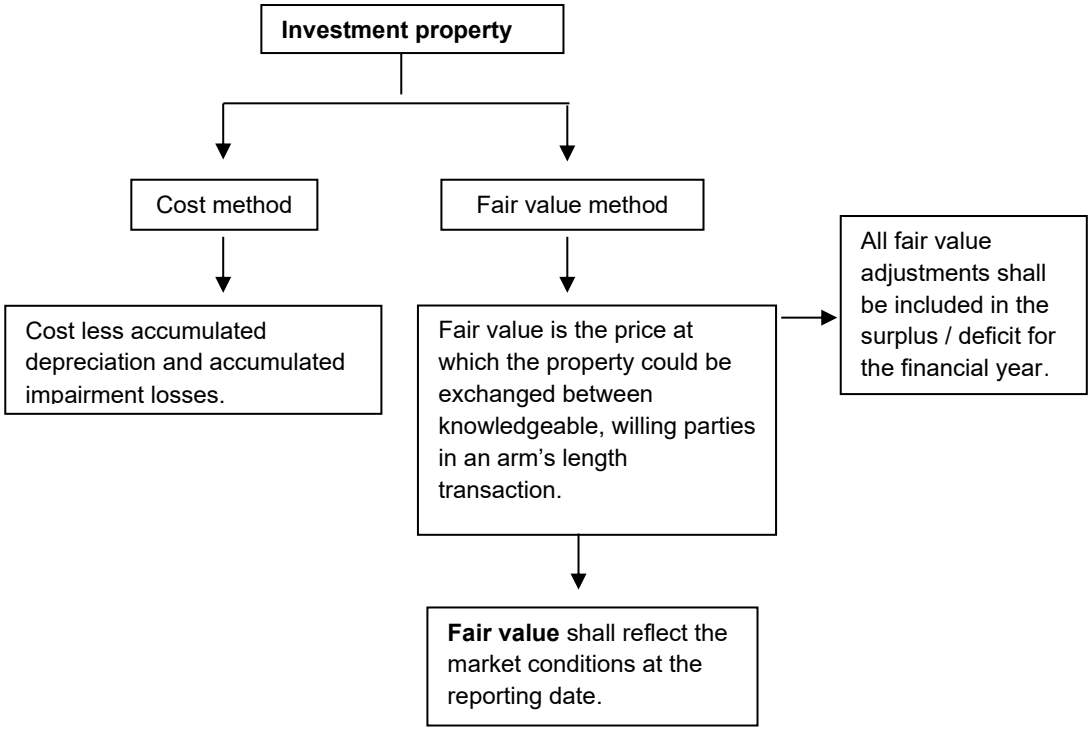


Figure 7: Measurement after recognition

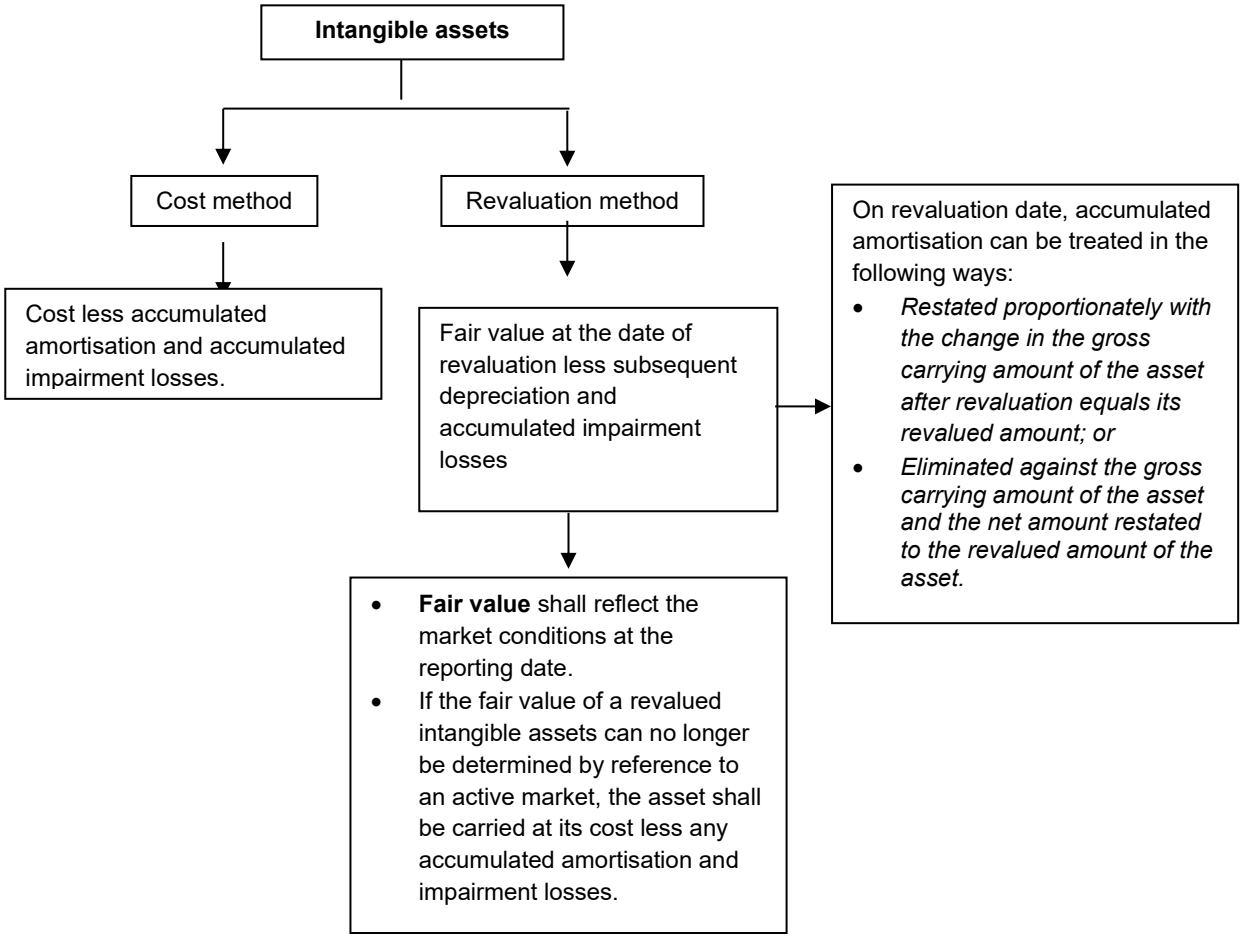
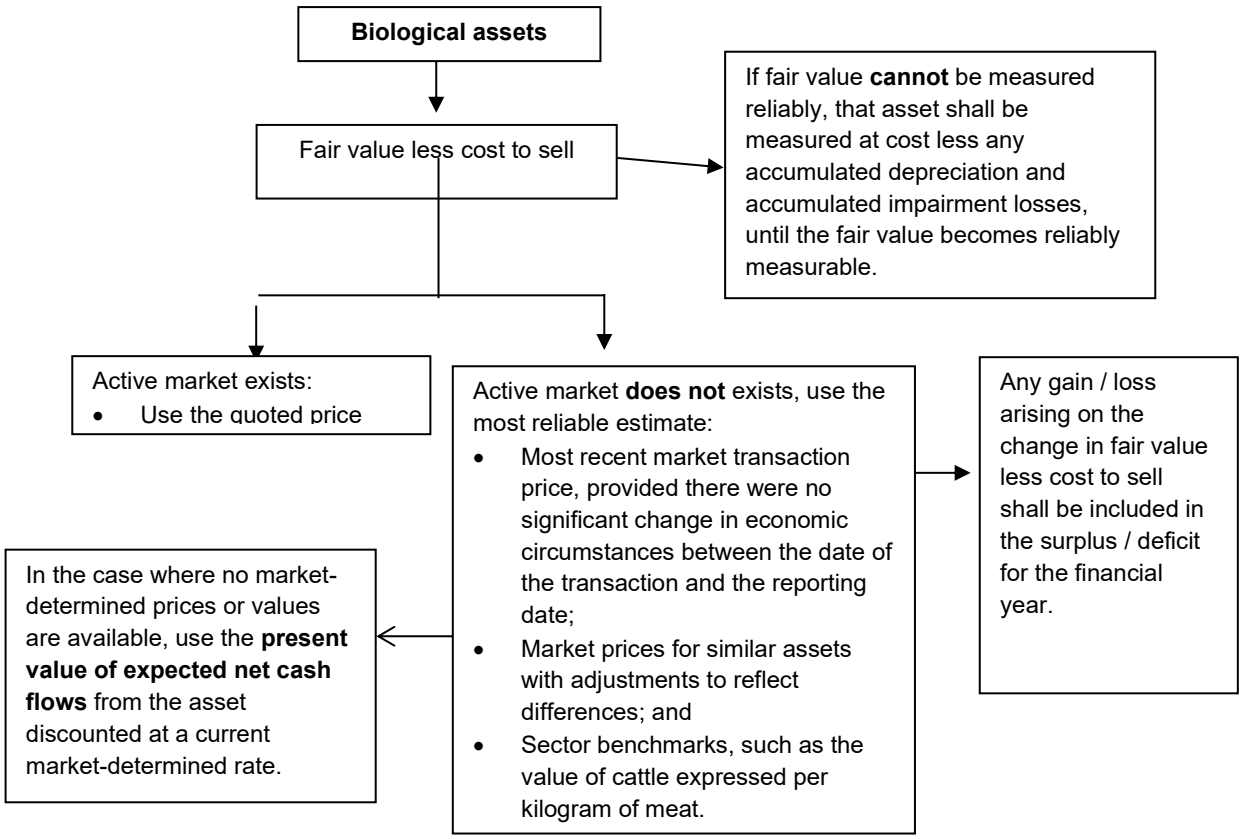


Figure 8: Measurement after recognition



(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, biological assets, agricultural assets and assets under construction 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 was already of the age and in the condition expected at the end of its useful life.

In assessing whether there is any indication that the expected residual value of an asset has changed, the municipality shall consider where there has been any change in the expected timing of disposal of the assets, as well as any relevant indicators.

The residual values of assets are indicated in **Annexure 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.

The useful life of an intangible asset that is not being amortised shall be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

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 A**.

The estimation of the useful life of assets is a matter of judgement based on the experience of the municipality with similar assets. The municipality considers all facts and circumstances in estimating the useful lives of assets, which includes the consideration of financial, technical and other factors.

Annual review of remaining useful life

The municipality shall assess at each reporting date whether there is any indication that the municipality's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity shall revise the expected useful life and/or residual value accordingly. The change(s) shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

In assessing whether there is any indication that the expected useful life of an asset has changed, the municipality considers the following indications:

a) The composition of the asset changed during the reporting period, i.e. the significant components of the asset changed.
b) The use of the asset has changed, because of the following:
    i) The municipality has changed the manner in which the asset is used.
    ii) The municipality has changed the utilisation rate of the asset.

iii) The municipality has made a decision to dispose of the asset in a future reporting period(s) such that this decision changes the expected period over which the asset will be used.

iv) Technological, environmental, commercial, or other changes that occurred during the reporting period that have, or will, change the use of the asset.

v) Legal or similar limits placed on the use of the asset have changed.

vi) The asset was idle or retired from use during the reporting period.

c) The asset is approaching the end of its previously expected useful life.

d) Planned repairs and maintenance on, or refurbishments of, the asset and/or its significant components either being undertaken or delayed.

e) Environmental factors, e.g. increased rainfall or humidity, adverse changes to temperatures or increased exposure to pollution.

f) There is evidence that the condition of the asset improved or declined based on assessments undertaken during the reporting period.

g) The asset is assessed and is being impaired in accordance with GRAP 21/26.

In assessing whether there is any indication that the expected residual value of an asset has changed, an entity shall consider whether there has been any change in the expected timing of disposal of the asset, as well as any relevant indicators as listed above.

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 significant change in the expected 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 asset ceases at the date that the asset is derecognised. Depreciation does not cease

when the asset becomes idle or it is retired from active use and held for disposal unless that asset is fully depreciated.

Change in useful life

Where the remaining useful life of the asset has changed, the carrying value of the asset will be written off over the revised remaining useful life of the asset .

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 and Intangible assets GRAP 31. 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 municipality shall assess at each reporting date whether there is any indication that the municipality's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality shall revise the expected useful life and/or residual value accordingly. The change(s) shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

(c) Responsibilities

- The HODs shall ensure that a budgetary provision is made for the depreciation of the
- assets in the ensuing financial year, in consultation with the CFO.

- HODs shall assess at each reporting date whether there is any indication that the municipal expectations about the residual value (Annexure B) and the useful life (Annexure A) of the asset have changed since the preceding reporting date. If such an indication exists the HODs shall motivate to the AO and CFO any adjustments to the revised the useful life and residual value.
- The depreciation method will also be reviewed annually by the HODs and if any adjustment is needed it should be motivated to the AO and CFO. Changes should not be made on a continuous basis because the accounting principle of consistency would be violated.
- 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 should with in accordance with GRAP 21 and GRAP 26 test intangible assets with an indefinite useful life or an intangible asset not yet available for use for impairment by comparing its recoverable service amount, as appropriate, with its carrying amount annually and whenever there is an indication that the intangible asset may be impaired.

Recoverable amount

The recoverable amount of a cash or non-cash generating unit is the higher of its fair value less cost to sell and its value in use. The events and circumstances in each instance must be recorded. Where there are indications of impairment, the municipality must estimate the recoverable 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.

The municipality must review assets for impairment at the end of each reporting period by assessing whether there is any indication that an asset may be impaired.

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 assets 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.
- HODs shall assess at each reporting date whether there is any indication that an asset may be impaired. The HOD shall motivate to the CFO the proposed changes in the performance of such assets and the necessary impairment that needs to be recognised on such assets indications
- 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 it is in the public interest or to alleviate the plight of the poor. 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 or HOD of the department 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.

Transfers between HOD's:

- ***Permanent transfers to another HOD***

  A HOD may transfer an asset under his control provided that another HOD agrees in writing to accept responsibility for that asset. Copies of such approvals must be submitted to the Financial Department.

  The Financial Department must appropriately amend the Asset register by recording all approved transfers.

  The HOD to whom the asset is transferred must assume accountability for the transferred asset from a date specified in the written communication referred to above.

  A HOD must ensure that assets are appropriately safeguarded for loss, damage, or misuse wherever they are located. Safeguarding includes ensuring reasonable physical restrictions.

- ***Relocation or Reassignment of Assets***

  A HOD must advise the Chief Financial Officer, in writing, whenever an asset is relocated or reassigned from the location (or base) or cost centre as recorded in the Asset Register.

  In the case of assets such as vehicles being utilized in the normal course of operations away from its base such reporting is not necessary.

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 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.
- 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: INDICATIVE USEFUL LIFE OF FIXED ASSETS

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		
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

Annexure Q
Policy on the Planning and Approval of Capital Projects

POLICY ON THE PLANNING AND APPROVAL OF CAPITAL PROJECTS

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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POLICY ON THE PLANNING AND APPROVAL OF CAPITAL PROJECTS

1. Scope and Application

The policy will 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 that capital projects are only budgeted for if feasibility for the said project has been demonstrated..

3. Background

The MTREF period applicable to municipalities spans over 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 and also to cater for multi-year projects

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 should 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 of implementation of 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 2021.

Annexure R
Indigents Policy

INDIGENT POLICY

2021/2022 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 all the adults and children living together at a single residential property.

"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 the 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.

"Deemed Non-Indigent"
Employees and councillors of the municipality and government employees and any other government employees are specifically excluded from being considered as indigent.

"Indigent Customer" means the head of an indigent household who applied for and has been declared indigent;

"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 in the completed indigent application forms.

“Informal Structure” means a temporary structure used for residential purposes

“Owner” in relation to immovable property means the legally registered owner or 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 providing them with a package of free basic services which is subsidised by the Equitable Share transfers that the municipality receives from National Treasury.

2.3 The approach taken by Midvaal is that the indigent policy should refer to something broader and defines 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 accordingly.

4.2 Sustainability

The policy must be financially and environmentally sustainable. This assumes a judicious long term approach to the use of 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 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 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.

5.1.4 The Indigent Support Policy will seek to provide support to the registered indigents by providing:

- 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 R5 500 per month, qualifies to be registered as indigents. This includes pensioners, unemployed, child headed families and students. Midvaal Local Municipality will benchmark the income level of indigent households with the income category as determined by the department of Human Settlement for ownership of RDP properties.

8.3 A household is defined as all adults and children living on a single residential 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 for 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 9.11 – 9.19 below);

9.1.3 **Category 3**: Other indigents who do not own property in Midvaal Local Municipality and will only qualify for benefits in terms of sections 11.11 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). These properties shall be levied for refuse and sewer services where the occupiers are already receiving the services

Registered Property Owners
In respect of 9.1.1 above:

9.2 The household must have a combined monthly household income of not more than R5 500 per month **excluding support from family and non profit organisations including churches** (up to a maximum of **R1 000** per month) child support grant, foster grant and disability grant and bursaries such as NSFAS; Rental income will be included in the threshold of R5500.00 but will exclude the salary of the tenant living on the Indigent applicant's property.

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 that the owner does not own multiple properties;

9.8 The applicant must be in possession of a valid South African identity document;

9.9 The applicant must be the registered owner of the property; or

9.9.1 An occupier of a child-headed household where the property is registered in the name of the deceased parent(s) – a Letter of Executorship and a Death Certificate will be required as part of the application;

9.9.2 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. In the event of joint ownership (e.g 3 owners) where only one owner is staying at the property, the proof of income of all owners shall be included in the joint monthly household

9.9.3 Where a deceased estate has not been wound up a Letter of Executorship and a death certificate is needed;

9.9.4 In the case of a deceased estate, in whose name the property is registered, any heir to whom the registered property has been bequeathed;

9.9.5 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;

9.9.6 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;

Deemed Indigents
In respect of 9.1.2 above:

Households within the following categories of properties will be deemed to be indigent households:

9.10 the property is used for residential purposes only as reflected in General Valuation roll;

9.11 the residential exclusion as per Property Rates Act 2004 (Act 6 of 2004) is applicable to property;

9.12 the property is a RDP property, and the municipal value of property does not exceed R150 000 subject to the owner having only a single residential property;

9.13 the RDP allocated houses in Savanna City

9.14 the municipal value of property does not exceed R150 000 subject to the owner having only a single residential property;

Indigent relief will be withdrawn where the owners, occupants, residents and or dependants residing on the property, as the case may be, -

9.145 owns more than one property, registered individually or jointly;

9.16 rents or leases the 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 R5 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 previously 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 and 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
- An additional verification shall be done with credit vetting agencies as an internal control measures for all indigent applications.

10.1.2 The completed application form will be checked by the Finance department and referral to the Social Services department for assessment. (See flow chart on procedures and processes).

10.1.3 The assessment by Social Services can either be done based on information provided in the application form or by site visit.

10.1.4 The assessments of the indigent applications by Social Services will include lifestyle verification and ownership of luxurious items e.g. motor car, DSTV decoders etc.

10.1.5 All application forms received by Social Services will be recorded electronically by the Finance and Social Services departments for control purposes.

10.1.6 The Executive Mayor will appoint a screening committee who will consider the applications and approve applications complying with the criteria set out in this policy.

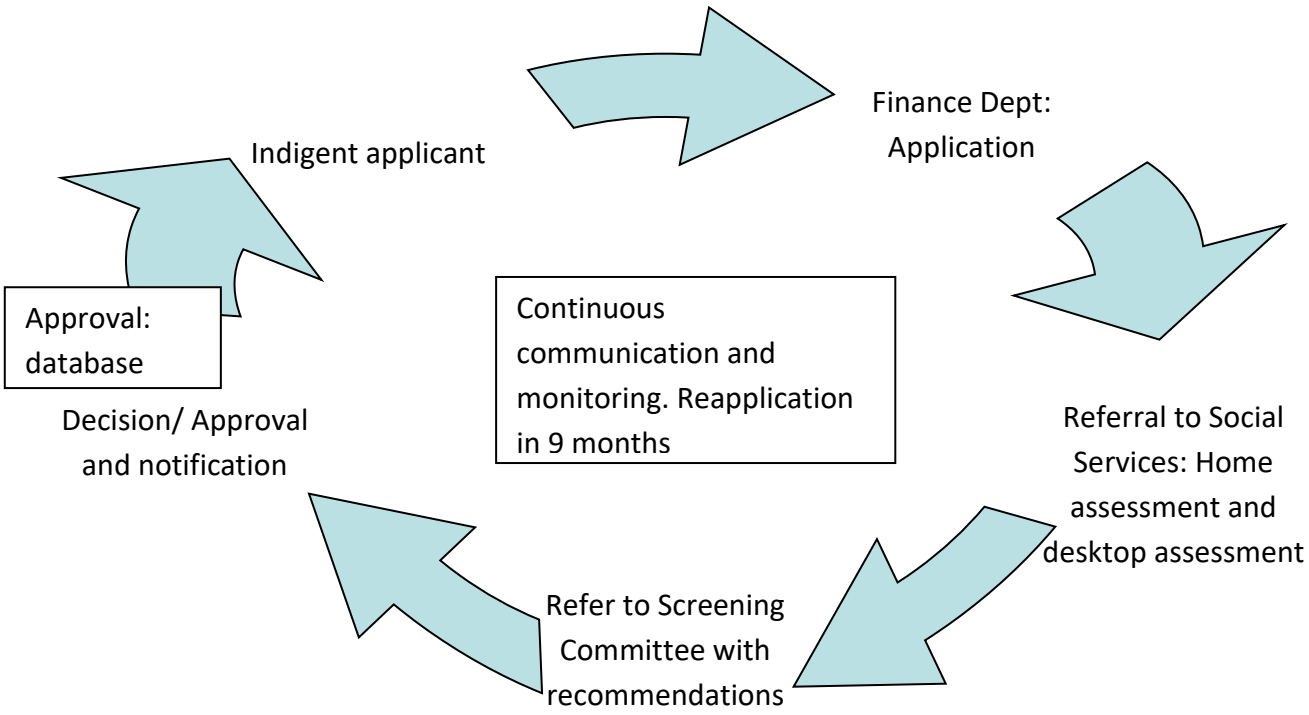
10.1.7 All approved applications will be returned to the Finance department for capturing on the financial system.

10.1.8 All outstanding account balances (including handovers) as at date of approval will be written off.

10.1.9 Registered indigents whose status have not changed (i.e. they will qualify as indigent household); must re-apply nine months after approval to ensure their application is re-considered before it lapses after a year.

10.1.10 Indigents are compelled to inform Council about any change of their indigence status.

10.1.11 No legal action, eviction will be instituted against approved and registered indigents.



Desktop assessment is based on evidence presented.

10.2 Category 2: Deemed Indigents

There is no formal application process. All property owners whose property's in the valuation roll is valued up to and including R150 000 will be regarded as deemed to be 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 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 All indigent burials will be conducted during the week.

10.3.3 Midvaal Local Municipality will not be liable for storage costs of bodies beyond 48 hours.

10.3.4 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.

10.3.5 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.

10.3.6 The Executive Director Social Services will consider the application and grant approval where the application complies with the conditions of this policy.

10.3.7 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.

10.3.8 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 so employed assumes responsibility for the municipal account of the household.

10.3.9 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.

The indigent account that was handed over to Debtor Collector / Attorneys will be withdrawn.

11.2 Indigent households will receive their first 6kl of water consumption at no cost.

11.3 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.

11.4 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 quantity.

11.5 Registered indigents will receive a free supply of pre-paid electricity of 50 kWh per month.

11.6 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.

11.7 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.

11.8 All registered indigents 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.

11.9 All registered indigents 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.

11.10 Approved Indigent Customers will be exempted from Property rates.

OTHER INDIGENTS

11.11 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;

11.12 No water and or electricity connection fee will be charged to indigent households as applicable.

11.13 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.

11.14 The waiving of charges for other municipal services such as fire services will be considered based on written applications submitted to the Municipal Manager.

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 of such property.

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 with meters 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 in excess of 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. OTHER MATTERS

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 proportion of the population who are potential beneficiaries of the indigent programme but do not come forth to register as indigents.

13.4 The Social Services Department will investigate possible ways of creating and encouraging exit programs for indigents.

13.5 Any information affecting indigents will be made available in the official language of Council and translation will be available upon request.

14. EFFECTIVE DATE

The Policy is effective from 1 July 2021.

Annexure S
Policy related to the provision of free basic electricity

POLICY: PROVISION OF FREE BASIC ELECTRICITY (FBE)

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

POLICY: PROVISION OF FREE BASIC ELECTRICITY (FBE)

FBE ALLOCATION IS 50 kWh units per month.

Note: Electricity used for business purposes is excluded from the free basic electricity allocation.

1. PURPOSE

The purpose of this policy is to provide guidelines to determine a uniform approach for the allocation of free basic electricity (FBE) to residents of the Municipality.

2. ELIGIBILITY

The FBE is only applicable to residential households

- that are registered as Indigent Households in terms of the Indigent Policy of the municipality and
- that have a prepaid electricity meter installed at their homes

3. BENEFIT

Residential households that meet the eligibility criterion to receive FBE will be allocated 50kWh of electricity at no charge on a monthly basis.

Unused allocations from one month may not be accumulated nor carried forward to the next month

The benefit applies to all Indigent residential household that meet the eligibility criteria, notwithstanding whether electricity is supplied by the municipality or directly by Eskom.

1. IMPLEMENTATION DATE

The policy will be effective as from 1 July 2021.

Annexure T
Policy related to the provision of free basic water

POLICY: PROVISION OF FREE BASIC WATER (FBW)

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

POLICY: PROVISION OF FREE BASIC WATER (FBW)

1. OBJECTIVES OF THE POLICY

The objectives of the policy are –

- To realize everyone's constitutional right of access to sufficient water
- To support all approved Indigents in terms of the Council's Indigent policy, with a monthly allowance of free basic water.

- To provide guidelines to determine a uniform approach for the allocation of free basic water (FBW) to residents of the Municipality.

2. ELIGIBILITY

The FBW is only applicable to residential households that are registered as Indigent Households in terms of the Indigent Policy of the municipality.

3. BENEFIT

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 of water per month as stipulated below:

- Registered Indigent Households 6 kl free per month.

3.1 Implementation Date

The policy will be effective as from 1 July **2021.**

Annexure U
Policy on the Acceptance of Grants, Donations, Sponsorships and Gifts

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

2021/2022 FINANCIAL YEAR

MIDVAAL
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1. Introduction

The Midvaal Local Municipality (Midvaal) receives various forms of grants, gifts and donations.

These include:

1. Grant funding for capital projects, as per the Division of Revenue Act (DORA), e.g. MIG, Equitable Share and RBIG;
2. Grant funding to fund operational projects, as per the Division of Revenue Act (DORA), e.g. FMG and MSIG;
3. Sponsorships to fund mayoral projects, e.g. Mayoral Golf Day and various other municipal events and functions;
4. Any other sponsorships;
5. Any other ad hoc grants, gifts and/or donations.

These grants, gifts, donations and sponsorships 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, gifts, donations and sponsorships offered to the Midvaal Local Municipality, individuals (employees and councillors) are offered rewards, gifts and favours.

2. Relevant Legislation

Apart from various other legislation, the focus is placed on the following relevant legislation:

1. Local Government: Municipal Finance Management Act, Act 56 of 2003 (the "Act");
2. Local Government: Municipal Finance Management Act, Act 56 of 2003, Municipal Cost Containment Regulations, 2019 (the "Regulations")
3. Policy on the Acceptance of Grants, Gifts, Donations and Sponsorships (the "Policy")
4. Midvaal Local Municipality: Supply Chain Management Policy, Sections 46, 47 and 48

3. 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 the Supply Chain Management Regulation 47, do not prohibit sponsorships or donations (in money or kind) to the municipality as such, but prescribe that such action must be disclosed if it was promised, offered or granted by a provider or prospective provider of goods and services or a recipient or prospective recipient of goods disposed of or to be disposed of. In deciding whether to accept the abovementioned, due regard must be given to the Supply Chain Management Policy.

3.1 Capital Grants

Capital grants must be evaluated in terms of the Integrated Development Plan (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 and municipal services;
5. Any additional information available, inter alia:

    5.1 What the impact on service delivery will be if the project is not implemented; and

    5.2 Comments on capacity to implement.

3.2 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;
2. The conditions of the grant funding should not place any 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.

3.3 Donations and Sponsorships to Midvaal

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 to the organisation or person making the sponsorship or donation;
2. Whether the sponsorship or donation is within the ambit of the Supply Chain Management Regulations 47 and 48; and
3. Whether the sponsorship or donation infringes the ethical standards set in the Supply Chain Management Policy, Section 46.
4. 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.

5. 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 of the Supply Chain Management Policy, Regulation 46, the donation or sponsorship may not be accepted.

All donations or sponsorships offered or granted to Midvaal must be submitted to the Municipal Manager for approval. Excluding the Executive Mayor as stated in (2.2)(5) 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 must be declared to National Treasury in terms of Section 48 of the Supply Chain Management Regulations.

3.4 Donations and Sponsorships from the Municipality

Midvaal should not provide donations or sponsorships to organizations for commercial endorsements to gain credibility from association with the municipality.

When donations or sponsorships are offered from the municipality, the following should be considered:

1. Donations or sponsorships arrangement in which organization pays for all or some of the cost associated with a project or an event in exchange for recognition in partnership with the municipality must

    - Directly relate to the municipality's outcomes;
    - Provide value for money;
    - Enhance the municipality's credibility and image;
    - Deliver clear and measurable benefits;

2. The municipality should not enter into marketing communication donation or sponsorship arrangements with an organization or institution whose project or event is likely to adversely affect the content or interpretation of the municipality's programmes, services or raise conflict of interest.

3. All donation and sponsorship agreements (even those that involve a minimum amount or non-monetary items) are required to be in writing, either as a letter, a formal contract or stakeholder agreement.

4. Donation or sponsorship agreements must clarify the roles, rights and responsibilities of both parties and protect the municipality from unwanted

liabilities, and also include a clause that affords the municipality the right to terminate the arrangements when it is felt that the activities are incompatible with those of Midvaal. All signatories must have the required authority to sign such donation or sponsorship agreements.

5. All donation or sponsorship agreements must have a certain standard criteria, the terms and conditions must be precise and should at least address the following:

    1. Identify all parties to the sponsorship (including third parties);
    2. Specify the exact nature and value of the donation or sponsorship;
    3. Specify the payment terms, including how and when the payment will be made and to whom;
    4. Specify the length of the donation or sponsorship agreement, options or conditions for renewal;
    5. Describe what the money or items is to be used for as set out in the budget;
    6. Specify in detail both parties' rights and benefits set out any special conditions that may apply;
    7. Set out financial accountability requirements;
    8. Specify what must happen to any surplus funds;
    9. Specify warranties and details concerning liability, including limits to liability and who is responsible for public liability and insurance;
    10. Stipulate that the municipality is under no obligation to continue the relationship beyond the contract donation or sponsorship period;
    11. Specify who owns any intellectual property which might arise;
    12. Specify relations with any employees of the organization seeking donation or sponsorship opportunities;
    13. Consider methods to secure payment against the other party's failure to deliver;
    14. The municipality's corporate identity must be adhered to with respect to all creative materials developed in the promotion of any activities when co-branding occurs;
    15. Donation or sponsorship agreements must include the municipality's right to review all marketing promotional materials and activities produced, including specific uses prior to release.
    16. Indemnify the municipality against any potential risk;

The sponsored organization must provide a close out report which set out financial accountability and conditions on the use of funds received.

3.5 Rewards, gifts, hospitalities or other benefits directly or indirectly offered to employees of Midvaal

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 Gift 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/External Auditors of Midvaal;

5. The following five questions must be considered, when giving or accepting a gift. If you can answer 'yes' to any of them, you should reconsider ...

1. Could the gift potentially make the receiver feel obliged to act in my interest? This might

2. Am I trying to use the gift to exert influence? In other words, am I hoping that the gift will influence

happen if the gift is expensive.

someone to do something specific that I want?

3. Could someone else who hears about it reasonably think that I am trying to exert influence; is the recipient able to influence the decision making process. a decision?

4. Is this something that the receiver could easily return in their personal capacity? Is the gift substantial? Again, the cost of the gift will be important here.

5. Is it prohibited by my or the other party's organisational gift policy? This will be the case with most government departments, and with almost all cash "gifts".

Information Source: The Ethics Institute, Ethics Toolbox

3.6 Rewards, gifts, hospitalities or other benefits directly or indirectly offered to Councillors of Midvaal

1. The same rules as per 2.4 above apply to Councillors mutatis mutandis.

2. The Gift Register contemplated in 2.4.3 above, shall be maintained by the Office of the Speaker.

3.7 Cost Containment Regulations, 7 June 2019: Sponsorships

Apart from various other stipulations contained in the regulations, the following stipulations are specifically applicable on this policy:

1. An accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality or the municipal entity's budgets or by any suppliers or sponsors (Refer to Section 10(5) of the regulation).

2. 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 or is an integral part of the business model (Refer to Section 10(6) of the regulation).

3. Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time (Refer to Section 13(2) of the regulation).

4. Reporting to Council on Grant Funding for Capital and Operating Projects

It is the responsibility of the end-user 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.

5. Other reporting requirements

Departments are responsible to adhere to all reporting requirements in terms of the conditions of the grant. Grants received from National and Provincial Government must be reported in terms of the conditions of the Division of Revenue Act.

The duties of the receiving officer (department receiving the grant) are detailed as follows in the Division of Revenue Act:

"*A municipality shall, within 10 days after the end of each month, submit a report to the relevant transferring National or Provincial Officer. The report must set out -*

1. *The amount received by the municipality, up to the month reported on;*
2. *The amount of funds delayed or withheld from the municipality, up to the month reported on;*
3. *The actual expenditure by the municipality up to the month reported on;*
4. *The extent of compliance with the conditions of an allocation and with the Act;*
5. *An explanation for any material problems or variances experienced by the municipality, regarding an allocation which has been received, and a summary of the steps taken to deal with such problems or variances; and*
6. *Such other issues and information as the National Treasury may determine."*

If any variance is detected and it is not of a financial nature, the department in question should refer the problem to the appropriate interval Portfolio Committee Meeting for consideration. A summary of the steps taken to deal with such problems or variances should be reported to Council.

In the event of non-compliance with the rules and regulations as set out in the Division of Revenue Act, the applicable department should take the necessary action to rectify the fact that they are not complying.

The Chief Financial Officer must disclose to National and Provincial Treasury on an annual basis, all sponsorships promised, offered or granted, whether directly or through a representative or intermediary, by any person who is:

1. A provider or prospective provider of goods or services; or
2. A recipient or prospective recipient of goods disposed or to be disposed of.

To enable the Chief Financial Officer to comply with 5.5 above, all Heads of Department must, by no later than 15 July annually, report to the Chief Financial Officer on all sponsorships promised, offered or granted, whether directly or through a representative or intermediary, by any person who is:

3. A provider or prospective provider of goods or services; or
4. A recipient or prospective recipient of goods disposed or to be disposed of.

6. General

All grants, donations, sponsorships, etc. must be paid into the primary bank account of Midvaal Local Municipality.

7. Enforcement

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The policy will be effective as from 1 July 2021.

This policy is to be reviewed annually and approved by Council together with the adoption of the MTREF for the following year.

Annexure V
Long Term Financial Planning Policy

LONG TERM FINANCIAL PLANNING POLICY

2021/2022 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 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 of 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

annuabudget 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 property 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 available funding; and

(e) External funding requirements in the form of long term debt.

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4. 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.

5. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegations of Authority;
- Accounting Policies;
- Credit Control and Debt Collection Policy;
- Tariff Policy, Indigent Policy and Free Basic Services Policies;
- Property Rates Policy;
- Budget Implementation and Monitoring Policy;

6. 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.

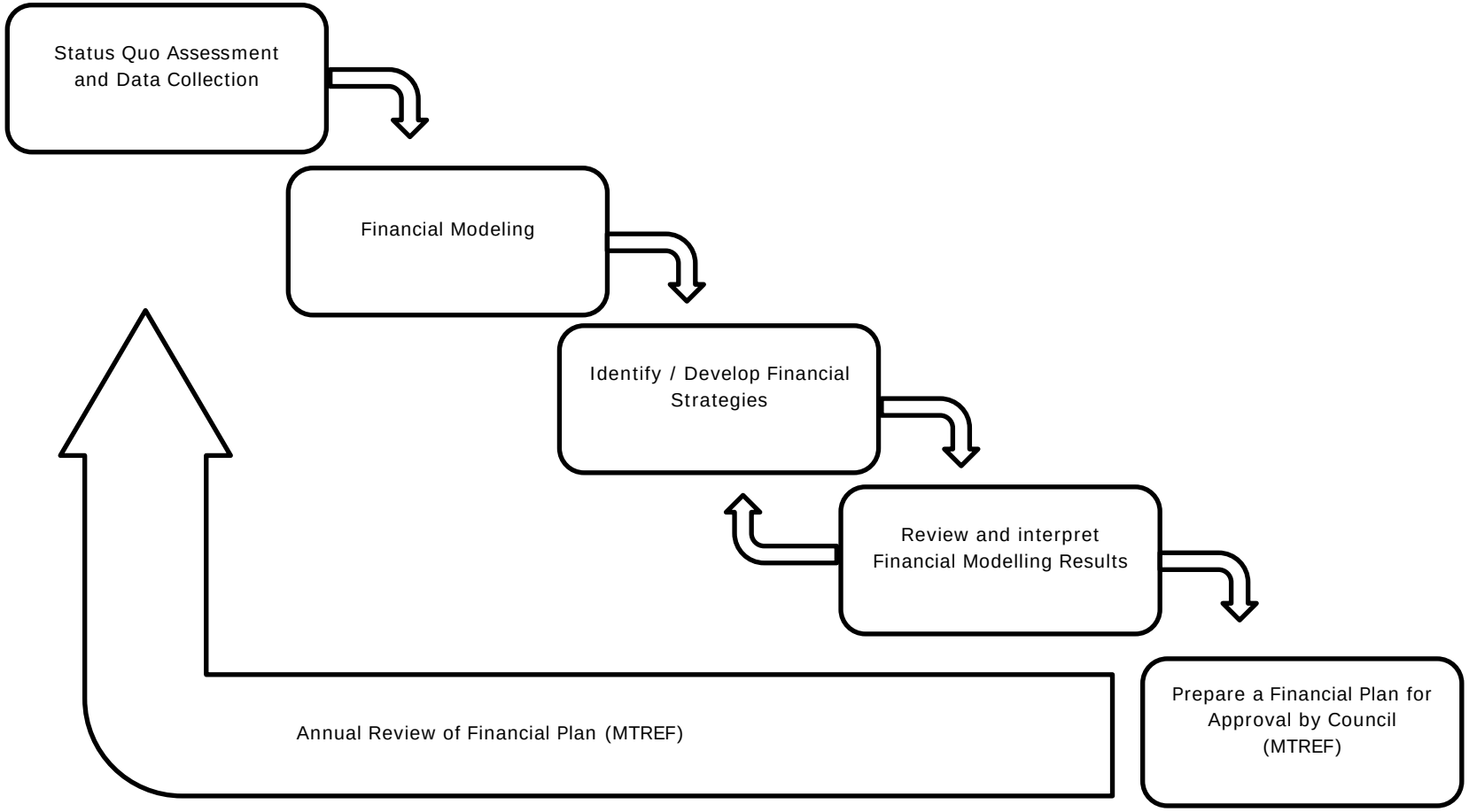
(d) A combination of technical analysis and strategising. Long-term forecasts and analysis are used to identify long-term imbalances and financial strategies are developed to counteract these imbalances or inequities.

(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.

(g) The impact of any national disasters that may be declared

9. IMPLEMENTATION AND REVIEW OF THE POLICY

The policy will be effective as from 1 July 2021.

INCA
Portfolio Managers

MIDVAAL MUNICIPALITY

Long Term Financial Plan – ***Update 2021***

MIDVAAL
LOCAL MUNICIPALITY

Prepared by
INCA Portfolio Managers
April 2021

REPORT OVERVIEW – INTRODUCTION AND BACKGROUND

The Midvaal Municipality appointed INCA Portfolio Managers in 2017 (IPM) 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 and was updated in June 2020. This *2021 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 forecasting 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 2020 IPM's Long Term Financial Model (latest and updated version 21.2) 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 2020/21 to 2022/23.

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 FY2020 financial results presented the onset challenges presented by the COVID-19 (C19) pandemic. In this update of the LTFP we present a Base Case that considers some of the assumptions of the impact of COVID-19 on the financial sustainability of the municipality.

The contents of this report entail the following:

1	Planning Process
2	Updated Perspectives (Demographic, Economic, Household Infrastructure)
3	Updated Historic Financial Assessment
4	Long Term Financial Model Outcomes
5	Future Revenues
6	Affordable Future Capital Investment
7	Scenario Analysis
8	COVID-19 Impact Assessment
9	Ratio Analysis
10	Conclusions

KEY FINDINGS AND CONCLUSIONS DRAWN FROM THE 2020 LTFP UPDATE

- The update of an analysis of the socio-economic aspects reveals that Midvaal's overall performance remains favourable when compared to the other two local municipalities in the Sedibeng District. This however does not obviate 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 58.7% of all households earn an income of less than R 16 000 pm limits the ability of the municipality to generate more income from the household sector. The Unemployment Rate of 23.4%, although skewed by COVID-19 and lockdown period as per Q2 2020 stats results, was below the Provincial and National rates of 30.2% and 28.4%.

- The number of people officially employed declined since 2015 and at the end of 2019, 28% or 33 600 people of the total population were employed.

- The economy of Midvaal is well diversified with four of the sectors each contributing more than 10% to the GVA. 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.

- Service delivery challenges, given the relatively high population growth (2.1%), is reflected in the 15% of households that experience electricity backlogs, 10% sanitation backlogs and 11% refuse removal backlogs.

- The following risk factors and potential threats were noted with regards to Midvaal's financial performance:

    - The municipality posted operating deficits throughout the 8-year historical analysis.
    - Billed revenue decreased by R 5.3 million in the current year as consumption quantities for water and electricity services declined due to the negative impact of COVID-19 on households.
    - The surplus margins on the sale of electricity reflect a declining trend over the last 7 years; from 38% in FY2014 to 16% in FY2020.
    - The water surplus margins also declined from 62% to 41%, indicating a potential threat to the municipality's main revenue sources.

- On the analysis of financial position and cashflow, we noted the following:

    - The acceptable gearing ratio of 16% and positive debt service cover of 4.46 represents an affordable level of long-term debt.
    - 65% of current assets is represented by very liquid cash and cash equivalents, which underpins this healthy liquidity position.

- The Liquidity Ratio remains healthy at 2.52 as at FYE2020; indicating that Midvaal should be able to service its short-term obligations as and when it falls due.
- Cash and Cash Equivalents at year end increased by R 107.15 million (37%) to a balance of R 400.05 million at FYE2020.

However:

- The rapidly growing consumer debtors (23% in FY2020) is not sufficiently provided for.
- The total capital expenditure of R 117.38 million for FY2020 was 19% less than the budgeted capex of R 144.99 million.
- Unspent conditional grants increased by R 17 million at year end.

- The 10-year Long Term Financial Plan ("LTFP") indicates the following:

  - The COVID-19 pandemic is expected to continue to adversely affect the financial performance of the municipality during the MTREF period until 2022/23. However, the municipality's existing liquidity and proven historic disciplined financial management together with the measures introduced in this plan, arrives at a financially sustainable optimal case scenario.
  - Although the MTREF capex budget of the municipality is financially feasible, it remains conservative, and the capacity exists to accelerate capital investment through an optimal funding mix, without compromising liquidity.
  - The potential exists for Midvaal to invest R 2 548 million in a 10-year capital programme which will reach 11.8% of Total Expenditure per annum in FY2029/30. The municipality should be able to sustain external borrowings that fund 46% of this capital spend.
  - The model (optimal scenario) indicates that the municipality remains sensitive to the movements in the collection rate. A reduction in the collection rate would have a detrimental effect on the cash balance and liquidity position. It is therefore imperative that the current rate of 92% be closely monitored and effectively managed.
  - 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.

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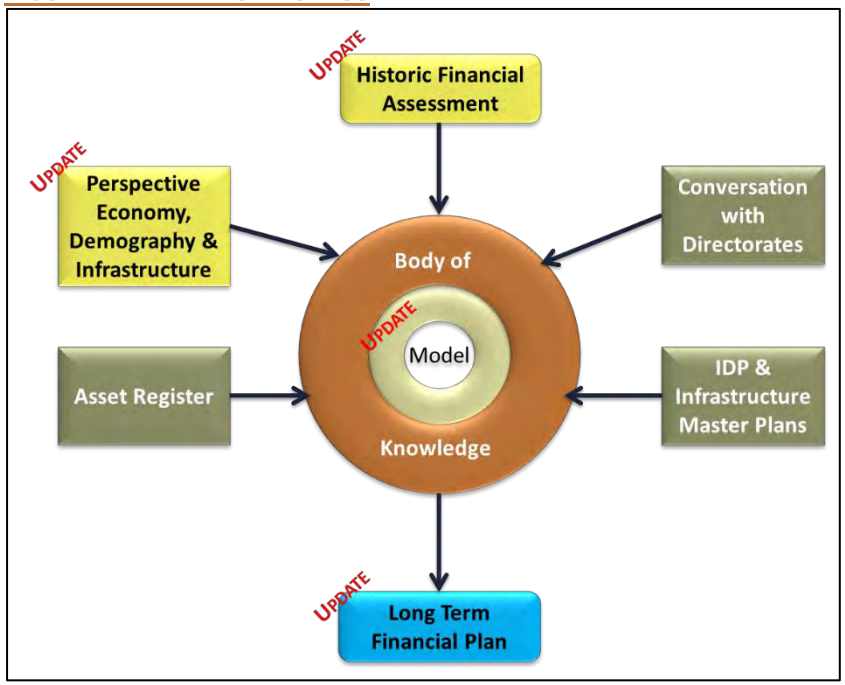
PROCESS

The diagram below illustrates the steps in the process that were followed in drafting the LTFP and the steps taken during this 2021 "LTFP Update":

FIGURE 1: PLANNING PROCESS

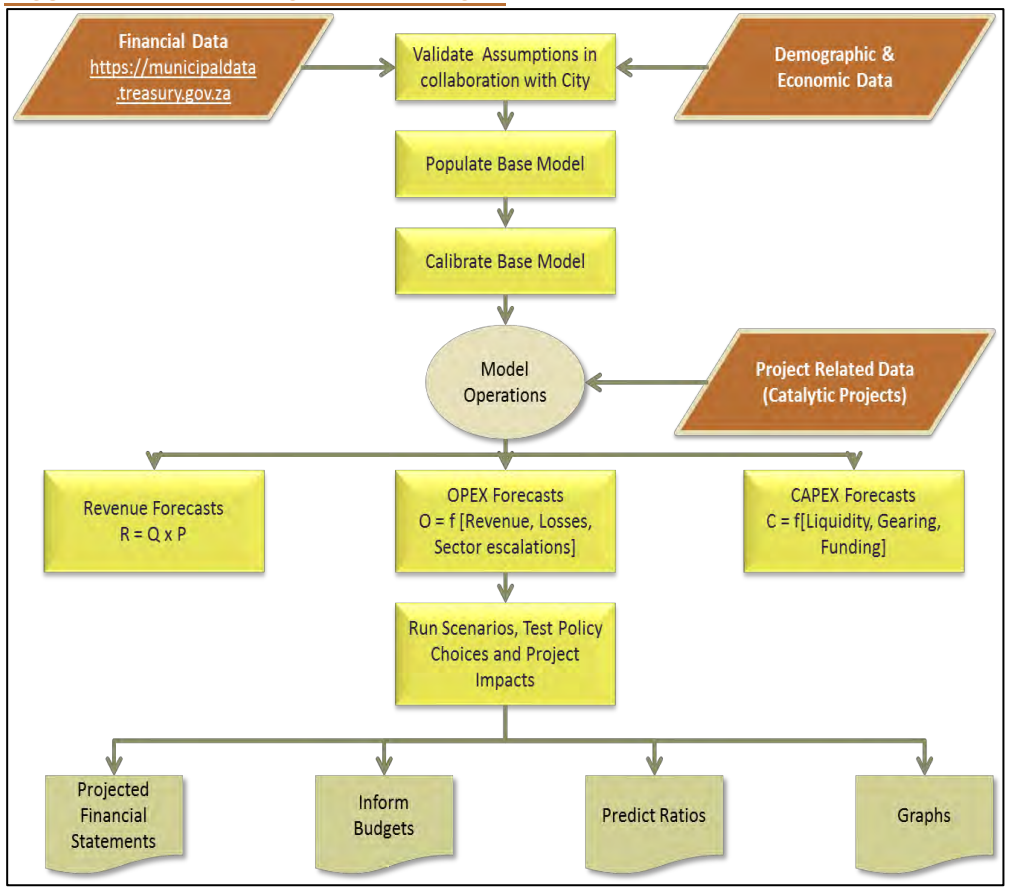


Recently IPM developed a new long-term financial model[1], which was populated with the latest information of Midvaal and used to make a base case financial forecast of the future. The diagram below illustrates the outline of the model.

[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



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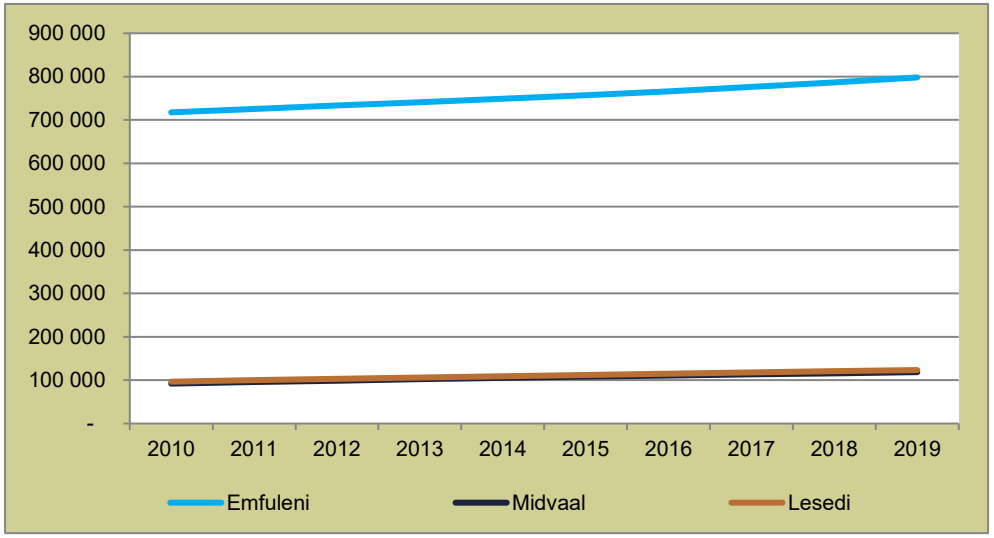
DEMOGRAPHY

Midvaal has a Total Population of 118 450 (iHS 2019), which represents 11.4% of people living in the Sedibeng District and is the least densely populated in the area. The population is growing at a relatively high 2.1% p.a., compared to the national population growth rate of 1.5%, but in line with the population growth rate of Gauteng province of 2.1% p.a. The population growth rate exceeds the local economic growth, which averaged 1.2% p.a. over the last five years. This implies that economic activity per capita is declining, which may pose a financial threat to the municipality over the long-term.

GRAPH 1: POPULATION

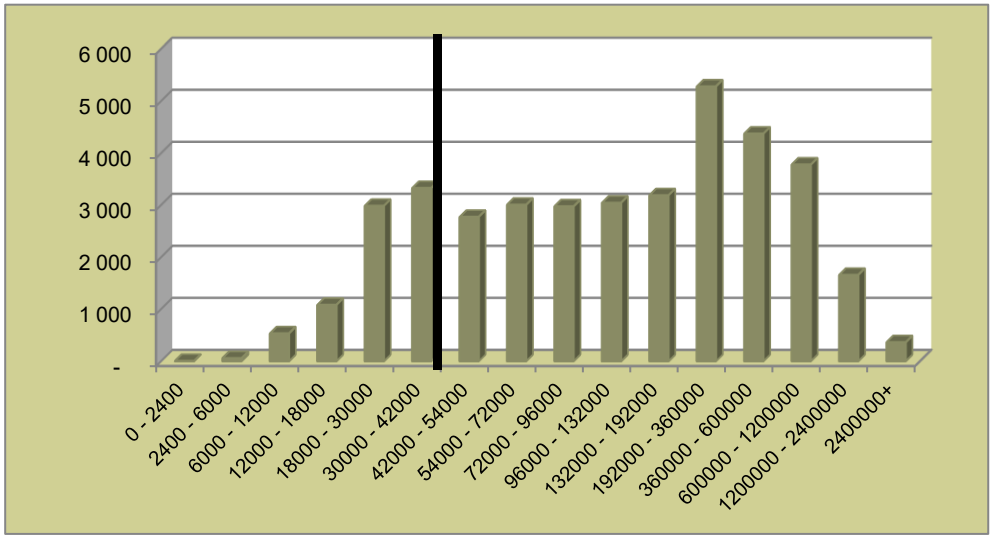


The average annual per capita income of Midvaal of R 107 711 is the highest in the district and has increased by 3.7% from R 103 871 since 2018.

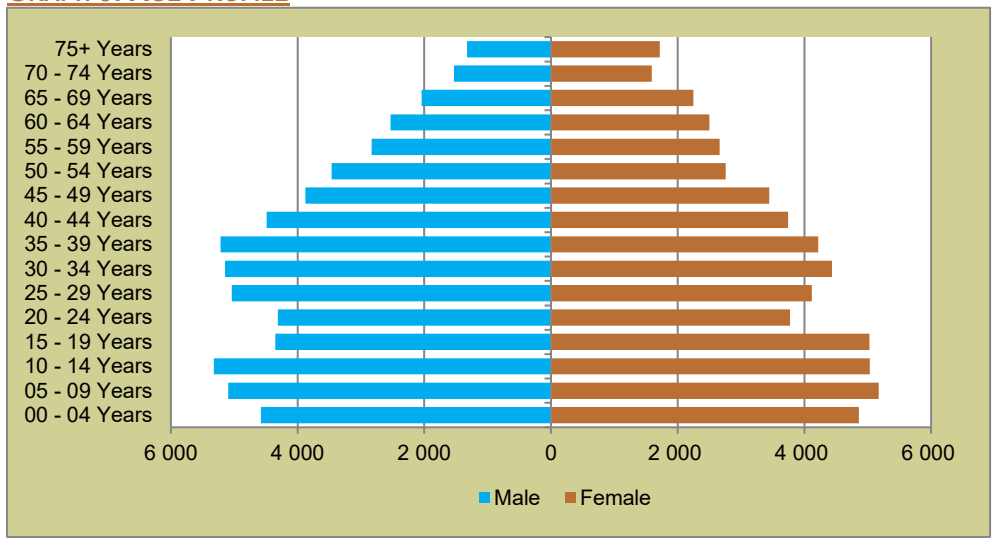
The average household income for Midvaal is R 314 712 p.a. (R 26 226 p.m.), which is the highest of all three municipalities in the District, and higher than the national average of R 204 680 p.a.

The Household Income distribution illustrates that the proportion of households earning less than R 42 000 p.a. constitute approx. 20.4%. 58.7% of all households earn an income of less than R 192 000 p.a. (R 16 000 p.m.). The extent to which the municipality can extract further income from these households may be limited. The highest concentration of households (13.5%) fall within the economic income bracket of between R 192 000 and R 360 000 p.a.

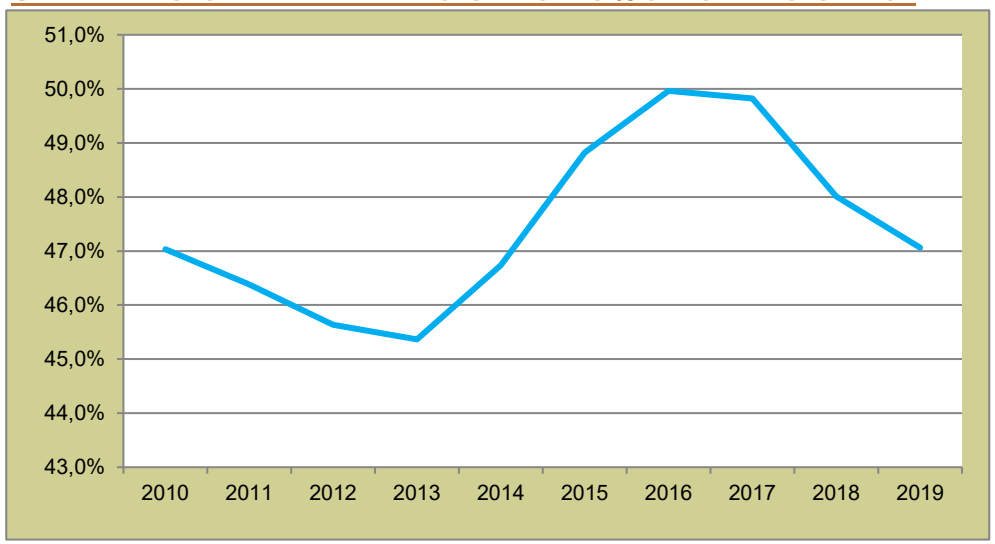
GRAPH 2: DISTRIBUTION OF HOUSEHOLD INCOME



Graph 3: Age Profile



Graph 4: Economically Active Population as % of Total Population

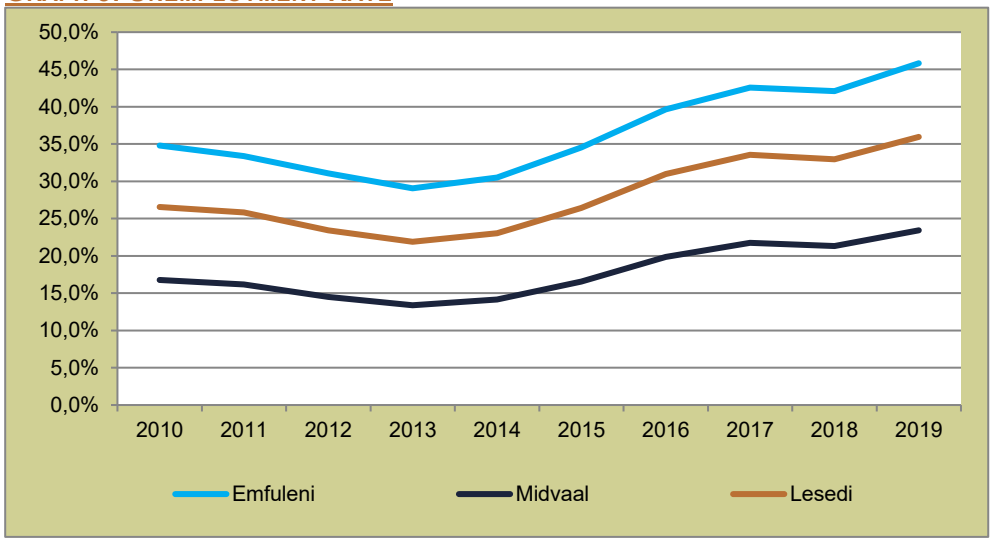


The Age Profile illustrates that proportionally Midvaal has the highest percentage of people falling within the 25 to 39-year age bracket for Male and within the 00 to 14-year age bracket for Female. The working age group of Midvaal represents a notable size of the population. This age profile is typical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

Approximately 47% of the population in Midvaal is economically active. This, together with the age profile which indicates a younger population, increases the pressure of job creation.

The Unemployment Rate of 23.4% in 2019 was below the Provincial and National rates of 30.2% and 28.4%, respectively. These official historic rates are calibrated against trends which include recent data and have, therefore, been impacted by the Q2 2020 unemployment statistics released by Stats SA, which is skewed by the COVID-19 lockdown and inability of people to look for work during the months of April 2020 to June 2020. The expanded definition which includes people who have not taken recent steps to find employment drastically increases the perceived unemployment rate but is also not a reasonable reflection of the situation in Midvaal LM, currently.

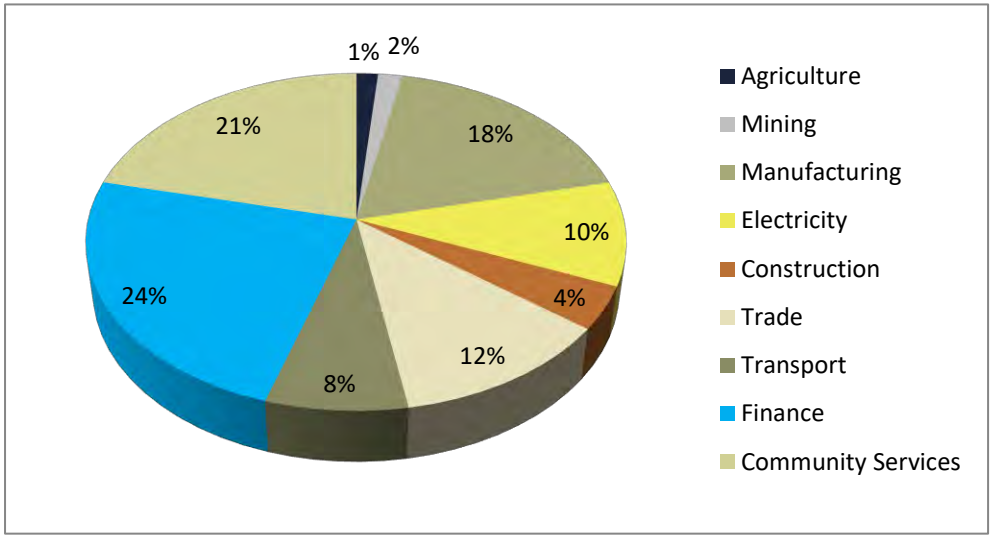
Graph 5: Unemployment Rate



Economy

Finance remains the dominant Economic Sector with 24% of the output in 2019, followed by Community services (21%), Manufacturing (18%) 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 6: Economic Sectors



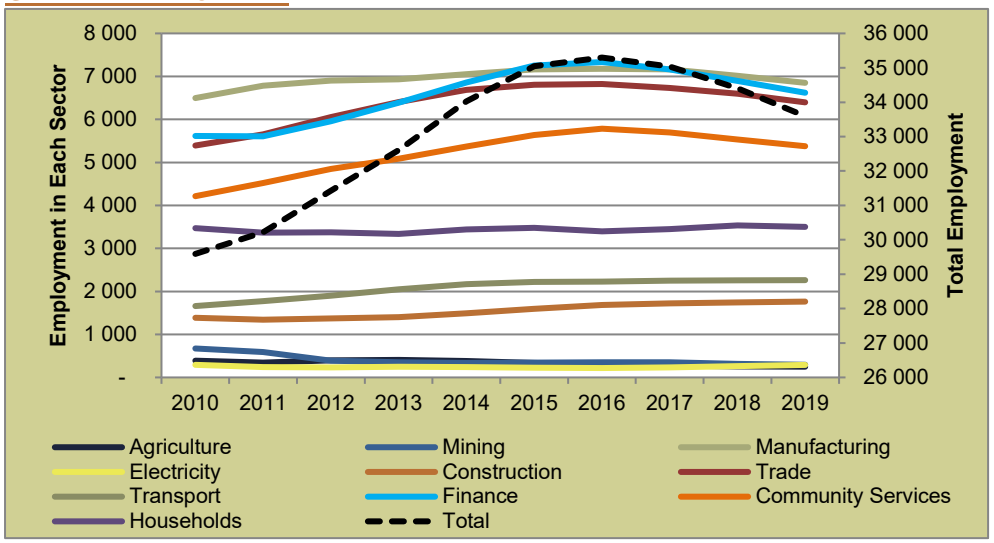
Proportional growth was experienced in the Finance, Community services and Trade sectors, with all other sectors experiencing stagnant or declining proportional growth between 2010 and 2019. The proportional contribution of the important Manufacturing sector showed a decline over the period.

Table 1: Proportional Growth of Economic Sectors

Sector	2010	2019
1 Agriculture	1,6%	1,5%
2 Mining	2,7%	1,6%
3 Manufacturing	19,3%	18,2%
4 Electricity	11,1%	10,0%
5 Construction	4,2%	4,1%
6 Trade	11,3%	11,9%
7 Transport	7,1%	7,5%
8 Finance	22,5%	23,9%
9 Community services	20,2%	21,3%

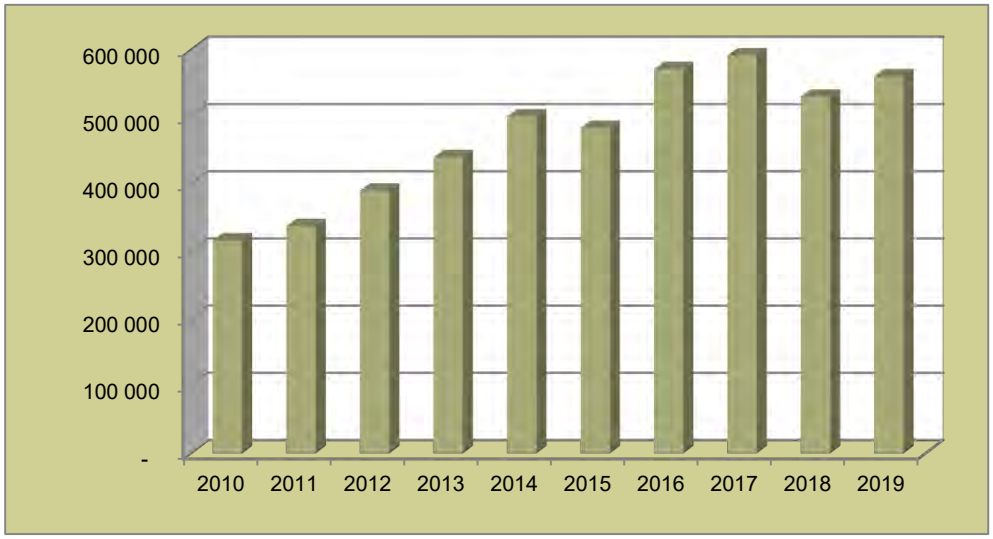
Changes in the economic structure of the region is reflected in the employment figures. The Manufacturing, Finance, Trade, and Community Services, sectors are the largest Employers with 20.4%, 19.7%, 19.0% and 16.0% of Total Employment respectively. Households, Transport- and Construction sectors employ over 1 000 people each. Total employment reflects a significant decline between 2015 and 2019. At the end of 2019 the officially formal employment came to 33 600 people or 28% of the population.

GRAPH 7: EMPLOYMENT



Tourism Spend in 2019 amounted to R 560.83 million, which equates to 6.8% of GVA (Current Prices). Tourism remains a relatively important economic driver for the local economy.

GRAPH 8: TOURISM SPEND

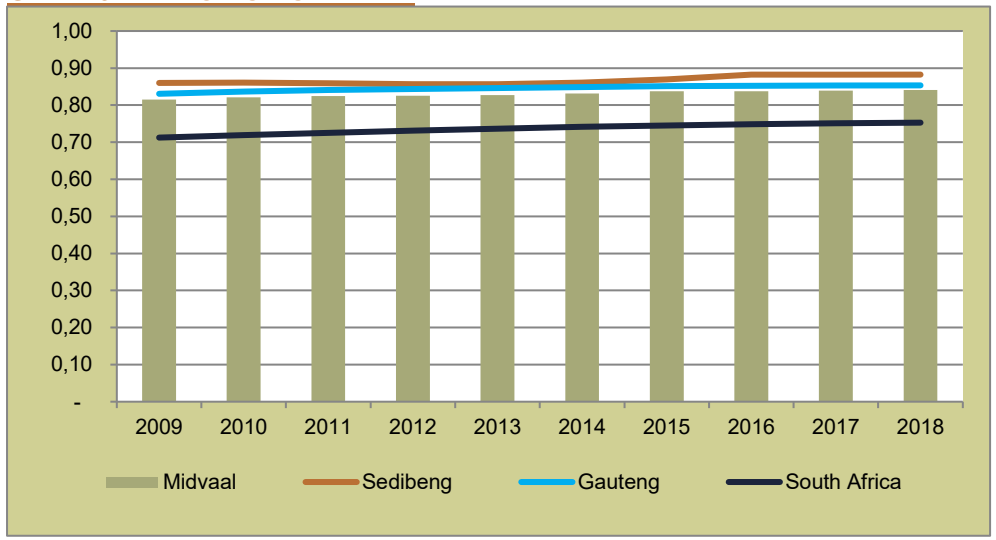


Household Infrastructure

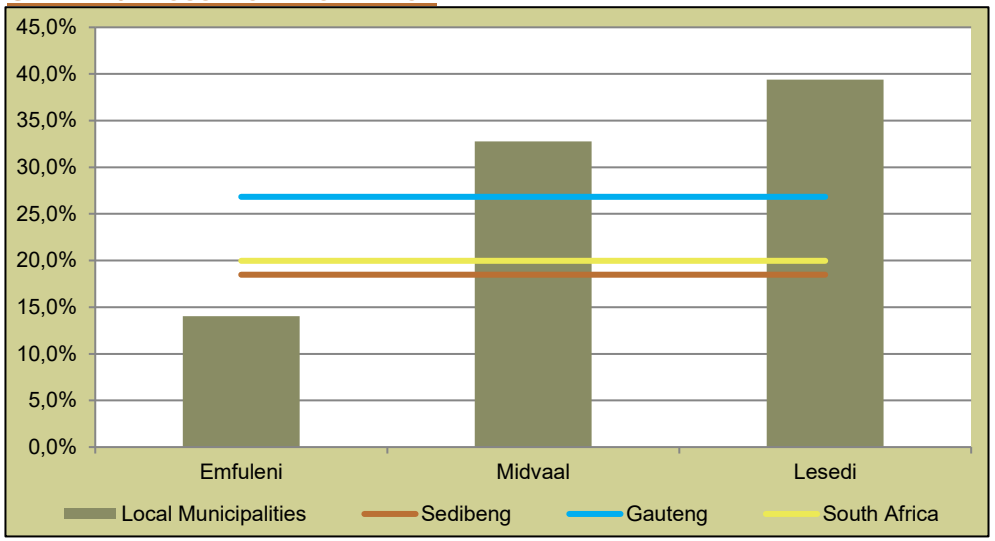
The Infrastructure Index of 0.83 is lower than the Province (0.84) and the Sedibeng District as a whole (0.88). Within the District, Midvaal has the lowest infrastructure index of the three local municipalities. A contributing factor is the high population growth and household formation in recent times, which worsened the infrastructure backlogs.

Growth in Household Formation between 2008 and 2018 was 33%, the second highest of all three municipalities in the district but exceeding the proportional household formation in the district as a whole, the province as well as national. In absolute numbers, the growth of households in Midvaal was 8 793 during this period. This further added to the service delivery demands and pressure to provide services to a growing population. High household formation makes it difficult for a municipality to address its service delivery backlogs due to the increased demand.

Graph 9: Infrastructure Index



Graph 10: Household Formation



Comparing backlogs of Sanitation, Water, Refuse Removal and Electricity in urban as well as non-urban areas, Midvaal performed below the average infrastructure delivery in the Sedibeng District. Its delivery challenge given the population growth is reflected in the 15% of households that experience electricity backlogs, 10% sanitation backlogs and 11% refuse removal backlogs.

TABLE 2: HOUSEHOLD INFRASTRUCTURE PROVISION (2018)

Infrastructure	Sedibeng DM	%	Midvaal	%
Above RDP Level				
Sanitation	303 202	93,4%	34 572	90,3%
Water	321 524	99,0%	37 502	98,0%
Electricity	301 432	92,9%	32 490	84,9%
Refuse Removal	299 094	92,1%	33 941	88,7%
Below RDP Level or None				
Sanitation	21 430	6,6%	3 712	9,7%
Water	3 108	1,0%	782	2,0%
Electricity	23 200	7,1%	5 794	15,1%
Refuse Removal	25 538	7,9%	4 343	11,3%
Total No. of Households	324 632	100,0%	38 284	100,0%

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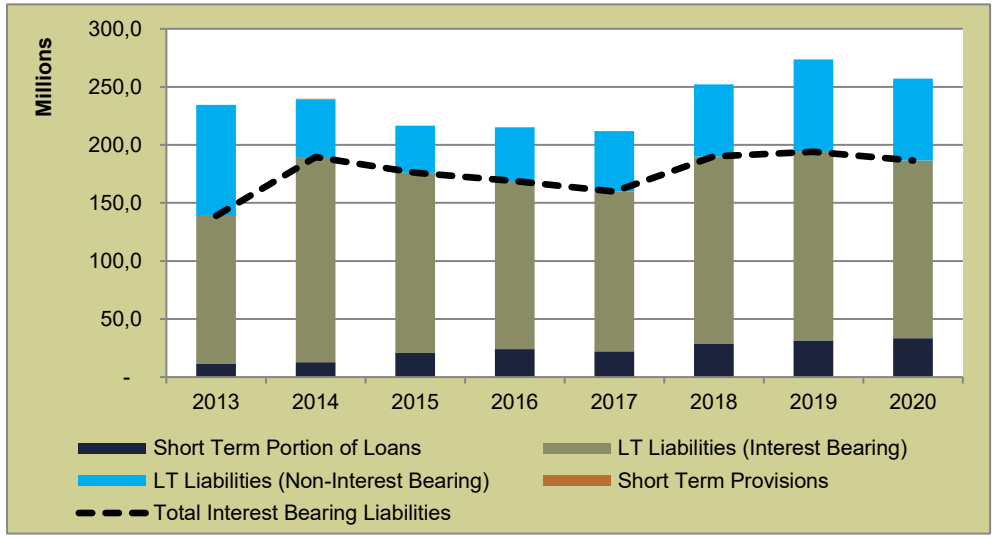
Financial Position

As at 30 June 2020, Midvaal's balance sheet reflected total assets of R 2.63 billion (compared to R 2.55 billion in FYE2019) and total liabilities of R 468.07 million (compared to R 473.76 million in FYE2019). From this it is evident that the municipality improved its financial position as at FYE2020 and it can be regarded as relatively strong and stable. To gain a deeper understanding of these movements, the categories of assets and liabilities were analysed further.

Graph 11: Long Term Liabilities: Interest Bearing vs Non-Interest Bearing



Notwithstanding the new external loan liabilities and finance leases of R 24.59 million taken up during the year, Total Interest-bearing Liabilities decreased by R 9.57 million (5.9%) to R 152.85 million at year end.

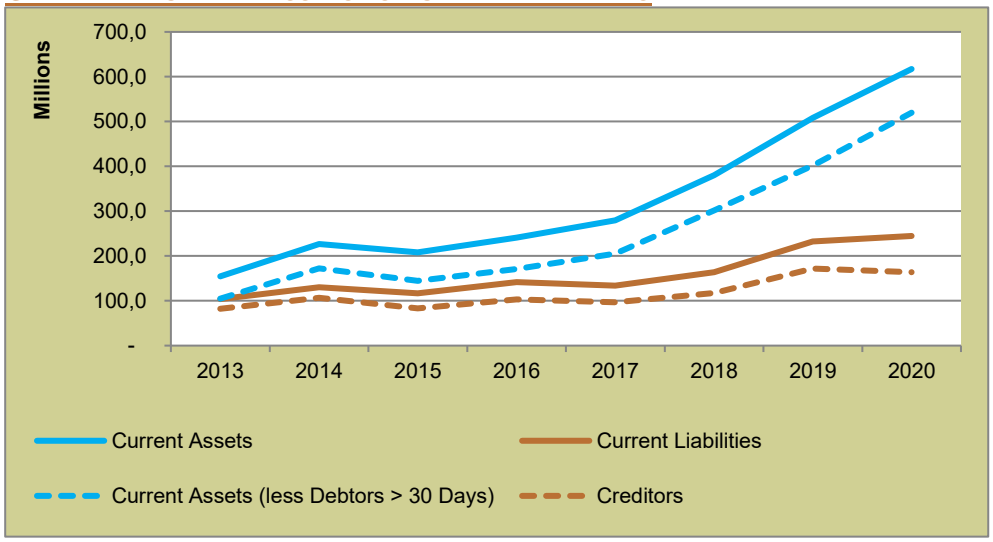
The Gearing ratio (Total Debt/Operating Revenue) can be considered acceptable (low risk) at 16% at FYE2020 (from 18% at FYE2019). This is in comparison to the maximum norm of 45% proposed by National Treasury or 35% proposed by INCA Portfolio Managers, considering Midvaal's size and capacity. The debt service cover ratio (which measures the ability of the municipality to service its debt from cash generated by operations) increased to a healthy 4.46, indicating that the current levels of debt are affordable to the municipality.

Table 3: Interest Bearing Vs Non-Interest Bearing Liabilities

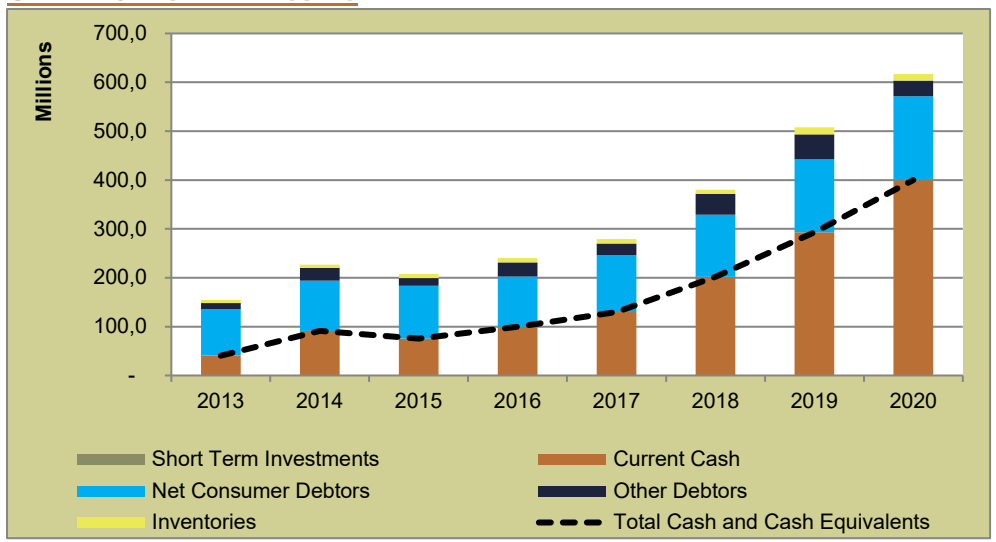
	2013	2014	2015	2016	2017	2018	2019	2020
Short Term Provisions	-	0,4	0,5	-	-	-	-	-
LT Liabilities (Interest Bearing)	127,1	176,9	155,1	144,7	137,6	161,8	162,4	152,9
LT Liabilities (Non-Interest Bearing)	95,6	49,6	40,3	46,2	52,1	62,0	79,6	70,6
Short Term Portion of Loans	11,8	12,7	20,9	24,2	22,2	28,4	31,6	33,6
Total Interest-Bearing Liabilities	138,9	189,6	176,0	169,0	159,7	190,2	194,1	186,4

Long term Non-interest-bearing liabilities increased to R 70.58 million and is comprised of Landfill Rehabilitation (80%) and Employee Benefit (20%) provisions. The short-term portion of R 33.6 million is cash backed as per statutory requirements.

Graph 12: Current Assets vs Current Liabilities



Graph 13: Current Assets

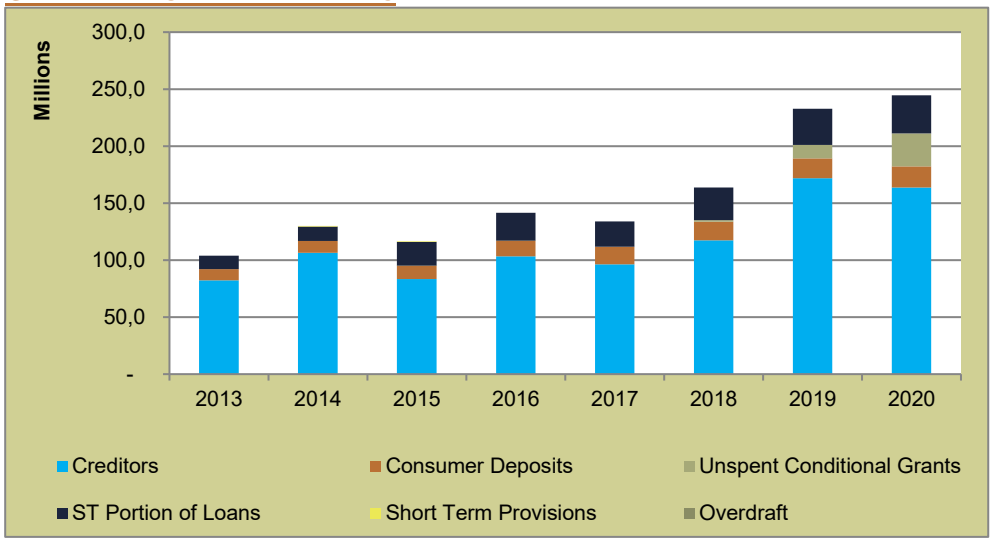


Current Assets increased by R 109.13 million (21.5%) in the current year. The increase was influenced by the growth in Cash and Cash Equivalents (R 107.15 million or 36.6%) and Net Consumer Debtors (R 21.74 million or 14.6%).

Table 4: Liquidity Ratios

	2013	2014	2015	2016	2017	2018	2019	2020
Current Assets : Current Liabilities	1,49	1,75	1,78	1,70	2,09	2,32	2,18	2,52
Current Assets (less Debtors > 30 Days) : Current Liabilties	1,01	1,33	1,24	1,21	1,53	1,84	1,73	2,12

Graph 14: Current Liabilities

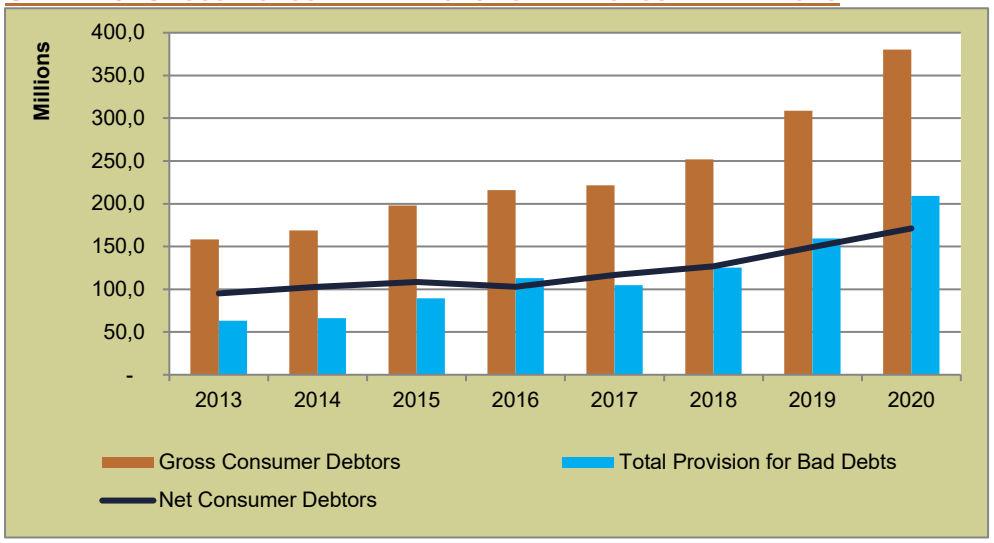


The increase in Current Liabilities was smaller at R 11.91 (5.1%) million. This increase can be mainly due to the increase in Unspent Conditional Grants of R 17.05 million, which was also impacted by the national lockdown towards the last quarter of the financial year, as a result of the COVID-19 pandemic. It is positive to note a decrease in Creditors of R 8.29 million (-4.8%) to R 163.62 million at FYE2020.

The Liquidity Ratio as at FYE2020 is healthy at 2.52 (FYE2019: 2.18:1). Should all debtors older than 30 days be excluded, this ratio remains at a healthy 2.12 as at FYE2020, indicating high levels of very liquid assets.

Debtors Management

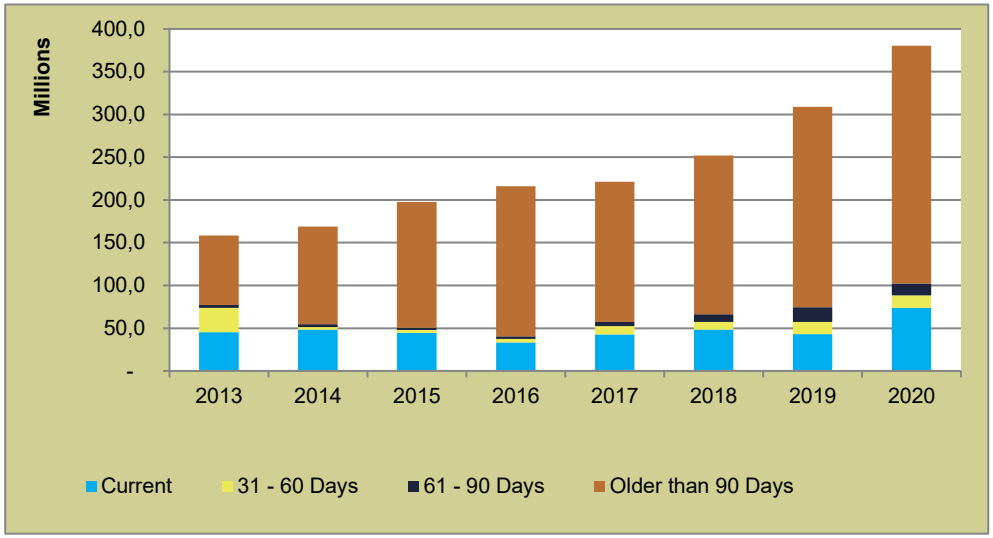
Graph 15: Gross Consumer Debtors vs Net Consumer Debtors



The rapidly growing consumer debtors (23% in FY2020) reflected on Graph 15 is not sufficiently provided for, although efforts to increase provision were noted in the R 49.78 million or 31% increase in the current year.

The debtors age analysis reveals 73.1% of Gross Consumer Debtors are outstanding for more than 90 days which necessitates implementation of stronger credit control measures.

Graph 16: Consumer Debtors Age Analysis



The collection rate increased to 92% in FY2020 from 89% in FY2019, which is commendable considering the impact of COVID-19 but is unfortunately still below the minimum acceptable benchmark of 95%. It is however concerning to note the decrease in Billed Revenue as illustrated in Table 5. The decrease in quantities sold by the municipality during FY2020 is a direct result of the implications COVID-19 had on businesses and households within the municipality.

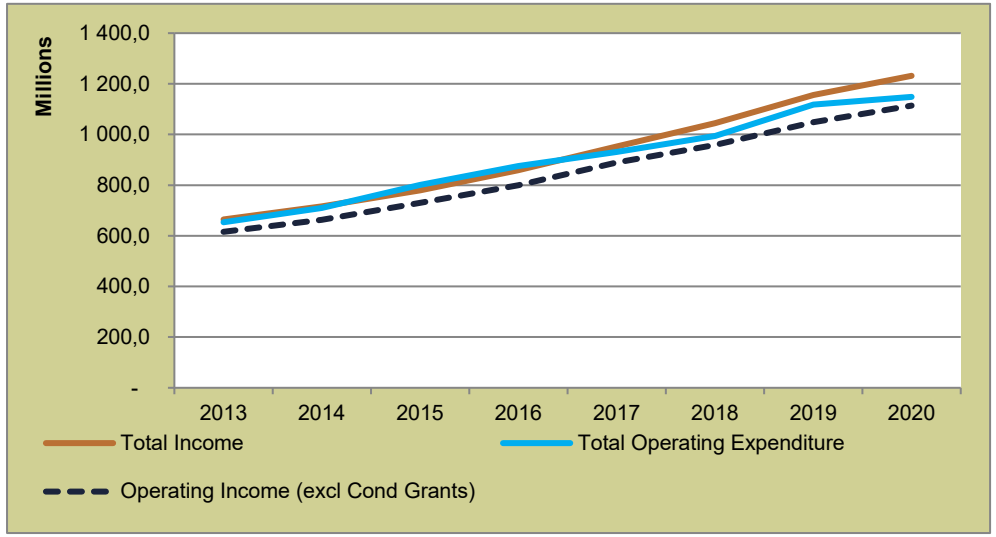
Table 5: Debtors Ratios

	2014	2015	2016	2017	2018	2019	2020
Increase in Billed Income p.a. (R'm)	56,0	49,6	50,0	76,6	75,1	138,0	(5,3)
% Increase in Billed Income p.a.	12%	9%	9%	12%	11%	18%	-1%
Gross Consumer Debtors Growth	7%	17%	9%	2%	14%	23%	23%
Payment Ratio / Collection Rate	94%	93%	97%	90%	93%	89%	92%

Financial Performance

Surplus/Deficit

Graph 17: Total Income vs Total Expenditure



Total Operating Revenue increased by R 64.46 million or 6% in FY2020, double the growth in Operating Expenditure of R 30.16 million or 3% over the same period. This had a positive impact on Midvaal's profitability by narrowing operating deficits to R 4.97 million in FY2020 from R 39.27 million in FY2019.

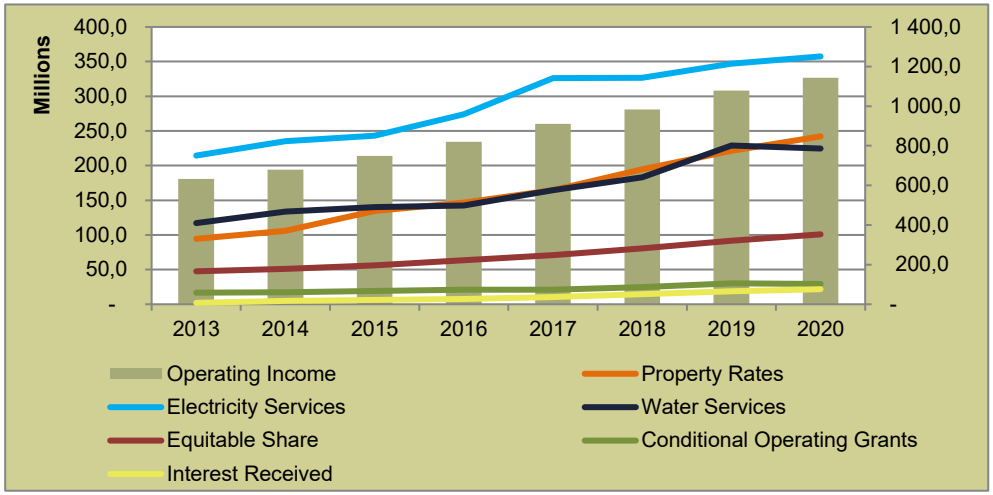
Revenue Management

Total Income for FY2020 was R 1.23 billion against a Total Expenditure of R 1.15 billion, leading to an increased total accounting surplus of R 83.24 million.

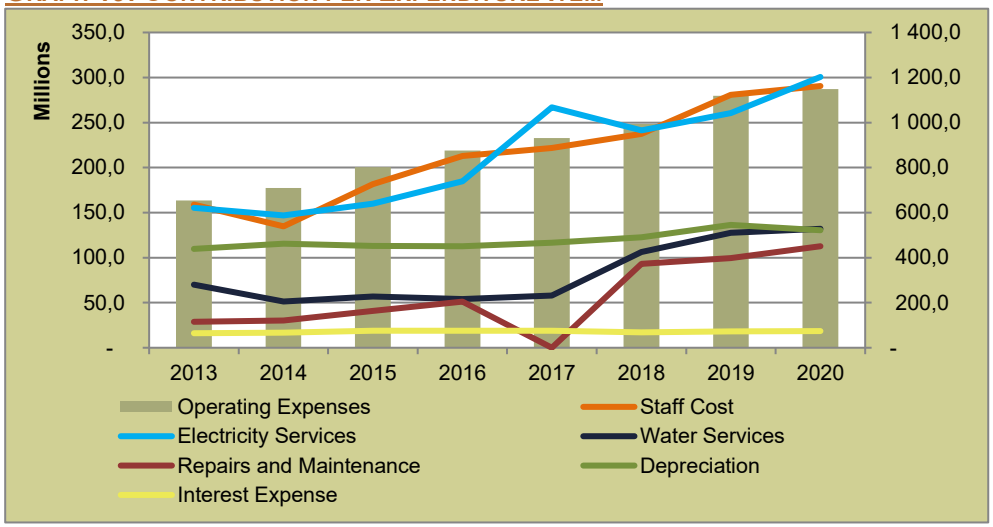
The increase in Total Income was mainly driven by increases in Property Rates (R 20.53 million or 9.5%), Electricity Services (R10.29 million or 3.0%), Equitable Share (R 9.39 million or 10.3%), and Interest Received (R 2.97 million or 15.8%).

Total Grants of R 218.45 million (R 197.99 million during FY2019) represent only 18% of the municipality's Total Income, indicating the municipality's relatively low level of reliance on the fiscus and its ability to generate revenue from its own resources.

Graph 18: Contribution per Income Source



Graph 19: Contribution per Expenditure Item



GRAPH 20: ANALYSIS OF SURPLUS

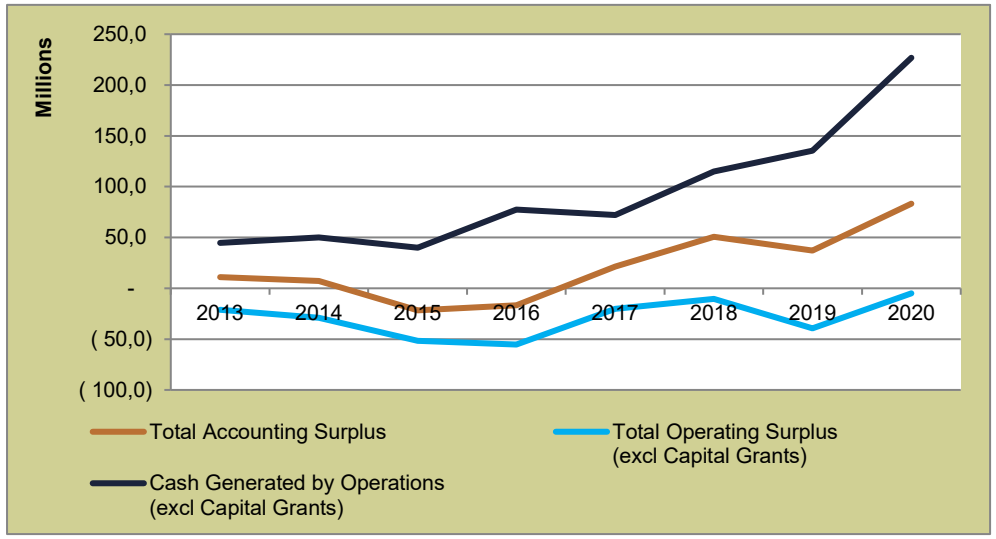


TABLE 6: ANALYSIS OF SURPLUS

	2013	2014	2015	2016	2017	2018	2019	2020
Total Accounting Surplus	11,0	7,2	(21,7)	(16,6)	21,5	50,6	37,1	83,2
Total Operating Surplus (excl Capital Grants)	(21,0)	(29,1)	(51,7)	(55,3)	(20,3)	(10,4)	(39,3)	(5,0)
Cash Generated by Operations (excl Capital Grants)	44,7	50,2	39,9	77,3	71,9	115,0	135,3	226,8

Expenditure Management

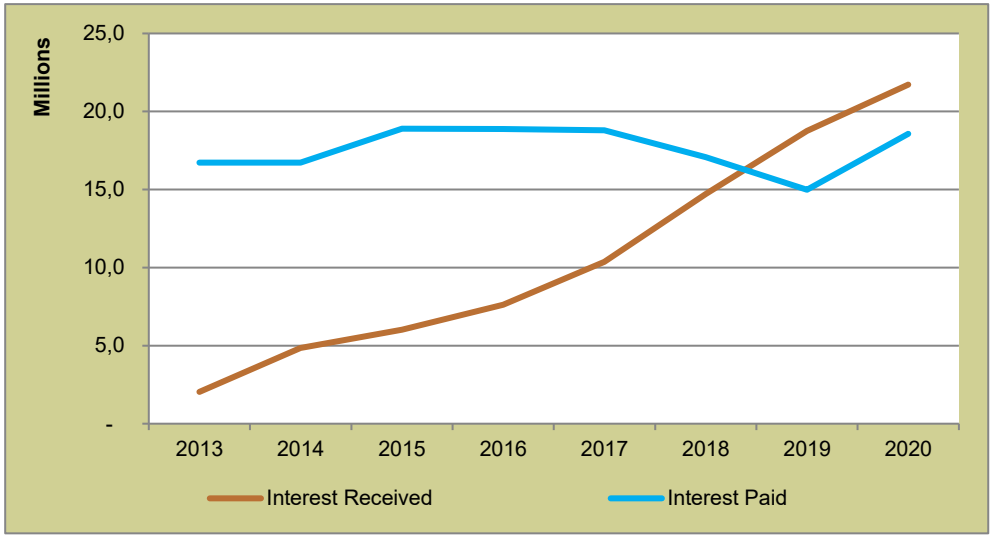
The increase in operating expenditure was mainly driven by increases in Electricity Services (R 40.05 or 8.0%), Staff Costs of R 9.65 million (3.4%), Water Services (R 4.4 million or 3.5%), and Repairs and Maintenance (R 13.12 million or 13.2%).

The surplus margins on the sale of electricity reflect a declining trend over the last 7 years; from 38% in FY2014 to 16% in FY2020. This decline should be closely monitored by the municipality to maintain its levels of operational surpluses over the long-term to remain financially sustainable.

The water surplus margins reflected a similar declining trend from 62% to 41%, indicating a potential threat to the municipality's main revenue sources.

The repairs and maintenance expense is reasonable at R 112.70 million or 6% of the carrying value of PPE and investment property. National Treasury recommends a norm of 8% to support continuous upkeep of infrastructure and uninterrupted service delivery.

GRAPH 21: INTEREST PAID VS INTEREST RECEIVED



Noteworthy, although relatively small, is that the Interest Received from external investments exceed Interest Paid on external loans during the year of assessment, resulting in a net interest inflow of R 3.15 million in FY2020.

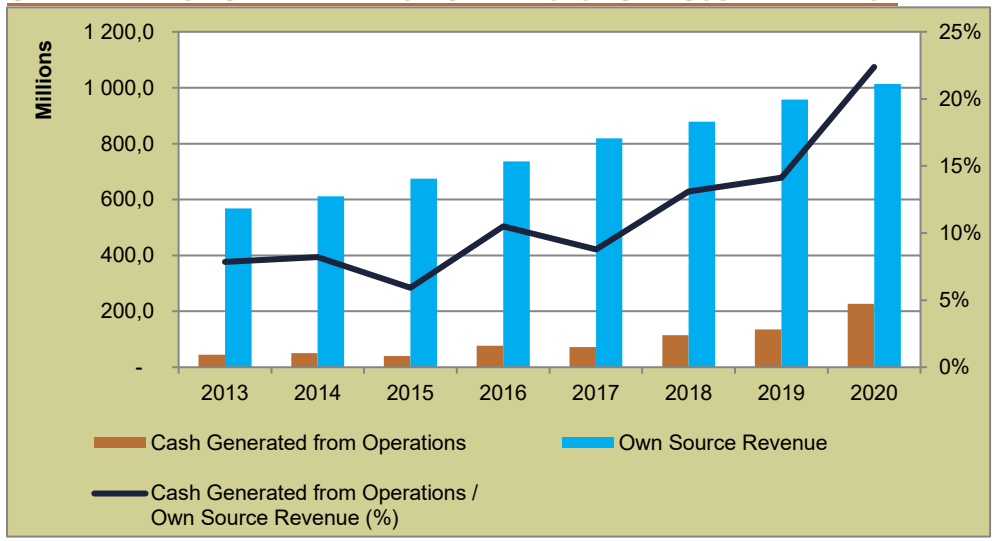
Cash Flow

Analysis of Cash Flow

Cash Generated from Operations increased by R 91.48 million to R 226.79 million (excl. grants) during FY2020. The total capital expenditure of R 117.38 million for FY2020 was 19% less than the budgeted capex of R 144.99 million. The available funding sources (consisting of Capital Grants of R 108.38 million, External Loans of R 24.59 million and sale of Fixed Assets of R 5.78 million) exceeded the total amount spent, resulting in the increase of unspent conditional grants to R 28.91 million at year end. The underspending is mainly due to the impact of COVID-19 and the lockdown period in this financial year.

Cash and Cash Equivalents at year end increased by R 107.15 million (37%) to a balance of R 400.05 million at FYE2020. The sharp increases in cash balances over the last three financial years was driven by higher levels of cash being generated by operations, but also the utilisation of a much more optimal funding mix weighted towards external borrowings, as opposed to the utilisation of own cash resources to fund capital investment.

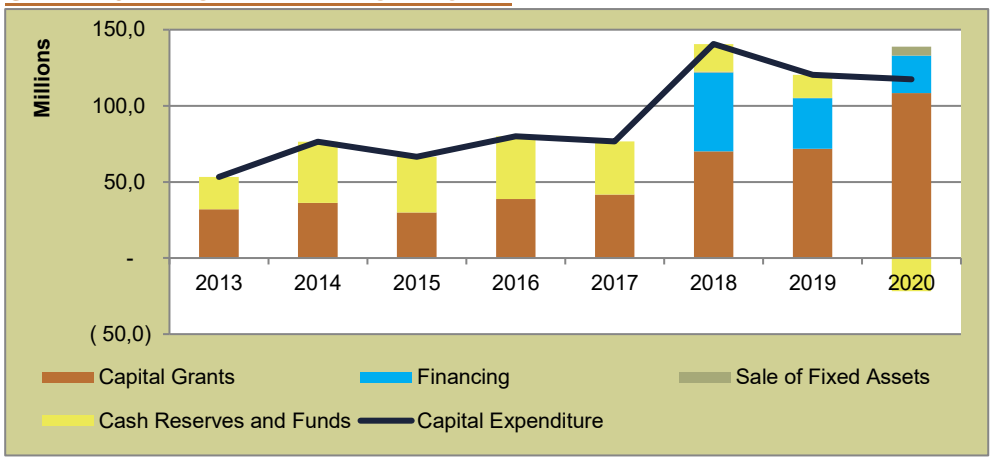
Graph 22: Cash Generated from Operations / Own Source Revenue



No Funds and Reserves or Short-Term Provisions were reported in the AFS as at FYE2020. Table 7 below therefore reflects a distorted view of total statutory liquidity requirements. Midvaal can cover 1 month's working capital of R 77.6 million and Unspent Conditional Grants of R 28.9 million, against an unencumbered cash balance of R 400 million. The cash surplus after meeting the minimum liquidity requirements is R 295.3 million.

A strong cash coverage ratio of 3.8 times indicates that Midvaal is able to absorb at least 3 months of operating expenditure should unexpected setbacks arise that limit its cash generation abilities.

Graph 23: Annual Capital Funding Mix



Graph 24: Minimum Liquidity Required

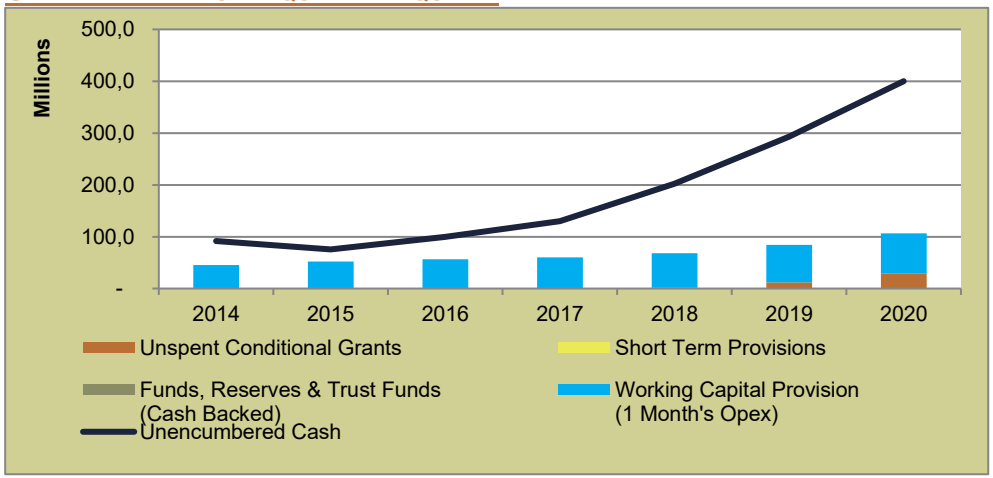


TABLE 7: MINIMUM LIQUIDITY LEVELS

	2013	2014	2015	2016	2017	2018	2019	2020
Unspent Conditional Grants	-	-	0,1	0,0	-	1,5	11,9	28,9
Short Term Provisions	-	0,4	0,5	-	-	-	-	-
Funds, Reserves & Trust Funds (Cash Backed)	-	-	-	-	-	-	-	-
Total Statutory Requirements	**-**	**0,4**	**0,6**	**0,0**	**-**	**1,5**	**11,9**	28,9
Unencumbered Cash ***	**40,5**	**91,5**	**75,5**	**100,0**	**130,1**	**202,0**	**292,9**	**400,0**
Cash Coverage Ratio (excl Working Capital) *		**214,6**	**123,2**	**4 251,5**		**135,8**	**24,7**	13,8
Working Capital Provision (1 Month's Opex) **	43,0	44,7	51,5	56,7	60,3	66,4	72,2	77,6
Cash Coverage Ratio (incl Working Capital) ****	**0,9**	**2,0**	**1,4**	**1,8**	**2,2**	**3,0**	**3,5**	3,8
Minimum Liquidity Required *****	43,0	45,1	52,1	56,7	60,3	67,9	84,0	106,5
Cash Surplus/(Shortfall)	**(2,6)**	**46,4**	**23,4**	**43,3**	**69,8**	**134,1**	**208,9**	**293,5**

*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

CREDIT SCORE

Midvaal was assessed for an IPM shadow credit score. This score provides an indication of the current risk rating that the municipality may receive from external lenders and which will determine Midvaal's cost of funding.

Midvaal achieved an investment grade shadow credit rating based on the latest information. The rating translates to a **A-** on the national rating scale.

The results obtained from the assessment, per module, are presented below:

Grading	Min Score	Max Score	Scoring National Ratings Scale	Investment Grade
Non-Investment Grade	0	4	< BB+	No
Investment Grade	4	5	Low BBB+ to BBB-	Yes
Investment Grade	5	6	High BBB+ to BBB-	Yes
Investment Grade	6	7	Low A+ to A-	Yes
Investment Grade	7	8	High A+ to A-	Yes
Investment Grade	8	10	AAA+ to AA-	Yes

Modules	Midvaal Score 2020 (Max 5)
Financial	3,2
Institutional	3,8
Socio-Economic	2,3
Infrastructure	3,9
Environmental	4,2

The financial performance of Midvaal is positive as evidenced by positive trends underpinned by strong liquidity, ability to generate cash from operations and the ability to grow revenue at a level above CPI rate for the current year.

The unqualified audit opinion, positive Auditor General findings and low unauthorised, irregular, fruitless and wasteful expenditure levels contributed to a higher Institutional Capacity score within a weak municipal sector.

The weaker socio-economic environment, considering its low economic growth, high levels of unemployment and low human development index has impacted negatively on the overall credit rating.

The household infrastructure of Midvaal can be improved if water distribution losses are well managed.

Midvaal has performed well on the environmental module, especially with regards to the percentage of households with hygienic toilets and the fact that landfill rehabilitation costs are cash-backed.

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LONG TERM FINANCIAL MODEL OUTCOMES

CURRENT MTREF CASE

The main challenges and uncertainties experienced by Midvaal during the compilation of the 2020/21 final MTREF budget were summarised as follows:

- The limited economic growth further exacerbated by the global COVID-19 pandemic; negatively impacting on employment, revenue and expenditure and future cashflows.
- Aging water, roads and electricity infrastructure.
- The need to reprioritise capital projects and expenditure within the existing resource envelope given the cash flow realities and the tough economic climate.
- 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.
- 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 which are to be funded from the municipality's own resources.

BASE CASE SCENARIO

To address the uncertainties in the MTREF, we analysed the MTREF budget in detail and made the following adjustments to arrive at the Base Case Scenario:

1. Consider the impact of COVID-19 on the households' affordability for municipal services by limiting the collection rate at the current (FY2020) rate of 92% for the duration of the planning period with no improvement thereof.
2. Updated the bulk electricity purchases rate increase for 2021/22 with 16% as approved by NERSA and apply the same adjustment on electricity tariffs.
3. Gradually reduce the creditors payment period ratio to 60 days in FY2023/24, remaining stable thereafter.
4. The model accepted the planned total capital expenditure of R 544.55 million for the 3-year MTREF period and applied an annual increase of 18% between FY2024 and FY2027, followed by a consistent annual increase of 6% thereafter within the proposed funding mix.

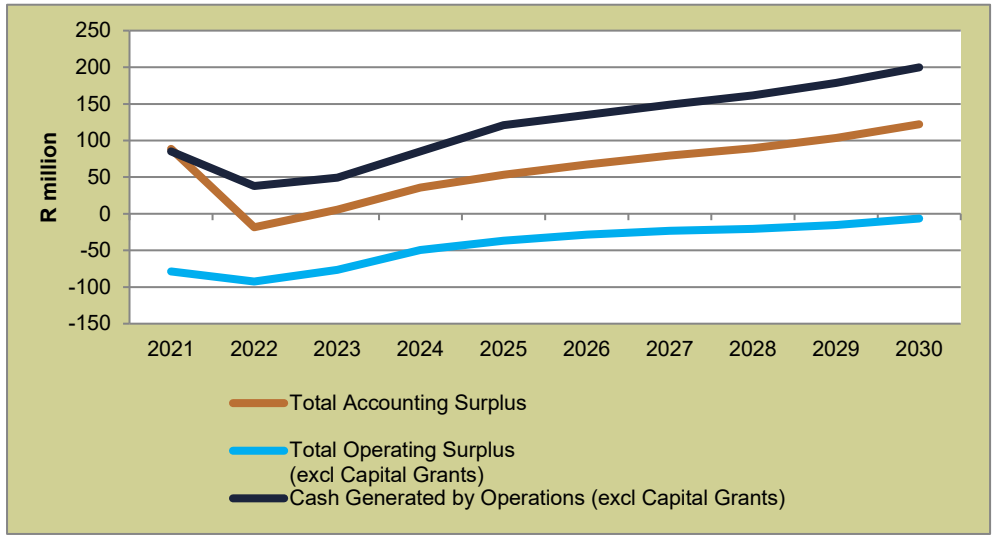
Under this scenario, the municipality will:

- Generate accounting and operating deficits throughout out the planning period. However, these are forecasted to positively narrow from 2023/24 onwards, from a forecasted operating deficit of R 92.5 million in 2021/22 to R 6.5 million by the end of the planning period. Accounting surpluses are forecasted to increase from R 5.8 million to R 122.2 million between 2022/23 and 2029/30.
- Generate sufficient cash from operations to fund its capital expenditure as per Adjustment Budget capital funding mix.
- Remain liquid (current ratio greater than 2:1) with a liquidity ratio of 2.5:1 by the end of the planning period (FY2029/30).

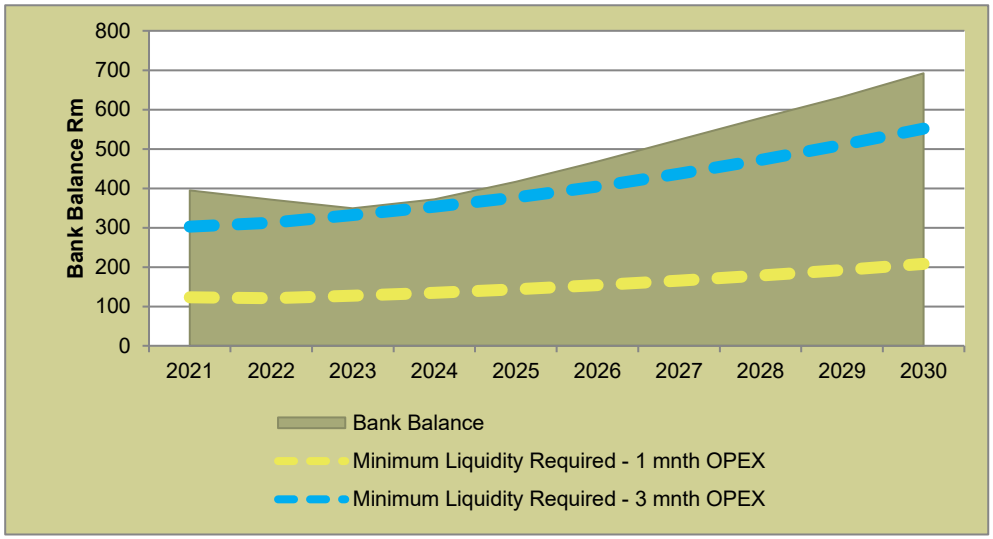
The scenario however indicates lower total capital expenditure during FY2021/22 and FY2022/23 as confirmed by Capital Expenditure/Total Expenditure ratios of 8.6% and 9.2% against the acceptable benchmark range of 10% to 20%. The gearing ratio of 27.7% at the end of the planning period and the positive debt service cover ratio (cash generated by operations/debt service) of 1.9:1 indicates that there is capacity to increase borrowings.

The graphical representation of the base case scenario is illustrated on the next page:

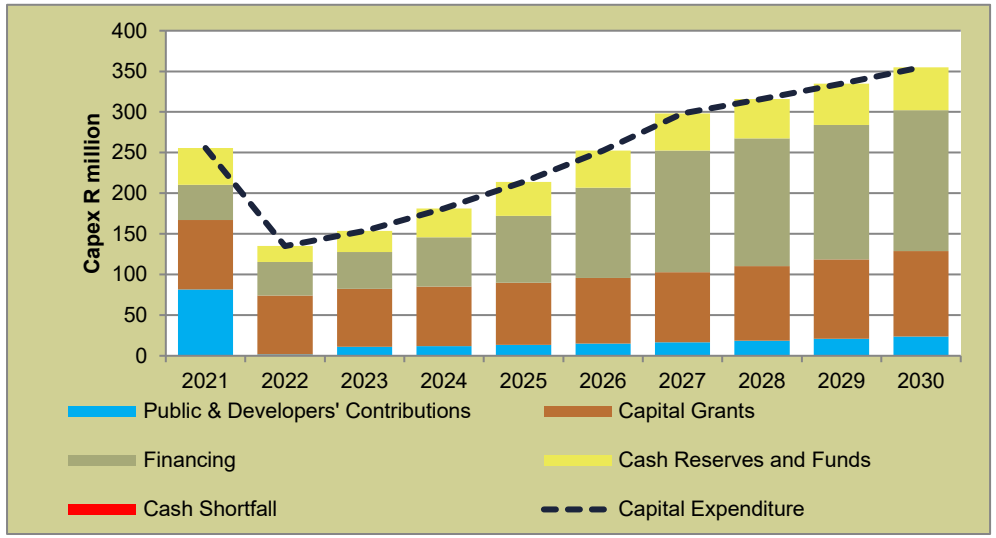
Graph 25: Analysis of Surplus: Base Case Scenario



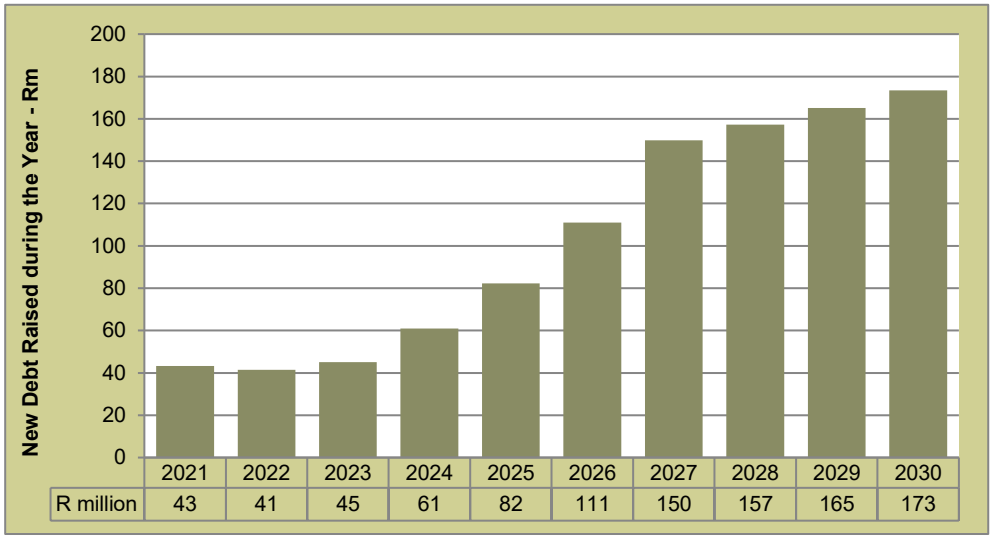
Graph 27: Bank Balance vs Minimum Liquidity: Base Case Scenario



Graph 26: Capital Funding Mix: Base Case Scenario

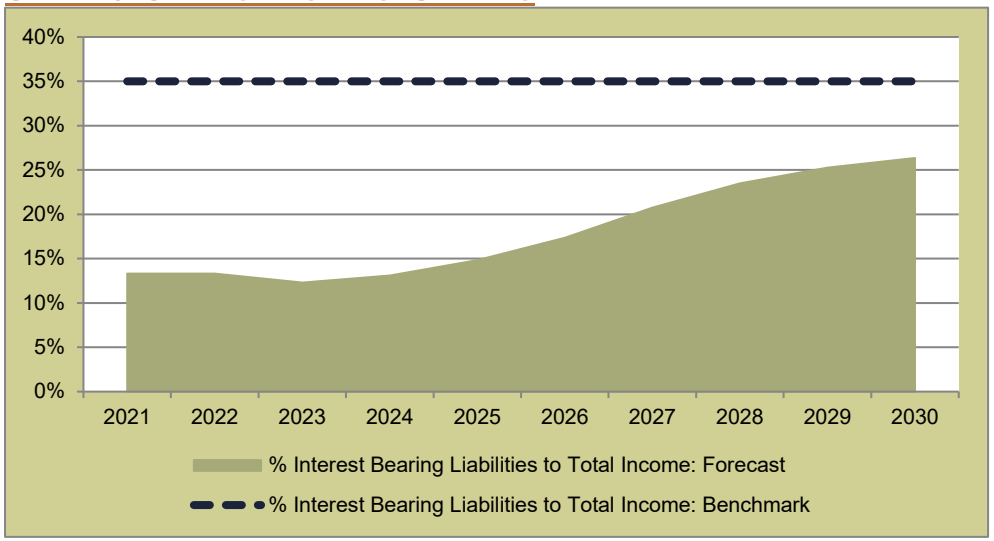


Graph 28: Annual Borrowing: Base Case Scenario



	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
R million	43	41	45	61	82	111	150	157	165	173

GRAPH 29: GEARING: BASE CASE SCENARIO



CAPEX AND MTREF FUNDING MIX ADJUSTED SCENARIO

Notwithstanding the additional capital budget of R 111.5 million stipulated in the adjustment budget, the long-term financial plan model indicates that there is a scope for Midvaal LM to further extend capital spending in the medium term without depleting available cash resources. The additional capital expenditure can stimulate local economic growth by investing in productive assets. It is proposed that the 2021/22 capital expenditure budget be adjusted as follows:

- An acceleration of capital expenditure by R 60 million and R 53 million during the outer two years of the MTREF period (FY2022 & FY2023)

- A change in funding mix composition by increasing external borrowings to R 110 million per annum in FY2022 and R 117 million in FY2023. The total affordable capex for the next 3 years increases to R 658 million versus the MTREF adjustment budget of R 545 million.

Capital Funding Mix (Rm): MTREF scenario

Year	2021	2022	2023
Public & Developers' Contributions	82	2	11
Capital Grants	86	73	71
Financing	43	41	45
Cash Reserves and Funds	45	19	26
Cash Shortfall	0	0	0
Capital Expenditure	256	135	154

Capital Funding Mix (Rm): Capex and loan adj scenario

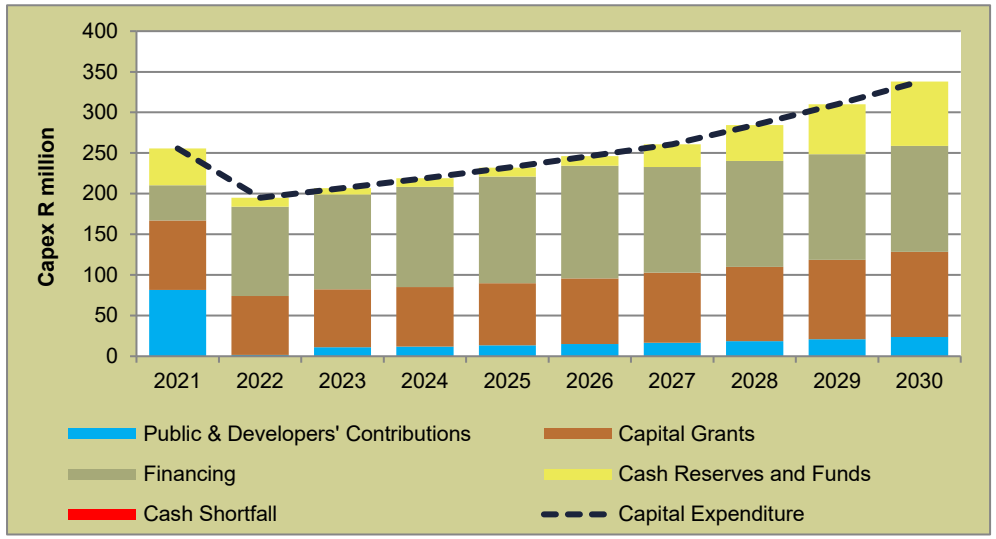
Year	2021	2022	2023
Public & Developers' Contributions	82	2	11
Capital Grants	86	73	71
Financing	43	110	117
Cash Reserves and Funds	45	11	8
Cash Shortfall	0	0	0
Capital Expenditure	256	195	207

In light of these increases in borrowing over the MTREF period:

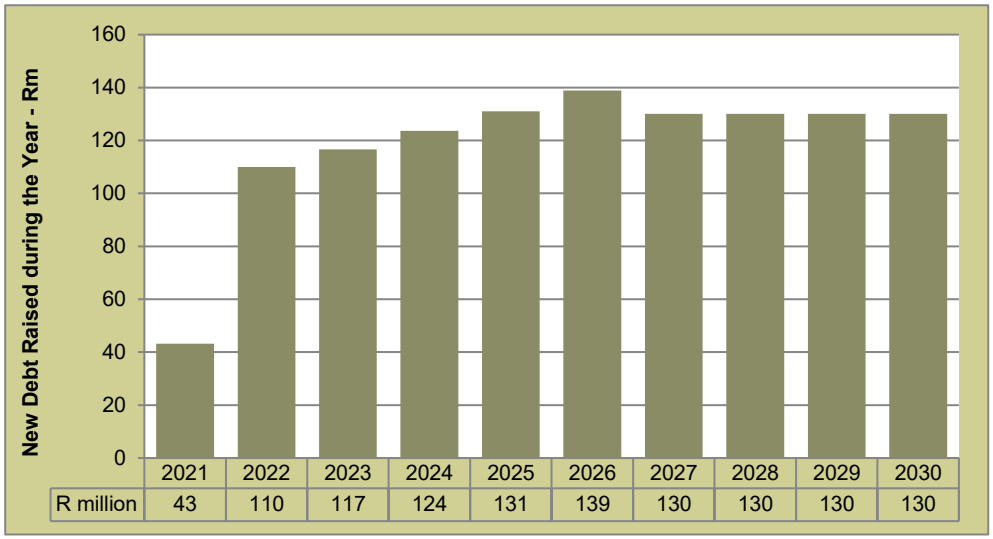
1. the municipality's bank balance will be able to meet the minimum liquidity requirements (including one-month OPEX). However, when three months OPEX is considered, the minimum liquidity levels will not be met from FY2027/28 to FY2029/30.

2. although gearing is below the recommended norm of 35%, by IPM, the annual debt servicing obligation will not be honoured from FY2027/28 onwards, as evidenced by the debt service ratio in excess of the recommended norm of 7% from FY2026/27 reaching 8% in FY2029/30.

Graph 30: Capital Funding Mix: Capex adj Scenario

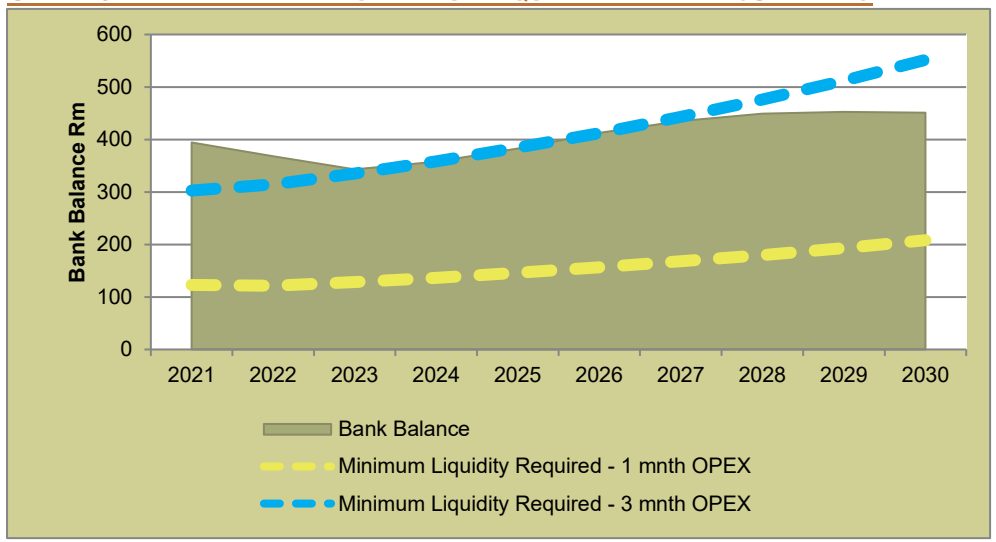


Graph 32: Annual Borrowings: Capex adj Scenario

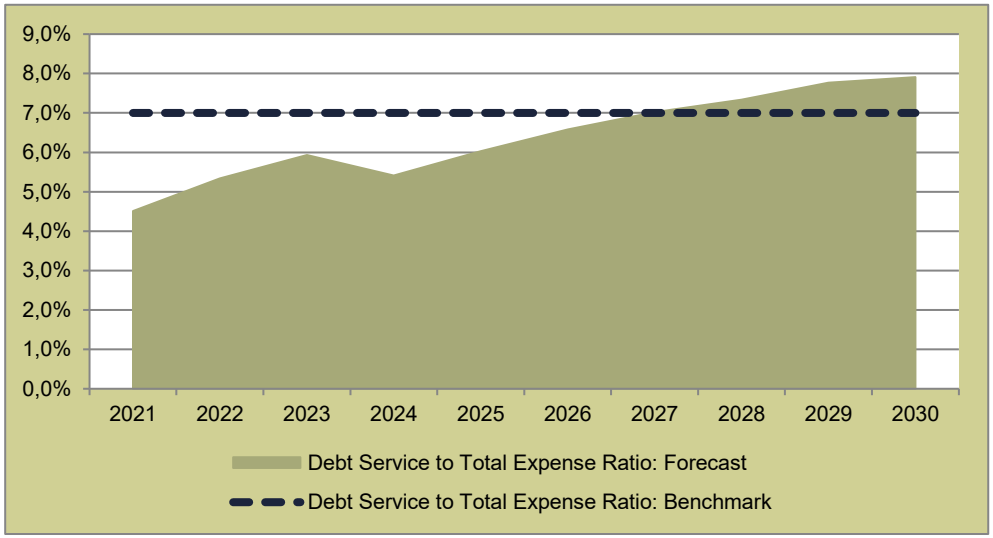


	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
R million	43	110	117	124	131	139	130	130	130	130

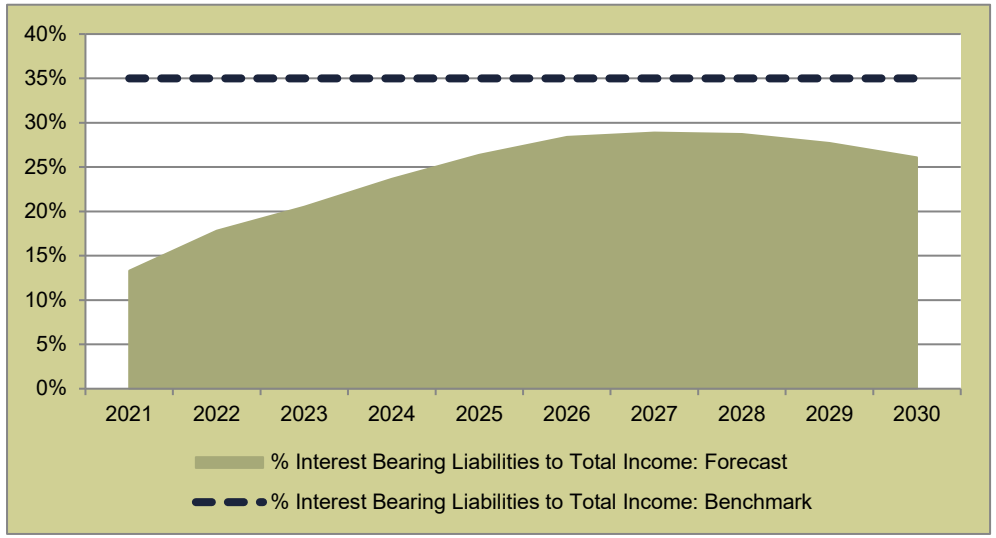
Graph 31: Bank Balance vs Minimum Liquidity: Capex adjScenario



Graph 33: Debt Service to Total Expense: Capex adj Scenario



GRAPH 34: GEARING RATIO: CAPEX ADJ SCENARIO



AVERAGE LOAN TENOR (OPTIMAL) SCENARIO

Based on the graphical representation above, the opportunity exists for Midvaal to extend loan tenors in order to avoid exceeding debt service limits/benchmarks and improving the bank balance to sufficiently cover statutory requirements plus 3 months working capital during the last four years of the planning period.

Should the average loan tenor increase from 10 years to 12 years and all other inputs remain as per previous scenario, the liquidity position will improve significantly. The cash balance will be able to meet the minimum liquidity requirements throughout the planning period when both 1 month or 3 month's OPEX are considered. The gearing and debt service ratios will remain within the affordable levels and below the maximum recommended norms.

In our view, this is the optimal scenario which is reflected in detail in the next chapters of this report.

TABLE 8: OPTIMAL CASE OUTCOME

Outcome	Optimal Case
Average annual % increase in Revenue	8,0%
Average annual % increase in Expenditure	8,2%
Accounting Surplus accumulated during Planning Period (Rm)	R 375
Operating Surplus accumulated during Planning Period (Rm)	-R 679
Cash generated by Operations during Planning Period (Rm)	R 1 004
Average annual increase in Gross Consumer Debtors	10,6%
Capital investment programme during Planning Period (Rm)	R 2 548
External Loan Financing during Planning Period (Rm)	R 1 183
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 606
No of Months Cash Cover at the end of the Planning Period (Rm)	3,5
Liquidity Ratio at the end of the Planning Period	2,4 : 1
Gearing at the end of the Planning Period	34,3%
Debt Service to Total Expense Ratio at the end of the Planning Period	6,8%

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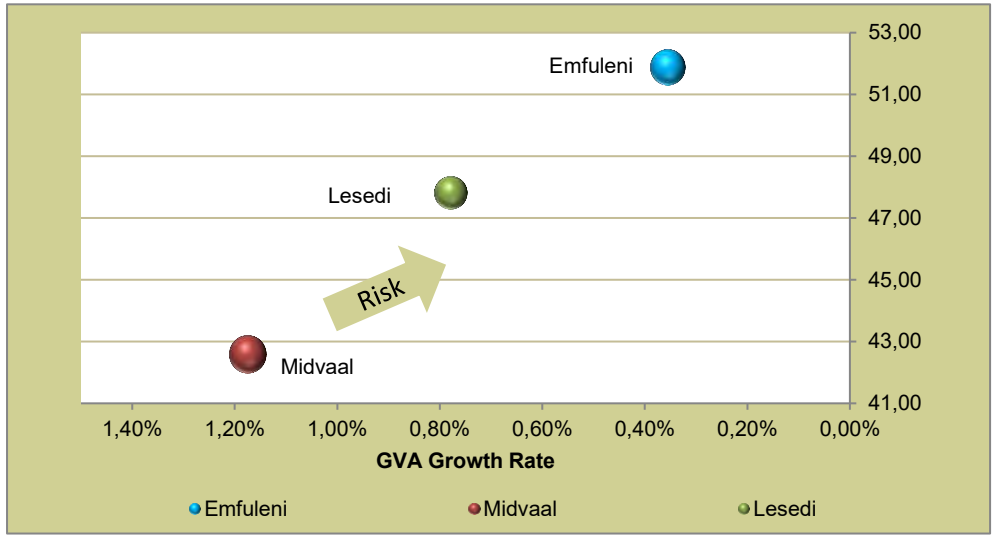
Municipal Revenue Risk Indicator (MRRI) = "Medium to High"

The latest iHS Global Insight update of the Midvaal economy reveals that the average economic growth during the past 5 years of 1.2% p.a. was higher than the growth in the other municipalities in the district. 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".

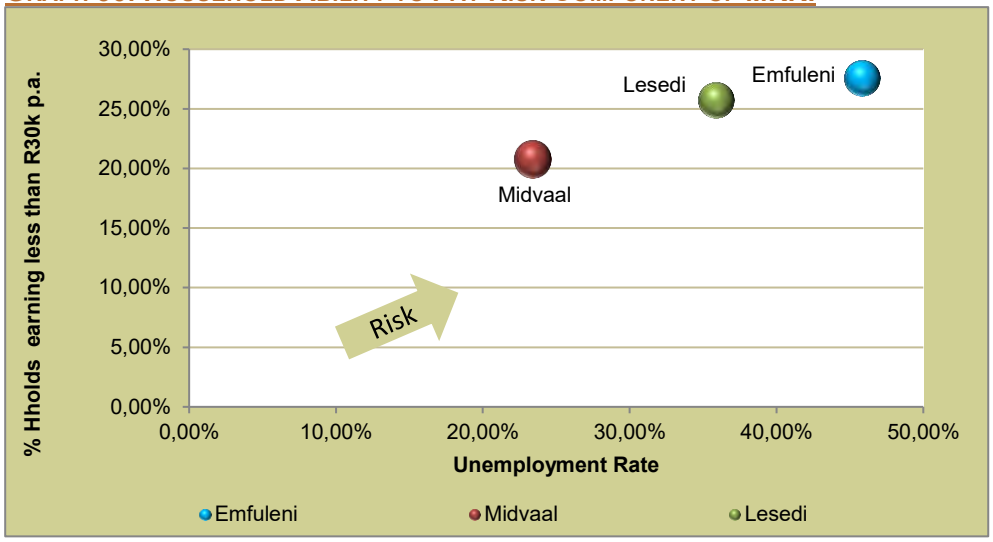
Graph 35: Economic Risk Component of MRRI



All the Municipalities in the Sedibeng district experience high unemployment rates and Midvaal is no exception, with a rate of 23.4%. The percentage of households with an economic income of R 42 000 p.a. or less is 21%, and these factors combine to return a ***Household Ability to Pay Risk*** component of the MRRI of "Medium to High".

The overall MRRI of "***Medium to High***" indicates that there is a medium to high risk in the socio-economic environment that Midvaal Municipality will not be able to generate sufficient levels of own revenue in future.

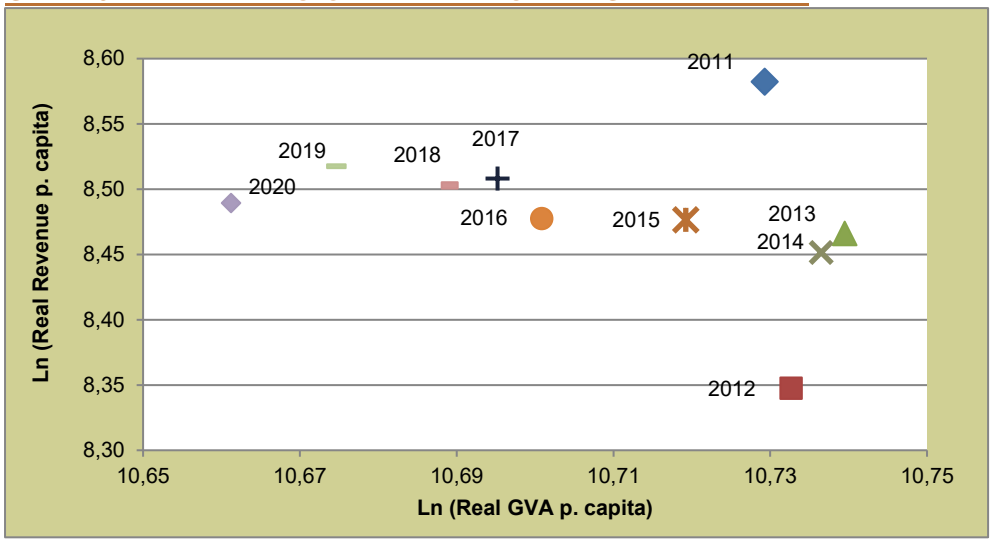
Graph 36: Household Ability to Pay Risk Component of MRRI



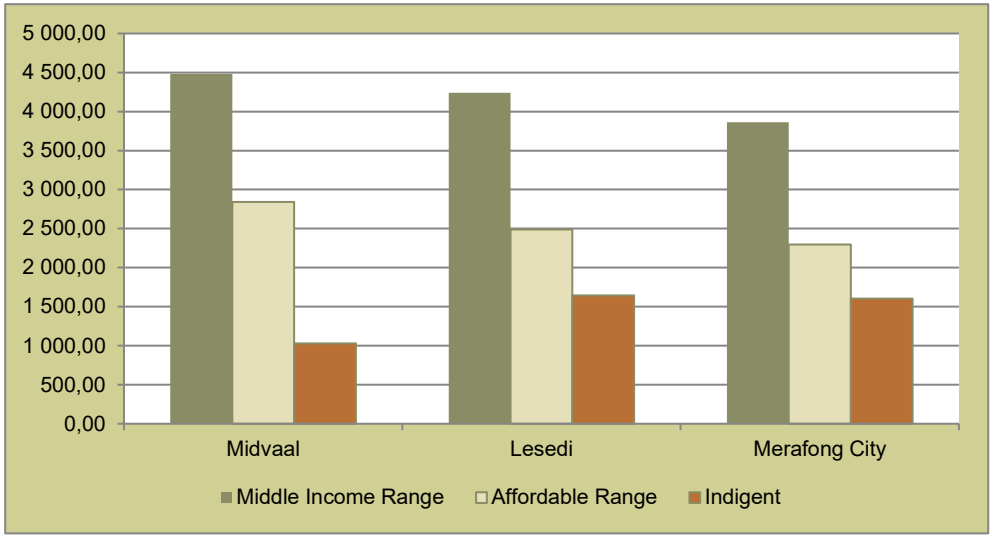
Overall, the trend since 2013 reflects a consistent decrease in ***Real GVA per Capita*** (except for 2019 during which GVA per capita increased slightly) while ***Real Municipal Revenue per Capita (excluding transfers)*** has not varied significantly. This indicates that Midvaal is close to reaching a saturation point in Real Revenue per Capita.

A comparison of the ***Average Household Bill*** for the Middle Income, Affordable Range and Indigent Households of some local municipalities in the region (extracted from Budget Table SA14) and based on the 2020/21 tariffs, reveals that Midvaal is on the higher end of range. The scope to increase tariffs significantly is limited considering that 21% of households survive on R 3 500 per month or less.

GRAPH 37: REAL REVENUES PER CAPITA VS REAL GVA PER CAPITA



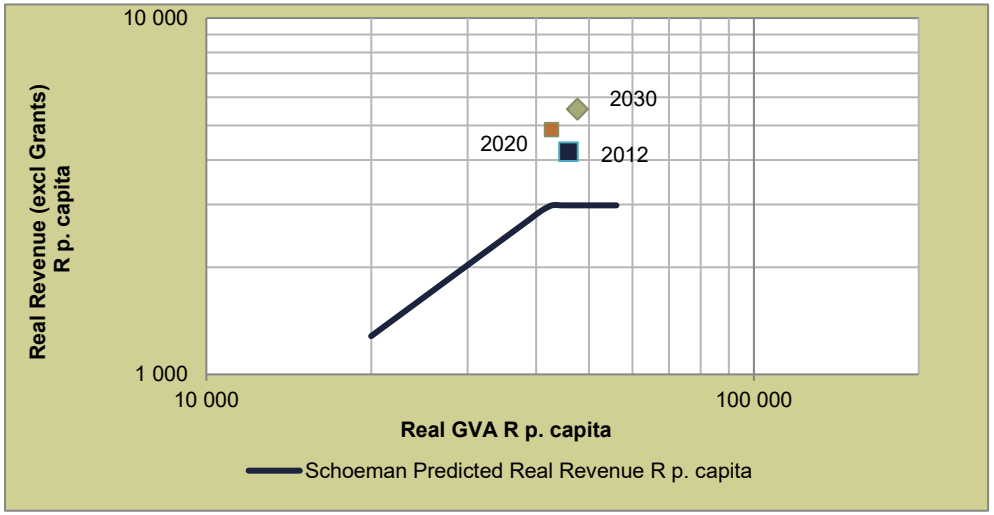
GRAPH 38: AVERAGE MONTHLY HOUSEHOLD BILL



Municipal Revenues

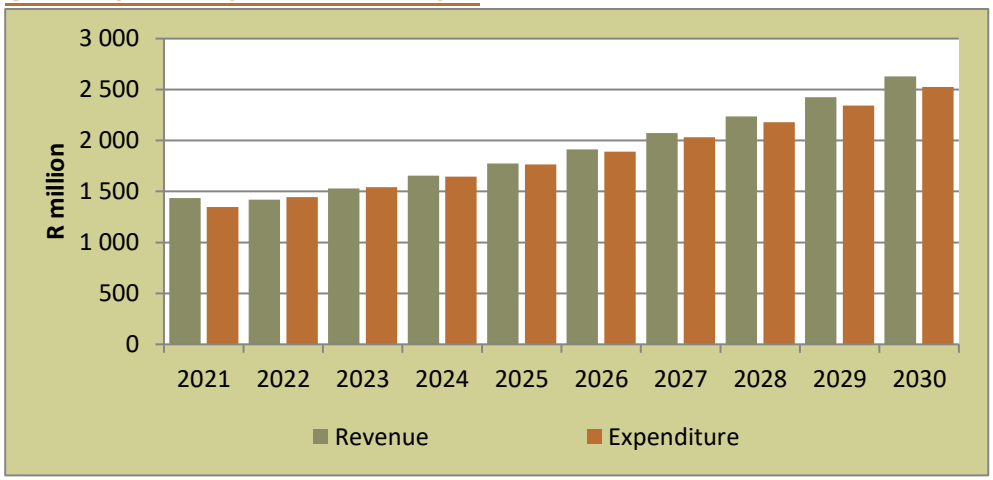
In 2019 the ***Real Revenue per Capita*** of R 5 002 p.a. exceeded the expected amount for the Real GVA per Capita as researched by Schoeman[2]. In real terms the projected revenue per capita of R 5 636 in 2029 is predicted to be slightly higher than the revenue per capita in 2019. This despite a decline in the Real GVA per Capita; a situation that requires careful management by the municipality.

Graph 39: Real Revenue per Capita Across Time



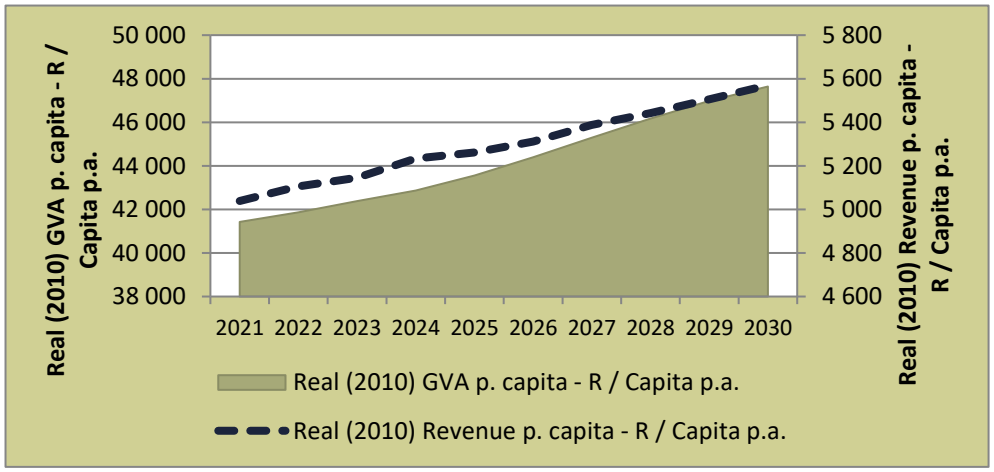
Future Nominal Revenue is growing at an average rate of 8.0% p.a. This is a combination of (i) tariff increases (ii) increased sales and (iii) potentially additional revenue sources. This revenue growth is lower than the growth during the past 5 years (9.4%) and is expected to decline due to the COVID-19 pandemic. Positive to note is that Revenue is expected to exceed expenditure for the duration of the planning period, except for FY2022 when the lingering effect of COVID-19 is expected to be felt most severely.

Graph 40: Revenue and Expenditure



GVA per Capita is expected to display sluggish growth between FY2021 and FY2024 because of COVID-19 and the ***Real Revenue per Capita*** follows a similar trend.

Graph 41: Projected Real GVA and Revenues per Capita



[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

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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 more of concern than total demand.

Table 9: CAPEX Demand vs CAPEX Affordability

Total 10-year CAPEX **Demand**	=	R 5 910 million (2017 estimate)
Total 10-year CAPEX **Affordability:**	=	R 2 548 million

The Capex Demand exceeds the Capex Affordability by R 3 362 million. It needs to be stressed however that the capex demand estimates were based on the desktop 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 LM's adopted MTREF budget 2020/21 to 2022/23, expects a capital budget amounting to R 545 million funded as follows.

Table 10: 3-year MTREF Funding Mix R'm

R'000	Total	2020/21	2021/22	2022/23
Public & Developers Contributions	**94 126**	81 626	1 500	11 000
Capital Grants	**229 589**	85 564	72 577	71 448
Financing	**129 803**	43 223	41 470	45 110
Cash Reserves and Funds	**91 035**	45 455	19 418	26 162
Total	**544 553**	255 868	134 965	153 720

Following the adjustments made above to arrive at the optimal scenario, IPM recommends a capital budget of R 658 million to be funded as follows:

Table 11: 3-year MTREF Funding Mix R'm - Optimal Scenario

R'000	Total	2020/21	2021/22	2022/23
Public & Developers Contributions	**94 126**	**81 626**	**1 500**	**11 000**
Capital Grants	**229 589**	**85 564**	**72 577**	**71 448**
Financing	**269 823**	**43 223**	**110 000**	**116 600**
Cash Reserves and Funds	**64 030**	**45 455**	**10 923**	**7 652**
Total	**657 568**	**255 868**	**195 000**	**206 700**

This recommendation was applied in the model. Even at these increased levels of borrowing, the municipality's debt profile remains affordable while liquidity is being preserved. The cash balance is forecast to remain above minimum liquidity requirements throughout the planning period when both the 1 month or 3 months OPEX is considered. The findings are illustrated in the graphs below.

The collection ratio needs to be maintained at the FY2020 rate of 92% in order for Midvaal to sustain its high liquidity levels.

Midvaal LM is expected to generate operating deficits. The municipality is, however, forecast to generated cash from operations despite the low profitability, due to the forecast surplus margins on electricity sales averaging 14.9% and 39.8% for water sales, while maintaining the collection rate. Should surplus margins decline more emphasis will need to be place on the collection rate to maintain its ability to generate cash from operations. The municipality's ability to generate cash from its own revenue sources ultimately impacts on its investment in CAPEX to improve service delivery, considering the importance of remaining financially sustainable.

10-Year Capital Funding Mix

Table 11 below indicates the capital funding mix for the 10-year planning period:

Table 12: Capital Funding Mix

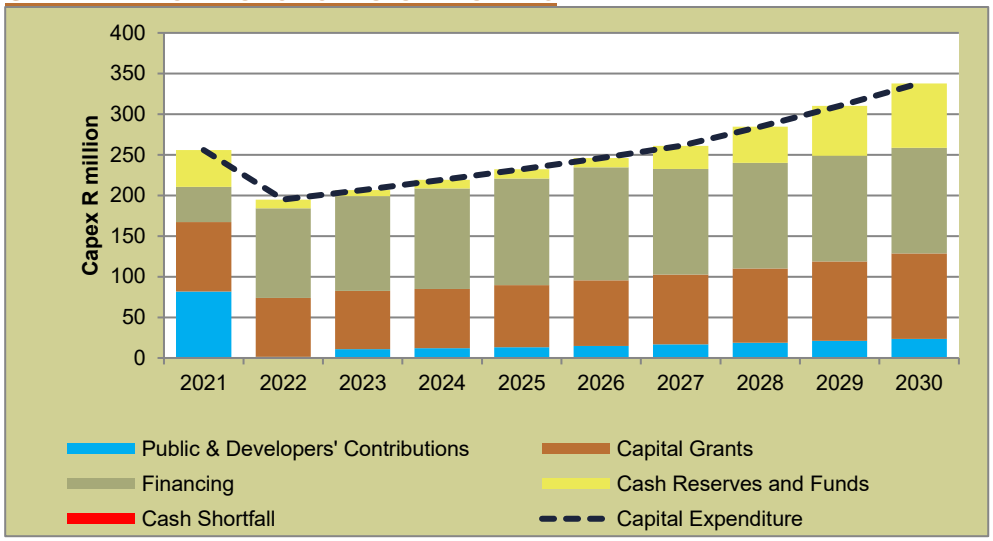
Source	Rm	%
Public & Developers' Contributions	214	8%
Capital Grants	840	33%
Financing	1 183	46%
Cash Reserves and Funds	311	13%
Cash Shortfall	-	-
Capital Expenditure	**2 548**	**100%**

The funding mix indicates an increase in borrowings as the main funding source (46%) when compared to the historical funding mix whereby capital grants and cash reserves and funds were extensively utilised to fund CAPEX.

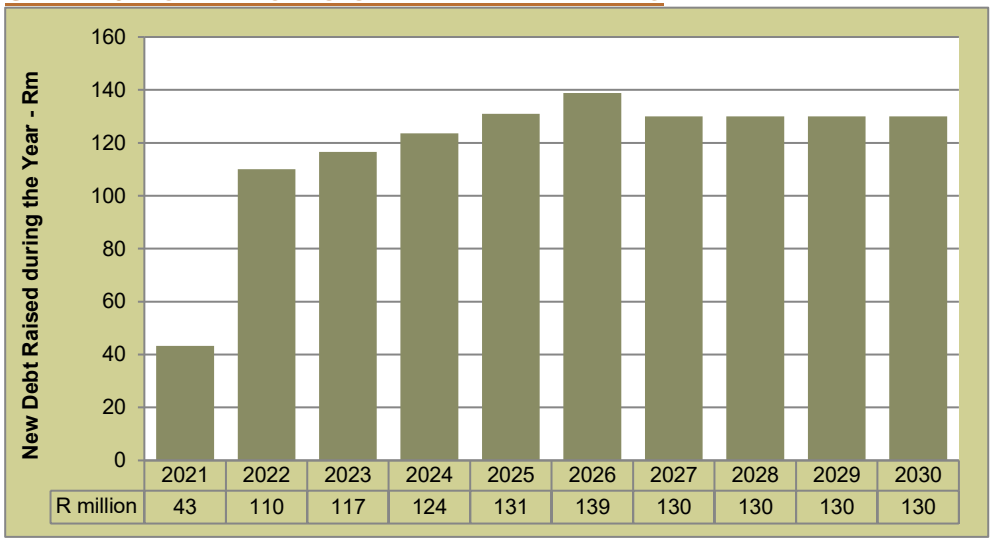
It is important to note that due to the prevailing national fiscus constraints (exacerbated by the impact of COVID-19), grant funding in future will decline in real terms. It is therefore imperative that the municipality improve its profitability by managing its expenditure and consider increases in future tariffs that result in higher surplus margins whilst maintaining a collection rate above 92%.

The optimal scenario's: funding mix and annual borrowings is presented by the following graphs:

Graph 42: Distribution of Future Funding



Graph 43: Estimate of Future External Financing

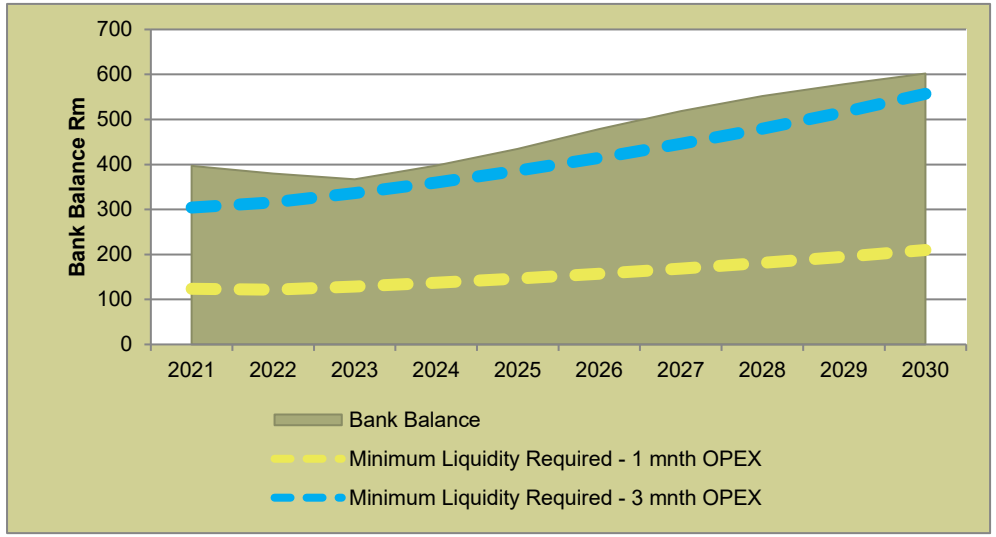


Liquidity and Capital Replacement Reserve

The minimum liquidity levels cater for unspent conditional grants, cash backed reserves, short term provisions and 3-months' working capital (OPEX). The liquidity position will improve considerably post the expected duration of COVID-19.

This is on condition that the municipality maintains an optimal capital funding mix, limiting the use of cash reserves to fund capital expenditure, to preserve liquidity.

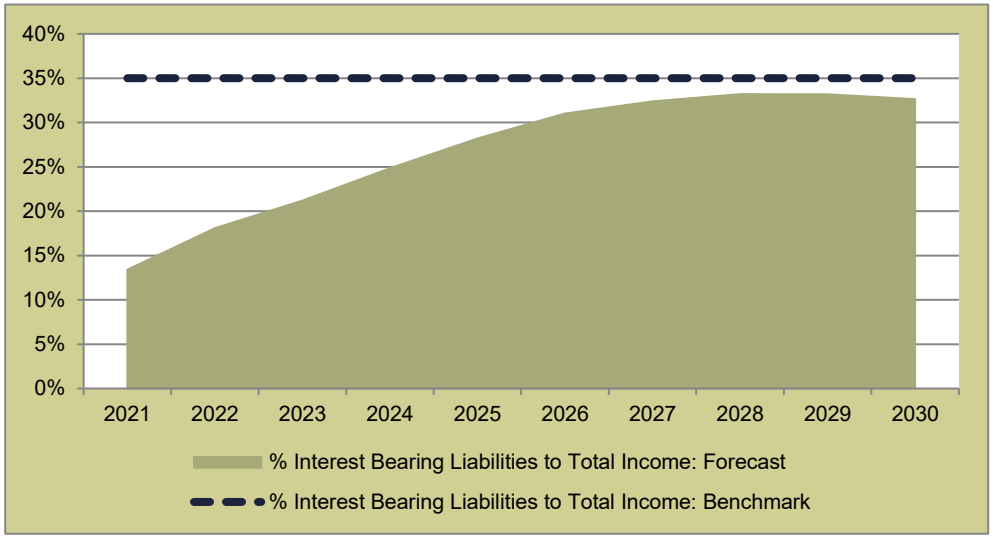
Graph 44: Bank Balance vs Minimum Liquidity Requirements



Gearing

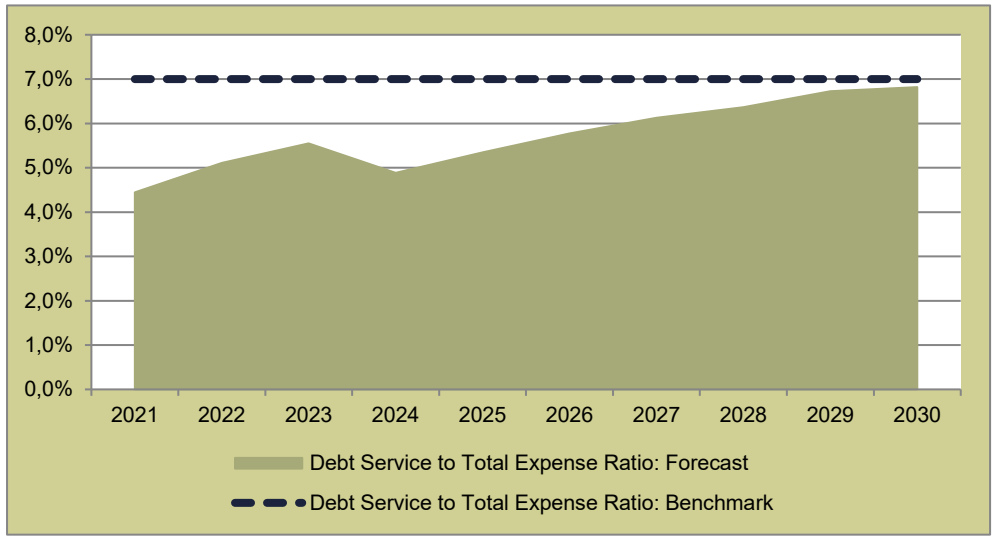
The gearing ratio (Total Debt (Borrowings) to Operating Revenue) increases from its FY2020 rate of 16.3% to 34.3% by the end of the planning period. A maximum level of gearing of 35% is regarded as appropriate for Midvaal LM.

Graph 45: Gearing



The Debt Services Cover Ratio (Cash Generated by Operations/Debt Service) which should be at least 1:1 declines from 4.5:1 in FY2020 to 1.8:1 by FY2030 as a result of taking up more borrowings. It, however, remains well above the minimum 1:1 norm. The Debt Service to Total Expenditure ratio increases to 7.0% in FY2030 but remains at or below the 7% level which is regarded appropriate for Midvaal LM.

GRAPH 46: DEBT SERVICE TO TOTAL EXPENDITURE



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SCENARIOS

Considering our analysis of the proposed MTREF budget and the risks identified as part of this update, the following scenarios were run to indicate the potential outcomes, to assist the municipality in its strategic decision making and to serve as an input to the budget for FY2022:

1. **To indicate the financial impact of an increase in profitability on the long-term financial sustainability:**

    - A positive scenario, indicating the impact of a permanent annual increase in profitability of R 50 million from FY2022 (to be achieved by a combination of a reduction in expenditure and an increase in revenue). We believe the municipality should investigate its proposed MTREF and make the necessary changes to improve profitability, to better levels than historically achieved, as the continued operating deficits cannot be sustained over a long term. No other changes were made to the model to indicate the positive impact that such a change would have on liquidity levels.

2. **To indicate the collection rate sensitivity on long-term financial sustainability:**

    - A negative scenario, considering the medium to high MRRI identified and the potential pressure on the collection rate due to affordability constraints. The only adjustment made to the assumptions in the model is for the collection rate to reduce by 3 percentage points to 89% as envisioned in the adjustment budget throughout the planning period.

    - A positive scenario to indicate the financial impact of a 1 percentage point improvement in the collection rate from 92% to 93%.

SCENARIO 1: MTREF PROFITABILITY ADJUSTMENT

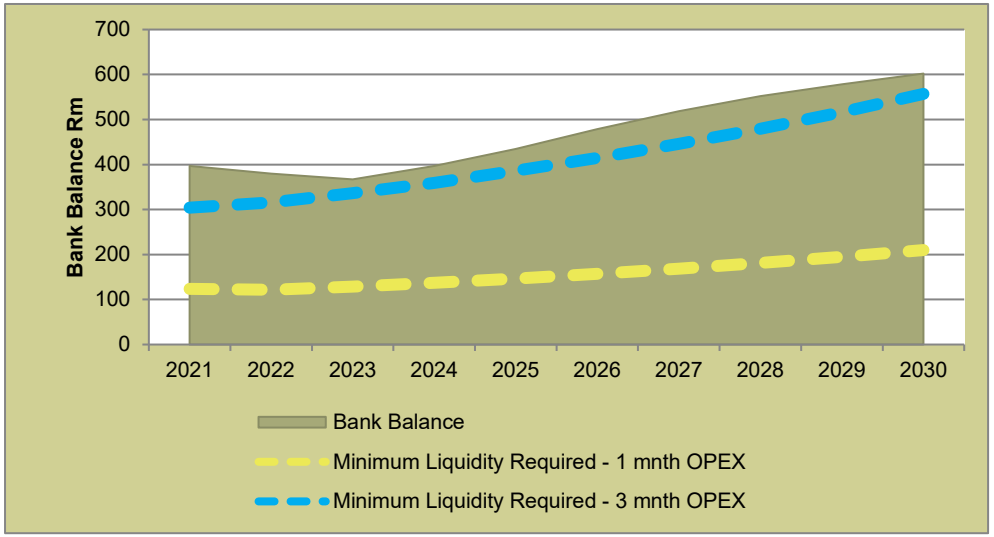
It is recommended that the municipality focuses on improving profitability through a combination of expenditure management and tariff increases to turn current operating deficits to operating surpluses, as continued operating deficits are not sustainable over the long term.

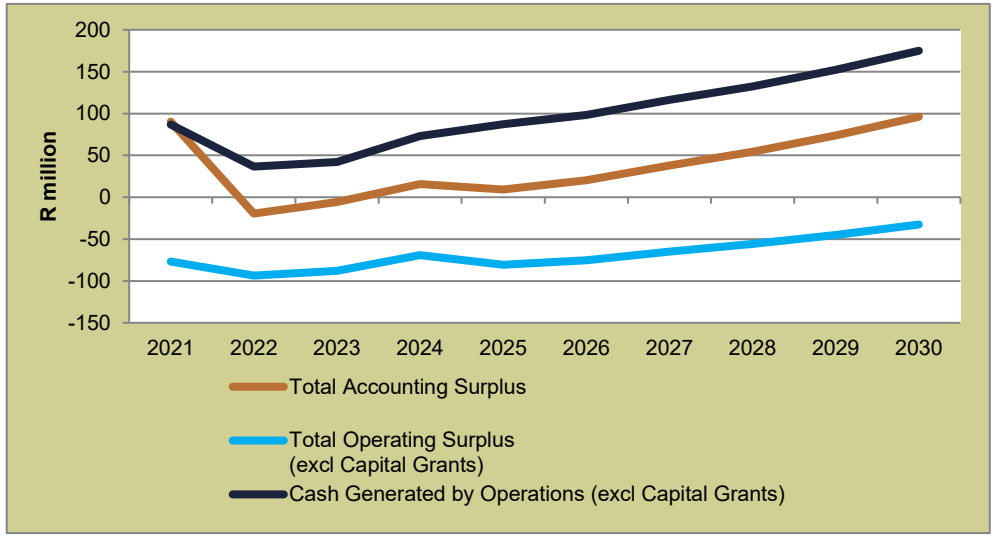
The optimal scenario model was therefore adjusted to permanently increase profitability by R 50 million per annum (3.8% of MTREF Total Expenditure) in FY2022. The outcome indicates that the municipality is able to generate operational surpluses as early as FY2027 while accounting surpluses remain positive through the planning period.

The liquidity levels improve significantly and Midvaal LM remains well above the minimum liquidity requirements. The additional liquidity will enable the municipality to service its debts and build up its Capital Replacement Reserve (CRR) which will lead to further investment in its CAPEX programme, within an optimal funding mix.

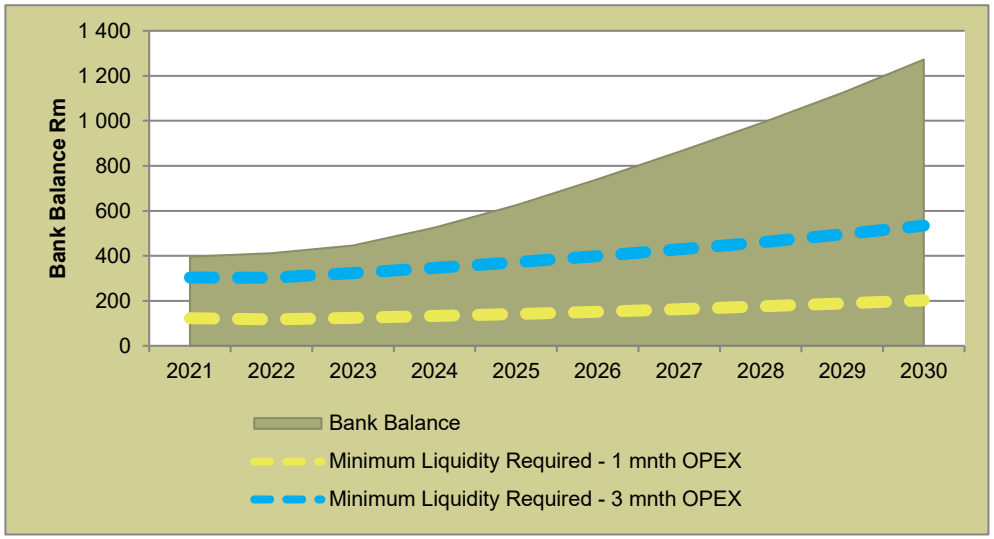
Scenario 1: MTREF Profitability Adjustment

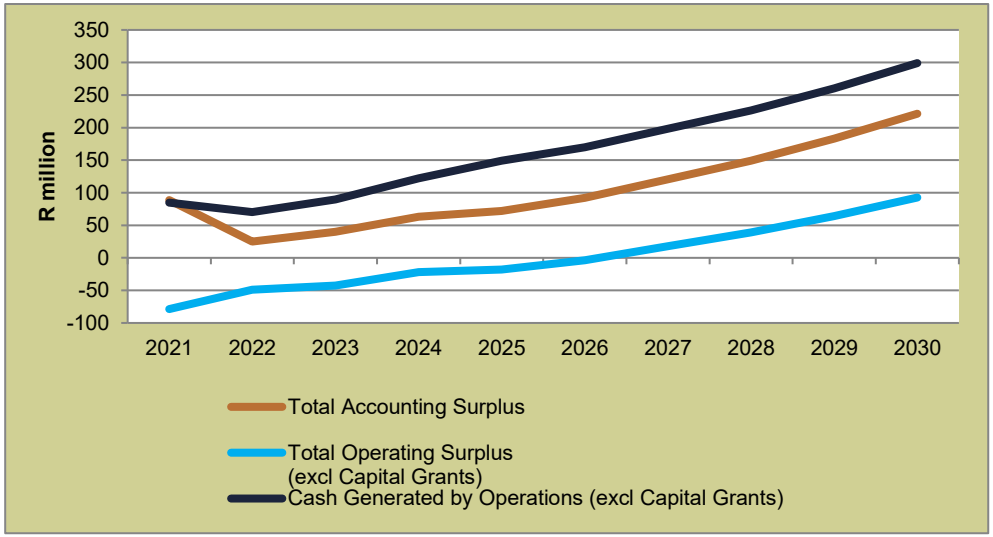
Optimal Scenario





Increase MTREF Profitability by R50 million





Scenario 2: Sensitivity Analysis on the Collection Rate

Collection Rate decreases by 3 percentage points

Should the economic growth remain sluggish, the income base of the municipality continues to erode and households' pressure to pay the municipal bill continue to increase, one can reasonably expect a decline in the collection rate. To assess the impact that such adverse conditions will have on the finances of the municipality, the model was adjusted by assuming the collection rate will decrease from the FY2020 rate of 92% to 89% from FY2021 onwards rather than keeping it constant at 92% as modelled in the optimal scenario. All other input variables and assumptions have not changed.

The results indicate a significant decline in the cash balance to a position where the municipality will not be able to meet the minimum liquidity requirements, pay its creditors or sustain the optimal capital investment programme.

The deterioration of liquidity in this scenario results in cash shortfalls to achieve minimum liquidity requirements from FY2028 and a low current ratio of 0.8:1 at the end of the planning period.

This highlights the significance of maintaining the collection rate at 96% or higher along with the application of strict credit control measures.

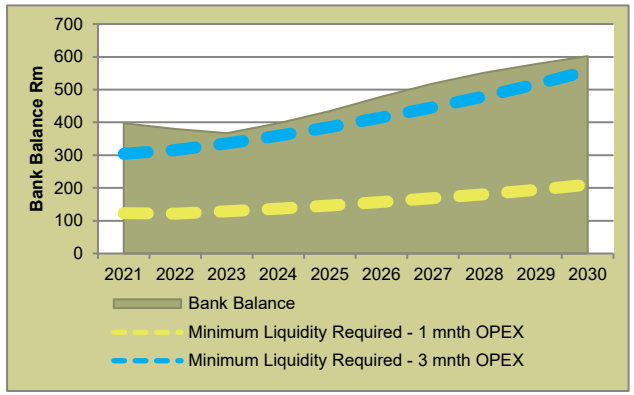
Increase in Collection Rate by 1 percentage point

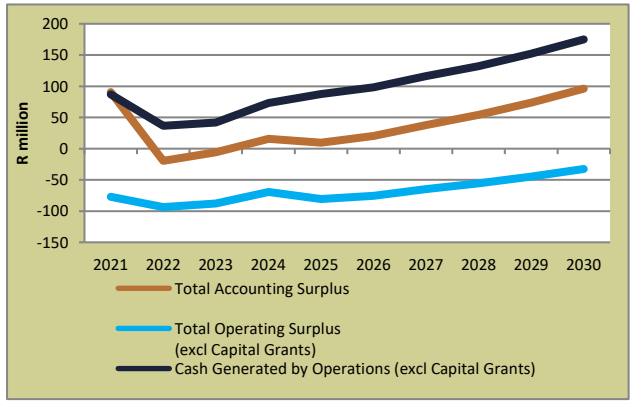
To assess the impact on the finances of the municipality, the model was adjusted by increasing the collection rate by 1 percentage point from 92% to 93% over the entire planning period while keeping all the other input assumptions constant.

The results indicate a significant improvement in the cash balance to a position where the municipality will be able to significantly accelerate its capital investment programme as a result of higher levels of liquidity, in order to meet the increasing demand for services and to eradicate service delivery backlogs.

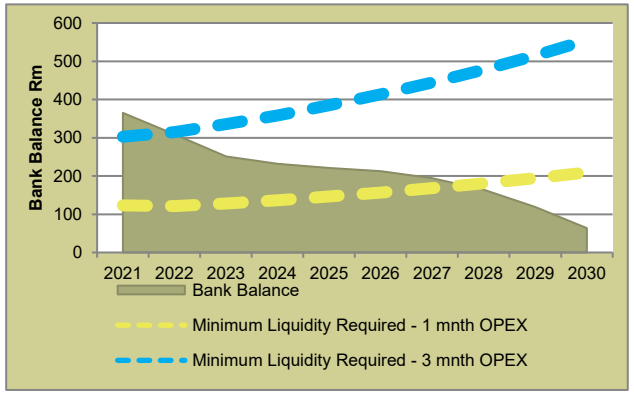
Scenario 2: Sensitivity Analysis on the Collection Rate

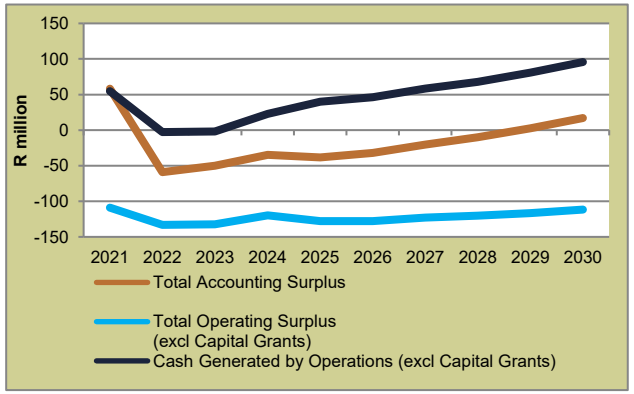
Optimal Base Case



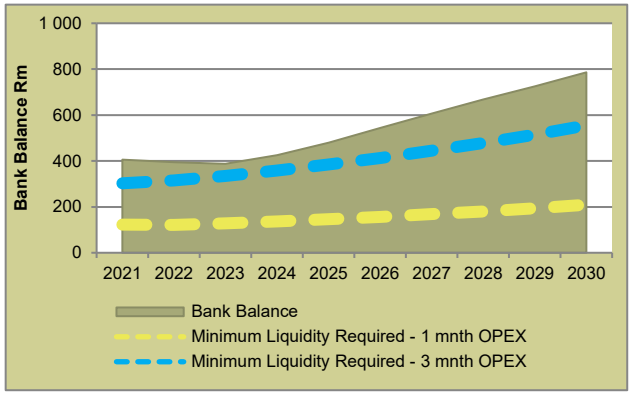


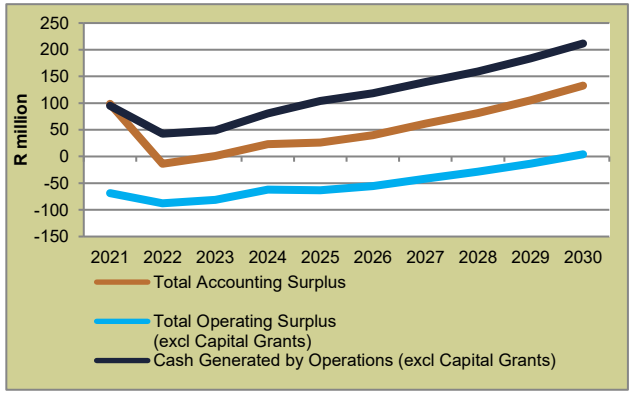
Decrease Collection Rate to 89%





Increase Collection Rate by 1%





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COVID-19 Impact Assessment

The COVID-19 pandemic has had a detrimental effect on public health and social fabric of society, with the world faced with the challenge of controlling its fast spread. As with most municipalities in the country, Midvaal LM was already operating in an unstable and difficult macro-economic environment, and the unexpected burden of COVID-19 and the associated lockdown, which has resulted in lower revenue and additional responsibilities and costs, reveals more challenges. Important to note is that the full impact of the nationwide lockdown under COVID-19 restrictions to the South African economy is yet to be fully understood as the disaster management act relating to COVID-19 remained in place at finalisation of this report. The challenge of this assessment is to quantify the socio-economic variables that impact on the financial sustainability of the municipality.

Not only do various institutions differ on the expected decline of the national GDP, the associated uncertainty results in the update of these figures within short intervals of time. Little experience exists globally to make accurate assumptions of such metrics. The assumptions made in this assessment are similarly debatable. However, these are calculated assumptions based on the economic realities of the municipality, and the intent is to establish a basis for dialogue and further analysis as need be.

GVA Decline

83.9% of Midvaal's economic output is generated by fifteen economic subsectors. Based on the recent growth performance of each subsector and the assumed impact of COVID -19 on each, the growth/decline in these subsectors was determined in Table 12 below.

Table 13: Midvaal: Impact of COVID - 19 on the Top 90.5% Economic Subsectors

Economic Subsector	Proportion of Economic Output	Expected subsector GVA growth/ (decline) pursuant to COVID – 19 p.a.
84 Real estate activities	9,4%	17,0%
81-83 Finance and Insurance	9,0%	13,0%
42 Collection, purification and distribution of water	8,0%	14,8%
35 Metal products, machinery and household appliances	7,2%	13,7%
62 Retail trade and repairs of goods	5,8%	-13,2%
91 Public administration and defence activities	5,7%	-14,8%
85-88 Other business activities	5,5%	-19,7%
93 Health and social work	5,4%	-4,8%
94-99 Other service activities	5,3%	-13,5%
92 Education	4,9%	-11,1%
50 Construction	4,1%	-3,7%
61 Wholesale and commission trade	4,0%	-5,4%
71-72 Land and Water transport	4,0%	-16,5%
33 Fuel, petroleum, chemical and rubber products	2,9%	-6,8%
75 Post and telecommunication	2,7%	-9,2%

These growth rates translate to an overall effective decline in the GVA growth rate for Midvaal LM of -6.8% p.a. for the assumed duration of the pandemic, as outlined for each scenario below, and subsequent ramp-up to Base Case conditions.

Affected Households

Midvaal LM is expected to experience job losses because of COVID-19 implications. This will affect household income and the ability of households to pay for municipal services. In addition, the percentage of indigent households is expected to increase. The increased reliance on indigent support and the expected high unemployment rate will significantly increase the ***household ability to pay risk***, which is currently rated as "Medium to High".

Based on the expected decline in output for various economic subsectors, we estimate the total loss of formal employment opportunities will amount to 2 617. This represents 7.9% of 32 995 reported number of people employed in 2019.

A job loss does not necessarily imply a decrease in household income. A resilience factor was applied to the total number of jobs lost to allow for the unemployed to receive unemployment grants, work in the informal sector, exercise entrepreneurship, rely on other income sources and possibly migrate elsewhere. The total number of affected households as a consequence of COVID-19 is estimated to be 3 104. On the other hand, certain households are expected to become indigent as a result of the job losses. Our calculated assumptions estimate 245 households will add to the already high proportion of indigent households.

Collection Ratio

Payment for municipal rates and services charges by households and business will be severely impacted by COVID-19. We estimate an effective 5 percentage point decline in the collection rate from 92% to 87% for the remaining assumed duration of the pandemic (2019/20 – 2021/22).

Consumption of Services

The decline in economic output and to a lesser extent the affected households will result in the decline of electricity and water purchases. The optimal scenario uses various independent variables (GVA, number of households, etc) to calculate the future quantities of services consumed. Whereas the decline will result in a reduction of income for the municipality, it will also reduce expenditure on the production or bulk purchases of these services. However, due to the surplus margin earned by the municipality in these service charges, the financial net effect is negative.

Additional Expenditure

From a public health and disaster management perspective, one expects the municipality to incur additional unforeseen expenditures. For purposes of this assessment this was assumed to be R 10 million p.a. for the duration of the pandemic and in proportion to the impact each year.

COVID-19 Scenarios

The adjustment budget report indicate that the municipality has made provisions for "additional relief to customers" to mitigate the risks associated with COVID-19, namely:

- The operating revenue budget has been decreased by R16.3m.
- Capital revenue is increased in the adjustments budget by R101.6m.
- Increased efforts to collect outstanding traffic fines.
- Additional R70 000 rebate afforded to residential households.

While the MTREF budget already includes Midvaal LM's response in mitigation of the associated risks, it is valuable to model difference scenarios outlining the worst case and best-case outcomes of COVID-19 on the municipality's financial health in the long term.

Best Case and Worst-Case Scenarios indicating the potential range of impacts of COVID – 19 on the financial health and long-term sustainability of Midvaal were developed. The outcome of these two scenarios were then compared to the Optimal Scenario. The two Post COVID-19 scenarios both use the impact as determined in the paragraph above but apply these for different durations. These different times relate to assumptions relating to the time it takes to achieve success, or otherwise, of government initiatives, (e.g. lockdown), building up of immunity of communities and the preparation, manufacturing and distribution of vaccines,

The "***Best Case***" Scenario assumes that the COVID – 19 impact commences in April 2020 and extends for one year to the end of March 2021. For 6 months thereafter, the economy will ramp up again to reach the Base Case conditions at the end of September 2021.

In the "***Worst Case*** "Scenario, the COVID-19 impact also commences in April 2020 for an extended period until the end of December 2021. Thereafter, a full year of ramp up occurs to reach Base Case conditions as the end of December 2022.

Outcome of Scenarios Before Remedial Measures

The impact of COVID - 19 on the financial situation of the municipality was measured against the optimal case scenario and the outcomes are reflected on Table 13 and the graphs below. This represents the outcome before remedial actions to counter the impact of COVID-19 on the municipality are implemented.

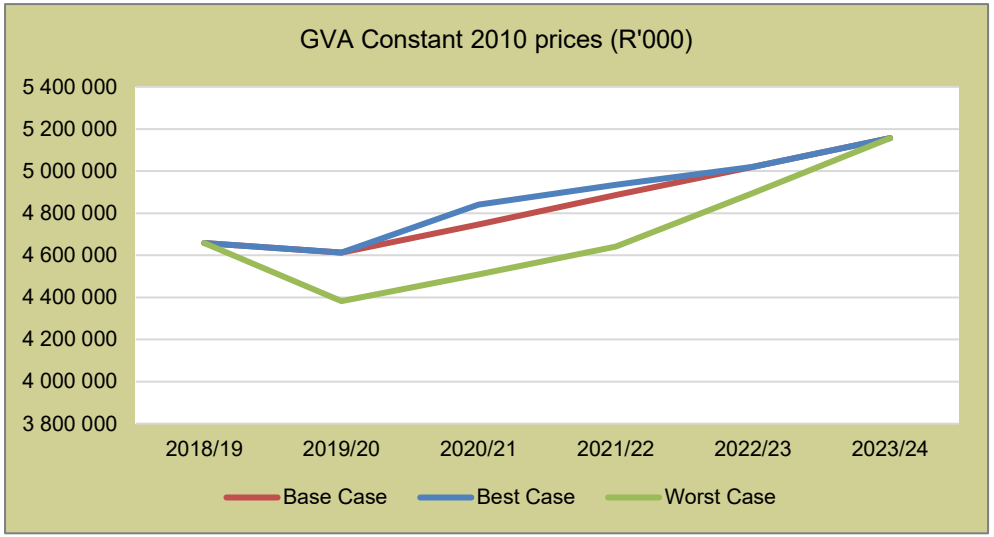
Table 14: Midvaal: 10-year Outcome of Scenarios before Remedial Measures

Outcome	Optimal Case	Best Case (Before Remedial Measures)	Worst Case (Before Remedial Measures)
Average annual % increase in Revenue	8,0%	8,0%	7,8%
Average annual % increase in Expenditure	8,2%	8,2%	8,3%
Accounting Surplus accumulated during Planning Period (Rm)	R 375	R 396	-R 172
Operating Surplus accumulated during Planning Period (Rm)	-R 679	-R 658	-R 1 226
Cash generated by Operations during Planning Period (Rm)	R 1 004	R 1 024	R 455
Average annual increase in Gross Consumer Debtors	10,6%	10,4%	11,2%
Capital investment programme during Planning Period (Rm)	R 2 548	R 2 548	R 2 548
External Loan Financing during Planning Period (Rm)	R 1 183	R 1 183	R 1 183
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 606	R 626	R 57

Outcome	Optimal Case	Best Case (Before Remedial Measures)	Worst Case (Before Remedial Measures)
No of Months Cash Cover at the end of the Planning Period (Rm)	3,5	3,6	0,3
Liquidity Ratio at the end of the Planning Period	2,4 : 1	2,4 : 1	0,8 : 1
Gearing at the end of the Planning Period	34,3%	34,3%	35,0%
Debt Service to Total Expense Ratio at the end of the Planning Period	6,8%	6,8%	6,8%

The scenario above indicates a decline in liquidity, this can be attributed to various factors. Firstly, the collection rate which is the major contributor to the deterioration of liquidity. Secondly, the decline in revenue because of the decrease in the economic output and increase in the number of indigent households. Lasty, additional expenditure to manage the disaster.

GRAPH 47: GVA GROWTH COVID-19 IMPACT



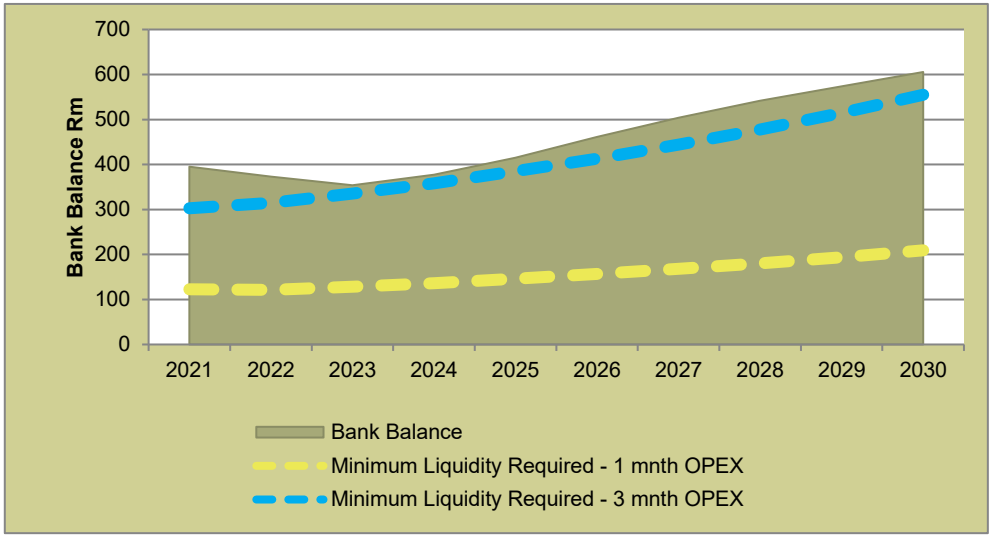
The "***Best Case***" scenario assumes that COVID-19 impact will result in GVA contraction of -0.97% for 2021 followed by positive growths of 4.94% and 2.02% for 2022 and 2023.

In the "***Worst Case***" Scenario the COVID-19 impact is severe whereby GVA is modelled to contract by -5.92% for 2021 followed by growths of 2.60% and 2.66% for 2022 and 2023.

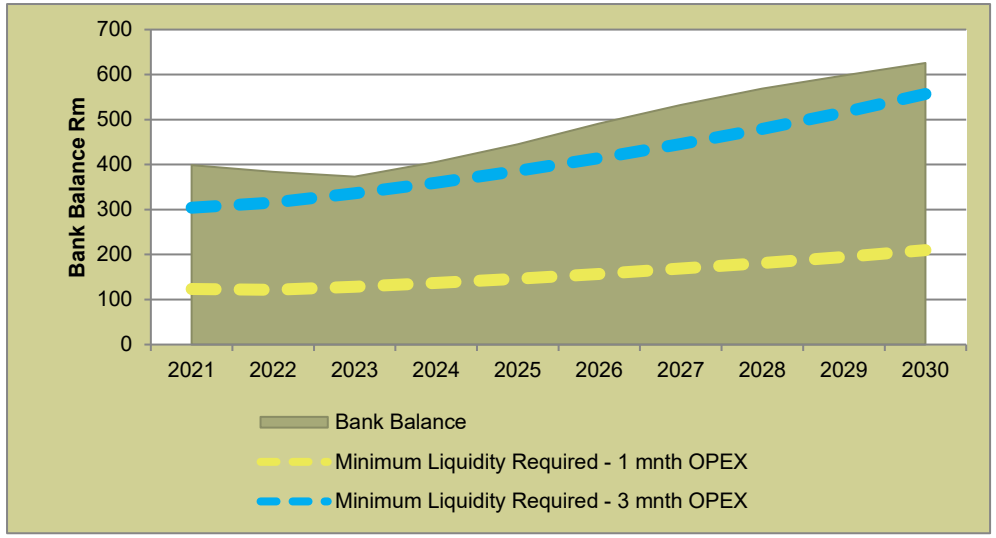
In the "***Best Case***" Scenario, the bank balances increase annually and comes to R 606 million by the end of the planning period. This is sufficient to meet the minimum liquidity requirements when three-month's working capital is considered.

In the Worst Case, the cash balance deteriorates to R 57 million with the by the end of the planning period with the balance not meeting the minimum liquidity requirements including one month's working capital for the last 5 years of the planning period. The liquidity ratio also deteriorates to 0.8:1 by the end of the planning period.

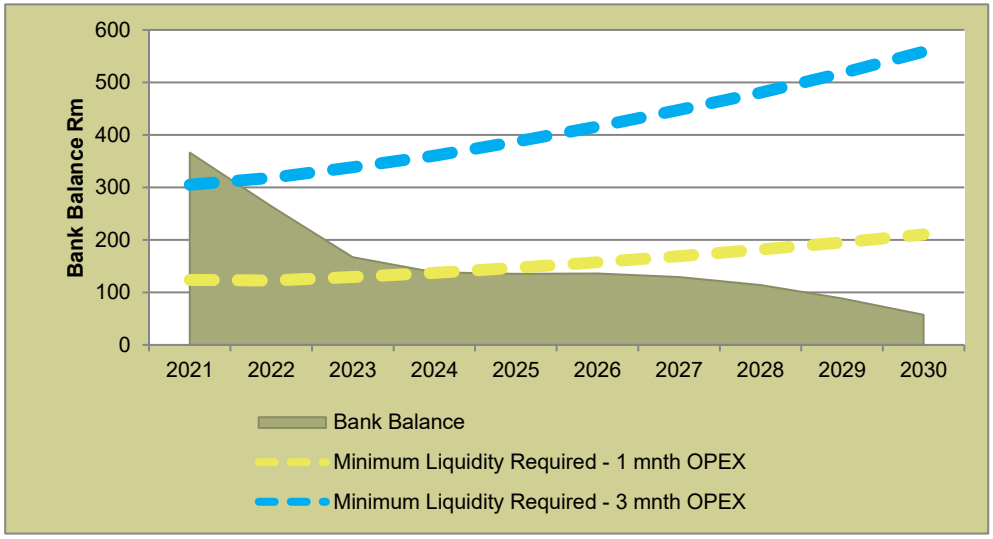
GRAPH 48: OPTIMAL (BASE) CASE: BANK BALANCE VS MINIMUM LIQUIDITY REQUIREMENTS



Graph 49: COVID-19 Best Case Scenario: Bank Balance vs Minimum Liquidity Requirements (before Remedial Measures)



Graph 50: COVID-19 Worst Case: - Bank Balance vs Minimum Liquidity Requirements (before Remedial Measures)



Remedial Measures

The scenarios above indicate the negative impact of COVID-19 on Midvaal's financial performance especially the rapidly declining liquidity. This requires a suite of remedial measures to be implemented.

The objective in all instances is to improve liquidity such that the bank balance reaches at least the level of the minimum required liquidity by 2030.

Best Case Scenario

The Optimal Case is modelled with the financial impact of COVID-19 considered in the input variables and assumptions. As a result, no further, remedial measures are deemed necessary for implementation in the Best-Case Scenario. This is further supported by the bank balance in both scenarios fulfilling the objective set out above.

Worst Case Scenario

To counter the effect of a Worst-Case Scenario, the municipality must be prepared to implement strict austerity measures.

The proposed measure includes the reduction of operating expenditure by R 30 million (+/- 2%) in each of the following two years (FY2021/22 and FY2022/23). Typically, through savings in contracted services, repairs and maintenance or other expenditure. (***Operational Expenditure Savings***).

Graph 51 below indicates the bank balance under this scenario.

Graph 51: COVID-19 Worst Case: Bank Balance vs Minimum Liquidity Requirements (After Remedial Measures)

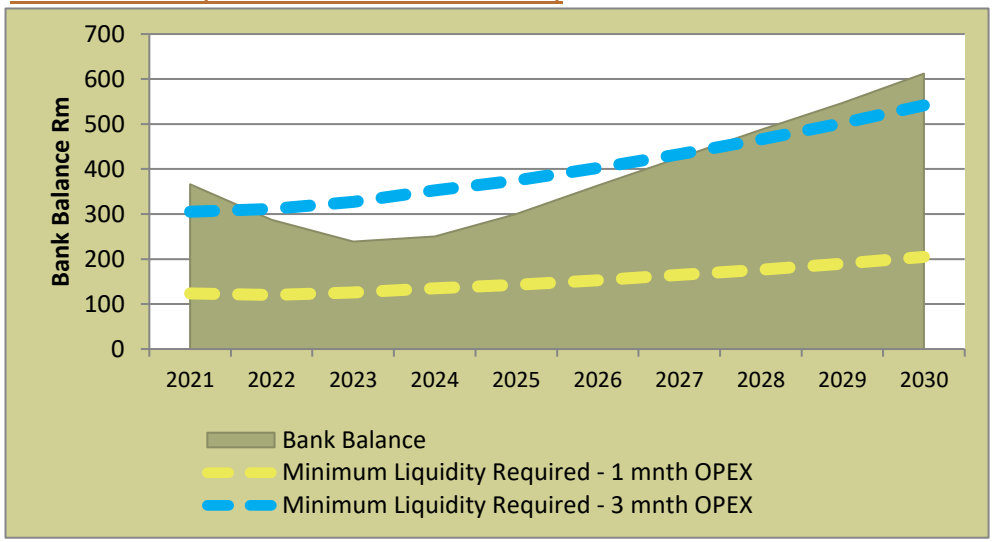


TABLE 14 below shows the outcome of scenarios after remedial measures

TABLE 15: OUTCOME OF SCENARIOS AFTER REMEDIAL MEASURES

Outcome	Optimal Case	Worst Case	Worst Case (with Remedial Measures)
Average annual % increase in Revenue	8,0%	7,8%	7,9%
Average annual % increase in Expenditure	8,2%	8,3%	8,0%
Accounting Surplus accumulated during Planning Period (Rm)	R 375	-R 172	R 387
Operating Surplus accumulated during Planning Period (Rm)	-R 679	-R 1 226	-R 668
Cash generated by Operations during Planning Period (Rm)	R 1 004	R 455	R 1 010
Average annual increase in Gross Consumer Debtors	10,6%	11,2%	11,2%
Capital investment programme during Planning Period (Rm)	R 2 548	R 2 548	R 2 548
External Loan Financing during Planning Period (Rm)	R 1 183	R 1 183	R 1 183
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 606	R 57	R 612
No of Months Cash Cover at the end of the Planning Period (Rm)	3,5	0,3	3,6
Liquidity Ratio at the end of the Planning Period	2,4 : 1	0,8 : 1	2,4 : 1
Gearing at the end of the Planning Period	34,3%	35,0%	34,6%
Debt Service to Total Expense Ratio at the end of the Planning Period	6,8%	6,8%	7,0%

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PREDICTED RATIOS

The Optimal 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 16: OUTCOME OF FUTURE RATIO ANALYSIS

		N.T. NORM	1 2021	3 2023	5 2025	7 2027	9 2029	10 2030	COMMENTS
FINANCIAL POSITION									
ASSET MANAGEMENT									
R29	Capital Expenditure / Total Expenditure	10% - 20%	16,0%	11,8%	11,6%	11,4%	11,7%	11,8%	Capex remains on the lower limit of the benchmark. R&M will gradually increase to more than 6% of PPE by the end of the planning period.
R27	Repairs and Maintenance as % of PPE and Investment Property	8%	5,8%	6,0%	6,4%	6,4%	6,4%	6,4%	
DEBTORS MANAGEMENT									
R4	Gross Consumer Debtors Growth		7,2%	9,2%	12,8%	11,3%	10,3%	10,0%	Collection rate must be maintained at a minimum of 92%.A positive decrease in net debtor days is noted.
R5	Payment Ratio / Collection Rate	95%	92,0%	92,0%	92,0%	92,0%	92,0%	92,0%	
	Net Debtors Days	30	68	57	49	43	36	34	
LIQUIDITY MANAGEMENT									
R49	Cash Coverage Ratio (excl Working Capital)		12 : 1	14,3 : 1	15,5 : 1	16,8 : 1	16,9 : 1	16,7 : 1	Liquidity ratios remain positive on optimal case scenario.
R50	Cash Coverage Ratio (incl Working Capital)		3,2 : 1	2,7 : 1	2,8 : 1	3 : 1	2,9 : 1	2,9 : 1	
R51	Cash Surplus / Shortfall on Minimum Liquidity Requirements		R 271,2 m	R 223,9 m	R 267,5 m	R 333,7 m	R 377,5 m	R 394,0 m	
R1	Liquidity Ratio (Current Assets : Current Liabilities)	1.5 - 2.0 : 1	2,4 : 1	2,7 : 1	2,8 : 1	2,7 : 1	2,5 : 1	2,4 : 1	
LIABILITY MANAGEMENT									
R45	Debt Service as % of Total Operating Expenditure	6% - 8%	4,4%	5,5%	5,4%	6,1%	6,7%	6,8%	The municipality has the capacity to increase its borrowings as proposed in this Plan. All debt servicing ratios are good. 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%	15,2%	22,5%	29,8%	34,1%	34,9%	34,3%	
R7	Repayment Capacity Ratio		0,84	3,94	4,02	4,49	4,29	3,99	
R46	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)		4,2 : 1	1,4 : 1	1,9 : 1	1,8 : 1	1,8 : 1	1,8 : 1	
SUSTAINABILITY									

		N.T. NORM	1 2021	3 2023	5 2025	7 2027	9 2029	10 2030	COMMENTS
	Net Financial Liabilities Ratio	< 60%	-9,6%	1,2%	7,9%	12,2%	14,4%	14,8%	The negative Operating Surplus is an indication of the municipality's reliance on Capital Grants that contribute towards Total Revenue.
	Operating Surplus Ratio	0% - 10%	-6,2%	-6,5%	-4,7%	-3,1%	-1,7%	-1,0%	
	Asset Sustainability Ratio	> 90%	57,3%	59,4%	63,1%	66,2%	72,5%	75,3%	
FINANCIAL PERFORMANCE									
EFFICIENCY									
R42	**Net Operating Surplus / Total Operating Revenue**	>= 0%	-6,2%	-6,5%	-4,7%	-3,1%	-1,7%	-1,0%	An Operating Deficit will be recorded thorough the planning period but is improving over time. Margins on service charges have declined. To ensure sufficient surpluses for sustainable service delivery the municipality is advised to safeguard these margins carefully.
R43	**Electricity Surplus / Total Electricity Revenue**	0% - 15%	15,2%	15,2%	14,8%	14,8%	14,8%	14,8%	
R44	**Water Surplus / Total Water Revenue**	>= 0%	41,5%	39,8%	39,2%	39,2%	39,2%	39,2%	
REVENUE MANAGEMENT									
R8	**Increase in Billed Income p.a. (R'm)**	CPI	R 95,9 m	R 82,0 m	R 89,6 m	R 119,2 m	R 138,9 m	R 154,1 m	Billed income is above the assumed inflation rate due to an 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.**		10,5%	7,5%	7,0%	8,1%	8,1%	8,3%	
R47	**Cash Generated by Operations / Own Revenue**		21,3%	9,2%	11,9%	12,7%	13,6%	14,1%	
R48	**Cash Generated by Operations / Total Operating Revenue**		19,9%	8,2%	10,6%	11,3%	12,0%	12,4%	
EXPENDITURE MANAGEMENT									
R30	**Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)**	25% - 40%	21,8%	22,1%	21,8%	21,5%	21,2%	21,1%	Employee related costs are at the lower end of the proposed norm and together with Contracted Services, that are above the norm, the ratios are acceptable.
	Contribution per Expenditure Item: Contracted Services	2% - 5%	8,5%	8,5%	8,4%	8,5%	8,6%	8,7%	
GRANT DEPENDENCY									
R10	**Total Grants / Total Revenue**		17,6%	16,0%	15,8%	15,7%	15,8%	15,8%	The municipality's dependence on transfers from other spheres of government is never eliminated. It is however essential to try and reduce such dependence in future.
R11	**Own Source Revenue to Total Operating Revenue**		93,3%	88,8%	88,7%	88,7%	88,6%	88,5%	
	Capital Grants to Total Capital Expenditure		33,4%	34,6%	32,9%	33,0%	31,5%	31,1%	

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**

Outcome of the Independent Financial Assessment

The financial performance of Midvaal improved in FY2020 as evidenced by an improved Accounting Surplus of R 83.24 million (FY2019: R 37.11 million). The increases in grants, and other revenue sources resulted in Total Income of R 1.16 billion for the year under review. Of this, R 1.08 billion was Operating Revenue. Against the Operating Expenses of R 1.12 billion, the Municipality posted an Operating Deficit of R 4.97 million in FY2020, reducing from R 39.27 million in FY2019.

The improvement in collection rate from 89% to 92% had a positive contribution on cash generated from operations. Cash Generated from Operations increased by R 91.48 million to R 226.79 million (excl. capital grants) during FY2020.

The improved Cash generated from operations enabled Midvaal to accelerate their capital spending. The total capital expenditure of R 117.38 million for FY2020 was 19% less than the budgeted capex of R 144.99 million due to the negative impact of COVID-19 and the associated lockdown period.

The available funding sources (consisting of Capital Grants of R 108.38 million, External Loans of R 24.59 million and sale of Fixed Assets of R 5.78 million) exceeded the total amount spent, resulting in the increase of unspent conditional grants to R 28.91 million at year end.

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 3.07 in 2019 to an even healthier 4.46 in 2020. Gearing remained at an acceptable, but low, level of 16%.

The concentrated effort to improve the liquidity and cash position of the municipality is further evidenced in an improved liquidity ratio of 2.52 as at FYE2020 and the cash coverage ratio (including 1 months Opex) that improved from 3.5 as at FY2019 to 3.8 as at FYE2020.

The unencumbered cash and investments of R 400 million were sufficient to cover required minimum liquidity comprising of unspent conditional grants (R 28.9 million), and the 1 months Opex provision (R 77.6 million); resulting in a cash surplus of R 293.5 million at year end.

Positively, 65% of current assets is represented by very liquid cash and cash equivalents, which underpins the healthy liquidity position.

The rapidly growing consumer debtors (23% in FY2020) is not sufficiently provided for, although efforts to increase provision were noted in the R49.78 million or 31% increase in the current year.

Billed revenue decreased by R 5.2 million in FY2020 due to a direct implication of COVID-19 negative impact on households.

Strengths

- Liquidity ratio consistently exceeded 2:1 in the past 4 years.
- Manageable debt levels with a Gearing ratio of 16% and a debt service cover ratio of 4.46, providing an opportunity to the municipality to accelerate capital investment through increased external borrowing.
- Consistent and growing cash generated from operations even when capital grants are not included.
- High cash balances relative to the minimum liquidity requirements.

Weaknesses

- Midvaal posted Operating deficits consistently for the duration of the 8-year assessment period.
- Absence of a Capital Asset Replacement Reserve to address the risk of unexpected future increases in capital requirements.
- Consumer debtors' collection rate of 92% is still below acceptable benchmark of 95%.
- Ageing consumer debtors not sufficiently provided for.
- Decrease in billed revenue in the last financial year.

Outcome of the Future Predictions

COVID-19 is expected to continue to have a negative impact on Midvaal LM's financial performance resulting in a continued decline in profitability, and lower levels of billed revenue as noted in FY2020. The budgeted tariff increases in electricity, sanitation, and waste removal, in excess of CPI, covers the increase in cost of providing of these services. A comparison of the average household bill of some local municipalities in the reveals that Midvaal is on the higher end of the range. The scope to increase tariffs exponentially is limited, considering that 21% of households earn R3 500 per month or less.

The MTREF scenario indicates, in addition to the municipality's lower profitability levels, the planned capital expenditure which is expected to decline in FY2022 and FY2023 as confirmed by Capital Expenditure/Total Expenditure ratios of 8.6% and 9.2%, against the acceptable benchmark range of 10% to 20%. The capital funding mix indicates a significant reliance on capital grants and cash reserves. This funding mix appears to be less than optimal as it is not sustainable over a longer term. The borrowing metrics/ratios and positive liquidity levels indicate that there is scope to extend borrowings in order to address these issues.

The Optimal scenario was modelled to address the funding mix and to preserve future liquidity. Based on these assumptions, a 10-year CAPEX of R 2 548 million is determined to be affordable.

In arriving at the ***optimal scenario***, the following strategies were implemented:

1. **Adjust the MTREF Collection Rate**

   A collection rate target of 92% was assumed (in line with FY2020 results), which needs to be maintained throughout the planning period.

2. **Adjust the MTREF Funding Mix**

   The funding mix was adjusted by increasing borrowings by R 140 million from R 130 million to R 270 million, while CAPEX increases by R 113 million, which results in an improvement of liquidity. The gearing ratio remains below the maximum benchmark of 35%, and the debt service cover ratio remains below the maximum benchmark of 7%.

3. **Increasing the Average Loan Tenor**

   The average loan tenor was extended from 10 years to 12 years, to reduce the annual debt service obligations and strengthen liquidity.

MTREF Profitability

Midvaal has historically generated operating deficits, and the MTREF forecasts operating deficits for the entire 3 years. This is not sustainable over a long term and it is therefore imperative that the municipality improve its profitability (through a combination of reduction in operating expenditure, as first priority, and moderate tariff increases). A scenario where profitability was permanently improved by R 50 million in FY2022 indicates a significant improvement in the liquidity position. The additional liquidity can be utilised to service debt and contribute to investment in the CAPEX programme.

Sensitivity Analysis on the Collection Rate

The optimal scenario assumes the collection rate to remain at 92%. A scenario whereby the collection rate is assumed to decrease to 89% indicates the detrimental effect on the liquidity position, whereby the municipality will not be able to meet its minimum liquidity requirements by the end of the planning period.

A positive scenario whereby the collection rate increases by only 1% from 92% to 93% indicates a significant improvement in the liquidity position where, not only will the municipality's cash balance meet its minimum liquidity requirements, but also service its debt and sustain its higher levels of capital investment.

The results of the sensitivity analysis indicate the significance of maintaining the collection rate at 92% or higher, as assumed in the optimal scenario.

Outcome of the COVID -19 Impact Assessment

The COVID-19 impact assessment indicates a deterioration in the municipality's liquidity position. To address this, Midvaal needs to be prepared to reduce cash outflows by focusing on reducing operating expenditure.

The municipality should consider reducing its budgeted operating expenditure by R 30 million for the next two years FY2021/22 and FY2022/23 to avoid a reduction it its liquidity position.

An analysis of the projected financial ratios reveals positive trends for most metrics, except for the continuing Operating Deficits. Grant dependency is currently expected to increase in the near future, despite the deteriorating financial position of the national fiscus.

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

ANNEXURE 1: PROJECTED FINANCIAL STATEMENTS

Municipal Financial Model - Midvaal
Statement of Financial Performance

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
R thousands										
Revenue										
Property rates	257 125	281 041	305 783	335 663	365 072	398 892	437 578	478 845	524 928	575 887
Service Charges	750 500	808 552	865 765	939 169	999 224	1 068 647	1 148 973	1 231 284	1 323 870	1 426 749
Rental of facilities and equipment	1 125	1 548	1 641	1 734	1 881	2 051	2 248	2 455	2 689	2 950
Interest earned - external investments	16 002	17 788	17 146	17 565	19 219	21 789	24 966	28 127	31 147	33 873
Interest earned - outstanding debtors	18 890	17 527	18 178	18 829	21 295	23 272	25 590	28 063	30 845	33 916
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	47 113	49 773	52 759	55 745	60 475	65 949	72 277	78 924	86 434	94 839
Licences and permits	–	48	50	52	56	61	67	73	79	86
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies (operating)	166 718	158 844	173 561	188 278	203 199	220 351	240 057	260 825	284 203	310 295
Other revenue	11 387	11 847	12 417	12 987	14 089	15 364	16 838	18 387	20 137	22 095
Gain on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Revaluation on investment property gain / (loss)	–	–	–	–	–	–	–	–	–	–
Total revenue before Capital Grants	1 268 860	1 346 968	1 447 301	1 570 022	1 684 510	1 816 376	1 968 596	2 126 982	2 304 330	2 500 690
Capital Grants	85 564	72 577	71 448	73 000	76 492	80 790	85 988	91 438	97 783	105 052
Public & developers contributions	81 626	1 500	11 000	12 000	13 338	14 903	16 734	18 720	21 002	23 607
Total Revenue after Capital Grants	1 436 050	1 421 045	1 529 749	1 655 022	1 774 340	1 912 069	2 071 318	2 237 139	2 423 115	2 629 349
Operating expenditure										
Employee related costs	336 271	351 722	370 811	389 900	417 667	444 355	473 671	506 210	542 279	582 178
Remuneration of councillors	13 656	14 476	15 344	16 212	17 038	17 932	18 902	19 958	21 105	22 351
Debt impairment	113 714	122 143	130 796	141 156	151 636	163 742	177 710	192 266	208 636	226 850
Depreciation and asset impairment	140 065	148 278	151 676	155 736	160 445	165 803	171 812	178 475	186 359	195 517
Finance charges	22 486	29 410	36 011	43 739	53 156	63 477	72 216	80 915	89 087	96 289
Bulk purchases	490 020	531 547	576 603	627 462	668 335	714 522	767 919	822 555	883 960	952 131
Other Materials	22 894	20 713	21 991	23 269	25 861	28 833	32 308	36 083	40 420	45 371
Contracted services	136 370	142 409	148 965	155 521	168 371	180 916	195 339	210 744	228 233	247 891
Transfers and subsidies	1 132	1 132	1 132	1 132	1 228	1 339	1 468	1 603	1 755	1 926
Other expenditure	70 932	84 197	88 180	92 163	100 419	109 111	119 147	129 726	141 691	155 095
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	1 347 540	1 446 027	1 541 509	1 646 290	1 764 156	1 890 031	2 030 492	2 178 535	2 343 526	2 525 598
Suplus/ (Shortfall) for the year	88 510	(24 981)	(11 760)	8 732	10 184	22 038	40 826	58 605	79 590	103 751

Municipal Financial Model - Midvaal
Statement of Financial Position

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
R thousands										
Non-current assets:	2 130 493	2 177 215	2 232 240	2 295 605	2 367 408	2 447 787	2 536 929	2 642 894	2 766 575	2 909 000
Property, plant and equipment	2 082 723	2 129 445	2 184 469	2 247 835	2 319 637	2 400 017	2 489 159	2 595 124	2 718 804	2 861 230
Intangible assets	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429
Investment properties	44 323	44 323	44 323	44 323	44 323	44 323	44 323	44 323	44 323	44 323
Investments	–	–	–	–	–	–	–	–	–	–
Long-term receivables	–	–	–	–	–	–	–	–	–	–
Other non-current assets	19	19	19	19	19	19	19	19	19	19
Current assets:	583 717	563 900	546 106	570 940	611 711	660 594	706 461	747 929	784 039	820 303
Inventories	23 135	25 868	27 165	28 463	31 137	34 013	37 345	40 884	44 904	49 430
Trade and other receivables	165 284	165 284	165 284	165 284	165 284	165 284	165 284	165 284	165 284	165 284
Cash & Short term investments	395 298	372 748	353 656	377 194	415 290	461 297	503 832	541 761	573 851	605 589
TOTAL ASSETS	2 714 210	2 741 116	2 778 345	2 866 545	2 979 119	3 108 381	3 243 390	3 390 823	3 550 614	3 729 303
Municipal Funds:	2 252 284	2 227 303	2 215 542	2 224 274	2 234 459	2 256 497	2 297 323	2 355 928	2 435 517	2 539 269
Housing development fund & Other Cash Backed Reserves	–	–	–	–	–	–	–	–	–	–
Reserves (Not Cash Backed)	–	–	–	–	–	–	–	–	–	–
Accumulated surplus	2 252 284	2 227 303	2 215 542	2 224 274	2 234 459	2 256 497	2 297 323	2 355 928	2 435 517	2 539 269
Non-current liabilities:	218 501	279 064	359 111	441 226	526 215	612 516	684 329	745 297	798 800	844 101
Long-term liabilities (Interest Bearing)	147 919	208 482	288 529	370 643	455 632	541 933	613 746	674 714	728 217	773 518
Non-current provisions	70 583	70 583	70 583	70 583	70 583	70 583	70 583	70 583	70 583	70 583
Current liabilities:	243 425	234 748	203 692	201 045	218 445	239 368	261 738	289 599	316 296	345 934
Consumer deposits	11 587	13 001	14 874	19 263	22 039	25 419	29 472	33 309	37 676	42 529
Provisions	–	–	–	–	–	–	–	–	–	–
Trade and other payables	187 454	172 311	152 265	140 300	150 384	161 377	174 078	187 258	202 124	218 706
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Current portion of interest bearing liabilities	44 385	49 437	36 553	41 481	46 023	52 572	58 187	69 032	76 497	84 699
TOTAL MUNICIPAL FUNDS AND LIABILTIES	2 714 210	2 741 116	2 778 345	2 866 545	2 979 119	3 108 381	3 243 390	3 390 823	3 550 614	3 729 303

Municipal Financial Model - Midvaal
Cash Flow Statement

Model year	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
R thousands										
Cash flows from Operating Activities										
Suplus/Deficit for the year *including* Capital Grants	88 510	(24 981)	(11 760)	8 732	10 184	22 038	40 826	58 605	79 590	103 751
Suplus/Deficit for the year *excluding* Capital Grants & Contributions	(78 680)	(99 058)	(94 208)	(76 268)	(79 646)	(73 654)	(61 896)	(51 553)	(39 196)	(24 908)
Capital Grants & Contributions	167 190	74 077	82 448	85 000	89 830	95 692	102 722	110 158	118 785	128 659
Adjustments for non-cash items:										
Depreciation, amortisation and impairment loss	140 065	148 278	151 676	155 736	160 445	165 803	171 812	178 475	186 359	195 517
Revaluation on investment property (gain) / loss	–	–	–	–	–	–	–	–	–	–
Increase / (Release from) current provisions & non-interest bearing liabilities	–	–	–	–	–	–	–	–	–	–
Increase / (Release from) other non-current provisions & non-interest bearing liabilities	–	–	–	–	–	–	–	–	–	–
(Increase) / Release from non-current interest bearing assets	–	–	–	–	–	–	–	–	–	–
Capitalised interest	–	–	–	–	–	–	–	–	–	–
Operating surplus before working capital changes:	228 575	123 296	139 915	164 469	170 630	187 842	212 638	237 079	265 949	299 269
Change in W/C Investment	23 617	(17 876)	(21 343)	(13 262)	7 409	8 117	9 370	9 640	10 846	12 056
(Increase)/decrease in inventories	(9 308)	(2 733)	(1 297)	(1 297)	(2 675)	(2 876)	(3 332)	(3 539)	(4 020)	(4 526)
(Increase)/decrease accounts receivable	37 997	–	–	–	–	–	–	–	–	–
Increase/(decrease) in trade payables	(5 072)	(15 143)	(20 046)	(11 964)	10 084	10 993	12 701	13 179	14 866	16 582
Net cash flow from Operating activities	252 192	105 420	118 572	151 207	178 039	195 959	222 008	246 720	276 795	311 325
Cash flows from Investing Activities										
Capital expenditure	(255 868)	(195 000)	(206 700)	(219 102)	(232 248)	(246 183)	(260 954)	(284 440)	(310 039)	(337 943)
Decrease/(Increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–
(Additions) / Disposals of investment property	–	–	–	–	–	–	–	–	–	–
Net cash flow from Investing activities	(255 868)	(195 000)	(206 700)	(219 102)	(232 248)	(246 183)	(260 954)	(284 440)	(310 039)	(337 943)
Cash flows from Financing Activities										
New loans raised	43 223	110 000	116 600	123 596	131 012	138 872	130 000	130 000	130 000	130 000
Loans repaid	(37 352)	(44 385)	(49 437)	(36 553)	(41 481)	(46 023)	(52 572)	(58 187)	(69 032)	(76 497)
(Decrease) / Increase in consumer deposits	(6 944)	1 414	1 873	4 390	2 775	3 381	4 053	3 837	4 367	4 853
Net cash flow from Financing activities	(1 073)	67 029	69 036	91 432	92 306	96 230	81 481	75 650	65 334	58 357
Change in Cash	(4 749)	(22 550)	(19 092)	23 537	38 096	46 007	42 535	37 930	32 090	31 738
Cash/(Overdraft), Beginning	400 047	395 298	372 748	353 656	377 194	415 290	461 297	503 832	541 761	573 851
Cash/(Overdraft), Ending	395 298	372 748	353 656	377 194	415 290	461 297	503 832	541 761	573 851	605 589

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Annexure W
Disposal of Assets Policy

DISPOSAL OF ASSETS POLICY

2021/2022 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 2021.

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 <u>combined value</u> 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 <u>service delivery mechanisms</u> 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

<u>Gain on disposal of asset</u> (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		

<u>Loss on disposal of asset</u> (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 2021.

Annexure X
Budget Implementation and Monitoring Policy

BUDGET IMPLEMENTATION AND MONITORING POLICY

2021/2022 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(I) 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

Revenue projections in the budget should be 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.

The 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

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 (or sooner if possible) 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 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 (or in such format as determined by the National and Provincial Treasury from time to time) as well as post it on the municipal website.

5. CONTENTS OF THE BUDGET

The budget consists 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 is 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

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.

8.2.2 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.

9.2 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.

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 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 2021.

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 2020.

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

Annexure Y
Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFW) POLICY

POLICY AND PROCEDURES

2021/2022 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, unauthorised and irregular expenditure.

(b) To provide definitions of fruitless, wasteful, unauthorised and irregular expenditure.

(c) To provide examples of fruitless, wasteful, unauthorised and irregular expenditure.

(d) To outline procedures to manage and prevent such occurrences.

(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 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;

(b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote;

(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 the Act, and which has not been condoned in terms of section 170 of the Act;

(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 -

1. Could not have been foreseen at the time that the annual budget of the municipality was passed

2. The delay that will be caused by a pending adjustments budget may:

   (a) Result in significant financial loss for the municipality

   (b) Cause a disruption or suspension or serious threat to the continuation of municipal services

   (c) Lead to loss of life or serious injury or significant damage to property

   (d) Obstruct the municipality from instituting or defending legal

proceedings on an urgent basis.

3. Unforeseen and unavoidable expenditure is discussed in Section 28 of the MFMA and reads as follows:

   (a) The mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget
   (b) Any such expenditure –
      i. Must be in accordance with any framework that may be prescribed;
      ii. May not exceed a prescribed percentage of the approved annual budget
      iii. Must be reported by the mayor to the municipal council at its next meeting; and
      iv. Must be appropriated in an adjustments budget.
   (c) If such adjustments budget is not passed within 60 days after the expenditure was incurred, the expenditure in unauthorised and Section 32 applies

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."

(a) 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.

(b) Section 170 and 173 of the MFMA

(c) 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 of the municipality. 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 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 a guide 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
- 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 exceeding R200 000 (two hundred thousand rands) inclusive of value added tax, by means other than through a competitive bidding process, or 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 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.
- Non-cash items being classified as unauthorised expenditure owing to the total amount of the budget being exceeded, on items such as debt impairment, depreciation, asset impairment transfers and grants.

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 and updated in June 2019

(c) Upon receiving a report of unauthorised, irregular or fruitless and wasteful expenditure, the CFO will advise, in writing, the Municipal Manager who will in turn inform 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 or official involved advised that such a decision would result in unauthorised, irregular or fruitless and wasteful expenditure;
- Whether the irregular expenditure results from a minor breach in the procurement policy;
- Whether the municipality suffered any financial loss;
- Whether the accounting officer or official or 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 expenditure as irrecoverable
- Disciplinary or 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 the 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 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 off the expenditure as irrecoverable

(j) The recommendations of the MPAC (Municipal Public Accounts Committee) 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 promptly..

(n) All instances of unauthorised, irregular, fruitless and wasteful expenditure must be disclosed in the annual report of the municipality.

(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 wilfully 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.

9.1.4 The note on unauthorised expenditure should clearly differentiate between cash and non-cash items

10. CONDONATION OF IRREGULAR EXPENDITURE

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. PREVENTATIVE MEASURES

The municipality will take all possible steps and practical preventative measures to proactively prevent unauthorised, irregular, fruitless and wasteful expenditure.. This is only possible for what is within the control of the administration.

The municipality may liaise with the Auditor-General to verify the status of all successful bidders of tenders to verify against their data basis, which the municipality is not privy to, so as to prevent the issuing of a tender to anyone who may be later found to be in the service of the state.

It is also acknowledged that some of the expenditure only comes to light after the event and some matters may not be able to be proactively managed.

Strict enforcement of consequence management will also act as a deterrent for all employees to be cautious and vigilant in preventing any such expenditure.

12. POLICY ADOPTION AND IMPLEMENTATION DATE

The policy will be effective as from 1 July 2021.
This policy is to be reviewed annually and approved by Council together with the adoption of the MTREF for the following year.

Annexure Z
Allocation of
Unclaimed Credits Policy

ALLOCATION OF UNCLAIMED CREDITS

2021/2022 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 Midvaal Local Municipality (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 remains unclaimed for a period exceeding six months.

2.2 When the credit has not been refunded to the customer or transferring attorney and neither the client nor the transferring attorney claims the refund after transfer of the property has taken place.

2.3 The credit must be transferred to the Unclaimed register after a six month 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 is received for a specific account and rand value, the unclaimed amount will be transferred to the Income of the Municipality.

3. IMPLEMENTATION DATE

The policy will be effective as from 1 July 2021.

4. POLICY REVIEW

The policy is to be reviewed annually before the start of the financial year.

Annexure AA
Bulk Developer Contributions Policy

PAYMENT OF BULK DEVELOPER CONTRIBUTIONS POLICY

2021/2022 FINANCIAL YEAR

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1. Preamble

1.2 The progressive realisation of fundamental constitutional rights *inter alia* requires township development. Township development in turn requires the provision of engineering services.

1.3 Local government must ensure the provision of engineering services to communities and promote social and economic development in a sustainable manner. As a general principle local government should within budgetary constraints accept responsibility for the installation and financing of external engineering services.

1.4 As a general principle for township developers is that the onus is on them to be responsible 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 organs of state to assist decision-makers in exercising their discretionary powers has long been accepted as legally permissible.

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 calendar

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 into operation, in terms of Section 58 (1) of the Town Planning And Townships Ordinance, Ordinance 15 of 1986, the ED: Development & Planning directs 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 an interim / provisional contribution.

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 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. Any payment arrangement made may not exceed a period of 12 months.

6.2 The authority to cancel an approved application for consent use be delegated to the Executive Director: Development & 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, and Engineering.

6.4 That all communication regarding the final bulk contributions payable be mailed to the property owner by registered post.

7. Conditions

7.1 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.

7.2 In the event of a Township Establishment application this condition shall form part of the Services Agreement.

7.3 The Executive Director: Engineering Services must recalculate the bulk contributions as and when required.

7.4 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 2021.

Annexure AB
Related Party Policy

RELATED PARTY POLICY

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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).

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.

14. IMPLEMENTATION AND REVIEW OF THIS POLICY

The policy will be effective as from 1 July 2021.

This policy is to be reviewed annually and approved by Council together with the adoption of the MTREF for the following year.

Annexure AC
Cell phone and connectivity allowance Policy

CELL PHONE AND CONNECTIVITY ALLOWANCE POLICY

2021/2022 FINANCIAL YEAR

MIDVAAL
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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, must be in line with the table reflected in clause 4 below. The Head of Department must ensure that the allowance is budgeted for as a benefit to the salary cost of the post.

3.3.2 EXISTING POSITIONS

In the event of an employee not receiving a cell-phone allowance, but due to operations require the allowance, the relevant Head of Department will submit a written motivation to the Municipal Manager for approval of the allowance in relation to the provisions of this policy. The approval must be submitted to Human Resources to inform the Finance Department accordingly to implement the allowance.

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 who utilises a cell phone for business purposes. The allowance is payable on a monthly basis and may be amended from time to time in terms of business-related costs incurred by employees or due to demand based on operations.

Any increase in the amounts reflected in the table linked to levels (office bound and non-office bound) is subject to motivation and prescripts contained herein:

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.	

Any additional airtime not covered by the allowance, or in the event where an employee's network provider charges more than the allowance received, will be for the employee's own account.

In the event where an employee does not answer or return calls or failing to utilise the allowance as prescribed, the allowance may be forfeited.

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.

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.

4.1 DATA PROVISION

In addition to the cell-phone allowance employees may be entitled to a data allowance in relation to their job level(s). Employees will receive a capped data allowance to a maximum of 10GB across the board. The data allowance is not linked to receiving a cell-phone allowance as the provision of data is linked to employees who are required to provide services outside normal working hours/off-site.

Should an employee, as a tool of trade, require additional data, such increase must be motivated by the relevant Head of Department, approved by the IT Section (Director: IT) and Municipal Manager. The motivation may include an increase in data allowance above the capped 10GB (to a maximum of 20GB) or in general an increase in data below 10GB to a maximum of the capped allowance.

Any additional data not covered by the capped allowance, will be for the employee's own account.

The following table represents the data allowance applicable to eligible employees:

JOB LEVEL	OFFICE/NON-OFFICE BOUND
Level 01	Capped at 10

Level 03/02	**Capped at 10**
Level 04	**Capped at 10**
Level 05/06	**Capped at 05**
Level 07/08	**Capped at 05**
Level 09 and below	**Capped at 02**
Contract Posts	**Capped at 10**
HOD's	**Capped at 10**
Municipal Manager	**Capped at 10**

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.

Annexure AD
Caucus Budget Policy

CAUCUS BUDGET POLICY

2021/2022 FINANCIAL YEAR

MIDVAAL
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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 Cost Containment Regulations in June 2019, and in anticipation of the promulgation, the Draft Regulations (June 2017) were being applied insofar as practically possible and as such these provisions have been included in the Caucus Budget Policy.

This policy must be read in conjunction with the Councillor Allowances Policy approved by Council per Item C1619/04/2017 dated 20 April 2017, as well as the Policy dealing with attending conferences, meetings, training and workshops: Bookings for Councillors and Officials per Item C1499/08/2016 dated 25 August 2016.

2. CATERING FOR CAUCUS MEETINGS

Catering will be allowed for the monthly caucus meetings at an amount 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 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 2021/2022 financial year is as per the Annual Approved Budget.

7. EFFECTIVE DATE

The policy is effective from 1 July 2021.

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.
- Cost Containment Regulations, issued on 7 June 2019 per Government Gazette 42514.

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.

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.

ANNEXURE "A"

MIDVAAL
LOCAL MUNICIPALITY

POLICY

COUNCILLOR ALLOWANCES

3 April 2017

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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.

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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.

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.

1

4/5/2/P

ATTENDING CONFERENCES, MEETINGS, TRAINING AND WORKSHOPS POLICY

BOOKINGS FOR

COUNCILLORS AND OFFICIALS

: H:Louiseve/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 **MUNICIPAL MANAGER**	**DATE**

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

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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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

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.			

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	

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

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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

PART A
DRAFT MUNICIPAL COST CONTAINMENT REGULATIONS
TABLE OF CONTENTS

1. Definitions
2. Object of Regulations
3. Application of Regulations
4. Cost containment policies
5. Use of consultants
6. Vehicles used for political office-bearers
7. Travel and subsistence
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9. Credit cards
10. Sponsorships, events and catering
11. Communication
12. Conferences, meetings and study tours
13. Other related expenditure items
14. Enforcement procedures
15. Disclosures of cost containment measures
16. Short title and commencement

Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and–

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
"consultant" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;
"cost containment" means measures implemented to curtail spending in terms of these regulations; and
"credit card" means a card issued by a financial service provider, which creates a revolving account and grants a line of credit to the cardholder.

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Object of Regulations

2. The object of these Regulations, in line with section 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

Application of Regulations

3. These Regulations apply to all municipalities and municipal entities.

Cost containment policies

4. (1) Each municipality and municipal entity must revise or develop and implement a cost containment policy which must–
   (a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies; and
   (b) be consistent with the Act and these Regulations.

(2) The cost containment policy of a municipality or a municipal entity contemplated in sub-regulation (1) must–
   (a) be in writing;
   (b) give effect to these Regulations;
   (c) be reviewed annually, as may be appropriate;
   (d) be communicated on the municipality's or municipal entity's website; and
   (e) set out–
      (i) measures for ensuring implementation of the policy;
      (ii) procedures for the annual review of the policy; and
      (iii) consequences for non-adherence to the measures contained therein.

Use of consultants

5. (1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full time employ to perform the function.
   (2) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates–
      (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
      (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration;
      (c) as prescribed by the body regulating the profession of the consultant.
   (3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).
   (4) When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.
   (5) When consultants are appointed, an accounting officer must–
      (a) appoint consultants on a time and cost basis with specific start and end dates;
      (b) where practical, appoint consultants on an output-specified basis, subject to a clear specification of deliverables and associated remuneration;
      (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
      (d) develop consultancy reduction plans; and
      (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations and the municipality's Supply Chain Management policy.

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(6) All contracts with consultants must include fee retention or penalty clause for poor performance.
(7) A municipality or municipal entity must ensure that the specifications and performance, are used as a monitoring tool for the work to be undertaken and is appropriately recorded and monitored.
(8) The travel and subsistence costs of consultants must be in accordance with the travel policy issued by the National Department of Transport, as updated from time to time.
(9) The contract price must specify all travel and subsistence cost and, if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the abovementioned travel policy of the National Department of Transport.

Vehicles used for political office-bearers

6. (1) The threshold limit for vehicle purchases relating to official use by political office-bearers may not exceed R700 000 or 70% of the total annual remuneration package for different grades, whichever is greater.
(2) The procurement of vehicles must be undertaken using the national government transversal contract mechanism.
(3) If any other procurement process is used, the cost may not exceed the threshold set out in sub-regulation (1).
(4) Before deciding on another procurement process as contemplated in sub-regulation (3), the chief financial officer must provide the council with information relating to the following criteria which must be considered:
(a) status of current vehicles;
(b) affordability;
(c) extent of service delivery backlogs;
(d) terrain for effective usage of vehicle; and
(e) any other policy of council.
(5) Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.
(6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace vehicles for official use by public office bearers before completion of one hundred and twenty thousand kilometres only in instances where the vehicle experiences serious mechanical problem and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

Travel and subsistence

7. (1) An accounting officer–
(a) may only approve purchase of economy class tickets for officials where the flying time for the flights is five hours or less; and
(b) for flights exceeding five hours, may purchase business class tickets only for accounting officers, and persons reporting directly to accounting officers.
(2) Notwithstanding sub-regulation (1), an accounting officer may approve the purchase of business class tickets for officials with disabilities.
(3) The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials attending such meetings or events must be limited to those officials directly involved in the subject matter related to such meetings or events.
(4) An accounting officer may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury only–
(a) during peak holiday periods; or
(b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area.
(5) Officials of a municipality or municipal entity must–
(a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;

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(b) make use of shuttle service if the cost of such a service is lower than-
  (i) the cost of hiring a vehicle;
  (ii) the cost of kilometres claimable by the employee; and
  (iii) the cost of parking.
(c) not hire vehicles from a category higher than Group B or an equivalent class; and
(d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

(6) Municipalities and municipal entities must utilise the negotiated rates for flights and accommodation, communicated by the National Treasury, from time to time, or any other available cheaper flight and accommodation.

Domestic accommodation

8. An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by the National Treasury, from time to time.

Credit cards

9. (1) An accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality or a municipal entity is issued to any official or public office bearer, including members of the board of directors of municipal entities.
(2) Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials or public officer bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement from the municipality or municipal entity in accordance with the relevant municipality or municipal entity's policy and processes.

Sponsorships, events and catering

10. (1) A Municipality or municipal entity may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality or municipal entity, unless the prior written approval of the accounting officer is obtained.
(2) An accounting officer may incur catering expenses for hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
(3) Entertainment allowances of officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.
(4) An accounting officer may not incur expenses on alcoholic beverages.
(5) An accounting officer must ensure that social functions, team building exercises, year-end functions, sporting events, budget vote dinners and other functions that have a social element are not financed from the municipality or municipal entity's budgets or by any suppliers or sponsors.
(6) A municipality or municipal entity may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless costs related thereto are recovered from affected officials.
(7) An accounting officer may incur expenditure to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health, not exceeding the limits for petty cash usage.

Communication

11. (1) A Municipality or municipal entity must, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
(2) An accounting officer must ensure that allowances to officials for private calls are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.

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(3) Newspapers and other related publication for the use of officials must be discontinued on expiry of existing contracts or supply orders.
(4) A municipality or municipal entity must participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

Conferences, meetings and study tours

12. (1) An accounting officer must establish policies and procedures to manage application by officials to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
(2) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
(3) Such benchmark costs may not exceed an amount as determined by the National Treasury.
(4) When considering applications from officials to attend conferences or events within and outside the borders of South Africa, an accounting officer must take the following into account--
(a) the official's role and responsibilities and the anticipated benefits of the conference or event;
(b) whether the conference or event addresses relevant concerns of the institution;
(c) the appropriate number of officials, not exceeding three officials, attending the conference or event; and
(d) availability of funds to meet expenses related to the conference or event.
(5) The amount referred to in sub-regulation (3) above excludes costs related to travel, accommodation and related expenses, but includes--
(a) conference or event registration expenses; and
(b) any other expense incurred in relation to the conference or event.
(6) When considering costs for conferences or events these may not include items, such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
(7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail use of municipal funds are, as far as may be practically possible, held in-house.
(8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, inter alia, where an appropriate venue exists within the municipal jurisdiction.
(9) An accounting officer may consider granting approval, as contemplated in sub-regulation (4), for officials, and in the case of Councillors, the Mayor.
(10) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

Other related expenditure items

13. (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be procured through that transversal contract before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
(2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during election periods.

Enforcement Procedures

14. Failure to implement or comply with these Regulations may result in any official of the municipality or municipal entity, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct

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as set out in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Disclosures of cost containment measures

15. (1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

(2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings, on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.

(3) Such reports must be copied to the National Treasury and relevant Provincial Treasuries within seven calendar days after the report is submitted to Municipal Council.

Short title and commencement

16. These Regulations are called the Municipal Cost Containment Regulations, 2018 and take effect on 01 July 2018.

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PART B

EXPLANATORY MEMORANDUM ON DRAFT COST CONTAINMENT REGULATIONS INTENDED TO BE MADE IN TERMS OF LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The wider implementation of the Local Government: Municipal Finance Management Act, 2003 (MFMA) in all municipalities and entities is an important element in the roll out strategy to modernise and improve financial management in local government. Linked to this strategy are the fundamental principles of effective and efficient utilisation of public resources in a transparent and accountable manner.

Despite the provisions in the MFMA and the reforms developed over the last 13 years to support the implementation of the MFMA, municipalities and municipal entities continue to spend public funds and municipal resources on non-priority items. More often than not this results in a diversion of public funds from core service delivery to other expenditures resulting in dissatisfaction by communities and delays in service delivery.

Government has therefore committed in the Medium Term Strategic Framework for 2014 – 2019 to urgently implement cost saving measures across all three spheres of government to assist in re-prioritizing expenditure and free up resources that can be targeted towards service delivery. These measures introduced are also intended to eliminate wastage of public resources on non-service delivery items. This will be undertaken through advocacy, strengthening the legal and policy prescripts and frameworks aimed at cost containment and ensuring the implementation thereof by municipalities and municipal entities.

The Minister of Finance has also pronounced during the February 2016 Budget Speech and the October 2016 Medium Term Budget Policy Statement that the National Treasury will issue regulations on cost containment measures for local government. The initial cost containment measures were introduced through MFMA Circular. Additional measures will also be taken to ensure a transparent tendering system by ensuring that value for money is attained through the revised procurement process. Similar measures have also been introduced in national and provincial government in terms of the Public Finance Management Act 1 of 1999.

Over the last 4 to 5 years, the Auditor-General's General Report on Local Government Audit Outcomes highlighted the extent of wastage of public resources. This was also observed through various publications in the print media and other government publications. Weak governance as well as the significant increase in the number of municipalities incurring unauthorised, irregular as well as fruitless and wasteful expenditure, were also highlighted as areas of concern.

Building on the MFMA Circular, the National Treasury in association with other stakeholders, have drafted regulations that will promote the cost containment measures introduced in a number of spending areas.

Section 168(1)(b) and (p) of the MFMA provides that the Minister may.regulate financial management and internal control and generally, any other matter that may facilitate the enforcement and administration of the Act, respectively. The object of the draft Regulations is to ensure that the resources of municipalities and municipal entities are used effectively, efficiently and economically (regulation 2). The Regulations will apply to all municipalities and municipal entities (regulation 3).

Regulation 1 contains the definition of terms that are used in the regulations. Regulation 4 deals with the establishment of cost containment policies including the principles applicable to such policies.

Regulations 4 to 13 contain the actual cost containment measures to be implemented by municipalities and municipal entities. These measures include:

- Principles around appointment of consultants to perform municipal functions and assessment to be undertaken by municipalities and municipal entities before appointing consultants;

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- Procurement of mayoral vehicles. The regulations introduce a ceiling in terms of the value of the vehicles to be procured and principles in terms of management of such vehicle by the municipalities and municipal entities;

- Travel and subsistence allowance. This section of the regulations provides the thresholds for purchasing air tickets and hiring of vehicles. The intention with this specific measure is to ensure that institutions actually realise the discounts which have been negotiated at National Government level. These thresholds will contribute towards institutions achieving cost savings on their travel and accommodation budgets;

- Prohibition on issuance of credit or debit cards linked to municipal bank accounts to officials or public office bearers;

- Prohibition on using municipal funds for specific functions which include, amongst others, spending on catering for internal meetings only attended by officials, and social, farewell or team building activities. This section also prohibits the utilisation of municipal funds on alcoholic beverages;

- The regulations also make it mandatory for institutions to procure vehicles, cell phone and other related assets via the transversal contract negotiated at National Government level. This will ensure that there are cost savings and benefits passed to municipalities on all such items;

- The regulations also introduce a monetary threshold for conference fees which include the attendance of both local and international conferences;

- The regulations are intended to reduce excessive spending on office furniture and equipment;

- Municipalities and municipal entities are also encouraged to ensure that proper processes are followed when dismissing and suspending officials, this minimise unnecessary legal costs. Institutions are also encouraged to manage their expenditure on leave and overtime benefits; and

- The regulations make it mandatory for municipalities to conduct threat assessments before approving any security measures for councillors or officials.

Regulation 4 introduces consequence management aspects for non-adherence to the regulations. Non-compliance with these measures must be investigated for financial misconduct in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Regulation 5 provides the framework for disclosure of actual cost savings achieved by institutions in their annual reports, this improve transparency.

Regulation 6 contains the short title and the commencement date of the regulations.

These draft regulations therefore propose to provide a framework that is consistent with the provisions of the MFMA. The effective implementation of the regulations is intended to ensure that municipalities and municipal entities achieve value for money in utilising public resources to deliver municipal services. It is the intention that the Regulations would become effective on 01 July 2018.

Comments received during the consultation process will be considered and processed with a view to addressing any shortcomings.

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Annexure AE
Billing Policy

BILLING POLICY

2021/2022 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 the cent in the rand for property 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 terms are agreed to. Such arrangements do 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 property rates (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 delegated person legally appointed by the Municipality to act or to fulfill a duty on its behalf.

"Availability Charges" 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 or the person appointed to act in the position of 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 to, or if no occupier can be identified or located, then the owner of the premises.

“Disconnections” means interrupting the supply of water and electricity to a debtor as a result for non-payment of an account or outstanding Consumer Deposit.

“Defaulter” means any person who fails to make payment to the municipality by the due date. 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 on which the account was posted, or one day after the account being sent by electronic mail, whichever is the first.

“Domestic Customer or User” of municipal services means a customer who occupies a dwelling, structure or premises primarily for residential purposes

“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,

(ii) in the case where rates and services are levied on a monthly basis, the due date shall always 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 makes application for indigent support in terms of Council's Indigent Policy on behalf of all members of his or her household.

(b) who applied for and has been declared indigent 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 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 municipality.

"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 and minor tariffs” 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 deceased 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, by-laws and decisions.

“Tampering and bypassing” 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.

2. ABBREVIATIONS

AO	Accounting Officer
CFO	Chief Financial Officer
EM	Executive Mayor
MFMA	Municipal Finance Management Act 56 of 2003 (as amended)
MPRA	Municipal Property Rates Act 6 of 2004 (as amended)
MSA	Municipal Systems Act 32 of 2000 (as amended)
NCA	National Credit Act 34 of 2005 (as amended)
VAT	Value Added Tax Act 89 of 1991 (as amended)
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 charges levied, 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, and the responsibility for Debt Collection 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 to 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 to ensure that:-

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 property rates and consumption levies 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 consumption, Sewer and Refuse collection charges 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 terms and 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 take 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, (Act 117 of 1998 as amended)

The Municipal Structures Act 117 of 1998 sets out the powers and function of municipalities where District Municipalities where tasked with the supply of potable 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,(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 in the official gazette of the relevant province can it be enforceable.
Where there no changes to the bylaws, there is no need for it to be published in the official gazette of the relevant province.

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 the 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 Systems 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 Systems 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 holder's 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 immovable property. 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 who 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 will be 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 or the owner 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 or the owner 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 or the owner 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 will be 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 will be 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 Guarantees less than R100 000 in lieu of a cash deposit will no longer accepted.

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 minimum amount for all new deposits shall be reviewed 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 increase in 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. .

11.2 The monthly consolidated account can include property rates charges, in which case the account 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 channels ;

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 the account holder is registered for such a service

12. PROPERTY RATES

12.1 Property 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 the July account of each year.

12.3 Property rates for a specific financial year may be recovered in twelve monthly instalments to assist its customers.

12.4 Property rates may be paid in full at the beginning of the financial year or settled over a period which does not exceed twelve months

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 Monthly accounts shall be rendered for Refuse and Sewer charges

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 towards 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 all amounts owing to the municipality have been settled in full.

17.1.5 The water and / or electricity services will be disconnected with a final reading taken until such time the new owner signs a new services agreement.

18. METERING OF MUNICIPAL SERVICES

18.1 The Municipality may introduce various types of metering equipment and options 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 prepaidelectricity 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 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 amount will be based on the average of the previous 6 months' consumption.

18.5.3 The amount based on interim consumption will be adjusted in a subsequent account based on the actual consumption.

18.5.4 The customer is responsible to ensure unhindered access to metering equipment for the purposes of obtaining the 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 the meter number and the reading clearly visible

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 the customer will be liable for the payment of the water that has leaked.

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 the premises are 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 vouchers 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.

18.6.8 The municipality reserves the right to allocate a proportion of the prepayment amount towards any other arrears that remain owing to the municipality.

The amount that may be deducted for the 2021-2022 financial year and allocated towards other arrears will be 30%

19. PAYMENT OF ACCOUNTS

19.1 All accounts rendered by Midvaal Local Municipality shall be payable by no later than the 7th of each month.

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 by the due date regardless of the fact that the customer may not have received the account; the onus being on the customer to obtain a copy or the balance on 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 will be raised on all amounts that remain unpaid for longer than 30 days from the due date.

20.2 The interest rate is determined by the Chief Financial Officer and is reviewed annually

with the review of the Sundry Tariffs. Interest shall accrue for each completed month in respect of any amounts unpaid after 30 days of the due date. A part of a month shall be deemed to be a completed month.

20.3 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 the due date of the account.

20.4 Interest may only be reversed under the following circumstances:

20.5 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 customer 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 remain liable for the payment of the amount(s) that are not in dispute, on or before the 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 resolved 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 financial system

21.2.2.8 Conduct checks or follow-ups on the progress of all disputes

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 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 to be borne 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 an 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 2021.

Annexure AF
Electricity By-laws

ELECTRICITY BY-LAWS

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

CHAPTER 1
GENERAL

1. Definitions - In this by-law, unless inconsistent with the context –

"accredited person" means a person registered in terms of the Regulations as an electrical tester for single phase, an installation electrician or a master installation electrician, as the case may be;

"applicable standard specification" means the standard specifications as listed in Schedule 1 attached to this by-law;

"certificate of compliance" means a certificate issued in terms of the Regulations in respect of an electrical installation or part of an electrical installation by an accredited person;

"consumer" in relation to premises means:

(i) any occupier thereof or any other person with whom the Municipality has contracted to supply or is actually supplying electricity thereat; or

(ii) if such premises are not occupied, any person who has a valid existing agreement with the Municipality for the supply of electricity to such premises; or

(iii) if there is no such person or occupier, the owner of the premises;

"credit meter" means a meter where an account is issued subsequent to the consumption of electricity;

"electrical contractor" means an electrical contractor as defined in the Regulations;

"electrical installation" means an electrical installation as defined in the Regulations;

"high voltage" means the set of nominal voltage levels that are used in power systems for bulk transmission of electricity in the range of 44kV<Un ≤ 220 kV. [SABS 1019];

" low voltage" means the set of nominal voltage levels that are used for the distribution of electricity and whose upper limit is generally accepted to be an a.c. voltage of 1000V (or a d.c. voltage of 1500 V). [SABS 1019]

"the law" means any applicable law, proclamation, ordinance, act of parliament or enactment having force of law;

"medium voltage" means the set of nominal voltage levels that lie above low voltage and below high voltage in the range of 1 kV < Un ≤ 44 kV. [SABS 1019]

"meter" means a device which records the demand and / or the electrical energy consumed and includes conventional and prepayment meters;

"motor load, total connected" means the sum total of the kW input ratings of all the individual motors connected to an installation;

"motor rating" means the maximum continuous kW output of a motor as stated on the maker's rating plate;

"motor starting current" in relation to alternating current motors means the root mean square value of the symmetrical current taken by a motor when energised at its rated voltage with its starter in the starting position and the rotor locked;

"Municipality" means Midvaal Local Municipality, a municipality established in terms of the law or any legal entity duly authorised by the Midvaal Local Municipality to provide an electricity service within the jurisdiction of the Midvaal Local Municipality.

"occupier" in relation to any premises means –

(a) any person in actual occupation of such premises;

(b) any person legally entitled to occupy such premises;

(c) in the case of such premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants, whether on his own account or as agent for any person entitled thereto or interested therein, or

(d) any person in control of such premises or responsible for the management thereof, and includes the agent of any such person when he / she is absent from the Republic of South Africa or his / her whereabouts are unknown;

"owner" in relation to premises means the person in whom is vested the legal title thereto; provided that –

(a) in the case of immovable property –

(i) leased for a period of not less than 50 years, whether the lease is registered or not, the lessee thereof, or

(ii) beneficially occupied under a servitude or right analogous thereto, the occupier thereof;

(b) if the owner as hereinbefore defined –

(i) is deceased or insolvent, has assigned his estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, or

(ii) is absent from the Republic of South Africa, or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, and

(iii) if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property, shall be deemed to be the owner thereof to the exclusion of the person in whom is vested the legal title thereto;

"point of consumption" means a point of consumption as defined in the Regulations;

"point of metering" means the point at which the consumer's consumption of electricity is metered and which may be at the point of supply or at any other point on the distribution system of the Municipality or the electrical installation of the consumer, as specified by the Municipality or any duly authorised official of the Municipality; provided that it shall meter all of, and only, the consumer's consumption of electricity;

"point of supply" means the point determined by the Municipality or any duly authorised official of the Municipality at which electricity is supplied to any premises by the Municipality;

"premises" means any land or any building or structure above or below ground level and includes any vehicle, aircraft or vessel;

"prepayment meter" means a meter that can be programmed to allow the flow of pre-purchased amounts of energy in an electrical circuit;

"Regulations" means Regulations made in terms of the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as amended;

"safety standard" means the Code of Practice for the Wiring of Premises SABS 0142 incorporated in the Regulations;

"service connection" means all cables and equipment required to connect the supply mains to the electrical installation of the consumer at the point of supply;

"service protective device" means any fuse or circuit breaker installed for the purpose of protecting the Municipality's equipment from overloads or faults occurring on the installation or on the internal service connection;

"standby supply" means an alternative electricity supply not normally used by the consumer;

"supply mains" means any part of the Municipality's electricity network;

"tariff" means the Municipality*'s* tariff of charges for the supply of electricity, and

"token" means the essential element of a prepayment metering system used to transfer information from a point of sale for electricity credit to a prepayment meter and *vice versa;*

"voltage" means the root-mean-square value of electrical potential between two conductors.

2. **Other terms –** All other terms used in this by-law shall, unless the context otherwise requires, have the meaning assigned thereto in the Electricity Act, 1987 (Act 41 of 1987), as amended, or the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as amended.

3. **Headings and titles –** The headings and titles in this by-law shall not affect the construction thereof.

CHAPTER 2
GENERAL CONDITIONS OF SUPPLY

4. Provision of Electricity Services – Only the Municipality shall supply or contract for the supply of electricity within the jurisdiction of the Municipality.

5. Supply by agreement – No person shall use or be entitled to use an electricity supply from the Municipality unless or until such person shall have entered into an agreement in writing with the Municipality for such supply, and such agreement together with the provisions of this by-law shall in all respects govern such supply. If a person uses an electricity supply without entering into an agreement he/she shall be liable for the cost of electricity used as stated in section 44 of this by-law.

6. Service of notice –

(1) Any notice or other document that is served on any person in terms of this by-law is regarded as having been served –

(a) when it has been delivered to that person personally;

(b) when it has been left at that person's place of residence or business in the Republic with a person apparently over the age of sixteen years;

(c) when it has been posted by registered or certified mail to that person's last known residential or business address in the Republic and an acknowledgement of the posting thereof from the postal service is obtained;

(d) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) or (c); or

(e) if that person's address and agent or representative in the Republic is unknown, when it has been posted in a conspicuous place on the property or premises, if any, to which it relates.

(2) When any notice or other document must be authorised or served on the owner, occupier or holder of any property or right in any property, it is sufficient if that person is described in the notice or other document as the owner, occupier or holder of the property or right in question, and it is not necessary to name that person.

(3) Any legal process is effectively and sufficiently served on the Municipality when it is delivered to the municipal manager or a person in attendance at the municipal manager's office.

7. Compliance with notices – Any person on whom a notice duly issued or given under this by-law is served shall, within the time specified in such notice, comply with its terms.

8. Application for supply –

(1) Application for the supply of electricity shall be made in writing by the prospective consumer on the prescribed form obtainable at the office of the Municipality, and the estimated load, in kVA, of the installation, shall be stated therein. Such application shall be made as early as possible before the supply of electricity is required in order to facilitate the work of the Municipality.

(2) An application for an electricity supply for a period of less than one year shall be regarded as an application for a temporary supply of electricity and shall be considered at the discretion of the Municipality or any duly authorised official of the Municipality, which may specify any special conditions to be satisfied in such case.

9. Processing of requests for supply – Applications for the supply of electricity will be processed and the supply made available within the periods stipulated in NRS 047.

10. Way leaves –

(1) The Municipality may refuse to lay or erect a service connection above or below ground on any thoroughfare or land not vested in the Municipality or on any private property, unless and until the prospective consumer shall have obtained and deposited with the Municipality written permission granted by the owner of the said private property or by the person in whom is vested the legal title to the land or thoroughfare as aforesaid exists, as the case may be, authorising the laying or erection of a service connection thereon.

(2) If such permission is withdrawn at any time or if the aforesaid private property or thoroughfare changes ownership and the new owner refuses to grant or continue such permission, the cost of any alteration required to be made to a service connection in order that the supply of electricity may be continued, and of any removal thereof which may become necessary in the circumstances, shall be borne by the consumer to whose premises the supply of electricity is required to be continued.

11. Statutory Servitude –

(1) Subject to the provisions of subsection (3) the Municipality may within its municipal area:

(a) provide, establish and maintain electricity services;

(b) acquire, construct, lay, extend, enlarge, divert, maintain, repair, discontinue the use of, close up and destroy electricity supply mains;

(c) construct, erect or lay any electricity supply main on, across, through, over or under any street or immovable property and the ownership of any such main shall vest in the Municipality;

(d) do any other thing necessary or desirable for or incidental, supplementary or ancillary to any matter contemplated by paragraphs (a) to (c).

(2) If the Municipality constructs, erects or lays any electricity supply main on, across, through, over or under any street or immovable property not owned by the Municipality or under the control of or management of the Municipality it shall pay to the owner of such street or property compensation in an amount agreed upon by such owner and the Municipality or, in the absence of agreement, be determined either by arbitration or a court of law.

(3) The Municipality shall, before commencing any work other than repairs or maintenance on or in connection with any electricity supply main on immovable property not owned by the Municipality or under the control or management of the Municipality, give the owner or occupier of such property reasonable notice of the proposed work and the date on which it proposes to commence such work.

12. Right of admittance to inspect, test and / or do maintenance work –

(1) The Municipality shall, through its employees, contractors and their assistants and advisers, have access to or over any property for the purposes of –

(a) doing anything authorised or required to be done by the Municipality under this by-law or any other law;

(b) inspecting and examining any service mains and anything connected therewith;

(c) enquiring into and investigating any possible source of electricity supply or the suitability of immovable property for any work, scheme or undertaking of the Municipality and making any necessary survey in connection therewith;

(d) ascertaining whether there is or has been a contravention of the provisions of this by-law *or any other law,* and

(e) enforcing compliance with the provisions of this by-law *or any other law,*

(2) The Municipality shall pay to any person suffering damage as a result of the exercise of the right of access contemplated by subsection (1), except where the Municipality is authorised to execute on the property concerned any work at the cost of such person or some other person or to execute on such property any work and recover the cost thereof from such person or some other person, compensation in such amount as may be agreed upon by the Municipality and such person or, in the absence of agreement, as may be determined by arbitration or court of law.

(3) An employee of the Municipality authorised thereto by such Municipality may, by notice in writing served on the owner or occupier of any property, require such owner or occupier to provide, on the day and at the hour specified in such notice, access to such property to a person and for a purpose referred to in subsection (1).

(4) The Municipality may gain access to or over any property without notice and may take whatever action as may, in its opinion, be necessary or desirable in consequence of the existence of a state of war or the occurrence of any calamity, emergency or disaster.

13. Refusal or failure to give information – No person shall refuse or fail to give such information as may be reasonably required of him / her by any duly authorised official of the Municipality or render any false information to any such official regarding any electrical installation work completed or contemplated.

14. Refusal of admittance – No person shall willfully hinder, obstruct, interfere with or refuse admittance to any duly authorised official of the Municipality in the performance of his duty under this by-law or of any duty connected therewith or relating thereto.

15. Improper use – If the consumer uses the electricity for any purpose or deals with the electricity in any manner which the Municipality has reasonable grounds for believing interferes in an improper or unsafe manner or is calculated to interfere in an improper or unsafe manner with the efficient supply of electricity to any other consumer, the Municipality may, with or without notice, disconnect the electricity supply but such supply shall be restored as soon as the cause for the disconnection has been permanently remedied or removed. The fee as prescribed by the Municipality for the disconnection and reconnection shall be paid by the consumer before the electricity supply is restored, unless it can be

shown that the consumer did not use or deal with the electricity in an improper or unsafe manner.

16. Electricity tariffs and fees – Copies of charges and fees may be obtained free of charge at the offices of the Municipality.

17. Deposits – The Municipality reserves the right to require the consumer to deposit a sum of money as security in payment of any charges which are due or may become due to the Municipality. The amount of the deposit in respect of each electricity installation shall be determined by the Municipality, and each such deposit may be increased if the Municipality deems the deposit held to be inadequate. Such deposit shall not be regarded as being in payment or part payment of any accounts due for the supply of electricity for the purpose of obtaining any discount provided for in the electricity tariff referred to in this by-law. On cessation of the supply of electricity, the amount of such deposit, free of any interest, less any payments due to the Municipality shall be refunded to the consumer.

18. Payment of charges –

(1) The consumer shall be liable for all charges listed in the prescribed tariff for the electricity service as approved by the Municipality. A copy of the prescribed tariff is obtainable free of charge from the Municipality.

(2) All accounts shall be deemed to be payable when issued by the Municipality and each account shall, on its face, reflect the due date and a warning indicating that the supply of electricity may be disconnected should the charges in respect of such supply remain unpaid after the due date.

(3) An error or omission in any account or failure to render an account shall not relieve the consumer of his obligation to pay the correct amount due for electricity supplied to the premises and the onus shall be on the consumer to satisfy himself/herself that the account rendered is in accordance with the prescribed tariff of charges in respect of electricity supplied to the premises.

(4) Where a duly authorised official of the Municipality has visited the premises for the purpose of disconnecting the supply of electricity in terms of subsection (2) and he / she is obstructed or prevented from effecting such disconnection, the prescribed fee shall become payable for each visit necessary for the purpose of such disconnection.

(5) After disconnection for non-payment of an account, the prescribed fees and any amounts due for electricity consumed shall be paid before the electricity supply is re-connected.

19. Interest on overdue accounts – The Municipality may charge interest on accounts which are not paid by the due date appearing on the account, at an interest rate as approved by the Municipality from time to time.

20. Resale of electricity –

(1) Unless otherwise authorised by the Municipality, no person shall sell or supply electricity, supplied to his premises under an agreement with the Municipality, to any other person or persons for use on any other premises, or permit or suffer such resale or supply to take place. If electricity is resold for use upon the same premises, such resale shall be subject to the conditions laid down in the Electricity Act, 1987 (Act 41 of 1987), provided that the reseller shall be permitted to recover

his / her actual electricity cost, provided further that he / she must substantiate these costs if called upon to do so.

(2) Further, in terms of Regulation 11(3)(a) of the Electricity Act, 1987 (Act 41 of 1987), the reseller of electricity may recover the administration costs incurred in metering reading and billing from the person so supplied with electricity, provided that, at the request of such person, the reseller must furnish such person with such information as may be necessary to enable him/her to determine whether the administration costs are fair and reasonable.

21. Right to disconnect supply –

(1) The Municipality shall have the right to disconnect the supply of electricity to any premises if the person liable to pay for such supply fails to pay any charge due to the Municipality in connection with any supply of electricity which he / she may at any time have received from the Municipality in respect of such premises, or, where any of the provisions of this by-law and / or the Regulations are being contravened, provided the Municipality has given the person 7 (seven) days' notice to remedy his / her default and the person has failed to remedy such default after notice has been given, or, in the case of a grave risk to person or property, or as envisaged in terms of Section 26 of this by-law, without notice. After disconnection for non-payment of accounts or the improper or unsafe use of electricity, the fee as prescribed by the Municipality shall be paid.

(2) In the case where an installation has been illegally reconnected on a consumer's premises after having been previously legally disconnected by the Municipality, or in the case where the Municipality's electrical equipment has been tampered with to prevent the full registration of consumption by the meter, the electricity supply may be physically removed from those premises.

22. Non-liability of the Municipality – The Municipality shall not be liable for any loss or damage, direct or consequential, suffered or sustained by a consumer as a result of or arising from the cessation, interruption or any other abnormality of the supply of electricity, unless caused by negligence on the part of the Municipality.

23. Leakage of electricity – Under no circumstances shall any rebate be allowed on the account for electricity supplied and metered in respect of electricity wasted owing to leakage or any other fault in the electrical installation.

24. Failure of supply – The Municipality does not undertake to attend to a failure of supply of electricity due to a fault in the electrical installation of the consumer, except when such failure is due to the operation of the service protective device of the Municipality. When any failure of supply of electricity is found to be due to a fault in the electrical installation of the consumer or to the faulty operation of apparatus used in connection therewith, the Municipality shall have the right to charge the consumer the fee as prescribed by the Municipality for each restoration of the supply of electricity in addition to the cost of making good or repairing any damage which may have been done to the service main and meter by such fault or faulty operation as aforesaid.

25. Seals of the Municipality – The meter, service protective devices and all apparatus belonging to the Municipality shall be sealed or locked by a duly authorised official of the Municipality, and no person not being an official of the Municipality duly authorised thereto shall in any manner or for any reason whatsoever remove, break, deface, or tamper or interfere with such seals or locks.

26. Tampering with service connection or supply mains –

(1) No person shall in any manner or for any reason whatsoever tamper or interfere with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the Municipality.

(2) Where prima facie evidence exists of a consumer and / or any person having contravened subsection (1), the Municipality shall have the right to disconnect the supply of electricity immediately and without prior notice to the consumer. The person shall be liable for all fees and charges levied by the Municipality for such disconnection.

(3) Where a consumer and / or any person has contravened subsection (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover from the consumer the full cost of his estimated consumption.

27. Protection of Municipality's supply mains –

(1) No person shall, except with the consent of the Municipality and subject to such conditions as may be imposed –

(a) construct, erect or lay, or permit the construction, erection or laying of any building, structure or other object, or plant trees or vegetation over or in such a position or in such a manner as to interfere with or endanger the supply mains

(b) excavate, open up or remove the ground above, next to, under or near any part of the supply mains

(c) damage, endanger, remove or destroy, or do any act likely to damage, endanger or destroy any part of the supply mains

(d) make any unauthorised connection to any part of the supply mains or divert or cause to be diverted any electricity there from.

(e) The owner or occupier shall limit the height of trees or length of projecting branches in the proximity of overhead lines or provide a means of protection which in the opinion of the Municipality will adequately prevent the tree from interfering with the conductors should the tree or branch fall or be cut down. Should the owner fail to observe this provision the Municipality shall have the right, after prior written notification, or at any time in an emergency, to cut or trim the trees or other vegetation in such a manner as to comply with this provision and shall be entitled to enter the property for this purpose.

(2) The Municipality may subject to obtaining an order of court demolish, alter or otherwise 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 mm² (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

Annexure AG
Water services By-laws

WATER SERVICES BY-LAWS

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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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 No. 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 No. 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 premise 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 No. 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 No. 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 No. 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 No. 9 of 1927), or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937); or

(b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 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 No. 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 its 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 instalments after the receipt of a final demand notice or a discontinuation notice the water services will be restored to the type of service the consumer elected in terms of the agreement for the provision of water services, within 7 (seven) working days.

Part 6: General provisions

Responsibility for compliance with these bylaws

11. (1) The owner of premises is responsible for ensuring compliance with these bylaws in respect of all or any matters relating to any installation.

(2) The consumer is responsible for compliance with these bylaws in respect of matters relating to the use of any installation.

Exemption

12. (1) The municipality or its authorised agent may, in writing exempt an owner, consumer, any other person or category of owners, consumers or other persons from complying with a provision of these bylaws, subject to any conditions it may impose, if it is of the opinion that the application or operation of that provision would be unreasonable, provided that the municipality or its authorised agent shall not grant exemption from any section of these bylaws that may result in –

(a) the wastage or excessive consumption of water;

(b) the evasion or avoidance of water restrictions;

(c) significant negative effects on public health, safety or the environment;

(d) the non-payment for services;

(e) the installation of pipes and fittings which are not approved in terms of these bylaws; and

(f) the Act, or any regulations made in terms thereof, is not complied with.

(2) The municipality or its authorised agent may at any time after giving written notice of at least thirty days, withdraw any exemption given in terms of Sub-Section (1).

Unauthorised use of water services

13. (1) No person may gain access to water services from the water supply system, sewage disposal system or any other sanitation services unless an agreement has been entered into with the municipality or its authorised agent for the rendering of those services.

(2) The municipality or its authorised agent may, irrespective of any other action it may take against such person in terms of these bylaws, by written notice order a person who has gained access to water services from the water supply system, sewage disposal system or any other sanitation services without an agreement with the municipality or its authorised agent for the rendering of those services,

(a) to apply for such services in terms of Sections 2 or 3; and

(b) to undertake such work as may be necessary to ensure that the consumer installation through which access was gained complies with the provisions of these bylaws.

(3) The provisions of Section 23 shall apply to a notice in terms of Sub-Section (2) above.

Change in purpose for which water services are used

14. Where the purpose or extent for which water services are used is changed, the consumer must enter into a new agreement with the municipality or its authorised agent.

Interference with water supply system or any sanitation services

15. (1) No person other than the municipality or its authorised agent shall manage, operate or maintain the water supply system or any sanitation system unless authorised by these bylaws or an authorised agent.

(2) No person other than the municipality or its authorised agent shall effect a connection to the water supply system or sewage disposal system or render any other sanitation services.

Obstruction of access to water supply system or any sanitation services

16. (1) No person shall prevent or restrict physical access to the water supply system or sewage disposal system.

(2) If a person contravenes Sub-Section (1), the municipality or its authorised agent may –

(a) by written notice require such person to restore access at his or her own expense within a specified period; or

(b) if it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

Notices and documents

17. (1) A notice or document issued by the municipality or its authorised agent in terms of these bylaws must be deemed to be duly authorised if the authorised agent signs it.

(2) If a notice or document is to be served on an owner, consumer or any other person in terms of these bylaws such service shall be effected by –

(a) delivering it to him or her personally or to his or her duly authorised agent;

(b) delivering it at his or her residence, village or place of business or employment to a person not less than sixteen years of age and apparently residing or employed there;

(c) if he or she has nominated an address for legal purposes, delivering it to such an address;

(d) if he or she has not nominated an address for legal purposes, delivering it to the address given by him or her in his or her application for the provision of water services, for the reception of an account for the provision of water services;

(e) sending by pre-paid registered or certified post addressed to his or her last known address;

(f) in the case of a legal person, by delivering it at the registered office or business premises of such legal person; or

(g) if service cannot be effected in terms of Sub-Sections (a) to (f), by affixing it to a principal door of entry to the premises concerned.

(3) In the case where compliance with a notice is required within a specified number of working days, such period shall be deemed to commence on the date of delivery or sending of such notice.

Power to serve and compliance with notices

18. (1) The municipality or its authorised agent may, by written notice, order an owner, consumer or any other person who fails, by act or omission, to comply with the provisions of these bylaws or of any condition imposed thereunder to remedy such breach within a period specified in the notice, which period shall not be less than thirty days.

(2) If a person fails to comply with a written notice served on him or her by the municipality or its authorised agent in terms of these bylaws within the specified period, it may take such action that in its opinion is necessary to ensure compliance, including –

(a) undertaking the work necessary itself and recovering the cost of such action or work from that owner, consumer or other person;

(b) limiting or discontinuing the provision of services; and

(c) instituting legal proceedings.

(3) A notice in terms of Sub-Section (1) will –

(a) give details of the provision of the bylaws not complied with;

(b) give the owner, consumer or other person a reasonable opportunity to make representations and state his or her case, in writing, to the municipality or its authorised agent within a specified period, unless the owner, consumer or other person was given such an opportunity before the notice was issued;

(c) specify the steps that the owner, consumer of other person must take to rectify the failure to comply;

(d) specify the period within which the owner, consumer or other person must take the steps specified to rectify such failure; and

(e) indicate that the municipality or its authorised agent –

(i) may undertake such work necessary to rectify the failure to comply if the notice is not complied with and that any costs associated with such work may be recovered from the owner, consumer or other person; and

(ii) may take any other action it deems necessary to ensure compliance.

(4) In the event of an emergency the municipality or its authorised agent may without prior notice undertake the work required by Sub-Section (3)(e)(i) and recover the costs from such person.

(5) The costs recoverable by the municipality or its authorised agent in terms of Sub-Sections (3) and (4) is the full cost associated with that work and includes, but is not limited to, any exploratory investigation, surveys, plans, specifications, schedules of quantities, supervision, administration charge, the use of tools, the expenditure of labour involved in disturbing or rehabilitation of any part of a street or ground affected by the work and the environmental cost.

Power of entry and inspection

19. (1) A municipality or its authorised agent may enter and inspect any premises –

(a) for the purposes set out in and in accordance with the provisions of Section 80 of the Act;

(b) for any purpose connected with the implementation or enforcement of these bylaws, at all reasonable times, after having given reasonable written notice of the intention to do so, unless it is an emergency situation.

False statements or information

20. No person shall make a false statement or furnish false information to the municipality or its authorised agent or falsify a document issued in terms of these bylaws.

Offences

21. (1) A person who –

(a) unlawfully and intentionally or negligently interfere with any water services works of the municipality or its authorised agent;

(b) fails to provide information or provide false information reasonably requested by the municipality or its authorised agent;

(c) fails or refuses to give access required by a municipality or its authorised agent in terms of Section 24;

(d) obstructs or hinders a municipality or its authorised agent in the exercise of his or her powers or performance of his or her functions or duties under these bylaws;

(e) contravenes or fails to comply with a provision of these bylaws;

(f) contravenes or fails to comply with a condition or prohibition imposed in terms of these bylaws;

(g) contravenes or fails to comply with any conditions imposed upon the granting of any application, consent, approval, concession, exemption or authority in terms of these bylaws; or

(h) fails to comply with the terms of a notice served upon him or her in terms of these bylaws; shall be guilty of an offence and liable on conviction to a fine not exceeding R2 000.00 or in default on payment, to imprisonment for a period not exceeding 4 months and in the event of a continued offence to a further fine not exceeding R1 000.00 for every day during the continuance of such offence after a written notice from the municipality or its authorised agent has been issued, and in the event of a second offence to a fine not exceeding R4 000.00 or, in default on payment to imprisonment for a period not exceeding 8 months.

Availability of bylaws

22. (1) A copy of these bylaws shall be included in the municipalities Municipal Code as required in terms of legislation.

(2) A copy of these bylaws shall be available for inspection at the municipal offices or at the offices of its authorised agent at all reasonable times.

(3) A copy of the bylaws may be obtained at the approved tariff from the municipality or its authorised agent.

CHAPTER II: Water supply services

Part 1: Connection to water supply system

Provision of connection pipe

23. (1) If an agreement for water supply services in respect of premises has been concluded and no connection pipe exists in respect of the premises, the owner shall make application on the prescribed form and pay the prescribed charge for the installation of such a pipe.

(2) If an application is made for water supply services which are of such an extent or so situated that it is necessary to extend, modify or upgrade the water supply system in order to supply water to the premises, the municipality or its authorised agent may agree to the extension subject to such conditions as it may impose.

Location of connection pipe

24. (1) A connection pipe provided and installed by the municipality or its authorised agent shall –

(a) be located in a position agreed to between the owner and the municipality or its authorised agent and be of a suitable size as determined by the municipality or its authorised agent;

(b) terminate at –

(i) the boundary of the land owned by or vested in the municipality or its authorised agent, or over which it has a servitude or other right; or

(ii) the outlet of the water meter if it is situated on the premises; or

(iii) the isolating valve if it is situated on the premises.

(2) In reaching agreement with an owner concerning the location of a connection pipe, the municipality or its authorised agent shall ensure that the owner is aware of

(a) practical restrictions that may exist regarding the location of a connection pipe;

(b) the cost implications of the various possible locations of the connection pipe;

(c) whether or not the municipality or its authorised agent requires the owner to indicate the location of the connection pipe by providing a portion of his or her water installation at or outside the boundary of his or her premises, or such agreed position inside or outside his or her premises where the connection is required, for the municipality or its authorised agent to connect to such installation.

(3) A municipality or its authorised agent may at the request of any person agree, subject to such conditions as he or she may impose, to a connection to a main other than that which is most readily available for the provision of water supply to the premises; provided that the applicant shall be responsible for any extension of the water installation to the connecting point designated by the municipality or its authorised agent and for obtaining at his or her cost, such servitudes over other premises as may be necessary.

(4) An owner must pay the prescribed connection charge.

Provision of single water connection for supply to several consumers on same premises

25. (1) Notwithstanding the provisions of Section 29 only one connection pipe to the water supply system may be provided for the supply of water to any premises, irrespective of the number of accommodation units, business units or consumers located on such premises.

(2) Where the owner, or the person having the charge or management of any premises on which several accommodation units are situated, requires the supply of water to such premises for the purpose of supply to the different accommodation units, the municipality or its authorised agent may, in its discretion, provide and install either –

(a) a single measuring device in respect of the premises as a whole or any number of such accommodation units; or

(b) a separate measuring device for each accommodation unit or any number thereof.

(3) Where the municipality or its authorised agent has installed a single measuring device as contemplated in Sub-Section (2)(a), the owner or the person having the charge or management of the premises, as the case may be, -

(a) must, if the municipality or its authorised agent so requires, install and maintain on each branch pipe extending from the connection pipe to the different accommodation units –

(i) a separate measuring device; and

(ii) an isolating valve; and

(b) will be liable to the municipality or its authorised agent for the tariffs and charges for all water supplied to the premises through such a single measuring device, irrespective of the different quantities consumed by the different consumers served by such measuring device.

(4) Notwithstanding Sub-Section (1), the municipality or its authorised agent may authorise that more than one connection pipe be provided on the water supply system for the supply of water to any premises comprising sectional title units or if, in the opinion of the municipality or its authorised agent, undue hardship or inconvenience would be caused to any consumer on such premises by the provision of only one connection pipe.

(5) Where the provision of more than one connection pipe is authorised by the municipality or its authorised agent under Sub-Section (4), the tariffs and charges for the provision of a connection pipe is payable in respect of each water connection so provided.

Interconnection between premises or water installations

26. An owner of premises shall ensure that no interconnection exists between –

(a) the water installation on his or her premises and the water installation on other premises; or

(b) where several accommodation units are situated on the same premises, the water installations of the accommodation units; unless he or she has obtained the prior written consent of the municipality or its authorised agent, and complies with any conditions that it may have imposed.

Disconnection of water installation from connection pipe

27. The municipality or its authorised agent may disconnect a water installation from the connection pipe and remove the connection pipe if –

(a) the agreement for supply has been terminated in terms of Section (13) and it has not received an application for a subsequent supply of water to the premises served by the pipe within a period of 90 days of such termination; or

(b) the building on the premises concerned has been demolished.

Part 2: Communal water services works

Provision of a water services work for water supply to several consumers

28. (1) A municipality or its authorised agent may install a communal water services work for the provision of water services to several consumers at a location it deems appropriate, provided that –

    (a) the consumers to whom water services will be provided through that water services work has been consulted in respect of the level of service, tariff that will be payable and location of the work.

Part 3: Temporary supply

Water supplied from a hydrant

29. (1) The municipality or its authorised agent may authorise a temporary supply of water to be taken from one or more fire hydrants specified by it, subject to such conditions and period as may be prescribed by it.

    (2) A person who desires a temporary supply of water referred to in Sub-Section (1) must apply for such water services in terms of Section (2).

    (3) The supply of water in terms of Sub-Section (1) must be measured.

    (4) The municipality or its authorised agent may for purposes of measuring provide a portable water meter to be returned to the municipality or its authorised agent on termination of the temporary supply, which portable meter and all other fittings and apparatus used for the connection of the portable water meter to a hydrant, shall remain the property of the municipality or its authorised agent and will be provided subject any conditions imposed by the municipality or its authorised agent.

Part 4: Standards and general conditions of supply

Quantity, quality and pressure

30. Water supply services provided by the municipality or its authorised agent will comply with the minimum standards set for the provision of water supply services in terms of Section (9) of the Act.

General conditions of supply

31. (1) The municipality or its authorised agent may specify the maximum height to which water will be supplied from the water supply system. Where a consumer requires water to be supplied at a greater height or pressure the consumer will be responsible therefor.

(2) The municipality or its authorised agent may, in an emergency, interrupt the supply of water to any premises without prior notice.

(3) If in the opinion of the municipality or its authorised agent the consumption of water by a consumer adversely affects the supply of water to another consumer, it may apply such restrictions as it may deem fit to the supply of water to the first mentioned consumer in order to ensure a reasonable supply of water to the other consumer and will inform that consumer of such restrictions.

Part 5: Measurement of water supply services

Measuring of quantity of water supplied

32. (1) The municipality or its authorised agent will measure the quantity of water supplied at regular intervals.

(2) Any measuring device through which water is supplied to a consumer by the municipality or its authorised agent and its associated apparatus shall be provided and installed by the municipality or its authorised agent, shall remain its property, and may be changed and maintained by the municipality or its authorised agent when deemed necessary by it.

(3) The municipality or its authorised agent may install a measuring device, and its associated apparatus, on premises at any point on the service pipe.

(4) If the municipality or its authorised agent installs a measuring device on a service pipe in terms of Sub-Section (3), it may install a section of pipe and associated fittings between the end of its connection pipe and the meter, and such section shall be deemed to form part of the water supply system.

(5) If the municipality or its authorised agent installs a measuring device together with its associated apparatus on a service pipe in terms of Sub-Section (3), the owner shall –

(a) provide a place satisfactory to the municipality or its authorised agent in which to install it;

(b) ensure that unrestricted access is available to it at all times;

(c) be responsible for its protection and be liable for the costs arising from damage thereto, excluding damage arising from normal fair wear and tear;

(d) ensure that no connection is made to the pipe in which the measuring device is installed, between the measuring device and the connection pipe serving the installation; and

(e) make provision for the drainage of water which may be discharged, from the pipe in which the measuring device is installed, in the course of work done by the municipality or its authorised agent on the measuring device.

(6) No person other than an authorised agent shall –

(a) disconnect a measuring device and its associated apparatus from the pipe in which they are installed;

(b) break a seal which the municipality or its authorised agent has placed on a meter; or

(c) in any other way interfere with a measuring device and its associated apparatus.

(7) If the municipality or its authorised agent considers that, in the event of the measuring device being a meter that the size of a meter is unsuitable by reason of the quantity of water supplied to premises, it may install a meter of such size as it may deem necessary, and may recover from the owner of the premises concerned the prescribed charge for the installation of the meter.

(8) The municipality or its authorised agent may require the installation, at the owner's expense, of a measuring device to each dwelling unit, in separate occupancy, on any premises, for use in determining quantity of water supplied to each such unit; provided that where fixed quantity water delivery systems are used, a single measuring device may be used to supply more than one unit.

Quantity of water supplied to consumer

33. (1) For purposes of assessing the quantity of water measured by a measuring device installed by the municipality or its authorised agent on the premises of a consumer or, where applicable, estimated or determined by the municipality or its authorised agent in terms of any provision of these bylaws, it will, for the purposes of these bylaws, be deemed, unless the contrary can be proved, that –

(a) the quantity is represented by the difference between measurements taken at the beginning and end of such period;

(b) the measuring device was accurate during such period;

(c) the entries in the records of the municipality or its authorised agent were correctly made; and

(d) provided that if water is supplied to, or taken by, a consumer without its passing through a measuring device, the estimate by the municipality or its authorised agent of the quantity of such water shall be deemed to be correct.

(2) Where water supplied by the municipality or its authorised agent to any premises is in any way taken by the consumer without such water passing through any measuring device provided by the municipality or its authorised agent, the municipality or its authorised agent may for the purpose of rendering an account estimate, in accordance with Sub-Section (3), the quantity of water supplied to the consumer during the period from the last previous reading of the water meter until the date it is discovered that water is so taken by the consumer.

(3) For the purposes of Sub-Section (2), an estimate of the quantity of water supplied to a consumer shall be based on, as the municipality or its authorised agent may decide -

(a) the average monthly consumption of water on the premises during any three consecutive measuring periods during the twelve months' period prior to the date on which the taking of water in the manner mentioned in Sub-Section (2) was discovered; or

(b) the average monthly consumption on the premises registered over three succeeding measuring periods after the date referred to in Sub-Section (3)(a).

(4) Nothing in these regulations shall be construed as imposing on the municipality or its authorised agent an obligation to cause any measuring device installed by the municipality or its authorised agent on any premises to be measured at the end of every month or any other fixed period, and the municipality or its authorised agent may estimate the quantity of water

supplied over any period during the interval between successive measurements of the measuring device and render an account to a consumer for the quantity of water so estimated.

(5) The municipality or its authorised agent must, on receipt from the consumer of written notice of not less than 7 (seven) days and subject to payment of the prescribed charge, measure the quantity of water supplied to consumer at a time or on a day other than that upon which it would normally be measured.

(6) If a contravention of Sub-Section 36(6) occurs, the consumer shall pay to the municipality or its authorised agent the cost of such quantity of water as in the municipality or its authorised agent's opinion was supplied to him or her.

(7) Until such time a measuring device have been installed in respect of water supplied to a consumer the estimated or assumed consumption of that consumer must be based on the average consumption of water supplied to the specific zone within which the consumer's premises is situated, during a specific period.

(8) Where in the opinion of the municipality or its authorised agent it is not reasonably possible or cost effective to measure water supplied to each consumer within a determined zone, the municipality or its authorised agent may determine a basic tariff or charge to be paid by each consumer within that zone irrespective of actual consumption.

(9) A tariff or charge determined in terms of Sub-Section (8) will be based on the estimated average consumption of water supplied to that zone.

(10) Where water supply services are provided through a communal water services work the amount due and payable by consumers gaining access to water supply services through that communal water services work must be based on the estimated average consumption of water supplied to that water services work.

Defective measurement

34. (1) If a consumer has reason to believe that a measuring device, used for measuring water, which was supplied to him or her by the municipality or its authorised agent is defective he or she may, against payment of the prescribed charge, make application in writing for the measuring device to be tested.

(2) The provisions of Sections 10(8) to 10(12) will apply to such an application.

Special measurement

35. (1) If the municipality or its authorised agent wishes, for purposes other than charging for water consumed, to ascertain the quantity of water which is used in a part of a water installation, it may by written notice advise the owner concerned of its intention to install a measuring device at such point in the water installation as it may specify.

(2) The installation of a measuring device referred to in Sub-Section (1), its removal, and the restoration of the water installation after such removal shall be carried out at the expense of the municipality or its authorised agent.

(3) The provisions of Sections 37(5) and 37(6) shall apply insofar as they may be applicable in respect of a measuring device installed in terms of Sub-Section (1).

No reduction of amount payable for water wasted

36. A consumer shall not be entitled to a reduction of the amount payable for water wasted or water losses in a water installation.

Adjustment of quantity of water supplied through defective measuring device

37. (1) If a measuring device is found to be defective in terms of Section 10(11), the municipality or its authorised agent may estimate the quantity of water supplied to the consumer concerned during the period in which, in its opinion, such measuring device was defective, on the basis of the average daily quantity of water supplied to him or her over

(a) a period between two successive measurements subsequent to the replacement of the measuring device; or

(b) a period in the previous year corresponding to the period in which the measuring device was defective; or

(c) the period between three successive measurements prior to the measuring device becoming defective; whichever it considers the most appropriate.

(2) If the quantity of water supplied to a consumer during the period when his or her measuring device was defective cannot be estimated in terms of Sub-Section (1), the municipality or its authorised agent may estimate the quantity on any basis that is available to it.

(3) Provided that no such adjustment shall be made in respect of a period in excess of 12 months prior to the date on which the meter was found to be registering incorrectly.

Part 6: Installation work

Approval of installation work

38. (1) If an owner wishes to have installation work done, he or she must first obtain the municipality or its authorised agent's written approval; provided that approval shall not be required in the case of water installations in dwelling units or installations where no fire installation is required in terms of SABS Code 0400 or for the repair or replacement of an existing pipe or water fitting other than a fixed water heater and its associated protective devices.

(2) Application for the approval referred to in Sub-Section (1) shall be made on the prescribed form and shall be accompanied by –

(a) the prescribed charge, if applicable;

(b) copies of the drawings as prescribed by the municipality or its authorised agent, giving information in the form required by Clause 4.1.1 of SABS Code 0252 : Part I; and

(c) a certificate certifying that the installation has been designed in accordance with SABS Code 0252 : Part I or has been designed on a rational basis.

(3) The provisions of Sub-Sections (1) and (2) shall not apply to a qualified plumber who replaces a fixed water heater or its associated protective devices.

(4) Authority given in terms of Sub-Section (1) shall lapse at the expiry of a period of twenty-four months after the first day of the month succeeding the month in which the authority is given.

(5) A complete set of approved drawings of installation work shall be available at the site of the work at all times until such work has been completed, where approval was required in terms of Sub-Section 1.

(6) If installation work has been done in contravention of Sub-Section (1) or (2), the municipality or its authorised agent may by written notice require the owner of the premises concerned to –

(a) comply with that regulation within a specified period;

(b) if work is in progress, to cease the work; and

(c) to remove all such work which does not comply with these bylaws.

Persons permitted to do installation and other work

Provision and maintenance of water installations

39. (1) An owner must provide and maintain his or her water installation at his or her own cost and, where permitted in terms of Sub-Section (2), must ensure that the installation is situated within the boundary of his or her premises.

(2) Before doing work in connection with the maintenance of a portion of his or her water installation which is situated outside the boundary of his or her premises, an owner shall obtain the written consent of the municipality or its authorised agent or the owner of the land on which such portion is situated, as the case may be.

Use of pipes and water fittings to be authorised

40. (1) No person shall, without the prior written authority of the municipality or its authorised agent, install or use a pipe or water fitting in a water installation within the municipality or its authorised agent's area of jurisdiction unless it is included in the Schedule of Approved Pipes and Fittings as compiled by the municipality or its authorised agent.

(2) Application for the inclusion of a pipe or water fitting in the Schedule referred to in Sub-Section (1) must be made on the form prescribed by the municipality or its authorised agent and be accompanied by the prescribed charge.

(3) A pipe or water fitting may be included in the Schedule referred to in Sub-Section (1) if –

(a) it bears the standardisation mark of the South African Bureau of Standards in respect of the relevant SABS specification issued by the Bureau; or

(b) it bears a certification mark issued by the SABS to certify that the pipe or water fitting complies with an SABS Mark specification or a provisional specification issued by the SABS, provided that no certification marks shall be issued for a period exceeding two years.

(4) The municipality or its authorised agent may, in respect of any pipe or water fitting included in the Schedule, impose such additional conditions, as it may deem necessary in respect of the use or method of installation thereof.

(5) A pipe or water fitting shall be removed from the Schedule if it –

(a) no longer complies with the criteria upon which its inclusion was based; or

(b) is no longer suitable for the purpose for which its use was accepted.

(6) The current schedule shall be available for inspection at the office of the municipality or its authorised agent at any time during working hours.

(7) The municipality or its authorised agent may sell copies of the current schedule at the prescribed charge.

Labelling of terminal water fittings and appliances

41. All terminal water fittings and appliances using or discharging water shall be marked, or have included within the packaging of the item, the following information:

(a) the range of pressure in kPa over which the water fitting or appliance is designed to operate;

(b) the flow rates, in litres per minute, related to the design pressure range, provided that this information shall be given for at least the following water pressures –

(i) 20 kPa
(ii) 100 kPa
(iii) 400 kPa

Part 7: Water pollution, restriction and wasteful use of water

Owner to prevent pollution of water

42. An owner shall provide and maintain approved measures to prevent the entry of a substance, which may be a danger to health or adversely affect the potability of water or affect its fitness for use, into –

    (a) the water supply system; and
    (b) any part of the water installation on his or her premises.

Water restrictions

43. (1) The municipality or its authorised agent may by public notice to prevent the wasteful use of water in terms of Section (51) or in the event of a water shortage, drought or flood –

    (a) prohibit or restrict the consumption of water in the whole or part of its area of jurisdiction in general or for –

        (i) specified purposes;

        (ii) during specified hours of the day or on specified days; and

        (iii) in a specified manner; and

    (b) determine and impose -

        (i) limits on the quantity of water that may be consumed over a specified period;

        (ii) charges additional to those prescribed in respect of the supply of water in excess of a limit contemplated in Sub-Section (1)(b)(i); and

        (iii) a general surcharge on the prescribed charges in respect of the supply of water; and

    (c) impose restrictions or prohibitions on the use or manner of use or disposition of an appliance by means of which water is used or consumed, or on the connection of such appliances to the water installation.

    (2) The municipality or its authorised agent may limit the application of the provisions of a notice contemplated by Sub-Section (1) to specified areas and categories of consumers, premises and activities, and may permit deviations and exemptions from, and the relaxation of, any of the provisions on reasonable grounds.

(3) The municipality or its authorised agent may –

(a) take, or by written notice require a consumer at his or her own expense to take, such measures, including the installation of measurement devices and devices for restricting the flow of water, as may in its opinion be necessary to ensure compliance with a notice published in terms of Sub-Section (1); or

(b) discontinue or, for such period as it may deem fit, limit the supply of water to any premises in the event of a contravention on such premises or failure to comply with the terms of a notice published in terms of Sub-Section (1), subject to notice in terms of Section (23); and

(c) where the supply has been discontinued, it shall only be restored when the prescribed charge for discontinuation and reconnecting the supply has been paid.

(4) The provisions of this section shall also apply in respect of water supplied directly by the municipality or its authorised agent to consumers outside its area of jurisdiction, notwithstanding anything to the contrary in the conditions governing such supply, unless otherwise specified in the notice published in terms of Sub-Section (1).

Waste of water unlawful

44. (1) No consumer shall permit –

(a) the purposeless or wasteful discharge of water from terminal water fittings;

(b) pipes or water fittings to leak;

(c) the use of maladjusted or defective water fittings;

(d) an overflow of water to persist; or

(e) an inefficient use of water to persist.

(2) An owner shall repair or replace any part of his or her water installation which is in such a state of disrepair that it is either causing or is likely to cause an occurrence listed in Sub-Section (1).

(3) If an owner fails to take measures as contemplated in Sub-Section (2), the municipality or its authorised agent shall, by written notice in terms of Section (23), require the owner to comply with the provisions of Sub-Section (1).

(4) A consumer shall ensure that any equipment or plant connected to his or her water installation uses water in an efficient manner.

(5) The municipality or its authorised agent may, by written notice, prohibit the use by a consumer of any equipment in a water installation if, in its opinion, its use of water is inefficient. Such equipment shall not be returned to use until its efficiency has been restored and a written application to do so has been approved by the municipality or its authorised agent.

Part 8: Water Audit

Water audit

45. (1) Water users using more than 3 650 Kl per annum, excluding those comprising multiple dwelling units, must within one month after the end of each financial year of the municipality or its authorised agent undertake an annual water audit at their own cost.

(2) A copy of the audit must be available for inspection by officials from the Department of Water Affairs and Forestry, the water board, if applicable, and the municipality or its authorised agent.

(3) The audit must contain details in respect of –

(a) the amount of water used during the financial year;

(b) the amount paid for water for the financial year;

(c) the number of people living on the stand or premises;

(d) the number of people permanently working on the stand or premises;

(e) the seasonal variation in demand through monthly consumption figures;

(f) the water pollution monitoring methods;

(g) the current initiatives to manage demand for water;

(h) the plans to manage their demand for water;

(i) a comparison of the above factors with those reported in each of the previous three years (where available);

(j) estimates of consumption by various components of use; and

(k) a comparison of the above factors with those reported in each of the previous three years, where available.

Part 9: General provisions

Notification of boreholes

46. (1) The municipality or its authorised agent may, by public notice, require –

(a) the owner of any premises within the area of jurisdiction of the municipality or its authorised agent upon which a borehole exists or, if the owner is not in occupation of such premises, the occupier thereof, to notify it on the prescribed form of the existence of a borehole on such premises, and provide it with such information in respect thereof as it may require; and

(b) the owner or occupier of any premises who intends to sink a borehole on such premises to notify it on the prescribed form of such intention before work in connection therewith is commenced.

(2) The municipality or its authorised agent may require the owner or occupier of any premises who intends to sink a borehole to undertake an environmental impact assessment for such intended borehole, to the satisfaction of the municipality or its authorised agent, before sinking the borehole.

(3) Boreholes are subject to any requirements of the National Water Act, 1998 (Act No. 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.

Annexure AH
Supply Chain Management Process Turn-around Time Policy

SUPPLY CHAIN MANAGEMENT PROCESS TURN-AROUND TIME POLICY

2021/2022 FINANCIAL YEAR

MIDVAAL
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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 SCM Unit 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 system generated document used 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 delays in the procurement processes that may have a negative impact in delivering goods and services and getting capital projects off the ground

c) To ensure that services are rendered efficiently and effectively..

4. TURN AROUND TIMES FOR VARIOUS LEVELS OF PROCUREMENT PROCESSES

NO.	BID PROCESS INDICATORS	TURNAROUND TIME INDICATORS
1	Three written quotations for goods and services with a transaction value between R2 000.01 and R 30 000. (Specifications, request for quotations, evaluations, award and official order)	5 working days from date of 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 000.01 and R200 000. (Specifications, advert, 7-day notice on website and notice boards, evaluations, approval memo awards and order/appointment letter)	20 working days from closing date of the bid.
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)	90 working days from closing date of the bid. Excluding unforeseen delays and extension of validity.
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.

		Special meetings may be convened as and when required, the above time frames will not be applicable.
5	Accredited Service Provider Database	07 – 10 working days from date of receipt of original vendor form with all appropriatesupporting documents.

Annexure AI
EFT Policy

EFT POLICY

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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. <u>Municipal Expenditure</u>

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. <u>Electronic Fund Transfer</u>

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 endas this will compromise internal controls.. 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 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
- 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 Director: Expenditure 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

Annexure AJ
Policy on impairment of receivables

POLICY ON IMPAIRMENT OF RECEIVABLES (METHODOLOGY)

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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POLICY ON IMPAIRMENT OF RECEIVABLES (METHODOLOGY)

1. OBJECTIVES OF POLICY

To ensure that receivables from exchange transactions and receivables from non-exchange transactions are disclosed in the annual financial statements at amounts that are deemed to be collectable.

To ensure that the methodology for making an assessment of the impairment provision is based on and consistent.

2. INTRODUCTION

This policy provides guidelines on the basis on which the impairment provision is calculated..

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures.

Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include the impairment of receivables.

The municipality assesses its receivables for impairment at the end of each reporting period.

The effective management of receivables include, amongst others, the following processes:

- Implementation and maintenance of the appropriate ICT (Information Communication Technology) systems and business processes;
- Regular and accurate billing;
- Customer care and accounts enquiry management;
- Effective and timeous implementation of credit control measures;
- Impairment of receivables; (Also referred to as the provision for doubtful debts);
- Write-off of uncollectable receivables.

3. IMPAIRMENT OF RECEIVABLES

The impairment for receivables is firstly assessed for individually significant receivables and then calculated on a portfolio basis, for the remaining balance, including those individually significant receivables for which no indicators of impairment were found.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

An impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired.

The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition (if practically determinable).

Where the effective interest rate at initial recognition is not practically determinable, the government bond rate is used as the risk-free rate and adjusted for any risks specific to the loans and receivables.

Credit risk extends to trade receivables. Trade receivables comprise a widespread customer base. Management should evaluate credit risk relating to customers on an ongoing basis.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the municipality.

The credit quality of trade and other receivables, and other receivables from non-exchange transactions that are neither past due, nor due, nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Consumer debtors, long term receivables and other debtors are stated at cost less a provision for impairment.

The provision for impairment 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 losses are recognized as an expense in the Statement of Financial Performance.

The impairment provision is deducted from the gross receivable amount in the Statement of Financial Position.

Individual classes of loans and receivables are assessed for impairment using different methodologies.

3.1 CONSUMER DEBTORS

Consumer Debtors and sundry debtors are evaluated at each reporting date and impaired as follows:

- The provision for impairment is compiled in accordance with GRAP.(Generally Recognised Accounting Practice)
- The following are used to calculate the provision:
  - Ageing of each debtor account;
  - Active versus inactive account;
  - Owner or tenant account;
  - An analysis of the debtor type

The following matrix is used:

	Debtor Type					
Indicator	**Residential**	**Business**	**Indigent**	**Government**	**Municipal**	**Agriculture**
Ageing between 0-30 days outstanding	5	5	0	5	5	5
Ageing between 31-60 days outstanding	4	5	0	5	5	4
Ageing between 61-90 days outstanding	3	4	0	5	5	3
Ageing between 91-120 days outstanding	2	3	0	5	5	2
Ageing between 121-365 days outstanding	1	2	0	5	5	1
Ageing 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		% impairment scoring as per category 2+ Collection rate /8
2		% impairment scoring as per category 3+ Collection rate /8
3		% impairment scoring as per category 4+ Collection rate /8

4		% impairment scoring as per category 5+ Collection rate /8
5		% impairment scoring as per category 6+ Collection rate /8
6		% impairment scoring as per category 7+ Collection rate /8
7		% impairment 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 2021.

This policy is to be reviewed annually and approved by Council together with the adoption of the MTREF for the following year.

Annexure AK
Supply Chain Management Policy for Infrastructure Procurement and delivery management

SUPPLY CHAIN MANAGEMENT POLICY FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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 No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 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

GCC: General Conditions of Contract

JBCC: Joint Building Contract Committee

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 .

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;

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 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 municipality's website.

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 and or the 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**

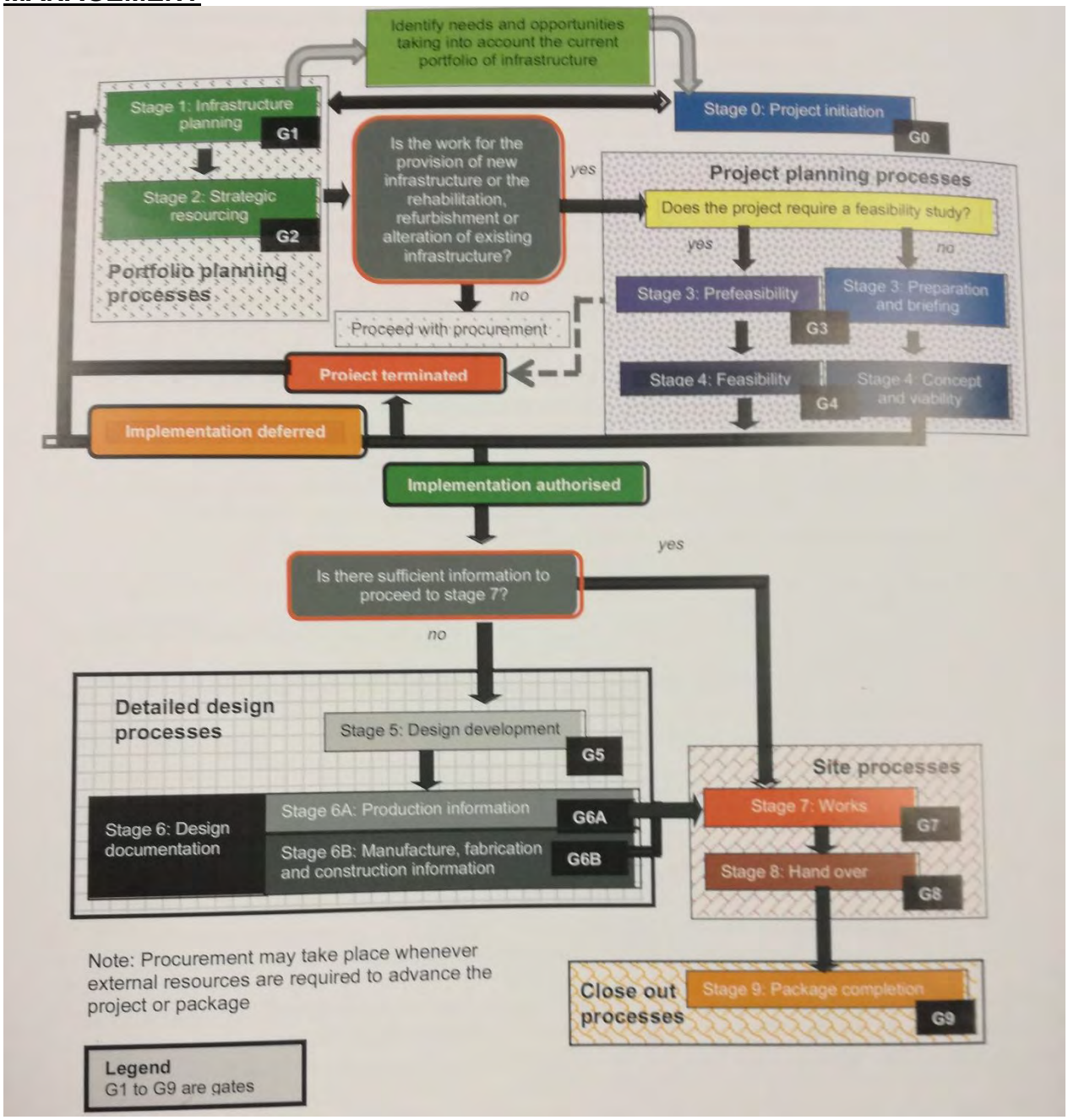
3.6.2 If the accounting officer submits proposed amendments to the **council** that differ from the model policy issued by the National Treasury, the accounting officer must

(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
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;
c) outline options that were evaluated;
d) indicate the high-level business case; and
e) provide the estimated project cost and indicative high-level schedule.

4.1.2 Stage 1: Infrastructure planning

The infrastructure plan for a portfolio of projects or packages which require implementation shall cover a period of not less than five years. Such a plan shall be:

a) described by the high-level scope of work for each project, the proposed time schedule, the estimated total project cost and annual budget requirement, the geographical location, any known encumbrances and estimated timeframes for removing these encumbrances; and
b) aligned with all prescribed planning, budgeting, monitoring and reporting requirements.

The demand for infrastructure delivery shall be managed through:

a) the service life plans which;
    1) are based on:
        - an assessment of current performance against desired levels of service or functionality; and
        - a needs analysis informed by factors such as policies, norms and standards, condition assessments, functional performance, demographic trends, current and forecasted levels of optimisation; and
    2) reflect a cost estimate for the life cycle activities comprising acquisition, operations, maintenance, refurbishment, rehabilitation or alteration as relevant, over a minimum period of five years; and

b) infrastructure plans which, as a minimum, summarise the service life plans and provide a credible forecast of current and net demand for services or requirements for functionality over a period of not less than ten years.

Consideration shall, where appropriate, be given to:

a) alternative service delivery methods or means of satisfying needs which do not require infrastructure to implement or reduce the demand for infrastructure; and
b) the disposal of infrastructure that is surplus to requirements.

Projects shall, wherever possible, be delivered in accordance with established norms and standards which are designed to yield value for money.

4.1.3 Stage 2: Strategic resourcing

A delivery management strategy shall be developed following the conducting of a spend, organisational and market analysis. Such a strategy shall indicate how needs are to be met for each category of spend through one or more of the following:

a) a public private partnership;
b) another organ of state on an agency basis;
c) another organ of state's framework agreement;
d) own resources; or
e) own procurement system.

A procurement strategy shall document the selected packaging, contracting, pricing and targeting strategy and procurement procedure for all required goods or services or any combination thereof including professional services, including the rationale for adopting a particular option.

4.1.4 Stage 3: Preparation and briefing or Pre-feasibility

Prefeasibility and feasibility reports shall be required as end-of-stage deliverables for stages 3 and 4, respectively, where one or more of the following applies:

a) the major capital project is required for:
   1) a major public enterprise where the total project capital expenditure exceeds R1,5 billion; or
   2) an organ of state subject to the Public Finance Management Act other than a major public enterprise where the total project capital expenditure exceeds R1,0 billion including VAT, or where the expenditure per year for a minimum of three years exceeds R250 million per annum including VAT;
b) the project is not:
   1) a building project with or without related site works; or
   2) a process-based, somewhat repetitive or relatively standardised project where the risk of failing to achieve time, cost and quality objectives is relatively low; or
c) it is deemed necessary during stage 2

The strategic brief shall as necessary:
   a) confirm the scope of the package and identify any constraints, including those relating to occupational health and safety;
   b) establish the project criteria, including the performance and reliability requirements, design life, service life of components, function, maintenance and replacement requirements, mix of uses, scale, location, quality, value, time, safety, health, environment and sustainability;
   c) identify procedures, organisational structure, key constraints, statutory permissions (e.g. environmental, heritage, social, planning, building control), and utility approvals, policies (e.g. environmental, developmental, social, maintenance or facilities management) and strategies to take the package forward;
   d) identify risks that need to be mitigated;
   e) identify interfaces between packages as necessary; and
   f) establish the control budget for the package, ownership costs and schedule for the package or series of packages.

The prefeasibility study shall as necessary:
   a) document the owner or user requirements specification;
   b) shortlist the options that were considered;
   c) provide a preliminary design for study options;
   d) provide preliminary capital estimate and the proposed schedule; and
   e) present the study outcomes.

4.1.5 Stage 4: Concept and viability or feasibility

The concept report shall as necessary:

a) document the initial design criteria and design options or the methods and procedures required to maintain the condition of infrastructure for the package;
b) establish the detailed brief, scope, scale, form and cost plan for the package;
c) provide an indicative schedule for documentation and construction or maintenance services associated with the package;
d) contain a site development plan or other suitable schematic layouts of the works;
e) describe the statutory permissions, funding approvals or utility approvals required to proceed with the works associated with the package;
f) include a baseline risk assessment for the package, and a health and safety plan which is required in terms of the requirements of the Construction Regulations issued in terms of the Occupational Health and Safety Act;
g) contain a risk report linked to the need for further surveys, tests, other investigations and consent and approvals, if any, during subsequent stages and identified health, safety and environmental risk;
h) contain an operations and maintenance support plan which establishes the organisational structure required for the operation and maintenance of the works resulting from the package or series of packages over its service life, and the office, stores, furniture, equipment, Information and Communications Technology (ICT), engineering infrastructure and staff training requirements;
i) confirm the financial sustainability of the project; and
j) establish the feasibility of satisfying the strategic brief for the package or series of packages within the control budget established during stage 3 and, if not, motivate a revised control budget.

A feasibility report shall as a minimum provide the following:

a) details regarding the preparatory work covering:
    1) a needs and demand analysis with output specifications; and
    2) an options analysis;

b) a viability evaluation covering:
    1) a financial analysis; and
    2) an economic analysis, if necessary;

c) a risk assessment and sensitivity analysis;

d) a professional analysis covering:

    1) a technology options assessment;
    2) an environmental impact assessment; and
    3) a regulatory due diligence; and

e) implementation readiness assessment covering:
    1) institutional capacity; and
    2) a procurement plan

4.1.6 Stage 5: Design development

The design development report shall as necessary:

a) develop in detail the accepted concept to finalise the design and definition criteria;
b) establish the detailed form, character, function and costings;
c) define all components in terms of overall size, typical detail, performance and outline specification;
d) describe how infrastructure, or elements or components thereof, are to function, how they are to be safely constructed, how they are to be maintained and how they are to be commissioned; and
e) confirm that the package or series of packages can be completed within the control budget or propose a revision to the control budget.

Outline specifications shall be in sufficient detail to enable a view to be taken on the operation and maintenance implications of the design and the compatibility with existing plant and equipment.

4.1.7 Stage 6: Design documentation

Stage 6A (Production information) is complete when all the production information that is required to be accepted prior to being issued for construction, manufacturing or fabrication purposes has been accepted.

Stage 6B (Manufacture, fabrication and construction information) is complete when the manufacture, fabrication and construction information is accepted as being in accordance with the production information.

4.1.8 Stage 7: Works

Stage 7 is complete when:

a) completion of the works is certified in accordance with the provisions of the contract; or
b) the goods and associated services are certified as being delivered in accordance with the provisions of the contract.

4.1.9 Stage 8: Handover

The handover stage shall include as necessary the training of the end user's or the owner's staff in the operation of the delivered infrastructure.

The record information shall as relevant:

a) accurately document the condition of the completed works associated with a package;
b) accurately document the works as constructed or completed;
c) contain information on the care and servicing requirements for the works or a portion thereof;
d) contain information or instructions on the use of plant and equipment;

e) confirm the performance requirements of the design development report and production information;
f) contain certificates confirming compliance with legislation, statutory permissions and the like; and
g) contain guarantees that extend beyond the defects liability period provided for in the package.

Record information shall, as relevant, provide those tasked with the operation and maintenance of infrastructure with the information necessary to:
a) understand how the designers intended the works, systems, subsystems, assemblies and components to function;
b) effectively operate, care for and maintain the works, systems, subsystems, assemblies and components to function;
c) check, test or replace systems, subsystems, assemblies or components to ensure the satisfactory performance of works, systems, subsystems, assemblies and components over time;
d) develop maintenance plans;
e) determine stock levels for components and assemblies that need to be regularly replaced; and
f) budget for the operation and maintenance of the works, systems, subsystems and components over time.

Arrangements shall be put in place to secure and safeguard the works from the time that the contractor's liabilities for damage to the works end until such time that the works are handed over to the end user who shall accept such liabilities.

4.1.10 Stage 9: Close out

The close out report for the package shall outline what was achieved in terms of at least the following:
a) the following performance parameters;
    1. expenditure incurred in infrastructure delivery for the financial year, against the budget made available to cover such expenditure at the start of the year;
    2. the average variance between planned and achieved completion of stages of all packages and projects;
    3. 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.
    4. 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;
    5. 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;
    6. 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;

7. 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
8. 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) The accounting officer 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

6.1.1.1 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.

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.

The persons appointed in writing as technical advisors and subject matter experts may attend any committee meeting.

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.

Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterized 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.

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.

2) 6.1.1.2 Bid Specification Committee numbering to be correctedThe Accounting Officer shall appoint in writing on a procurement by procurement basis:

a) the persons to review the procurement documents and to develop a procurement documentation review report.

b) 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:

i. 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;
ii. a professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or
iii. a professional quantity surveyor in terms of the Quantity Surveying Professions Act.; and

- the members of the specifications committee.

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.

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	Accounting Officer
		6.5 **PG8B**	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Accounting Officer
		6.6 **PG8C**	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage	Approve amount of time and cost overruns up to the threshold of 15%	Accounting Officer
		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 the threshold	Accounting Officer recommends and Council Approves
		6.8 **PG8E**	Obtain approval to cancel or terminate a contract	Approve amount	Accounting Officer
		6.9 **PG8F**	Obtain approval to amend a contract	Approve proposed amendment to contract	Accounting Officer

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	Accounting Officer
3 **FG2**	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Project Manager
4 **FG3**	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	Chief Financial Officer
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	Accounting Officer

6.1.1.3 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; 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:
   i. the capability and capacity of a tenderer to perform the contract;
   ii. the tenderer's tax and municipal rates and taxes compliance status;
   iii. confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;
   iv. the Compulsory Declaration has been completed; and
   v. 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.

6.1.1.4 Bid Adjudication Committee

1) The bid adjudication committee shall comprise the persons or their mandated delegate

   a) Municipal Manager who shall be the chairperson:

   b) Chief Financial Officer

   c) At Least 3Senior managers (Heads of Department)

   d) A supply Chain Practitioner if the Chairperson deems it necessary

   e) A technical expert if the Chairperson considers it necessary

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:

a) consider the report and recommendations of the evaluation committee and:
   1) verify that the procurement process which was followed complies with the provisions of this document;
   2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
   3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
   4) 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

b) 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:

a) made a misrepresentation or submitted false documents in competing for the contract or order; or
b) 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:

a) 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
b) 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:

a) behave equitably, honestly and transparently;
b) discharge duties and obligations timeously and with integrity;
c) comply with all applicable legislation and associated regulations;
d) satisfy all relevant requirements established in procurement documents;
e) avoid conflicts of interest; and

f) 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:

a) 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;
b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;
c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
e) ensure that resources are administered responsibly;
f) be fair and impartial in the performance of their functions;
g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
h) not abuse the power vested in them;
i) 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;
j) assist Midvaal Local Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;
k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
l) not make false or misleading entries in reports or accounting systems; and
m) 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:

a) 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
b) 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:

a) Midvaal Local Municipality states in the tender data that such an agent is a potential tenderer;
b) 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
c) 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:

a) not have any conflict between their duties as an employee or an agent and their private interest;
b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
d) 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:

I. money, loans, equity, personal favours, benefits or services;
II. overseas trips; or
III. 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:
   a) 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
   b) 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:

I. a member of any municipal council, any provincial legislature, or the National Assembly or the National Council of Provinces;
II. a member of the board of directors of any municipal entity;
III. an official of any municipality or municipal entity;
IV. 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 No. 1 of 1999);
V. a member of the accounting authority of any national or provincial public entity; or
VI. 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 R 2000 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:

a) is not associated, linked or involved with any other tendering entity submitting tender offers; or
b) 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 Director: Expenditure 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 process 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 6.2.2. 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).2). 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, a second warning shall be issued to such contractor;

e) 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 e-Tender 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 6.2.2 d) 2) 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 within 10 working daysof 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

a) the contract number;
b) contract title;
c) brief description of the goods, services or works;
d) the total of the prices, if practical;
e) the names of successful tenderers and their B-BBEE status level of contribution;
f) duration of the contract; and
g) 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 6.2.2.e).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.

Annexure AL
Contract Management Policy

SCM CONTRACT MANAGEMENT POLICY

2021/2022 FINANCIAL YEAR

MIDVAAL
LOCAL MUNICIPALITY

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1. TERMS AND DEFINITIONS

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 or manual system necessary to ensure proper Contract Management control and monitoring of performance of the contractors in terms of the contracts.
Contract Register	Manual or computerised system necessary to ensure proper Contract Management control.
Force Majeure	An event beyond the control of the contractor and not involving the contractor's fault or negligence and not foreseeable. The burden is on the party claiming force majeure is to prove that the force majeure falls within the contract wording and that non-performance was a result of the outbreak. The party must also show there were no alternative means for performing its obligations and that it has taken all reasonable steps, The party will be seeking to be excused from liability for non-performance, which in most cases will mean renegotiating the terms of the contract by, for example, extending timelines for delivery. There are certain conditions that must be fulfilled in order for a force majeure to trigger the type of impossibility that extinguishes a party's contractual obligations. These are: - o The impossibility must be objectively impossible. o It must be absolute as opposed to probable.

- It must be absolute as opposed to relative (in other words, if it relates to something that can in general be done, but the one party seeking to escape liability cannot personally perform it, such party remains liable in contract).
- The impossibility must be unavoidable by a reasonable person.
- It must not be the fault of either party.
- The mere fact that a disaster or event was foreseeable, does not necessarily mean that it ought to have been foreseeable or that it is avoidable by a reasonable person.

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 may be utilized by a 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	A Unit or Function in the organization 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 are not subject to any further price adjustment.
Non-Firm Contract Price	Contracts prices that are subjected to changes if they are explicitly included in the agreement. based on the economic price escalations such as consumer price inflation (CPI)

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 contractor performance to avoid bid violations (e.g. submission and payment of fictitious invoices and abuse of the variation procedures)Contract management could be described as a systematic process that ensures that goods and services are delivered to the right place, in the right quantity, with the right quality, at the right cost and at the right time.

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 which builds 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 adverse situations that may arise.

One of the objectives of contract management is to accelerate service delivery in accordance with the signed contract and the attainment of value for money whilst mitigating any risks.

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 adjustments.
- Assess and monitor performance of the contractor.
- Manage contract disputes.
- Manage the 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.

The price is determined at inception of the contract and remains fixed for the duration of the contract.

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 consultant or contractor 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 activities, 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 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 may 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 valid and in terms of the contract.

Guidelines on fees for Consultants issued by the Department of Public Service and Administration, as well as any other accredited and recognized associations or bodies (e.g. AG, ECSA, Law Society, SAICA etcetera.) should be used as a basis to establish whether the fees proposed are reasonable and market related.

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 to fees paid to the consultant on the estimated or actual project construction cost, or the cost of the goods procured or inspected.

These contracts are negotiated on the basis of market norms for the services.

4.4 Time Based Contract (With Price Agreement)

These contracts are used when the Accounting Officer or the municipality needs 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, expert adjudicators to serve on dispute resolution panels, advice on complex procurement, etcetera.

These appointments would normally be for a period of a year and generally not exceed three years.

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 the contract.

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 municipality's procurement (plan) 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 all purchases that will be undertaken in the short, medium and long-term periods. Proper planning should reduce delivery delays, eradicate recurring contracts and unnecessary extensions, and eliminate the need for emergency procurement.

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, actual or estimated 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 tender closing date.

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 really needs.

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, the 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 (*Capital Expenditure)* is submitted by Accounting Officers to Gauteng Provincial Treasury by the 31 July of each year.

The Procurement Plan document provides detailed information about the description of goods, services and works, the procurement method, estimated value, envisaged date of advertisement as well as envisaged date of award including the responsible office.

Contract management function within the SCM unit will be responsible for monitoring of contracts in line with the projects listed in the procurement plans and approved budgets.

6.2 Stage 2: Contract Arrangement

This stage refers to the arrangement of signing the contract, making it legally enforceable and formalizing the terms and conditions concluded between parties.

The Contract Management function, within the SCM unit will arrange for the signing of the contract as follows:

- Submit the tender document, which becomes the contract, to the Deputy Municipal Manager / delegated official for signature.
- Issue an appointment letter, signed by the CFO and relevant head of department, or by the Municipal Manager (for appointments above R10 Million VAT Included) to the successful bidder.
- Follow-up on the need for of a Service Level Agreement *(where appropriate),* between the municipality and the bidder.
- The SLA must be legally sound and vetted by the Municipality's Legal Services Department, prior to signing off by the parties;

- Capture contract award details in the Contract Management system of the Municipality and National Treasury's Contract Registration Application (CRA).
- Original signed contract resides within the Supply Chain Management Unit, copy of which will be scanned and archived in the SCM filing system of the municipality;
- A copy of the signed contract is issued to the end-user to prepare for acquisition.

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 level agreements should be agreed to by both parties and these are:

- Established at a reasonable level in line with the TOR or Specifications which contain the scope of work.
- Prioritized 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.
- The SLA should be unambiguous and understandable by all parties and may be 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 an 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.

It must be noted that an 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 may be sought to assist with drafting specific SLA provisions.

6.2.2 Legal Vetting of Service Level Agreement or the Formal contract

Prior to signing a formal contract or service level agreement with a contractor, the Accounting Officer will ensure that such contracts or agreements are legally sound to avoid potential litigation and to minimize possible fraud and corruption.

The above includes legal vetting by the Legal Division of the municipality and such contracts or agreements must be actively managed in order to ensure that both the Municipality 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 amongst others:

6.3.1 Contract Register

All approved contracts are registered in the Contract Management System 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 timeously, at least 6 months prior to the expiry of the contract.

An 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 5th working day of every month to the Head of SCM on the following:

- Valid contracts in place.
- Contracts due to expire in six to twelve months.
- Contracts extended.
- All expired contracts.
- Contract variations.
- Cancelled contracts.
- Contracts captured on the system; (where applicable)
- Value of commitments.
- Value of accruals.

6.3.2 Contract Payments

Payments should be made in accordance with the provisions of the contract after delivery.

Evidence of delivery is required, and the end user must certify that the work has been satisfactorily executed and meet the required standards of performance, e.g. Goods Received Voucher (GRV), Payments certificates, Invoice, 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. These are usually referred to as settlement discounts.

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 the audit process.

Interest incurred on late payments will be declared as fruitless and wasteful expenditure 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, The Accounting Officer must ensure that contracts may only 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 dealt with in terms of Section 116 of the Municipal Finance Management Act.

No variation or modification of the terms of the contract may be made except by a written amendment signed by the contracted parties.

The SCM unit will forward the submission made in terms of a variation order to the BEC and BAC for consideration and recommendation to the Municipal Manager.

Upon approval, the Contract Management function will issue a letter of amendment or an addendum to the contract, to the contractor and also inform the end-user to prepare a purchase requisition to create an order.

The Contract Management unit will update the contract register and applicable Contract Management system

6.3.4 Contract secured by other organs of state

Whilst the municipality may utilize the contract procured by another municipality or organ of state, under strict conditions and prescribed requirements, the Municipality strongly discourages the use of Regulation 32 of the Municipal SCM Regulations. If the need arises, the Municipality must make sure that it follows the correct process, and relevant legislation in this regard.

The above must not be confused with the use of transversal contracts secured by the National Treasury.

6.3.5 Contract Price Adjustment

Contractual conditions must stipulate circumstances under which the adjustments shall be considered and the process to be followed.

Approval of the price adjustment should be done within the municipality's delegation of authority framework, or may be done 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 function is responsible for ensuring that timeous arrangement is made to notify end users of all contracts expiring within the next 6 months. Communication with the end users must be in writing and documentation must be properly filed.

Where procurement processes need to commence within a period exceeding six months (for example 12 months prior to expiry) such longer notice period will be given by the SCM unit to the relevant end user department.

6.3.7 Extension of Contract

Extension of a contract is undesirable because it may lead 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.

When the need arises, and the reasons for an extension are sound, such an extension may only be done in line with Section 116(3) of the MFMA of 2003. Following full adherence to this, an item with full details must be prepared for BEC and BAC consideration and ultimately approval by the Municipal Manager.

After approval of the contract extension, 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.

These contracts have already been negotiated on behalf of government institutions and only best rates/prices are charged. The municipality must always consider participating in these contracts to benefit from the prices that have been already negotiated.

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, correcting areas of under-performance and changes that may be required to meet the changing needs.

The Accounting Officer or delegated authority must monitor on a monthly basis the performance of the contractor under the contract or agreement. This is the responsibility of the user department.

Poor performance should be recorded appropriately after engagement with the contractor. It should be considered that if proper record is not kept, such non- performance cannot be deemed a sound reason for disqualifying such a contractor for 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 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, and may not be on a monthly basis.

(b) 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 any potential 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.

6.4.2 Contract Disputes Management

A contract or agreement procured through the Supply Chain Management system 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.

It is important that any possibility of dispute or an actual dispute be recognized 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.

In the case of non-performance, a letter informing the contractor that contract conditions have not been honored 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 recurrence 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 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 institution's enterprise wide 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:

- In accordance with paragraph 22 of the General Conditions of Contract, the Municipality 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.

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.

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 highly 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 are 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. The SCM department may solicit the views of the Legal Department on the matter.

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 will then prepare an item to be considered by the BEC and BAC prior to recommending to the Accounting Officer for Approval.

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, the Municipality 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 license or approval during the period of the contract.

Exit provisions should be included in the contract to cover specific rights that will be required for termination.

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 assistance sought from the legal department.

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 observations.

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 of a long-term nature,(exceeding 6 months), particularly construction related.

Different activities 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.

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 may be brought.

On completion of this activity, agreement should have been reached on all technical and commercial aspects of the contract.
The agreement should require the signature of the parties to a document which records the acceptance of the work or service, the obligations fulfilled, and the price paid or to be paid.

Another important activity conducted at this stage, particularly in the case of high value, large contracts, is the preparation of a post-contract project report. This may follow a formal post-contract review, undertaken to assess the business benefits or losses from carrying out the procurement, how those benefits may be further enhanced and / or costs and risks reduced and how the losses can be recouped and turned to benefits.

The review should also gather the lessons that can be learnt from the management processes and procedures followed during the contract and implemented in the future.

The review should include the views of all stakeholders and the report should relate to the costs and benefits set out in the original business

Annexure AM
Driver Policy

DRIVER POLICY

2021/2022 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, 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 (other than to the police)

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 complete the accident report form, obtainable from the Transport Officer, and must submit the reports, together with statements by witnesses and other supporting documents, in duplicate to the Transport Office.

8. Completion of accident report forms

The Transport Office must ensure that the responsible Head of Department is notified furnishes by sending the completed incident report.

The Transport Office must arrange for a technical report to be completed in respect of the vehicle concerned.

All completed forms must be submitted to the Transport Officer. The Transport

Officer after ensuring that the necessary forms have been completed and must send the original report forms and all the supporting documentation to the Finance Department which should be directed to Municipal Insurers. A copy of the report forms and supporting documentation must be filed appropriately.

9. Accident repairs

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

10. Towing of Municipal Vehicles

10.1 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 Transport Officer or Direct Supervisor who will contact the approved merchant and a towing vehicle will be dispensed to the location of the vehicle.

10.2 The driver of the Municipal vehicle must provide the Transport Officer with the following information:

10.2.1 His / her name.
10.2.2 The Registration number of the Municipal vehicle.
10.2.3 The make and type of the Municipal vehicle.
10.2.4 The location of the breakdown or accident.
10.2.5 The personal cellular number of the driver, if available.
10.2.6 The Kilometre reading of the Municipal vehicles.
10.2.7 The nature of the incident.

10.3 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.

11. Motor Claims Procedures

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

11.2 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.

11.3 Notify the councils insurance brokers immediately by phone, fax, e-mail or visit.

11.4 Submit the following Documents:

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

11.4.2 Quotations / Repair estimates.

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

11.4.4 Police report where a third party is involved.

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

11.4.6 Vehicle keys (In the event of Theft).

11.4.7 Confirmation of any outstanding fines.

11.4.8 SAP letter confirming non recovery of vehicle.

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

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

11.5 If necessary, the Insurance brokers' Claims Department will arrange the appointment of an Assessor upon receipt of the claim documentation.

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

11.7 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.

11.8 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.

11.9 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.

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

11.11 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.

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

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

12.2 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.

12.3 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.

12.4 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.

12.5 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:

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

12.5.2 she / he did not act negligently; and

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

Annexure AN
Cost
Containment Policy

COST CONTAINMENT POLICY

2021/2022 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.
-

The policy applies to all officials and councillors

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 The municipality must first make an assessment of

whether it has the skills and resources in its full-time employ to perform the function.

- The municipal manager must adopt a fair and reasonable remuneration framework for consultants. (AG Hourly rates; Guide on hourly fee rates for consultants; Fees of the regulating body for its members)

3.2

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 unless it can be procured cheaper at a lower cost through other procurement mechanisms

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;
e) Extent of service delivery backlogs
f) Any other relevant policies 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.

7.8 Take advantage of early registration discounts, as far as practicable and feasible.

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.

9.6 Accommodation should only be booked where the return trip exceeds 500 kilometres. Unless hwere the circumstances make such a limitation impractical, in which case the approval of the Accounting Officer will be required.

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.

10.8 Entertyainment budgets for qualifying officials limited to R2000 per annum, unless approved otherwise by the municipal manager.

10.9 Avoid expensive and elaborate office furniture

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 2021, and must be reviewed annually together with the budget related policies.

Annexure AO
Virement Policy

VIREMENT POLICY

2021/2022 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 sub-regulation (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 theAccounting Officer.

"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 finalised.

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 Accounting Officer will have the delegated powers to authorise or approve virement applications.

9. SHORT TITLE

This policy is the Virement Policy of the Midvaal Municipality.

10. IMPLEMENTATION AND REVIEW OF THIS POLICY

The policy will be effective as from 1 July 2021.

This policy is to be reviewed annually and approved by Council together with the adoption of the MTREF for the following year.

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				

Annexure AP
Allocation of Payment Policy

ALLOCATION OF PAYMENTS POLICY

2021/2022 FINANCIAL YEAR

MIDVAAL
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1. OBJECTIVES OF THE POLICY

To ensure that the Financial Services Department will allocate payments received from customers on their consolidated accounts.

2. INTRODUCTION

Customers have the tendency of choosing which services they are paying for and ignore other services. It is therefore important to allocate payments based on the priority that will not put Council at a risk of non-payment of services that are not directly linked to the property or that are to the advantage of customers. The allocation priorities will assist when reconciling payments per service on consolidated accounts. This policy provides guidelines on the treatment of payments of debtors and the allocation thereof on their consolidated account.

3. Payment Allocations

3.1 The allocation of payments will be done by the Financial Services Department.

3.2 Customers will not be given the discretion to prescribe the sequence of allocation of payments made.

3.2 The payments received should be allocated to the oldest debt in the sequence below. All payments received by the Executive Director: Financial Services will be allocated on the consolidated accounts of the customer in the following sequence:

a. Sundry Debtors
b. Outstanding Deposits
c. Interest
d. Refuse Removal
e. Additional Sewerage
f. Water Consumption
g. Electricity Consumption
h. Availability Charge: Sewerage
i. Availability Charge: Water
j. Availability Charge: Electricity
k. Property Rates

3.3 Sundry Debtors accounts are the most difficult to collect and as such must receive the highest priority. The applicable availability charges and Property Rates are taxes and as such only prescribe after thirty years and not three years as is the case withthe prescription of consumption charges. Customers must note that the payment of consumption charges will be allocated to such only once all other amounts due have been settled.

4. IMPLEMENTATION AND REVIEW OF THIS POLICY

The policy will be effective as from 1 July 2021.

This policy may be reviewed on an annual basis and tabled to Council for approval as part of the budget process.

Annexure AR
Tabled Procurement Plan

#	Department	Section	Project Name / Description	Funding Source	Custodian	Budget:2021/2022	PROCUREMENT						
							Procurement Method	Bid Number	Comment	Submission of Spec	Projected Advertising	Projected Evaluation	Projected Award
1	Corporate Services Admin	Corporate Services	Strategic Land Purchases (Ptn 102 Farm Kookfontein)	001 Council Funding	Nelisa	R 4 801	N/A	N/A	Expropriation Compensation	N/A	N/A	N/A	N/A
2	Engineering Admin	Engineering Services PMU Section	Furniture & Equipment	001 Council Funding	Keneuoe	R 10 000	3 Quotes	N/A	N/A	N/A	N/A	N/A	N/A
3	Development and Planning Dept	Development and Planning	New hand Held Devices	001 Council Funding	Thys	R 10 000	7 Days Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
4	Corporate Services Admin	Corporate Services	Overhead Projector (PMU)	001 Council Funding	Retha	R 10 000	Existing Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
5	Engineering Admin	Engineering Services PMU Section	Building Air Conditioners	001 Council Funding	Keneuoe	R 15 000	7 Days Tender	TBC	Combined 7 day process for Aircons (1)	Aug 2021	Aug 2021	Sep 2021	Sep 2021
6	Landfill Sites	Engineering Services PMU Section	Brush Cutters - New	001 Council Funding		R 20 000	3 Quotes	N/A	N/A	N/A	N/A	N/A	N/A
7	Social Services Admin	Community Services	Furniture & Equipment	001 Council Funding	Annah	R 20 000	3 Quotes	N/A	N/A	N/A	N/A	N/A	N/A
8	Corporate Services Admin	Corporate Services	Plastic Chairs - Hall	001 Council Funding	Johannes	R 20 000	7 Days Tender	TBC	Combined 7 day process for Equipment (2)	Aug 2021	Aug 2021	Sep 2021	Sep 2021
9	Corporate Services Admin	Corporate Services	Steel Square Tables - Hall	001 Council Funding	Johannes	R 20 000	7 Days Tender	TBC	Combined 7 day process for Equipment (2)	Aug 2021	Aug 2021	Sep 2021	Sep 2021
10	Parks	Community Services	Telescopic Pole Pruners	001 Council Funding	Phenyo	R 25 000	3 Quotes	N/A	N/A	N/A	N/A	N/A	N/A
11	Libraries	Community Services	Vehicle Canopy & accessories	032 DAC Grant Gauteng Province	Qoshiwe	R 25 000	3 Quotes	N/A	N/A	N/A	N/A	N/A	N/A
12	Corporate Services Admin	Corporate Services	Strategic Land Purchase (Ptn 53 farm Kookfontein)	001 Council Funding	Nelisa	R 25 300	N/A	N/A	Expropriation Compensation	N/A	N/A	N/A	N/A
13	Financial Services Dept	Financial Services	Aircons	001 Council Funding	Fanny	R 30 000	7 Days Tender	TBC	Combined 7 day process for Aircons (1)	Aug 2021	Sep 2021	Sep 2021	Sep 2021
14	Office of the Mayor	Council	New Furniture (Office of the Mayor)	001 Council Funding	Moleboheng	R 30 000	7 Days Tender	TBC	Combined 7 day process for Office Furniture (1)	Aug 2021	Aug 2021	Sep 2021	Sep 2021
15	Corporate Services Admin	Corporate Services	Office Furniture	001 Council Funding	Nataasha	R 30 000	7 Days Tender	TBC	Combined 7 day process for Office Furniture (1)	Aug 2021	Aug 2021	Sep 2021	Sep 2021
16	Financial Services Dept	Financial Services	Stationary Cabinet x 6	001 Council Funding	Fanny	R 30 000	7 Days Tender	TBC	7 day process for Office Furniture (2)	Sep 2021	Sep 2021	Oct 2021	Oct 2021
17	Traffic	Community Services	Blue Lights	001 Council Funding	Anna	R 35 000	Competitive Bid	TBC	Combined Competitive Bid for Law Enforcement Equipment	Sep 2021	Sep 2021	Oct 2021	Oct 2021
18	Corporate Services Admin	Corporate Services	Recording Equipment (PMU)	001 Council Funding	Retha	R 35 000	Existing Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
19	Corporate Services Admin	Corporate Services	Stragtegic Land Purchase (Ptn 55 of Farm Kookfontein)	001 Council Funding	Nelisa	R 48 950	N/A	N/A	Expropriation Compensation	N/A	N/A	N/A	N/A
20	Corporate Services Admin	Corporate Services	Strategic Land Purchases (Portion 102 Farm Kookfontein)	001 Council Funding	Nelisa	R 49 500	N/A	N/A	Expropriation Compensation	N/A	N/A	N/A	N/A
21	Financial Services Dept	Financial Services	Heavy Duty office shredder	001 Council Funding	Fanny	R 50 000	7 Days Tender	TBC	7 day process for Office Furniture (2)	Sep 2021	Sep 2021	Oct 2021	Oct 2021
22	Fire	Community Services	Radios and Repeater	001 Council Funding		R 50 000	Existing Tender	8/2/4/140	N/A	N/A	N/A	N/A	N/A
23	Traffic	Community Services	Linux v/m Server	001 Council Funding	Anna	R 55 000	Existing Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
24	Corporate Services Admin	Corporate Services	3 x 3 Bay Bulk filing units	001 Council Funding	Johannes	R 60 000	7 Days Tender	TBC	7 day process for Office Furniture (2)	Sep 2021	Sep 2021	Oct 2021	Oct 2021
25	Engineering Admin	Engineering Services PMU Section	Office furniture - New (MIG)	023 MIG - Municipal Infrastructure Grant	Vusi	R 60 000	7 Days Tender	TBC	Combined 7 day process for Office Furniture (1)	Aug 2021	Aug 2021	Sep 2021	Sep 2021
26	Traffic	Community Services	Franking Machine	001 Council Funding	Anna	R 90 000	7 Days Tender	TBC	7 day tender for Office Equipment	Aug 2021	Aug 2021	Sep 2021	Sep 2021
27	Financial Services Dept	Financial Services	Furniture and Equipment	001 Council Funding	Koobashni	R 100 000	7 Days Tender	TBC	7 day process for Office Furniture (2)	Sep 2021	Sep 2021	Oct 2021	Oct 2021
28	Electricity Network	Engineering Services PMU Section	Replacement of Tools for Mechanics	001 Council Funding	Msizi	R 100 000	7 Days Tender	TBC	N/A	Sep 2021	Sep 2021	Oct 2021	Oct 2021
29	Water & Sanitation	Engineering Services PMU Section	Replacement -Prepaid & Conventional Water M	015 Borrowings	Tshepiso	R 100 000	Existing Tender	8/2/2/278 (2019-2022)	N/A	N/A	N/A	N/A	N/A
30	Parks	Community Services	Self propelled lawn mower	001 Council Funding	Phenyo	R 100 000	Competitive Bid		Combined Competitive Bid for Lawn Mowers as well as Trailers	Aug 2021	Sep 2021	Oct 2021	Oct 2021
31	Fire	Community Services	Small Gear Meyerton Fire Station	001 Council Funding	Tertius	R 100 000	Transversal Contract	RT4	N/A	N/A	N/A	N/A	N/A
32	Fire	Community Services	Swift Water Rescue Equipment (Training Centre)	001 Council Funding	Corne	R 100 000	Transversal Contract	RT4	N/A	N/A	N/A	N/A	N/A
33	Waste Management	Community Services	Mobile Toilets	001 Council Funding	Mukhethwa	R 120 000	Competitive Bid	TBC	Combined Tender for Competitive Bid for Mobile Toilets	Aug 2021	Sep 2021	Oct 2021	Oct 2021
34	Parks	Community Services	Mobile Toilets	001 Council Funding	Phenyo	R 120 000	Competitive Bid	TBC	Combined Tender for Competitive Bid for Mobile Toilets	Aug 2021	Sep 2021	Oct 2021	Oct 2021
35	Traffic	Community Services	Folding & pressure sealer machine for Traffic	001 Council Funding	Anna	R 150 000	Competitive Bid	TBC	Combined Competitive Bid for Law Enforcement Equipment	Sep 2021	Sep 2021	Oct 2021	Oct 2021
36	Social Services Admin	Community Services	Jungle Gym (ECD - Sicelo)	001 Council Funding	Ntombizonke	R 150 000	7 Days Tender	TBC	N/A	Sep 2021	Sep 2021	Oct 2021	Oct 2021
37	Municipal Buildings	Corporate Services	Air conditioners (Buildings)	001 Council Funding	Johannes	R 155 000	Competitive Bid	TBC	Combined Competitive Bid for Aircons (1)	Aug 2021	Sep 2021	Oct 2021	Nov 2021
38	Sports & Recreation	Community Services	Ride on Lawnmowers with Trailers	001 Council Funding	Phenyo	R 160 000	Competitive Bid	TBC	Combined Competitive Bid for Lawn Mowers as well as Trailers	Aug 2021	Sep 2021	Oct 2021	Oct 2021
39	Development and Planning Dept	Development and Planning	Furniture and Equipment	001 Council Funding	Thys	R 170 000	7 Days Tender	TBC	7 day process for Office Furniture (3)	Sep 2021	Sep 2021	Oct 2021	Oct 2021
40	Corporate Services Admin	Corporate Services	Strategic Land Purchases (Plot 113 Ohio Road)	001 Council Funding	Nelisa	R 180 146	N/A	N/A	Expropriation Compensation	N/A	N/A	N/A	N/A
41	Libraries	Community Services	Ext Lakeside Lib building - Upgrading	032 DAC Grant Gauteng Province	Qoshiwe	R 200 000	Competitive Bid	TBC	Combined Competitive Bid for Libraries Upgrading (1)	Sep 2021	Oct 2021	Nov 2021	Nov 2021
42	Libraries	Community Services	Extension Randvaal Library Building - Upgrading	032 DAC Grant Gauteng Province	Qoshiwe	R 200 000	Competitive Bid	TBC	Combined Competitive Bid for Libraries Upgrading (1)	Sep 2021	Oct 2021	Nov 2021	Nov 2021
43	Libraries	Community Services	Hok Library Books (DAC)	032 DAC Grant Gauteng Province	Prudence	R 200 000	Competitive Bid	8/2/4/123 (2021-2024)	Combined Competitive Bid for Library Books (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
44	Libraries	Community Services	Bantu Bonke Library books	032 DAC Grant Gauteng Province	Neo	R 200 000	Competitive Bid	8/2/4/123 (2021-2024)	Combined Competitive Bid for Library Books (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
45	Parks	Community Services	Pest control equipment (new pest and herbicide section)	001 Council Funding	Phenyo	R 200 000	Competitive Bid	TBC	N/A	Aug 2021	Aug 2021	Sep 2021	Sep 2021
46	Libraries	Community Services	Randvaal Library Books (DAC)	032 DAC Grant Gauteng Province	Moira	R 200 000	Competitive Bid	8/2/4/123 (2021-2024)	Combined Competitive Bid for Library Books (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
47	Corporate Services Admin	Corporate Services	Recording system	001 Council Funding	Annette	R 210 000	Existing Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
48	Fire	Community Services	New CCTV Cameras	001 Council Funding	Corne	R 240 000	Existing Tender	8/2/4/160 (2020-2023)	N/A	N/A	N/A	N/A	N/A
49	Financial Services Dept	Financial Services	Shelving for stores	001 Council Funding	Sam	R 250 000	Competitive Bid	TBC	N/A	Aug 2021	Sep 2021	Oct 2021	Oct 2021
50	Social Services Admin	Community Services	Small Motor Vehicle	015 Borrowings	Ntombizonke	R 250 000	Transversal Contract	RT57	N/A	N/A	N/A	N/A	N/A
51	Libraries	Community Services	De Deur Library Books (DAC)	032 DAC Grant Gauteng Province	Mandlakayise	R 300 000	Competitive Bid	8/2/4/123 (2021-2024)	Combined Competitive Bid for Library Books (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
52	Libraries	Community Services	Lakeside Library Books (DAC)	032 DAC Grant Gauteng Province	Douglas	R 300 000	Competitive Bid	8/2/4/123 (2021-2024)	Combined Competitive Bid for Library Books (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
53	Libraries	Community Services	Library Furniture - Sicelo - New	032 DAC Grant Gauteng Province	Qoshiwe	R 300 000	Competitive Bid	TBC	Combined Competitive Bid for Library Furniture & Equipment (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
54	Libraries	Community Services	Library Refurbishment/upgrade - De Deur	032 DAC Grant Gauteng Province	Qoshiwe	R 300 000	Competitive Bid	TBC	Combined Competitive Bid for Libraries Upgrading (1)	Sep 2021	Oct 2021	Nov 2021	Nov 2021
55	Libraries	Community Services	Refurbishment of Library- HOK Library	032 DAC Grant Gauteng Province	Prudence	R 300 000	Competitive Bid	TBC	Combined Competitive Bid for Libraries Upgrading (1)	Sep 2021	Oct 2021	Nov 2021	Nov 2021
56	Libraries	Community Services	Sicelo Library Books (DAC)	032 DAC Grant Gauteng Province	Neo	R 300 000	Competitive Bid	8/2/4/123 (2021-2024)	Combined Competitive Bid for Library Books (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
57	Parks	Community Services	Tractors (Replacements)	015 Borrowings	Phenyo	R 325 000	Transversal Contract	RT57	N/A	N/A	N/A	N/A	N/A
58	Roads & Stormwater	Engineering Services PMU Section	Engineering HAND EQUIPMENT	001 Council Funding	Keneuoe	R 400 000	Competitive Bid	TBC	N/A	Sep 2021	Sep 2021	Oct 2021	Oct 2021
59	Electricity Network	Engineering Services PMU Section	Ladders and Bins	001 Council Funding	Attie	R 400 000	Existing Tender	8/2/2/298 (2020-2022)	N/A	N/A	N/A	N/A	N/A
60	Roads & Stormwater	Engineering Services PMU Section	LDV - New	015 Borrowings	Vusi	R 400 000	Transversal Contract	RT57	N/A	N/A	N/A	N/A	N/A
61	Parks	Community Services	LDV (pest and weed control section)	015 Borrowings	Phenyo	R 400 000	Transversal Contract	RT57		N/A	N/A	N/A	N/A
62	Parks	Community Services	LDV's (Replacements)	015 Borrowings	Phenyo	R 400 000	Transversal Contract	RT57		N/A	N/A	N/A	N/A

63	Traffic	Community Services	Equipment for Traffic Law Enforcement	001 Council Funding	Anna	R 500 000	Competitive Bid	TBC	Combined Competitive Bid for Law Enforcement Equipment	Sep 2021	Sep 2021	Oct 2021	Oct 2021
64	Water & Sanitation	Engineering Services PMU Section	Extend Sewer Network	028.011 PPP (monetary) Developers Contribution	Justice	R 500 000	Existing Tender	8/2/2/306 (2020-2023)	N/A	N/A	N/A	N/A	N/A
65	Financial Services Dept	Financial Services	Fuel Tanks and Pumps	001 Council Funding	Sam	R 500 000	Competitive Bid	TBC	N/A	Oct 2021	Nov 2021	Dec 2021	Dec 2021
66	Electricity Network	Engineering Services PMU Section	H/Mast & Street Lights:Unserviced Areas	001 Council Funding	Solomon	R 500 000	Existing Tender	8/2/2/296 (2019-2022)	N/A	N/A	N/A	N/A	N/A
67	Libraries	Community Services	Meyerton Aircons	032 DAC Grant Gauteng Province	Qoshiwe	R 500 000	Competitive Bid	TBC	Combined Competitive Bid for Aircons (1)	Aug 2021	Sep 2021	Oct 2021	Nov 2021
68	Libraries	Community Services	Meyerton Library Books (DAC)	032 DAC Grant Gauteng Province	Judith	R 500 000	Competitive Bid	8/2/4/123 (2021-2024)	Combined Competitive Bid for Library Books (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
69	Electricity Network	Engineering Services PMU Section	New Connections	028.011 PPP (monetary) Developers Contribution	Attie	R 500 000	N/A	N/A	Materials will be drawn from Stores	N/A	N/A	N/A	N/A
70	Fire	Community Services	Portable Pump	001 Council Funding	Hannes	R 500 000	Competitive Bid	TBC	Combined Competitive Bid for Portable Pump and Compressor System (1)	Aug 2021	Sept 2021	Oct 2021	Oct 2021
71	Electricity Network	Engineering Services PMU Section	Renewable Energy For Municipal Building	001 Council Funding	Vincent	R 500 000	Competitive Bid	TBC	N/A	Sep 2021	Oct 2021	Nov 2021	Nov 2021
72	Water & Sanitation	Engineering Services PMU Section	Reservior Refurbishment -W/L Programme	001 Council Funding	Bayanda	R 500 000	Competitive Bid	TBC	N/A	Sep 2021	Oct 2021	Nov 2021	Nov 2021
73	Fire	Community Services	Replacement of BA- Compressor system	001 Council Funding	Corne	R 550 000	Competitive Bid	TBC	Combined Competitive Bid for Portable Pump and Compressor System (1)	Aug 2021	Sept 2021	Oct 2021	Oct 2021
74	Waste Management	Community Services	Refurbishment of Blackwood Transfer Station	001 Council Funding	Mukhethwa	R 600 000	Existing Tender	8/2/4/317	N/A	N/A	N/A	N/A	N/A
75	Traffic	Community Services	Vehicle Replacements	015 Borrowings	Anna	R 600 000	Transversal Contract	RT57	N/A	N/A	N/A	N/A	N/A
76	Libraries	Community Services	Library furniture & equipment - Meyerton - New	032 DAC Grant Gauteng Province	Qoshiwe	R 700 000	Competitive Bid	TBC	Combined Competitive Bid for Library Furniture & Equipment (1)	Aug 2021	Sep 2021	Oct 2021	Oct 2021
77	Water & Sanitation	Engineering Services PMU Section	Water Meter Replacement Programme	001 Council Funding	Tshepiso	R 700 000	Existing Tender	8/2/2/278 (2019-2022)	N/A	N/A	N/A	N/A	N/A
78	Electricity Network	Engineering Services PMU Section	Land Cruisers New (Electrical)	015 Borrowings	Attie	R 750 000	Transversal Contract	RT 57	N/A	N/A	N/A	N/A	N/A
79	Waste Management	Community Services	Carrier Truck	001 Council Funding	Mukhethwa	R 800 000	Transversal Contract	RT 57	N/A	N/A	N/A	N/A	N/A
80	IT Services	Corporate Services	Content & Document Management System	001 Council Funding	Afrika	R 1 000 000	Existing Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
81	Development and Planning Dept	Development and Planning	Develop Public Open Spaces on western and eastern side of Meyer Stadium (UDS)	003 NDPG- Neighbourhood Development Partnership Grant		R 1 000 000	Competitive Bid	TBC	N/A	Nov 2021	Dec 2021	Feb	Feb
82	Electricity Network	Engineering Services PMU Section	Electricity Metering	028.011 PPP (monetary) Developers Contribution	Bheki	R 1 000 000	Existing Tender	8/2/2/290 (2019-2022)	N/A	N/A	N/A	N/A	N/A
83	IT Services	Corporate Services	Midvaal Network Infrastructure Upgrade	001 Council Funding	Afrika	R 1 000 000	Existing Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
84	Water & Sanitation	Engineering Services PMU Section	New Sewerage Connections	001 Council Funding	Justice	R 1 000 000	Existing Tender	8/2/2/306 (2020-2023)	N/A	N/A	N/A	N/A	N/A
85	Water & Sanitation	Engineering Services PMU Section	Pressure Management Infrastructure	014 Water Services Infrastructure Grant	Tshepiso	R 1 000 000	Competitive Bid	8/2/2/231 (2021-2024)	N/A	Jul 2021	Aug 2021	Sep 2021	Sept 2021
86	Electricity Network	Engineering Services PMU Section	Replace Redundant Switch Gear	015 Borrowings	Attie	R 1 000 000	Existing Tender	8/2/2/285 (2019-2022)	N/A	N/A	N/A	N/A	N/A
87	Electricity Network	Engineering Services PMU Section	Replacement of Conventional Meters with Pre-paid Meters	015 Borrowings	Bheki	R 1 000 000	Existing Tender	8/2/2/290 (2019-2022)	N/A	N/A	N/A	N/A	N/A
88	Roads & Stormwater	Engineering Services PMU Section	Rehabilitation of roads	015 Borrowings	Victor	R 1 000 000	Competitive Bid	TBC	N/A	Aug 2021	Sep 2021	Oct 2021	Oct 2021
89	Libraries	Community Services	ITC Hardware (Computers) - New	032 DAC Grant Gauteng Province	Nomvula	R 1 100 000	Existing Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
90	Water & Sanitation	Engineering Services PMU Section	Bulk Water Meters	014 Water Services Infrastructure Grant	Tshepiso	R 1 500 000	Competitive Bid	TBC	N/A	Jul 2021	Aug 2021	Sep 2021	Sept 2021
91	Development and Planning Dept	Engineering Services PMU Section	Construct traffic circle and public art feature at the intersection of Holiday and Loch Street (UDS)	003 NDPG- Neighbourhood Development Partnership Grant	Victor	R 1 500 000	Competitive Bid	TBC	N/A	Aug 2021	Sep 2021	Oct 2021	Oct 2021
92	IT Services	Corporate Services	Enterprise Architecture	001 Council Funding	Afrika	R 1 500 000	Existing Tender	8/2/4/152 (2019-2022)	N/A	N/A	N/A	N/A	N/A
93	Water & Sanitation	Engineering Services PMU Section	Refurbishment/Replacement-Supply Valves	014 Water Services Infrastructure Grant	Tshepiso	R 1 500 000	Competitive Bid	8/2/2/243 (2021-2024)	N/A	Jul 2021	Aug 2021	Sep 2021	Sept 2021
94	Landfill Sites	Engineering Services PMU Section	Rehabilitation of Henley (Closing June 2021)	001 Council Funding	Vusi	R 1 500 000	Competitive Bid	N/A	N/A	Sep 2021	Oct 2021	Nov 2021	Nov 2021
95	Libraries	Community Services	RFID Security System - Meyerton	032 DAC Grant Gauteng Province	Qoshiwe	R 1 500 000	Competitive Bid	TBC	N/A	Aug 2021	Sep 2021	Oct 2021	Oct 2021
96	Water & Sanitation	Engineering Services PMU Section	Prepaid Water meters (new)	015 Borrowings	Tshepiso	R 2 000 000	Existing Tender	8/2/2/278 (2019-2022)	N/A	N/A	N/A	N/A	N/A
97	Landfill Sites	Engineering Services PMU Section	Rehabilitation of Walker (Closing June 2022)	001 Council Funding	Vusi	R 2 000 000	Competitive Bid	N/A	Combined Competitive Bid for Walkerville Landfill Site (1)	Sep 2021	Oct 2021	Nov 2021	Nov 2021
98	Water & Sanitation	Engineering Services PMU Section	Upgrading and Refublishment of Pump Stations & WWTW	001 Council Funding	Justice	R 2 000 000	Competitive Bid	TBC	N/A	Aug 2021	Sep 2021	Oct 2021	Oct 2021
99	Fire	Community Services	Fire and Rescue Equipment - New Vaal Marina	001 Council Funding	Tertius	R 2 500 000	Transversal Contract	RT4	N/A	N/A	N/A	N/A	N/A
100	Water & Sanitation	Engineering Services PMU Section	Installation of Onsite Toilets	014 Water Services Infrastructure Grant	Tshepiso	R 2 500 000	Existing Tender	8/2/2/311 (2020-2023)	N/A	N/A	N/A	N/A	N/A
101	Waste Management	Community Services	Compactor (Refuse Truck)	015 Borrowings	Mukhethwa	R 2 800 000	Transversal Contract	RT 57	N/A	N/A	N/A	N/A	N/A
102	Water & Sanitation	Engineering Services PMU Section	Sicelo/Highbury (Valley Settlements)Res	023 MIG - Municipal Infrastructure Grant	Vusi	R 3 851 602	Competitive Bid	N/A	N/A	N/A	Oct 2021	Nov 2021	Nov 2021
103	Landfill Sites	Engineering Services PMU Section	Landfill Cell Development (Expansion)	015 Borrowings	Vusi	R 4 000 000	Competitive Bid	N/A	Combined Competitive Bid for Walkerville Landfill Site (1)	Sep 2021	"Oct 2021	Nov 2021	Nov 2021
104	Roads & Stormwater	Engineering Services PMU Section	Upgrading of Bronk Drive Road	001 Council Funding	Aubrey	R 5 217 391	Competitive Bid	TBC	N/A	Jul 2021	Aug 2021	Sep 2021	Sep 2021
105	Electricity Network	Engineering Services PMU Section	Savanna City Electrification Network	006 INEP- Intergrated National Electrification Programme	Vincent	R 7 072 000	Existing Tender	8/2/2/287 (2019-2022)	N/A	N/A	N/A	N/A	N/A
106	Development and Planning Dept	Development and Planning	Economic Infrastructure / Urban Regeneration	003 NDPG- Neighbourhood Development Partnership Grant		R 7 500 000	Competitive Bid	TBC	N/A	Jan 2021	Jan 2021	Feb 2021	Feb 2021
107	Water & Sanitation	Engineering Services PMU Section	Rissiville Water Network (New)	015 Borrowings	Tshepiso	R 7 500 000	Competitive Bid	TBC	N/A	Aug 2021	Aug 2021	Sep 2021	Sep 2021
108	Sports & Recreation	Community Services	Lakeside Sport Centre (MIG)	023 MIG - Municipal Infrastructure Grant	Vusi	R 11 163 959	Existing Tender	8/2/2/292	N/A	N/A	N/A	N/A	N/A
109	Water & Sanitation	Engineering Services PMU Section	Aged Bulk Water Pipe Replacement	014 Water Services Infrastructure Grant	Tshepiso	R 11 500 000	Existing Tender	8/2/2/231 (2020-2023)	N/A	N/A	N/A	N/A	N/A
110	Water & Sanitation	Engineering Services PMU Section	Extension to Henley on Klip Sewer	023 MIG - Municipal Infrastructure Grant	Vusi	R 12 599 700	Existing Tender	8/2/2/301 (2019-2022)	N/A	N/A	N/A	N/A	N/A
111	Electricity Network	Engineering Services PMU Section	Sicelo electrification network	006 INEP- Intergrated National Electrification Programme	Vincent	R 15 000 000	Existing Tender	8/2/4/314 (2019-2023)	N/A	N/A	N/A	N/A	N/A
						R 136 943 349							

CASHFLOW PROJECTIONS												Balance
Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	
R -	R -	R -	R -	R -	R -	R -	R -	R 4 801,00	R -	R -	R -	0,00
R -	R -	R -	R 10 000,00	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 10 000,00	R -	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 10 000,00	R -	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R 15 000,00	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 20 000,00	R -	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R 20 000,00	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 20 000,00	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 20 000,00	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 25 000,00	R -	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 25 000,00	R -	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 25 300,00	R -	R -	R -	0,00
R -	R -	R -	R 30 000,00	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R 30 000,00	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R 30 000,00	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 30 000,00	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 35 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 35 000,00	R -	R -	R -	R -	R -	R -	R -	R -		0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 48 950,00	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 49 500,00	R -	R -	R -	0,00
R -	R -	R -	R -	R 50 000,00	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 20 000,00	R -	R -	R 30 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 55 000,00	R -	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 60 000,00	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R 60 000,00	R -	R -	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 90 000,00	R -	R -	R -	R -	R -			0,00
R -	R -	R -	R -	R 50 000,00	R 50 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 50 000,00	R 50 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R 30 000,00	R -	R -	R 30 000,00	R -	R -	R 40 000,00	R -	R -	0,00
R -	R -	R -	R -	R 50 000,00	R 50 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R 50 000,00	R -	R -	R -	R 50 000,00	R -	R -	R -	R -	0,00
R -	R -	R 50 000,00	R -	R -	R 50 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 60 000,00	R 60 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 60 000,00	R 60 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 150 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 50 000,00	R 100 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 155 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 60 000,00	R 100 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 70 000,00	R 100 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 180 146,00	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 50 000,00	R 100 000,00	R 25 000,00	R 25 000,00	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 50 000,00	R 100 000,00	R 25 000,00	R 25 000,00	R -	R -	R -	0,00
R -	R -	R -	R -	R 50 000,00	R -	R 50 000,00	R -	R 50 000,00	R -	R 50 000,00	R -	0,00
R -	R -	R -	R -	R 50 000,00	R -	R 50 000,00	R -	R 50 000,00	R -	R 50 000,00	R -	0,00
R -	R -	R -	R 100 000,00	R -	R 100 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R 50 000,00	R -	R 50 000,00	R -	R 50 000,00	R -	R 50 000,00	R -	0,00
R -	R -	R -	R -	R -	R 210 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R 50 000,00	R -	R 100 000,00	R -	R -	R 50 000,00	R -	R -	R 40 000,00		0,00
R -	R -	R -	R -	R -	R 250 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 250 000,00	R -	R -	R -	0,00
R -	R -	R -	R -	R 75 000,00	R -	R 75 000,00	R -	R 75 000,00	R -	R 75 000,00	R -	0,00
R -	R -	R -	R -	R 75 000,00	R -	R 75 000,00	R -	R 75 000,00	R -	R 75 000,00	R -	0,00
R -	R -	R -	R -	R -	R 150 000,00	R -	R 150 000,00	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 50 000,00	R -	R 125 000,00	R 75 000,00	R -	R 50 000,00	R -	0,00
R -	R -	R -	R -	R -	R 75 000,00	R 25 000,00	R 100 000,00	R -	R 100 000,00	R -	R -	0,00
R -	R -	R -	R -	R 75 000,00	R -	R 75 000,00	R -	R 75 000,00	R -	R 75 000,00	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 325 000,00	R -	R -	R -	0,00
	R -	R -	R -	R 100 000,00	R 150 000,00	R 100 000,00	R 50 000,00	R -	R -	R -	R -	0,00
R -	R -	R 100 000,00	R -	R -	R 100 000,00	R -	R -	R 100 000,00	R -	R -	R 100 000,00	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 400 000,00				0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 400 000,00				0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 400 000,00				0,00

R -	R -	R -	R -	R -	R 350 000,00	R -	R 150 000,00	R -	R -	R -	R -	0,00
R -	R -	R 150 000,00	R -	R 75 000,00	R -	R 125 000,00	R -	R 50 000,00	R -	R 50 000,00	R 50 000,00	0,00
R -	R -	R -	R -	R -	R 75 000,00	R 125 000,00	R 75 000,00	R 75 000,00	R 50 000,00	R 75 000,00	R 25 000,00	0,00
R -	R -	R 150 000,00	R -	R -	R 50 000,00	R -	R -	R 150 000,00	R -	R 50 000,00	R 100 000,00	0,00
R -	R -	R -	R -	R -	R 150 000,00	R -	R 150 000,00	R 200 000,00	R -	R -	R -	0,00
R -	R -	R -	R -	R 100 000,00	R 50 000,00	R 75 000,00	R 100 000,00	R 50 000,00	R 100 000,00	R 25 000,00	R -	0,00
R -	R 75 000,00	R -	R 125 000,00	R -	R 175 000,00	R -	R -	R 75 000,00	R -	R -	R 50 000,00	0,00
R -	R -	R -	R -	R 150 000,00	R 50 000,00	R -	R 150 000,00	R 150 000,00	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 250 000,00	R -	R -	R 100 000,00	R 150 000,00	R -	R -	0,00
R -	R -	R -	R -	R -	R 150 000,00	R 100 000,00	R -	R 150 000,00	R -	R 100 000,00	R -	0,00
R -	R -	R -	R -	R 50 000,00	R 200 000,00	R 50 000,00	R 100 000,00	R 50 000,00	R 100 000,00	R -	R -	0,00
R -	R 150 000,00	R -	R 150 000,00	R 50 000,00	R 175 000,00	R 75 000,00	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 600 000,00	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 250 000,00	R -	R 300 000,00	R -	R 150 000,00	R -	R -	0,00
R -	R 150 000,00	R -	R 175 000,00	R -	R 250 000,00	R -	R 125 000,00	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R -	R 750 000,00	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R -	R 800 000,00	R -	R -	0,00
R -	R -	R -	R -	R -	R 1 000 000,00	R -	R -	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R -	R 250 000,00	R 500 000,00	R 250 000,00	0,00
R -	R 50 000,00	R 150 000,00	R -	R 250 000,00	R -	R -	R 250 000,00	R 150 000,00	R -	R 150 000,00	R -	0,00
R -	R 150 000,00	R -	R 250 000,00	R -	R -	R 500 000,00	R -	R 100 000,00	R -	R -	R -	0,00
R -	R -	R 150 000,00	R -	R 250 000,00	R -	R 100 000,00	R -	R -	R 250 000,00	R -	R 250 000,00	0,00
R -	R -	R -	R 250 000,00	R -	R 250 000,00	R -	R 250 000,00	R -	R 250 000,00	R -	R -	0,00
R -	R -	R 150 000,00	R -	R 250 000,00	R -	R 150 000,00	R -	R -	R 200 000,00	R -	R 250 000,00	0,00
R -	R -	R 150 000,00	R -	R 250 000,00	R 150 000,00	R -	R 50 000,00	R -	R 200 000,00	R -	R 200 000,00	0,00
R -	R -	R -	R -	R 150 000,00	R -	R 200 000,00	R -	R 150 000,00	R -	R 250 000,00	R 250 000,00	0,00
R -	R 150 000,00	R -	R -	R -	R 450 000,00	R -	R -	R -	R 150 000,00	R -	R 350 000,00	0,00
R -	R -	R -	R 250 000,00	R 500 000,00	R 250 000,00	R -	R -	R 250 000,00	R 250 000,00	R -	R -	0,00
R -	R -	R -	R -	R 250 000,00	R -	R 350 000,00	R -	R 350 000,00	R -	R 150 000,00	R 400 000,00	0,00
R -	R 350 000,00	R -	R -	R -	R 550 000,00	R -	R -	R 300 000,00	R -	R -	R 300 000,00	0,00
R -	R -	R -	R 500 000,00	R 500 000,00	R -	R -	R 500 000,00	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 500 000,00	R -	R 500 000,00	R -	R 500 000,00	R -	R -	0,00
R -	R -	R -	R -	R 250 000,00	R 250 000,00	R 500 000,00	R 500 000,00	R -	R -	R -	R -	0,00
R -	R 500 000,00	R -	R 500 000,00	R -	R 500 000,00	R -	R -	R 500 000,00	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 500 000,00	R -	R 1 000 000,00	R -	R 500 000,00	R -	R -	0,00
R -	R -	R -	R -	R 250 000,00	R 500 000,00	R 250 000,00	R -	R -	R -	R 500 000,00	R 500 000,00	0,00
R -	R -	R 500 000,00	R -	R -	R 1 500 000,00	R -	R -	R 500 000,00	R -	R -		0,00
R -	R 500 000,00	R -	R 1 000 000,00	R -	R 500 000,00	R -	R 500 000,00	R -	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R -	R 2 800 000,00	R -	R -	R -	0,00
R -	R -	R -	R -	R -	R 351 602,00	R -	R 750 000,00	R -	R 1 250 000,00	R 500 000,00	R 1 000 000,00	0,00
R -	R -	R -	R -	R -	R 1 000 000,00	R -	R 1 000 000,00	R -	R 1 000 000,00	R -	R 1 000 000,00	0,00
R -	R -	R -	R -	R 1 217 391,00	R -	R 1 500 000,00	R -	R 1 500 000,00	R 500 000,00	R 500 000,00	R -	0,00
R -	R 1 072 000,00	R -	R 1 950 000,00	R -	R 2 250 000,00	R -	R 1 500 000,00	R -	R 300 000,00	R -	R -	0,00
R -	R -	R -	R -	R -	R -	R -	R 2 500 000,00	R 1 500 000,00	R 1 500 000,00	R 1 000 000,00	R 1 000 000,00	0,00
R -	R -	R 1 500 000,00	R -	R 2 500 000,00	R -	R 1 500 000,00	R -	R 2 000 000,00	R -	R -	R -	0,00
R -	R 1 163 959,00	R -	R 1 000 000,00	R 1 500 000,00	R 1 750 000,00	R 750 000,00	R 1 500 000,00	R 500 000,00	R 1 500 000,00	R 500 000,00	R 1 000 000,00	0,00
R -	R 1 500 000,00	R -	R 2 500 000,00	R -	R 3 000 000,00	R 1 500 000,00	R -	R 1 000 000,00	R 1 500 000,00	R 500 000,00	R -	0,00
R -	R 2 599 700,00	R -	R 1 750 000,00	R 1 250 000,00	R 1 500 000,00	R -	R 2 500 000,00	R 1 000 000,00	R 1 000 000,00	R -	R 1 000 000,00	0,00
R -	R 2 500 000,00	R -	R -	R 5 000 000,00	R 1 500 000,00	R 1 500 000,00	R 1 000 000,00	R 1 500 000,00	R 1 000 000,00	R 1 000 000,00	R -	0,00

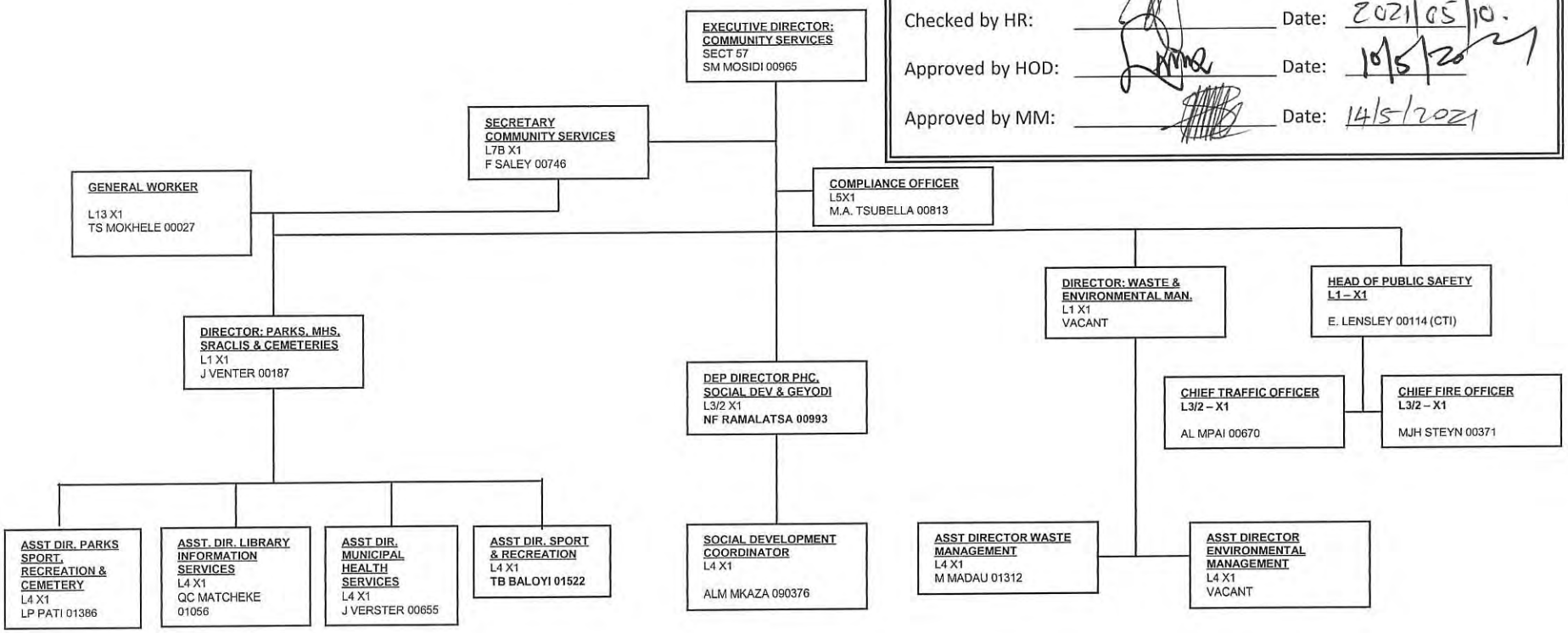
Annexure AS
Tabled Organisational Structures

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - ADMIN (2021-2022)

Checked by HR: _____ Date: 2021/05/10.

Approved by HOD: _____ Date: 10/5/2021

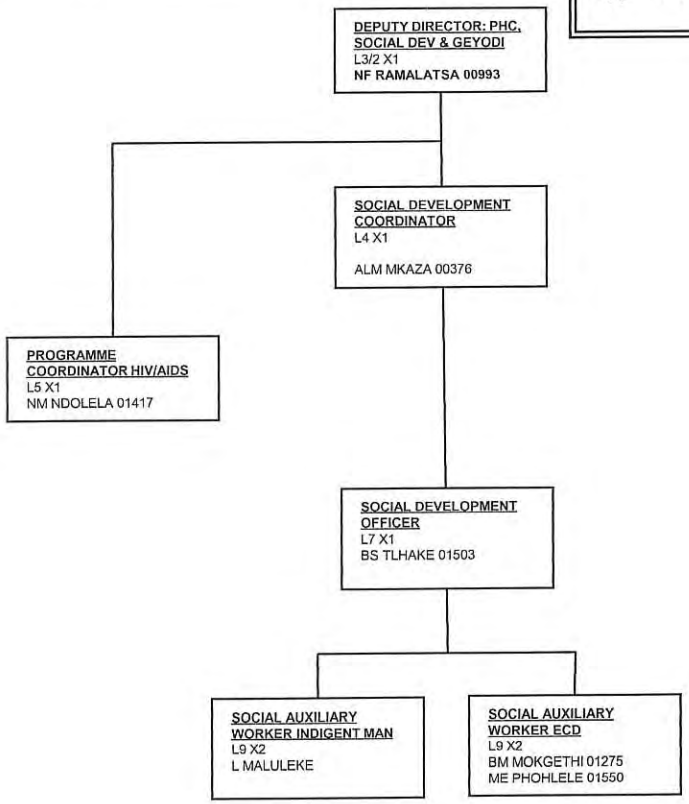
Approved by MM: _____ Date: 14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – SOCIAL DEVELOPMENT (2021-2022)

Checked by HR:		Date:	2021/05/13
Approved by HOD:		Date:	13/5/2021
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – ENVIRONMENTAL HEALTH (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	10/5/2021
Approved by MM:		Date:	14/5/2021

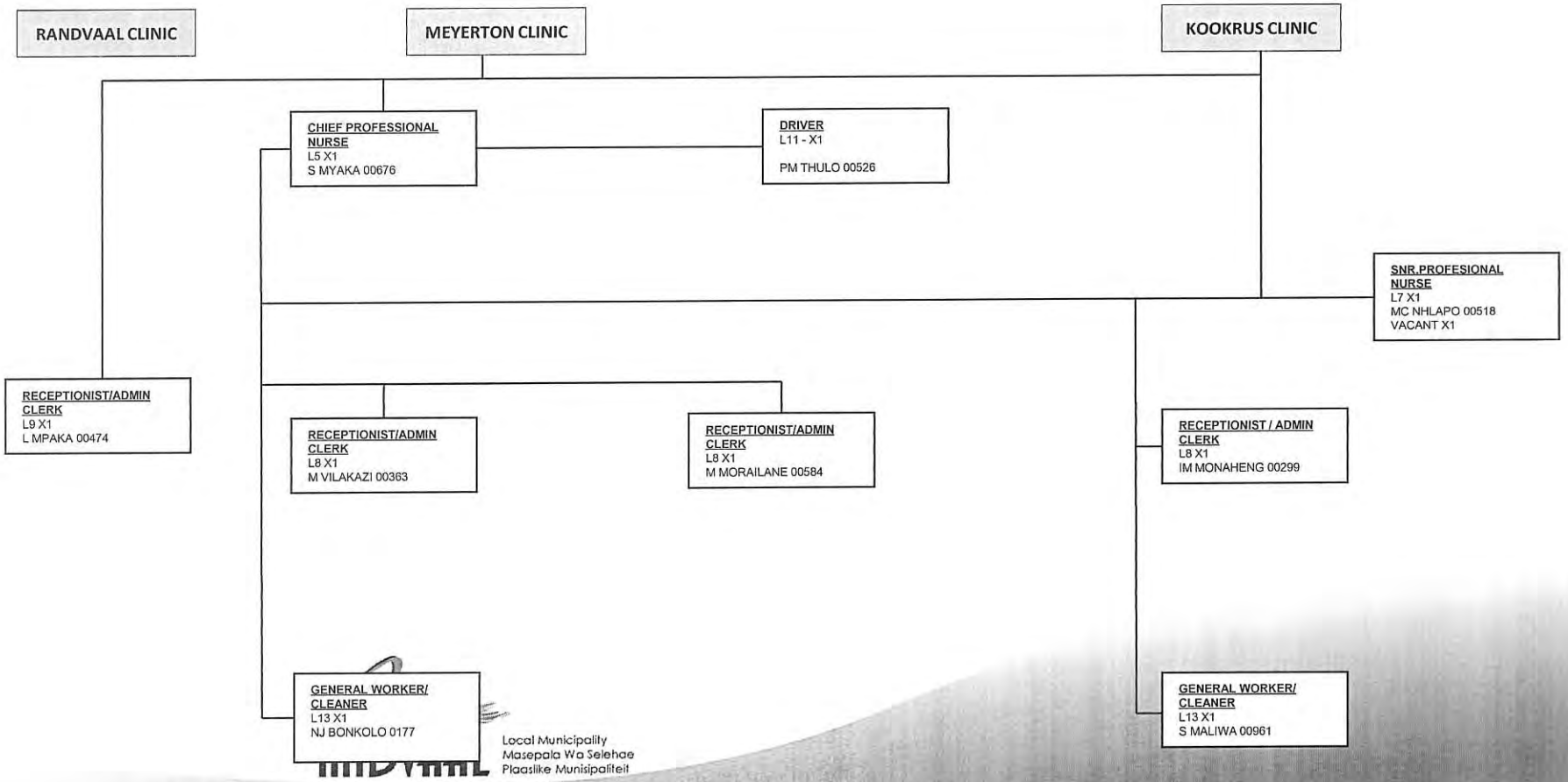
ASSIT DIR MUNICIPAL HEALTH SERVICES
L4 X1
J VERSTER 00655

- **SNR ENVIRONMENTAL HEALTH PRACTITIONER**
  L6/5 X1
  B VILJOEN 13259
- **SNR ENVIRONMENTAL HEALTH PRACTITIONER**
  L6/5 X1
  FZ ZUNGUZANE 01311
- **SNR ENVIRONMENTAL HEALTH PRACTITIONER**
  L6/5 X1
  A NTIMANE 01384
- **SNR ENVIRONMENTAL HEALTH PRACTITIONER**
  L6/5 X1
  E PRETORIUS 00896
- **ADMIN CLERK/TYPIST**
  L9 X1
  AP ZULU 01294

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - CLINICS (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	10/5/2021
Approved by MM:		Date:	14/5/2021



Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – LIBRARIES (2021-2022)

Checked by HR:		Date:	2021/05/13
Approved by HOD:		Date:	13/5/21
Approved by MM:		Date:	14/5/2021

ASSISTANT DIRECTOR LIBRARY INFO SERVICES
L4 X1 (DAC FUNDING)
QC RANGANE 01056

SNR LIBRARIAN 18/19
L5 X1 (DAC FUNDING)
VACANT

SICELO LIBRARY

LIBRARIAN
L6 X1 (DAC FUNDING)
N. SHONGWE 01385

SNR ASSISTANT LIBRARIAN
L7 X1 (DAC FUNDING)
M.A MOFOKENG 00716

ADMIN CLERK SICELO LIBRARY
L9 X1
N NTANZI 01156

GENERAL WORKER/CLEANER
L13 X1 (DAC FUNDING)
Z TOM 00115

MEYERTON LIBRARY

LIBRARIAN
L6 X1 (DAC FUNDING)
J ZWANE 00978

ASSISTANT LIBRARIAN MEYERTON
L8 X1
R OMAR 00804

ASSISTANT LIBRARIAN MEYERTON
L8 X1
N.M HLATSHWAYO 00545

ASSISTANT LIBRARIAN MEYERTON
L8 X1
J MOTAUNG 00297

ASSISTANT LIBRARIAN MEYERTON
L8 X1
FJ JIYANE 00161

ADMIN CLERK MEYERTON LIBRARY
L9 X1 (DAC FUNDING)
MN MOFOKENG 01317

ADMIN CLERK MEYERTON LIBRARY
L9 X1
L KETEYI 13451

GENERAL WORKER CLEANER
L13 X1
MM MTHEMBU 01327

GENERAL WORKER CLEANER
L13 X1
VACANT

MESSENGER/DRIVER 18/19
L11 X1 (DAC FUNDING)
VACANT

CATALOGUING

LIBRARIAN
L6 X1
L RALPH 00338

TECHNICAL SERVICES

PROGRAMME LIBRARIAN 18/19
L6 X1 (DAC FUNDING)
VACANT

E-LEARNING CENTRE

E LEARNING FACILITATOR
L6 X1 (DAC FUNDING)
VACANT

ASSISTANT E LEARNING FACILITATOR
L8 X1 (DAC FUNDING)
NT GCABASHE 01450

MIDVAAL
Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – LIBRARIES (2021-2022)

Checked by HR:		Date: 2021/05/10.
Approved by HOD:		Date: 10/5/2021
Approved by MM:		Date: 12/5/2021

ASSISTANT DIRECTOR LIBRARY INFO SERVICES
L4 X1
QC RANGANE 01056

BRANCHES

LIBRARIAN LAKESIDE
L6 X1 (DAC FUNDING)
D .TSHUKUTANA 01400

SNR ASSISTANT LIBRARIAN LAKESIDE
L7 X1 (DAC FUNDING)
K.E NDABA 01344

ADMIN CLERK LAKESIDE LIBRARY
L9 X1 (DAC FUNDING)
TP TYANTINI 01130

GENERAL WORKER/ CLEANER - LAKESIDE
L13 X1 (DAC FUNDING)
TL RIKHOTSO 01141

LIBRARIAN BANTU BONKE
L6 X1 (DAC FUNDING)
FB NGEMA 01281

ADMIN CLERK BANTU BONKE 17/18
L9 X1
S J KOEITHING 00952 CTI

GENERAL WORKER/ CLEANER – BANTU BONKE 17/18
L13 X1 (DAC FUNDING)
B.R MENYANTSOE 13451

BRANCHES

LIBRARIAN RANDVAAL
L6 X1 (DAC FUNDING)
M FROST 00743

ASSISTANT LIBRARIAN RANDVAAL
L8 X1
PG NHLAPO 01422

ADMIN CLERK LIBRARY RANDVAAL 18/19
L9 X1
VACANT

GENERAL WORKER CLEANER (RANDVAAL)
L13 X1 (DAC FUNDING)
O NHLAPO

LIBRARIAN HOK LIBRARY
L6 X1 (DAC FUNDING)
P K MATITWANE 00036

ASSISTANT LIBRARIAN HOK 17/18
L8 X1
N M MASIPA 00954 (CTI)

ADMIN CLERK HOK LIBRARY
L9 X1
VACANT

GENERAL WORKER CLEANER HOK
L13 X1
MA MOHAPI 01149

LIBRARIAN DE DEUR LIBRARY
L6 X1 (DAC FUNDING)
M MASEKO 00528

ASSISTANT LIBRARIAN DE DEUR
L8 X1
NP MSIMANGA 01088

GENERAL WORKER CLEANER – DE DEUR
L13 X1
E MOLOI 00791

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PARKS (2021-2022)

Checked by HR:		Date: 2021/05/13
Approved by HOD:		Date: 13/5/2021
Approved by MM:		Date: 14/5/2021

ASST DIR. PARKS & CEMETERY
L4 X1
LP PATI 01386

ADMIN CLERK/TYPIST PARKS & CEMETERIES
L9 X1
MD SOTHOANE 01512

GENERAL WORKER
L13 X 1
N MAFUXWANA 01067

FOREMAN GRASS CUTTING & TRACTORS
L6 X1
K GWEBU 28894

SPECIAL WORKSMAN GROUNDSMAN
L8 X1
TS NDABA 00975

GENERAL WORKSMAN PARKS
L9 X1
L SEHANKA 00231

GENERAL WORKSMAN PARKS
L9 X1
VM TYESI 00871

LOGISTICS WORKSMAN
L10 X1
NFB FANTISI 00464

TRUCK DRIVER (CODE EC1) PARKS
L10 X1
FJ MOTAUNG 01123

TRUCK DRIVER (CODE EC1) TREE TEAM
L10 X1
MD MOLISE 00875

TRACTOR DRIVER PARKS
L11 X 11

BS MASILELA 01391
LS MPHUTHI 01204
JL MADIEHE 01073
S KHONKOTHA 00595
T SEOBI 00632
EN MATOMANE 32049
SM TSUBELLA 01366
HS MPHULANYANE 01101
VACANT X3

MACHINE OPERATOR PARKS
L12 X7

A MOFOKENG 28689
S MATJAMA 00838
PM MAZIBUKO 00824
MA MABOTE 00411
DD TSHABALALA 01542
MA SEKHOTO 01332
LC MHLAMBI 01321

MACHINE OPERATOR PARKS
L12 X7

PM MOTAUNG 01108
D MOTAUNG 32064
XM TSOTSO 00734
MR MOSHLIBA 01554
A MOTLOUNG 01320
VACANT X2

GENERAL WORKER NURSERY
L13 X 1
VACANT X1

FOREMAN TREE CUTTING & EPWP
L6 X1
TV KUBEKA 01304

SPECIAL WORKSMAN IRRIGATION
L8 X1
M MATLA 00517

SPECIAL WORKSMAN: PEST CONTROL
L08 X1
VACANT

TRUCK DRIVER (CODE EC)
L10 X1
A KWINDA 00825

TRUCK DRIVER (CODE EC) TREE TEAM
L10 X1
MJ TLALI 01173

CHAINSAW OPERATOR
L12 X2
S GQUNGQA 01303
NJ SABA 00054

CHAINSAW OPERATOR
L12 X2
SK SIBAYA 01399
VACANT X1

PEST CONTROL OPERATOR
L12 X1
VACANT

GENERAL WORKER PARKS
L13 X3
VACANT X3

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 (2021-2022)

Checked by HR:		Date:	2021/05/13
Approved by HOD:		Date:	13/5/2021
Approved by MM:		Date:	15/5/2021

ASST DIR. SPORT & RECREATE
L4 X1
TB BALOYI 01522

SPORTS DEVELOPMENT OFFICER
L6 X1
H.G.J KORDOM 01427

TRACTOR DRIVER SAVANNA CITY
L11 X 1
VACANT

FACILITY CARETAKER
L11 X 3
BC MNISI 00366
T MOTAUNG 01506
T ZIMU 01628

MACHINE OPERATOR SAVANNA CITY
L12 X6
VACANT
ME SHABALALA 01398

GENERAL WORKER SAVANNA CITY
L13 X 3
VACANT X3

GENERAL WORKER CLEANER
L13 X 2
MJ LEKEKELA 01307
MM MOLETSANE 01306

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PARKS (2021-2022)

Checked by HR:		Date: 2021/05/10.
Approved by HOD:		Date: 10/5/2021.
Approved by MM:		Date: 14/5/2021

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

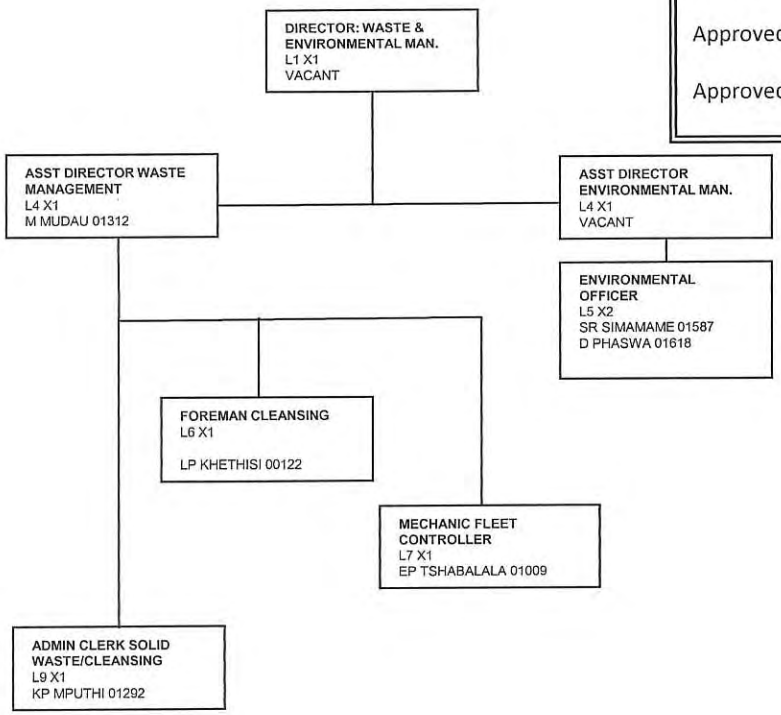
GENERAL WORKER CLEANER
L13 X 1
P MASINA 10823

GENERAL WORKER SWIMMING POOL
L13 X 2
TJ BUTHELEZI 01083

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2021-2022)

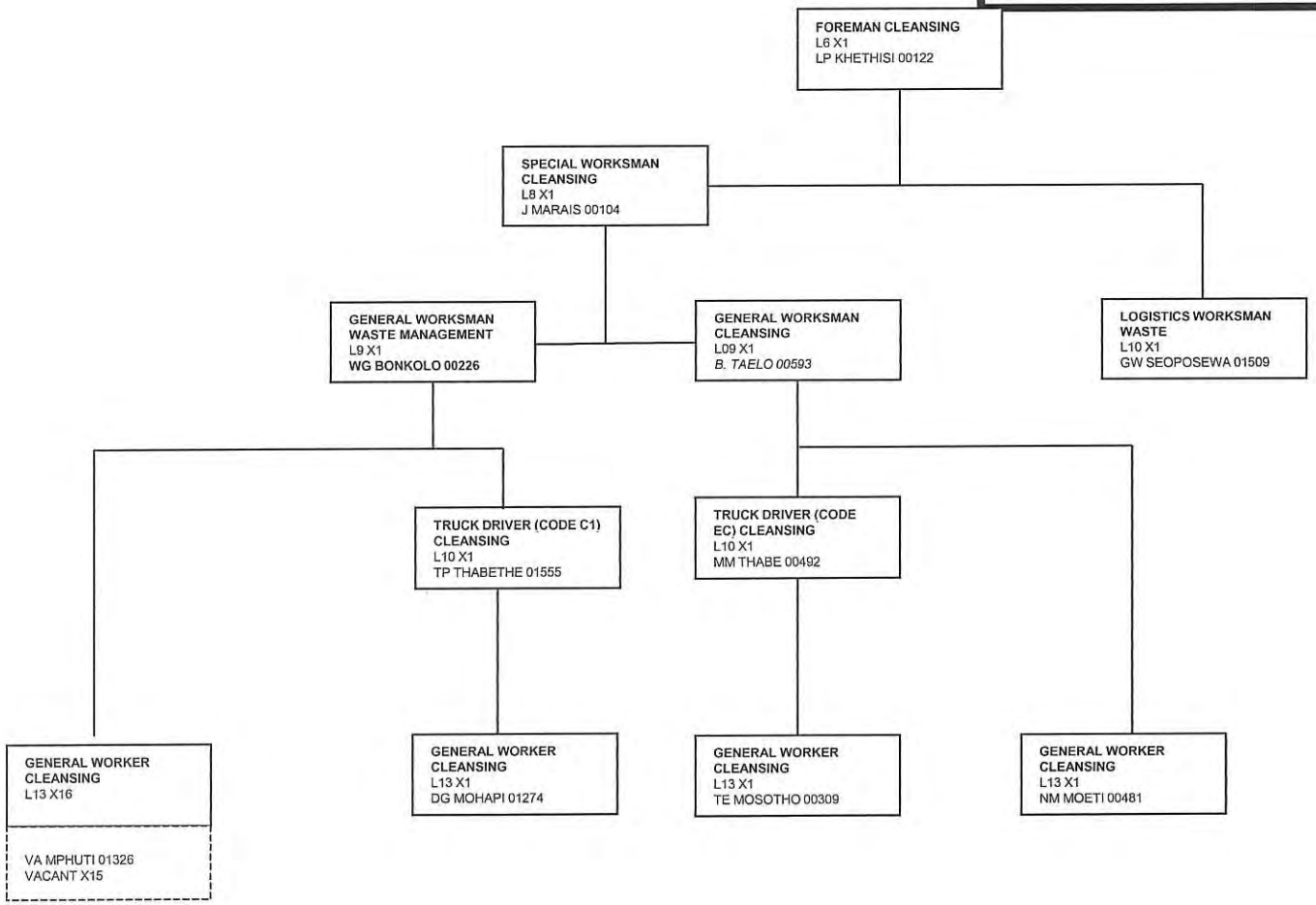
Checked by HR:		Date:	2021/05/10.
Approved by HOD:		Date:	10/5/
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2021-2022)

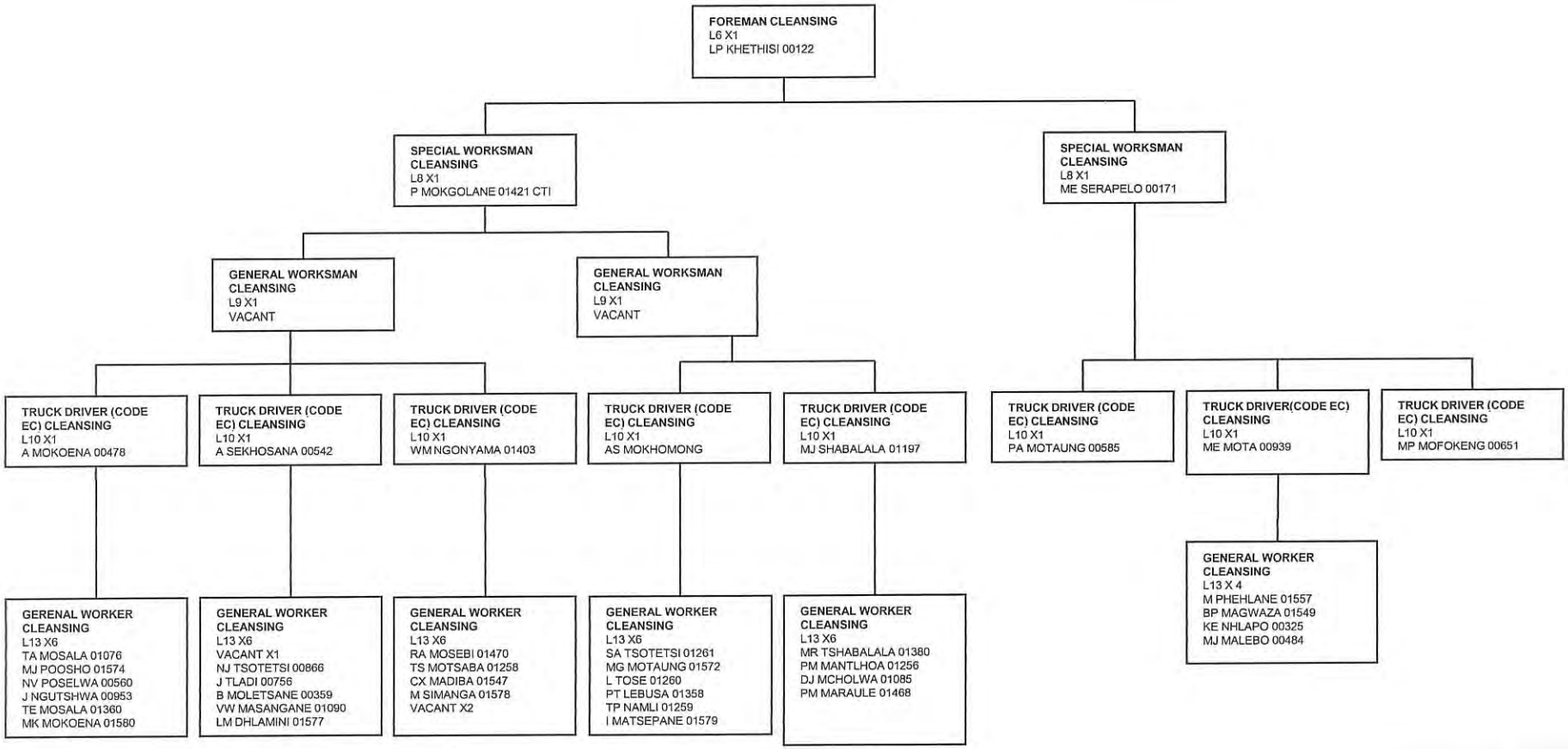
Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	10/5/2021
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2021-2022)

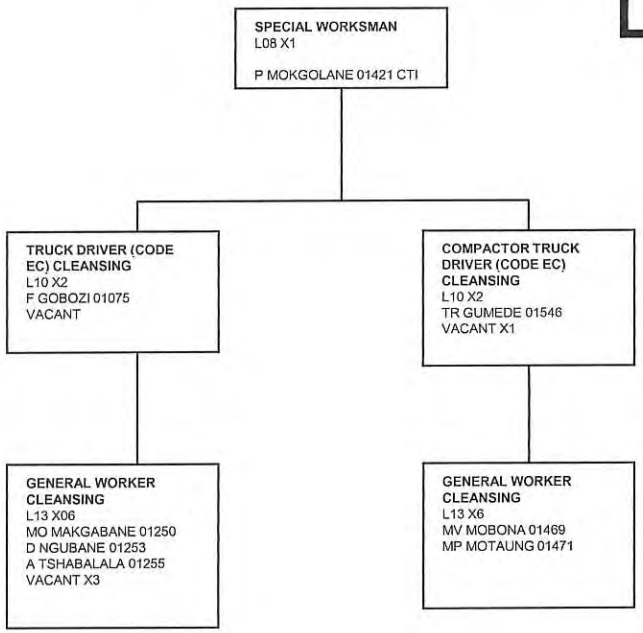
Checked by HR:		Date:	2021/05/10.
Approved by HOD:		Date:	10/5/2021
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (SC) (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	10/5/2021
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2021-2022)) [TRANSFER STATIONS]

Checked by HR:		Date:	2021/05/10.
Approved by HOD:		Date:	10/5/2021
Approved by MM:		Date:	14/5/2021

FOREMAN: WASTE MANAGEMENT
L6 X1
P KONA 00354

LANDFILL SITE SUPERVISOR
L8 – X 1
DC LENTSA 01420

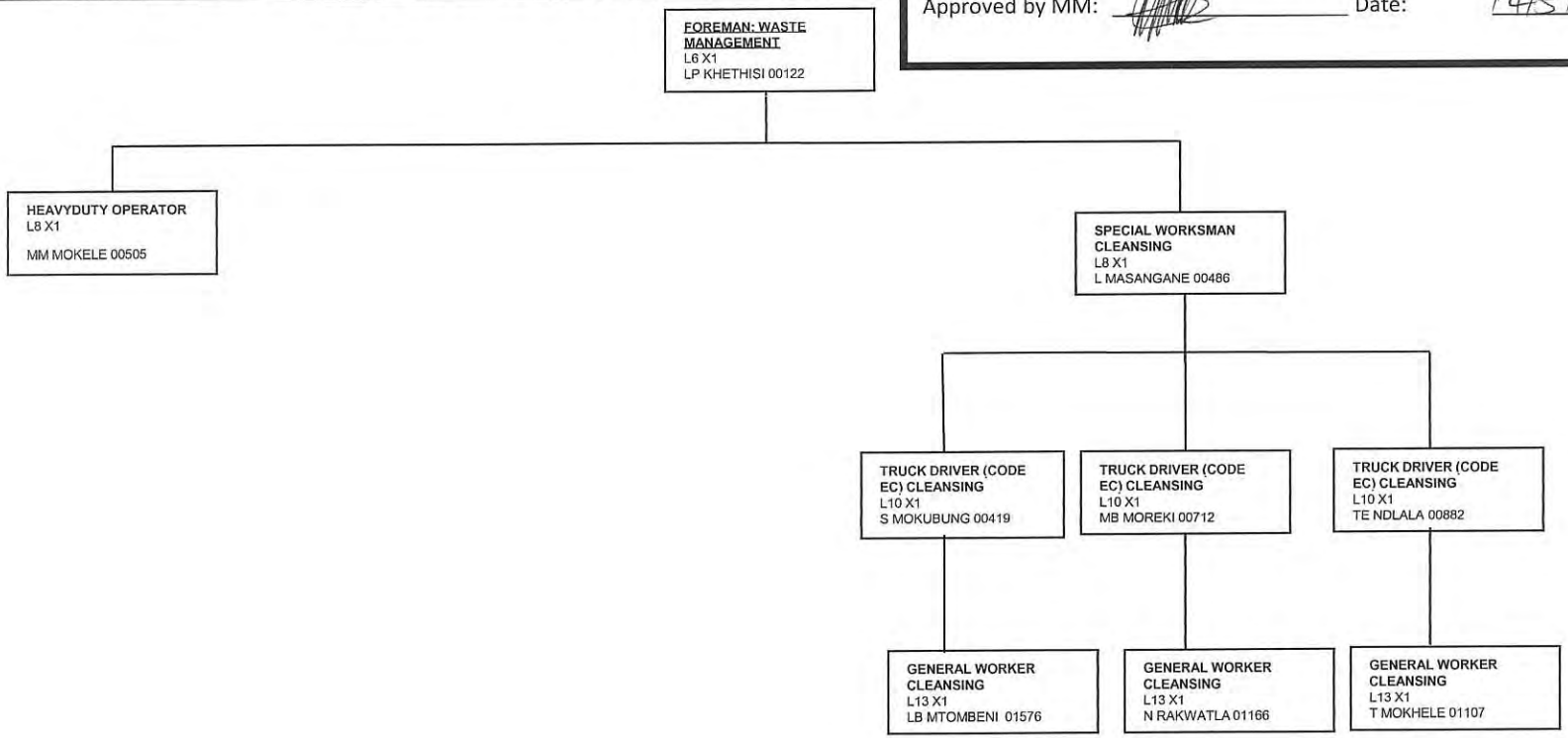
GATE CONTROLLER
L10 X3
IJ LESEMELA 01335
AP MAPHALA 00485
JN MASHIFANE 01441

GENERAL WORKER CLEANSING
L13 X6
S MOKERETLA 00320
J MAGWAZA 00321
J RADEBE 00421

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – WASTE MANAGEMENT (2021-2022)) [BULK WASTE]

Checked by HR:		Date:	2021/05/10.
Approved by HOD:		Date:	10/5/2021
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – LANDFILL SITES (2021-2022)

Checked by HR: _____ Date: 2021/05/10.

Approved by HOD: _____ Date: 10/5/2021

Approved by MM: _____ Date: 14/5/2021

ASSISTANT DIRECTOR: ENVIRONMENTAL
L4 – X1
VACANT

FOREMAN LANDFILL SITE MANAGEMENT
L6 – X1
P KONA 00354

LANDFILL SITE SUPERVISOR
L8 X2
RS MOTATI 00445
VACANT

HEAVY MACHINE OPERATOR
L8 – X1
JM MOKOENA 00921

HEAVY MACHINE OPERATOR
L8 – X1
M MOTLOUNG 00586

HEAVY MACHINE OPERATOR
L8 – X1
S NKONDE 00420

SPECIAL WORKSMAN
L8 – X1
MA PAPALI 00278

TRUCK DRIVER (CODE EC) SOLID WASTE
L10 X1
MJ KELE 32102

ACCESS CONTROLLER
L10 X1
VACANT

TRACTOR DRIVER LANDFILL SITE
L11 – X1
VACANT

ACCESSGATE CONTROLLER
L10 X2
MJ MOFOKENG 00182
VACANT

ACCESS CONTROLLER
L10 X2
TS GUBEVU 00414
SN MHLONGO 01504

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

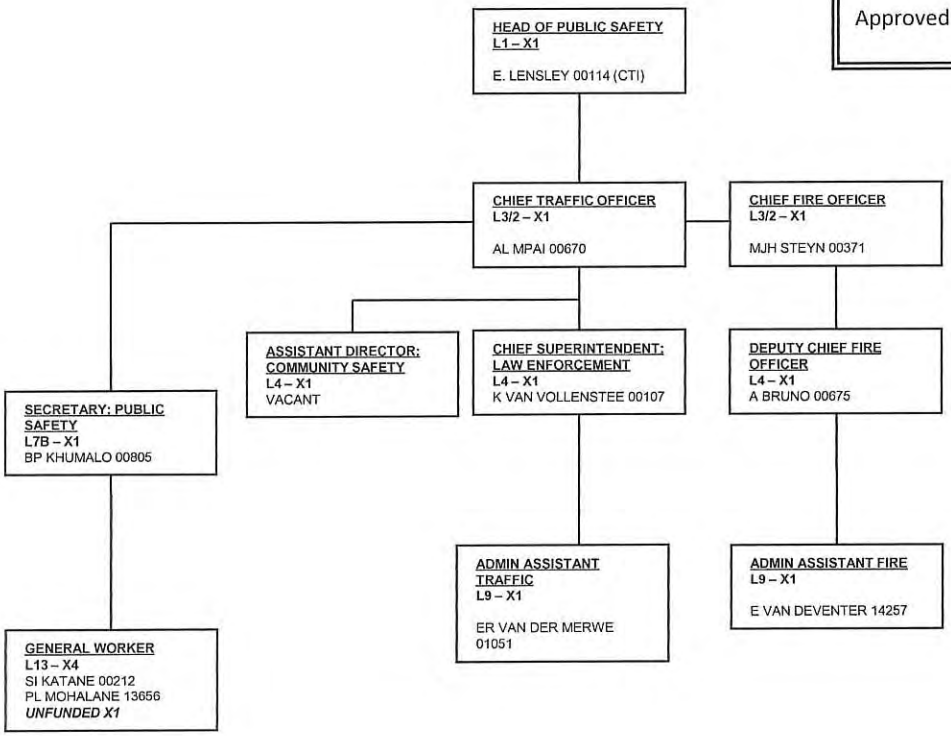
GENERAL WORKER LANDFILL SITE
L13 – X 7
MI MOLEFI 00582
NE LEMPHANE 00483
PA MAHLATSANE 32041
VACANT X4

GENERAL WORKER LANDFILL SITE
L13 – X6
MM MOKGOLOANE 00322
FM SEPHULA 00558
OP MPHASA 00587
SM MOKHOMONG 00487
SJ MKHUMA 00976
TE FANTISI 01588

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – PUBLIC SAFETY (2021-2022)

Checked by HR:		Date:	2021/05/13
Approved by HOD:		Date:	13/5/21
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - TRAFFIC (2021-2022)

Checked by HR:		Date: 2021/05/13
Approved by HOD:		Date: 18/5/2021
Approved by MM:		Date: 14/5/2021

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

TRAFFIC OFFICER
L8/7 – X4
S MACINTOSH 00563
M PHULE 00539
MJ LOURENS 00858
VACANT X1

TRAFFIC WARDEN OFFICER (INTERNS)
L14 – X2(CONTRACT)
AS NKUNA 01501
VA MABENA 01623
SG RADEBE 01625

SUPERINTENDENT LAW ENFORCEMENT
L6/5 – X1
AG BOTHA 14342

ASSISTANT SUPERINTENDENT
L6 – X1
D SIMELANE 00543

TRAFFIC OFFICER
L8/7 – X2
KJ BALOYI 00240
VACANT X1 (SC)

TRAFFIC OFFICER GR2
L9 – X4
MR MAZIBUKO 01030
NM GODOLE 01027
TA NKEKI 01031

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

WARDEN CBD OFFICER
L8 – X1
MJ ROOINEK 01220

TRAFFIC OFFICER GR2
L9 – X4
JT SOLDAT 01034
BE RADEBE 01033
XD MAZINGELA 01040
JP LENKA 01039

TRAFFIC WARDEN OFFICER (INTERNS)
L14 – X5 (CONTRACT)
SA BIYELA 01551
ZI MTHEMBU 01624
VACANT

POINT DUTY OFFICER
X13 (TEMP CONTRACT)
NE MOJOLA 00075
TJ LUTA 00214
KJ DHLAMINI 00241
MA PAPALI 00504
PV HOYANE 01265
D KOETZ 01340
VACANT X7

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - TRAFFIC (2021-2022)

Checked by HR:		Date:	2021/05/10.
Approved by HOD:		Date:	
Approved by MM:		Date:	14/5/2021

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

SUPERINTENDENT TECHNICAL SUPPORT
L6/5 – X1
PM CLAASENS 14127

ASSISTANT SUPERINTENDENT
L6 – X1
VACANT X1

BACK OFFICE OFFICERS
L8 – X1
MP MAKHOTLA 00174

SNR ADMIN CLERK
L8 – X1
S THULARE 00050

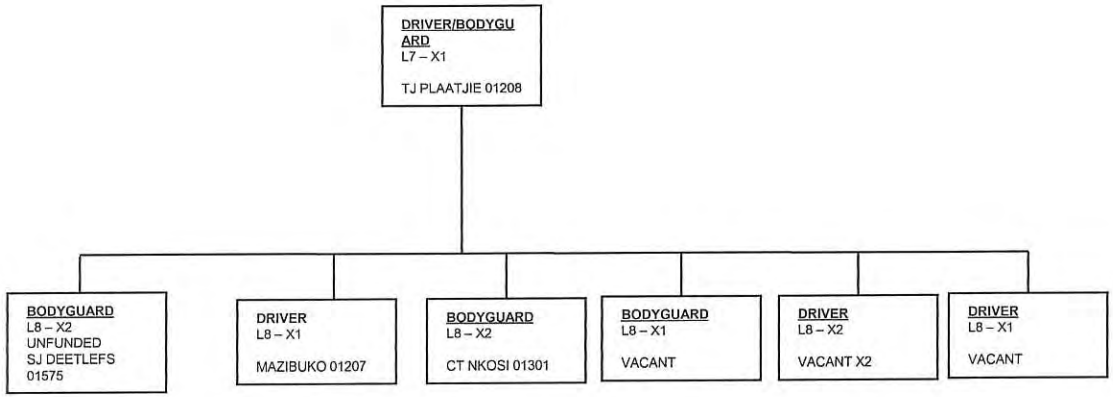
ADMIN CLERK
L9 – X1
I VAN DER MERWE 01051

ADMIN CLERK
L9 – X2
MB MAKOATSANE 00876
Q SEHURUTSE 00073

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES – SPECAILISED UNITS (2021-2022)

Checked by HR:		Date:	2021/05/13
Approved by HOD:		Date:	13/5/2021
Approved by MM:		Date:	17/5/2021



MIDVAAL Local Municipality Masepala Wa Selehae Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - FIRE (2021-2022)

Checked by HR: _____ Date: 2021/05/10.

Approved by HOD: _____ Date: 10/5/2021

Approved by MM: _____ Date: 14/5/2021

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
TA NTSANE 00700
(SLIDING SCALE)

FIRE FIGHTER
L9 X3
NE TSHABALALA 01178
RMM MOKGATLE 01237
UNFUNDED
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X4
ME RADEBE 01176
KC LUVHIMBI 01615
P MTHIMONY 01632

STATION OFFICER
L7 – X1
G VAN STADEN 00166

SNR FIRE FIGHTER
L8 – X3
RJ MAMATELA 00609
MD PHEKO 00701
JD MOREBA 01159
M MAKOLA 00608
(SLIDING SCALE)

FIRE FIGHTER
L9 X 3
PX ZWANE 01161
TS TSOARI 01197
UNFUNDED
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X1
DK HLUBI 01180
KB BOTHA 01614
PR NDALA 01621

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 X3
C MASHISHI 01097
VACANT
UNFUNDED
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X3
PT MARUMA 01616
NM NKUNA 01617
UNFUNDED

STATION OFFICER
L7 – X1
S MAMATELA 80015

SNR FIRE FIGHTER
L8 – X4
A PRINSLOO 00909
PJ MOFOKENG 00163
A MONTLE 00620
A HERBST 00907
(SLIDING SCALE)

FIRE FIGHTER
L9 X3
UNFUNDED
UNFUNDED
UNFUNDED
(SLIDING SCALE)

JNR FIRE FIGHTER
L10 – X1
RM MOTLHATLHEDI 01239
T MUDZULI 01043
FC TRUTER 01620

CONTROL ROOM OPERATOR
L8 – X4
AKA LUBBE 00964
A ZULU 80456 (CTI)
SJ PHADI 80464
TJ RAMODIBE 13098

TEMP FIRE FIGHTERS
CONTRACT – X 26
C JAMILE 01224
EN MAHLANGU 01227
PJ MANELE 01230
MM MAPHOSA 01231
A MATEE 01234
S MAWELELA 01236
CT MOKOATSI 01238
AM MOTSHEGWE 01240
W NGUBE 01242
MD SEODISA 01246
VACANT X16

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMUNITY SERVICES - FIRE (2021-2022)

Checked by HR:		Date:	2021/05/13
Approved by HOD:		Date:	13/5/2021
Approved by MM:		Date:	17/5/2021

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
VACANT

FIRE EMERGENCY OFFICER
L7 – X1
C VERMEULEN 00914

ADMIN ASSISTANT FIRE
L9 – X1 (CTI)
E VAN DEVENTER 14257

PIER ASSISTANT
L9 – X1
DM RANTSIE 01244

GENERAL WORKER
L13 – X1
PL MOHALANE 13656

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – OFFICE OF THE MUNICIPAL MANAGER (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021

MUNICIPAL MANAGER
SECT 57
01582 MHLANGA NS

SECRETARY: MUNICIPAL MANAGER
L7 – X1
J DE WENDT 00119

TEMP SECRETARY: MUNICIPAL MANAGER
L7 – X1
VACANT

DEPUTY MUNICIPAL MANAGER
(CONTRACT)
SECT 57
TW PEETERS 00564

ED: FINANCIAL SERVICES
(CONTRACT)
SECT 57
VACANT

ED: COMMUNITY SERVICES
(CONRACT)
SECT 57
SM MOSIDI 00965

ED: ENGINEERING SERVICES
(CONTRACT)
SECT 57
01593 MAGODI P

ED: DEV & PLANNING
(CONTRACT)
SECT 57
DK CHAMBOKO 01163

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – CORPORATE CLUSTER (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021

DEPUTY MUNICIPAL MANAGER
(CONTRACT)
SECT 57
TW PEETERS 00564

SECRETARY: CORPORATE SERVICES
L7B – X1
S NEETHLING 00179

DIRECTOR: IT
L1 – X1
01585 MNGUNI S

DIRECTOR: LEGAL
L1 – X1
N AMEER VAN WYK 01062

ASSISTAN DIRECTOR CALL CENTER
(CONTRACT)
MM MOLOTLHANYI 01510

DIRECTOR: HR
L1 – X1
00197 SCUTTS A

DEPUTY DIRECTOR: AUXILIARY SERVICES
L3/2 – X1
TJ MAKGOBA 01008

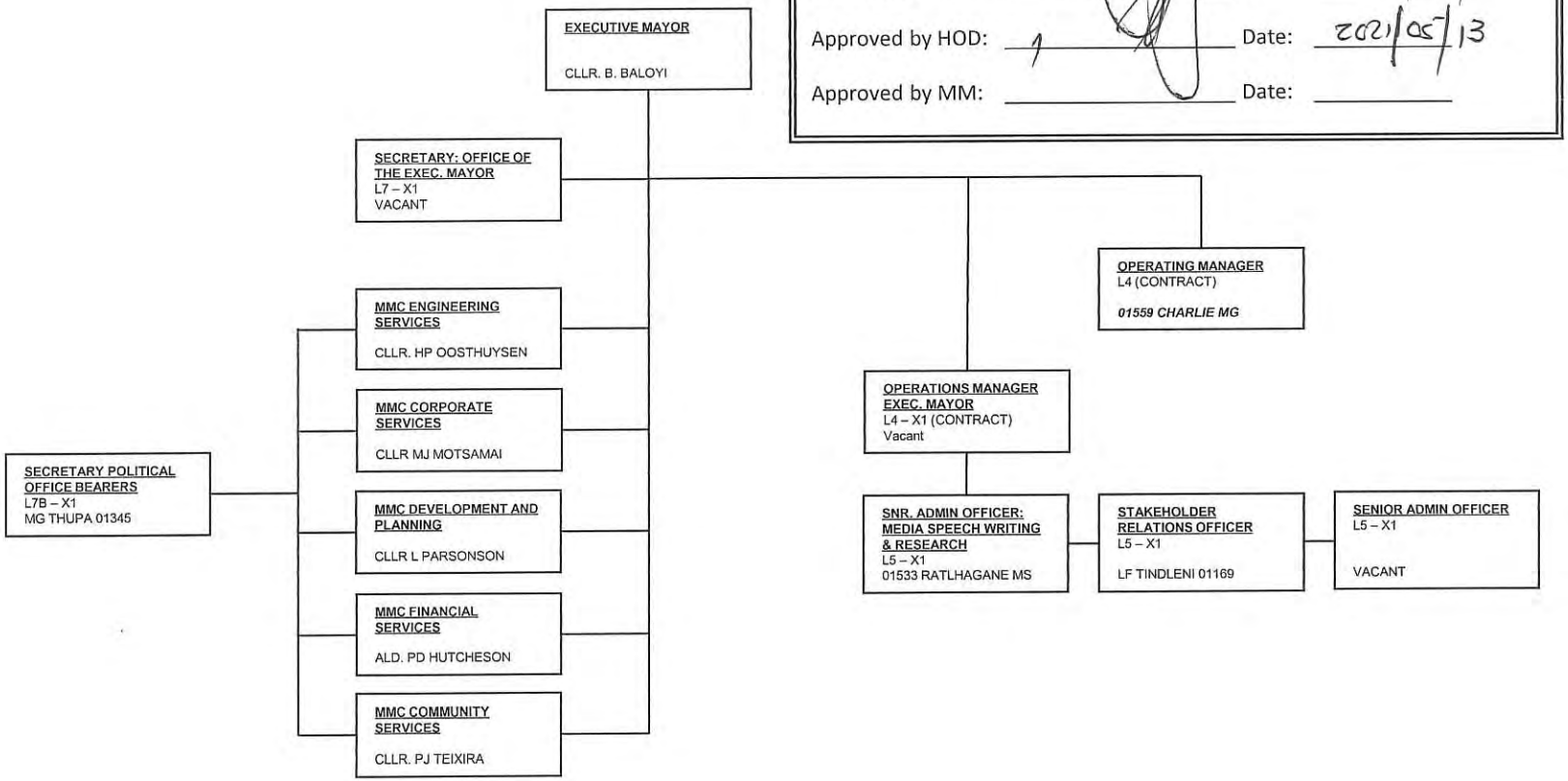
DEPUTY DIRECTOR OFFICE OF THE SPEAKER
L3/2 – X1
VACANT

ASSISTANT DIRECTOR: PR & MARKETING
L4 – X1
MJ BALOYI 01474

ASSISTANT DIRECTOR: ADMINISTRATION
L4 – X1
A WELMAN 00108

ORGANISATIONAL STRUCTURE – OFFICE OF THE EXECUTIVE MAYOR (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – PR & MARKETING (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021

ASSISTANT DIRECTOR: PR & MARKETING
L4 – X1
MJ BALOYI 01474

MARKETING OFFICER
L5 – X1
01627 SOLOMONS YS

COMMUNICATIONS OFFICER
L5 – X1
K KORAE 01482

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – OFFICE OF THE SPEAKER (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/12
Approved by MM:		Date:	14/5/2021

SPEAKER
CLLR. F. PETERS

DEPUTY DIRECTOR: OFFICE OF THE SPEAKER
L3/2 – X1
VACANT

SENIOR ADMIN OFFICER
L5 – X1
VACANT

CHIEF CLERK: EVENTS & PUBLIC PARTICIPATION
L7 – X1
VACANT

YOUTH DEVELOPMENT OFFICER
L8 – X1
KC MORAKE 1446

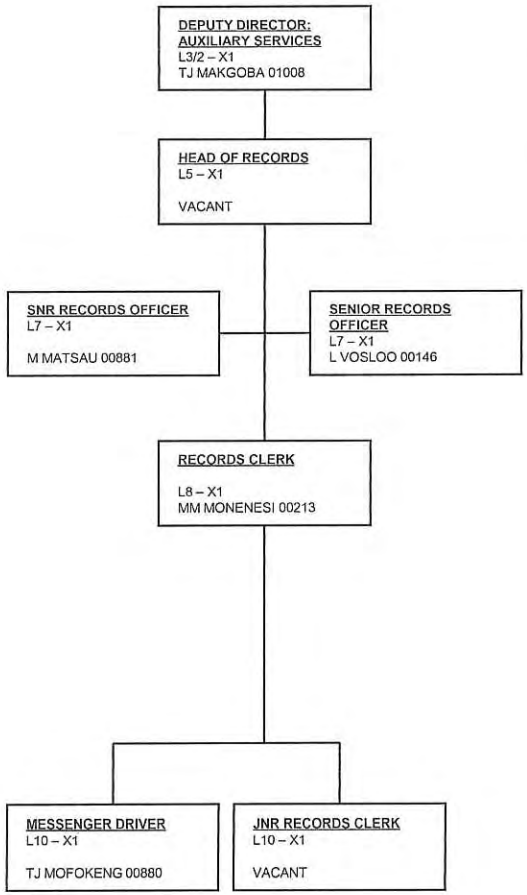
WARD COMMITTEE OFFICER
L8 – X3
VACANT
P GREYVENSTEIN 01467

ADMIN CLERK
L9 – X1
01336 NTISA NC

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE –RECORDS (2021-2022)

Checked by HR:		Date:	2021/05/10.
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – AUXILIARY SERVICES(2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021

DEPUTY DIRECTOR: AUXILIARY SERVICES
L3/2 – X1
TJ MAKGOBA 01008

ADMIN OFFICER BUILDINGS
L8– X1
ME MOGAPI 01483

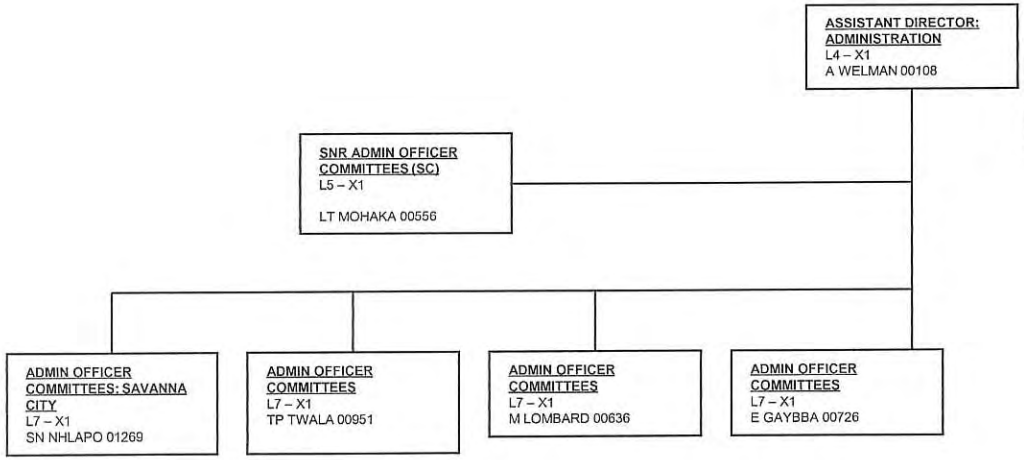
TEAM LEADER/CARETAKER
L11/12 – X1
A RAMBAU 00613

GENERAL WORKER
L13 – X08
LE MOKGANNELI 01298
NG MACHABE 00605
MK MODIKENG 00810
SF MOFOKENG 00557 (CTI)
VACANT
M DWESA 01408
ME MQWATHI 01395
J NDLOVU 01423

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – COMMITTEES (2021-2022)

Checked by HR:		Date:	2021/05/10.
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – LEGAL
(2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021

DIRECTOR LEGAL
L1 – X1

N AMEER V WYK 01062

DEPUTY DIRECTOR LEGAL SERVICES
L3/2 – X1
VACANT

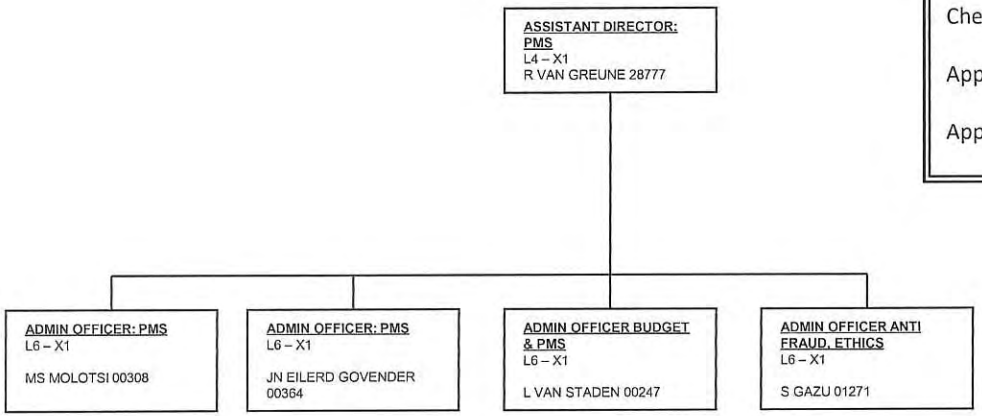
ASSISTANT DIRECTOR: LEGAL
L4 – X3
01569 MBATHA NN
01571 NGCOBO NS
MPETA M

ADMIN CLERK LEGAL
L9 – X1
PBM MOTSHOME 01431

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – RISK, ETHICS, PMS & BUDGET (2021-2022)

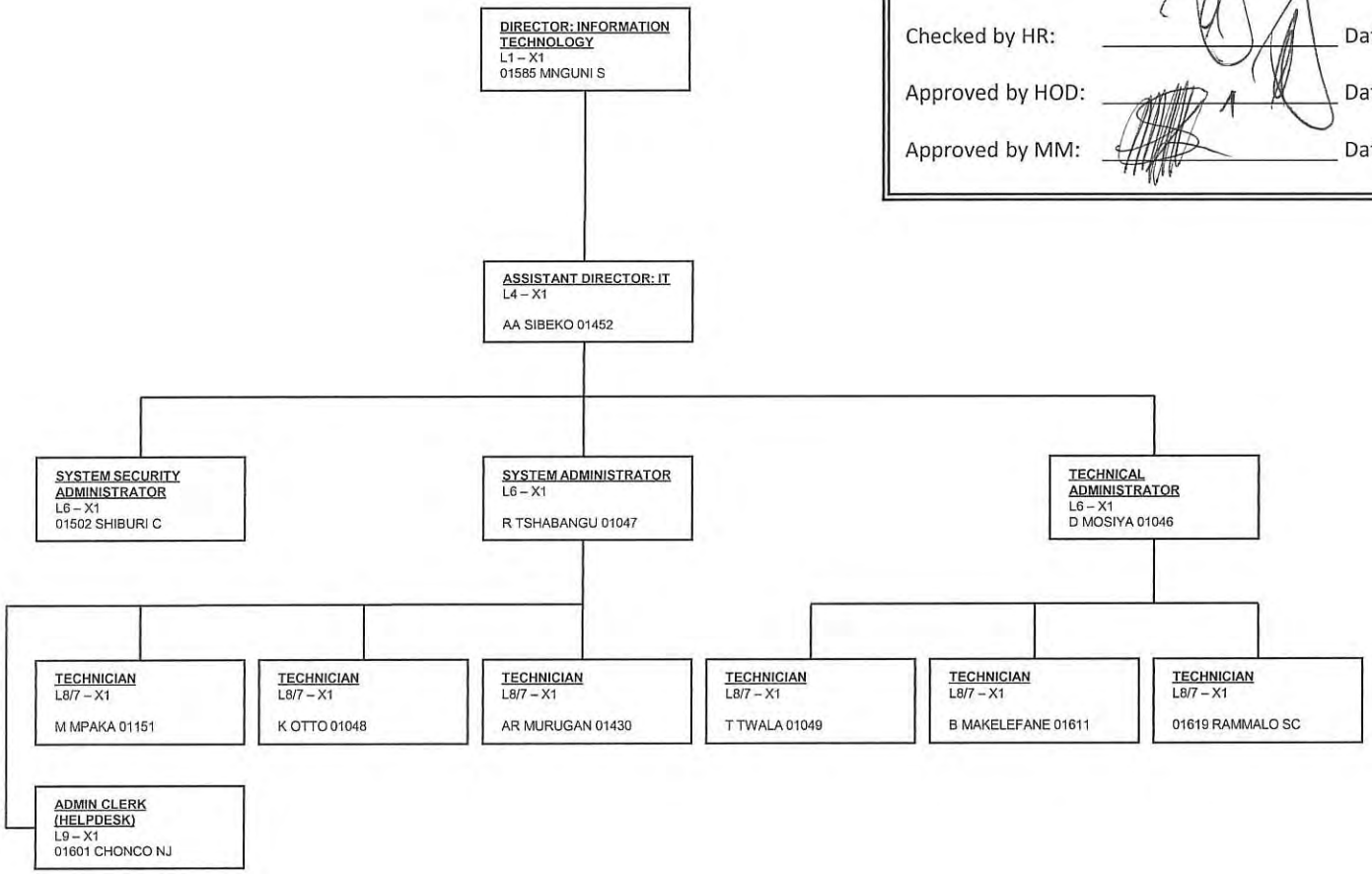
Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – INFORMATION TECHNOLOGY (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	17/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – CALL CENTER (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021

ASSISTANT DIRECTOR CALL CENTER
L4 – X1 (CONTRACT- CTI)
01510 MOLOTLHANYI MM

SNR CALL CENTRE AGENT
L8 – X2
VACANT

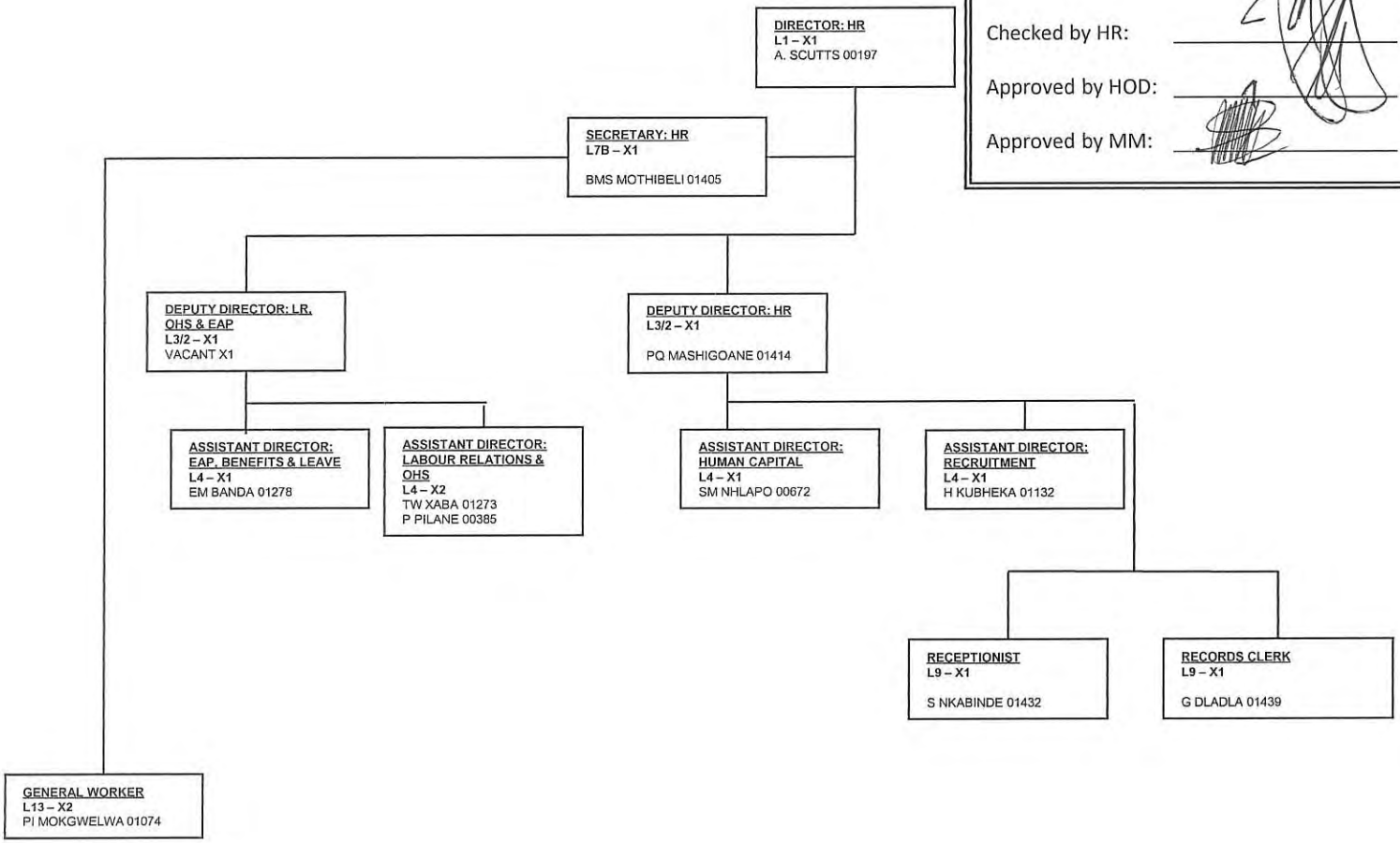
SNR SWITCHBOARD OPERATOR
L9 – X3
S DE BRUIN 00072
01390 MAKHAMBA LA

RELIEF CALL CENTRE AGENT – X2 (CONTRACT)
01607 MOKHACHANE MM
01603 SIBANYONI RV

CALL CENTRE AGENT – X6 (CONTRACT)
01613 NDLOVU V
01612 MAKAKANE MB
01606 NGOXE MP
01605 PUSO MM
01604 GAMA A
01602 MODIBA TM

ORGANISATIONAL STRUCTURE – HUMAN RESOURCES DIRECTORATE (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – EAP, BENEFITS, TIME & ATTENDANCE & LEAVE (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021

DEPUTY DIRECTOR: LR, OHS & EAP
L3/2 – X1
VACANT

ASSISTANT DIRECTOR: EAP, BENEFITS & LEAVE
L4 – X1
ME BANDA 01278

ADMIN OFFICER: EAP & BENEFITS
L6 – X1
VACANT

SNR CLERK: CLOCKING & BENEFITS
L8 – X1
NJ MONANYANE 01511

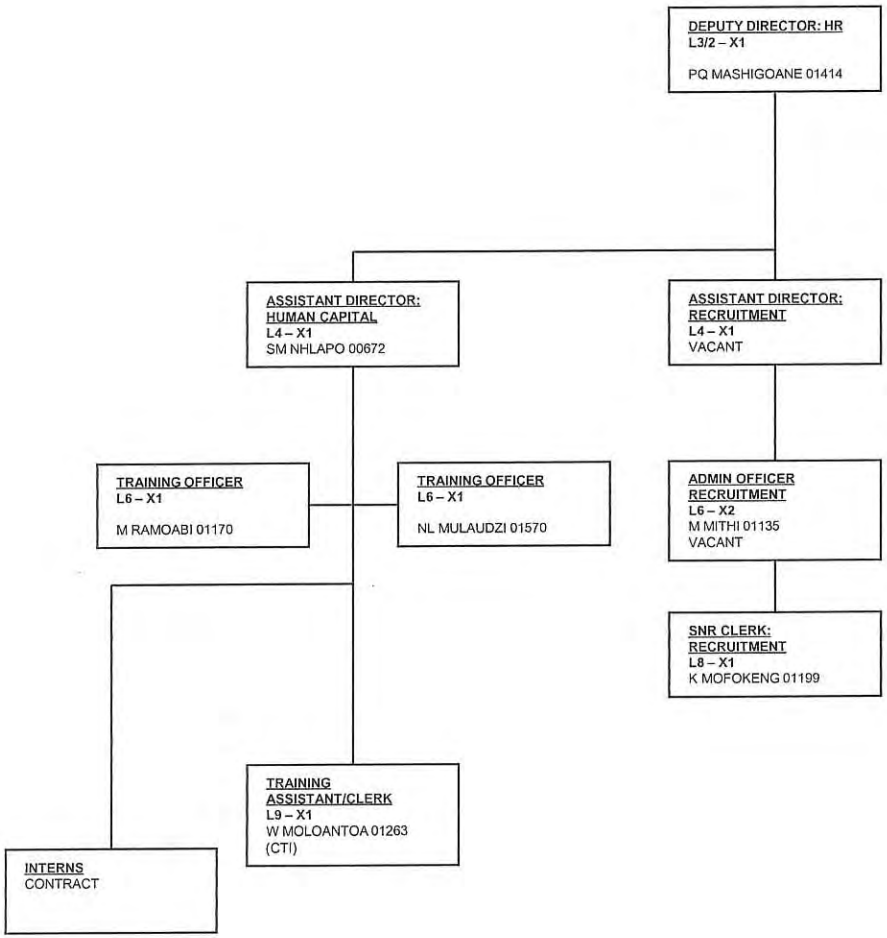
EAP, HIV/AIDS ASSISTANT
L9 – X1

MC PHUTSISI 01396

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – OPERATIONS, RECRUITMENT & TRAINING (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – LABOUR RELATIONS & OHS (2021-2022)

Checked by HR:		Date:	2021/05/10
Approved by HOD:		Date:	2021/05/13
Approved by MM:		Date:	14/5/2021

DEPUTY DIRECTOR: LR, OHS & EAP
L3/2 – X1
VACANT

ASSISTANT DIRECTOR: LABOUR RELATIONS
L4 – X2
TW XABA01273
P PILANE 00385

LABOUR RELATIONS OFFICER
L6 – X1
NKT MADONSELA 01140

OCCUPAITONAL HEALTH & SAFETY OFFICER
L6 – X1
D SWART 00628

SNR CLERK: OHS
L8 – X1
SNJ MATSANENG 00181

LABOUR RELATIONS CLERK
L9 – X1
NK MOGASHOA 01331

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING (2021/2022)

Checked by HR: _____ Date: 2021/05/11

Approved by HOD: _____ Date: 12/05/2021

Approved by MM: _____ Date: _____

ED: DEVLOPMENT AND PLANNING
SECT 57
KD CHAMBOKO 01163

SECRETARY: DEVLOPMENT AND PLANNING
L7B – X1
L GREYLING 00068

BUILDING CONTROL OFFICER
L1 – X1
VACANT

DEPUTY DIRECTOR: BUILDING & LAND USE CONTROL
L3/2 – X1
E VAN DER MERWE 00065

DIRECTOR DEV & PLANNING
L1 – X1
T ARLOW 00959

DEPUTY DIRECTOR: LAND USE
L3/2 – X2
M COETZEE 00063
W NDEVU

DEPUTY DIRECTOR: URBAN PLANNING
L3/2 – X1
T SUKDEV 01089

DIRECTOR: LED, RURAL DEV, AGRI & HOUSING
L1 – X1
PK MNGUNI 00990

DIRECTOR: HUMAN SETTLEMENT
L1 – X1
H HUMAN 00599

DEPUTY DIRECTOR: HUMAN SETTLEMENTS & URBAN MANAGEMENT
L3/2 – X1
S NKRUMA ABEBRESE 709

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– LED RURAL DEVELOPMENT & HUMAN SETTLEMENT (2021/2022)

Checked by HR:		Date:	2021/05/11
Approved by HOD:		Date:	12/05/2021
Approved by MM:		Date:	12/5/2021

ED: DEVLOPMENT AND PLANNING
SECT 57
KD CHAMBOKO 01163

DIRECTOR: LED, RURAL DEV, AGRI & HOUSING
L1 – X1
PK MNGUNI 00990

DIRECTOR: HUMAN SETTLEMENT
L1 – X1
H HUMAN 00599

DEPUTY DIRECTOR: HUMAN SETTLEMENTS & URBAN MANAGEMENT
L3/2 – X1
S NKRUMA ABEBRESE 709

ASSISTANT DIRECTOR: LED
L4 – X1
V YAKE 01592 (SC)

ASSISTANT DIRECTOR: LED (SC)
L4 – X1
N KOBE 01591
VACANT

HOUSING OFFICER
L5 – X1
MS MEMELA 00893 (SC)

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– BUILDING CONTROL (2021/2022)

Checked by HR: _____ Date: 2021/05/11

Approved by HOD: _____ Date: 12/05/2021

Approved by MM: _____ Date: 12/5/2021

DIRECTOR: BUILDING CONTROL OFFICER
L1 – X1
VACANT

DEPUTY DIRECTOR: BUILDING & LAND USE
L3/2 – X1
E VAN DER MERWE 00065

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 (LAW ENFORCEMENT)
L4 – X1
P STEYN 00400

ASSISTANT DIRECTOR BUILDING & LAND USE CONTROL (SC)
L4 – X1
ME MOTHEBE 00431

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
DBR SCHOLTZ 01418
PP MOEPHULE 01484
M LETSOALO 01409
VB SADIKI 01600
N TWALANI 01415

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
R PAULSE 01465
SJ NHLAPO 01383

LAW ENFORCEMENT OFFICER: BUILDING, LAND USE & SIGNAGE
L6/5 – X1
JG BRONKHORST 80022

BUILDING & LAND USE CONTROL OFFICER (SC)
L6/5 – X2
AP NKWASHU 01598

BUILDING INSPECTOR: BUILDING & LAND USE
L7/5 – X1
M MARAIS 00973

BUSINESS TRADING LICENSING OFFICER
L8 – X1
NM MAZINGELA 00678
(CTI)

LAW ENFORCEMENT / COURT WARRANT OFFICER
L8 – X2
BC VILAKAZI 01453

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– URBAN PLANNING (2021/2022)

Checked by HR:		Date:	2021/05/11
Approved by HOD:		Date:	12/05/2021
Approved by MM:		Date:	12/5/2021

DIRECTOR: DEV & PLANNING
L1 – X1
T ARLOW 00959

DEPUTY DIRECTOR: URBAN PLANNING
L3/2 – X1
T SUKDEV 01089

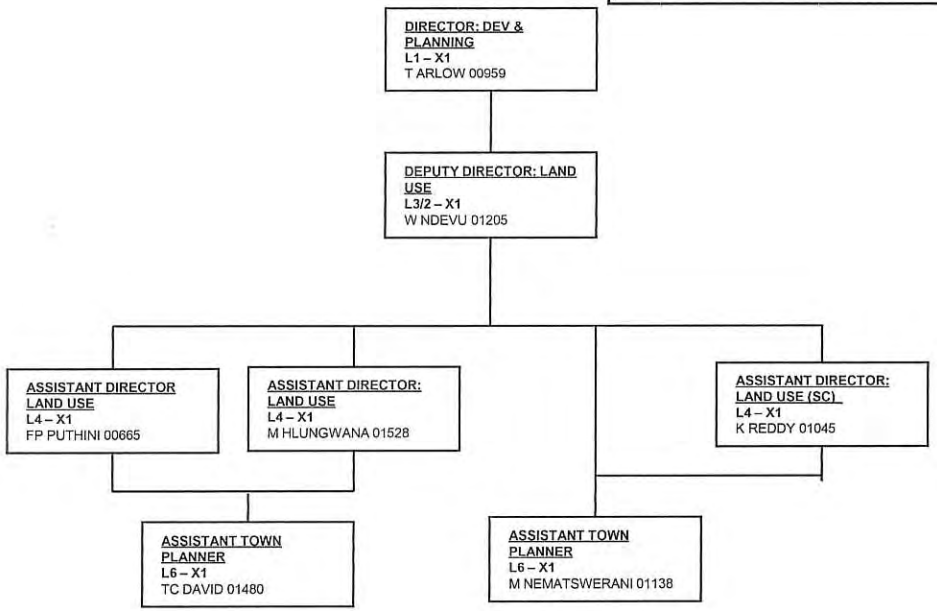
ASSISTANT DIRECTOR: LAND USE - GIS
L4 – X1
Y MONILAL 01404

ASSISTANT TOWN PLANNER - GIS
L6 – X1
SNB MADLHEJWANE
01529
UNFUNDED

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING– LAND USE (2021/2022)

Checked by HR:		Date:	2021/05/11
Approved by HOD:		Date:	12/05/2021
Approved by MM:		Date:	12/5/2021



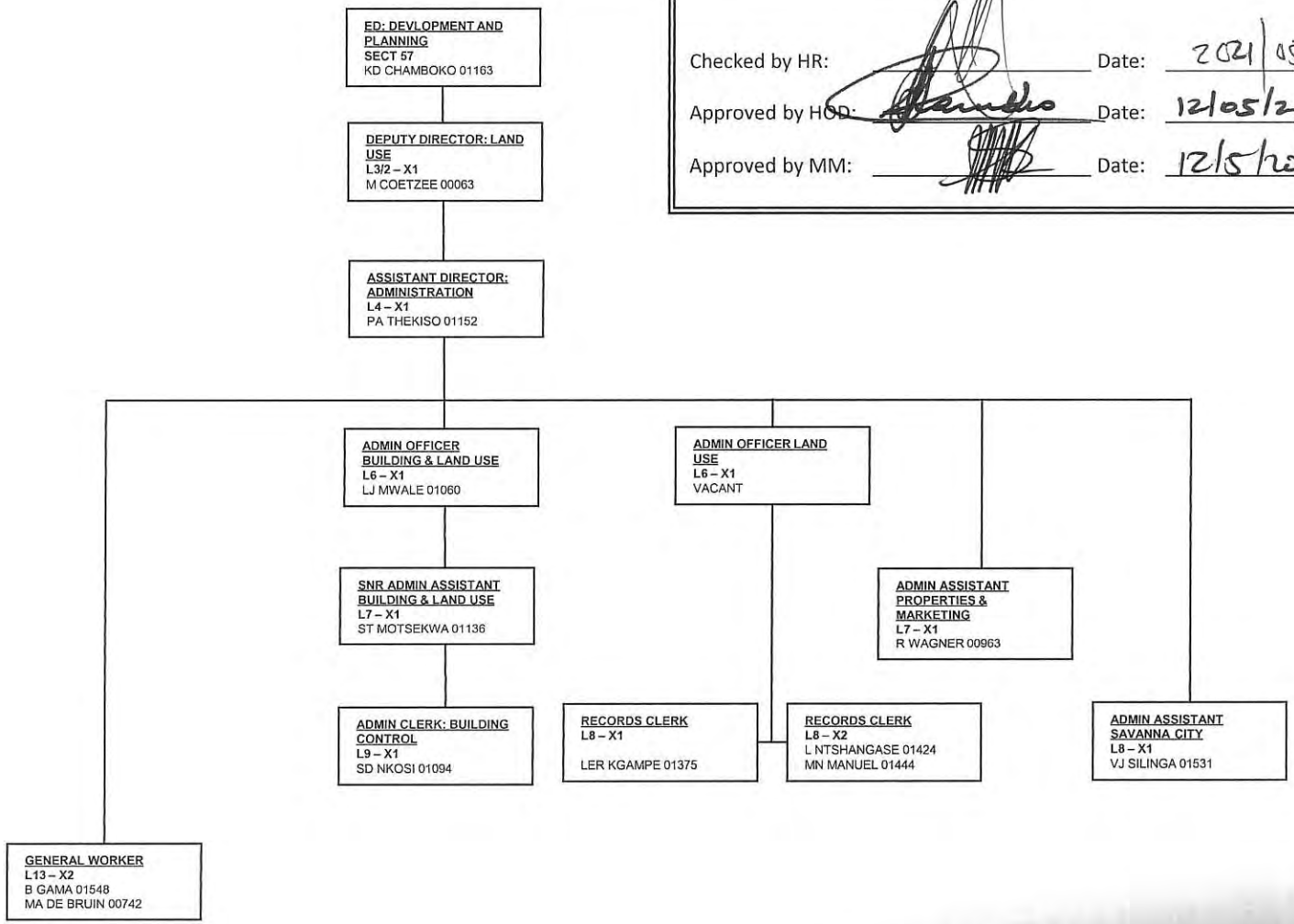
MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – DEVELOPMENT & PLANNING – ADMINISTRATION (2021/2022)

Checked by HR: _____ Date: 2021/05/11

Approved by HOD: _____ Date: 12/05/2021

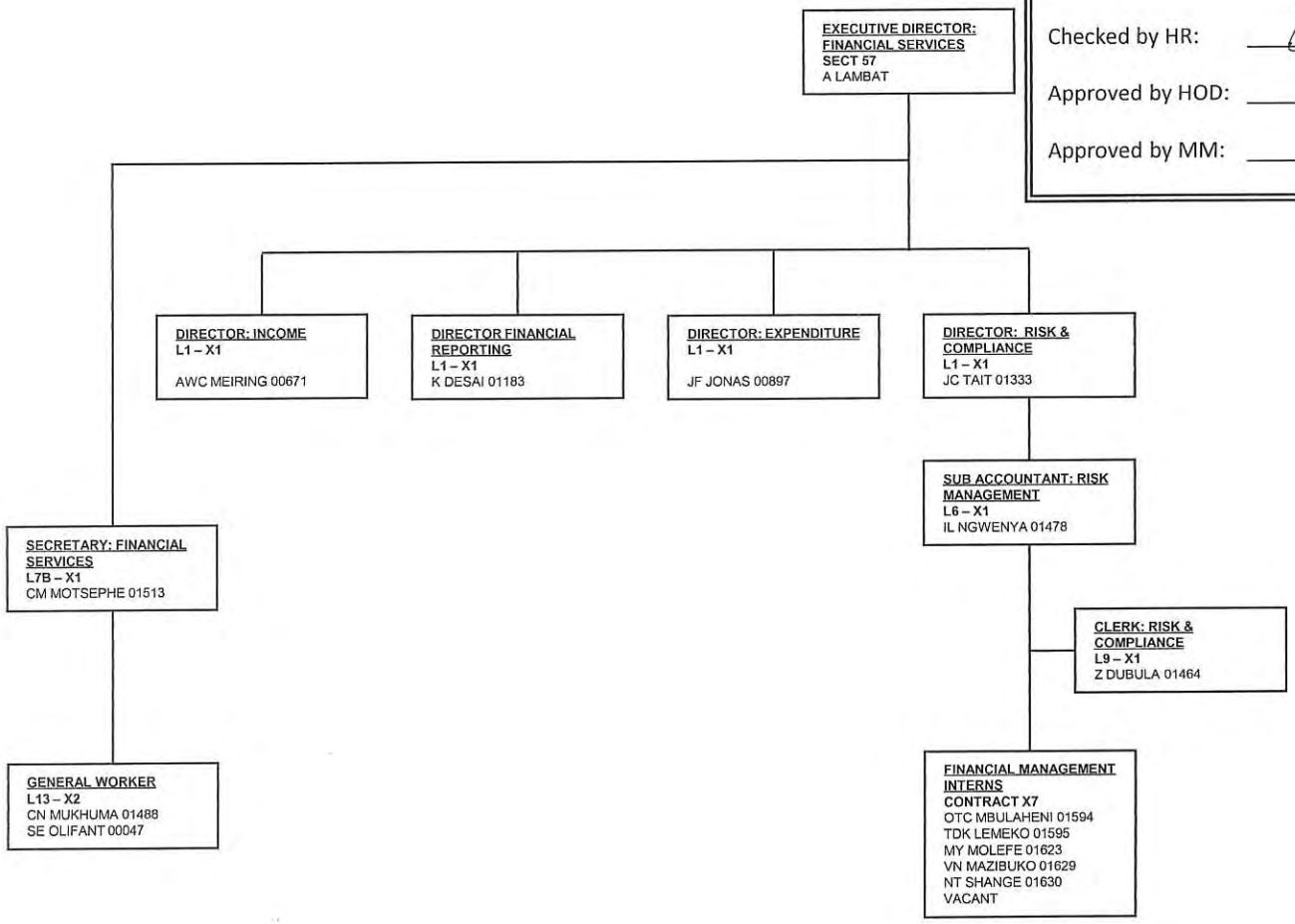
Approved by MM: _____ Date: 12/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – FINANCIAL SERVICES (2021-2022)

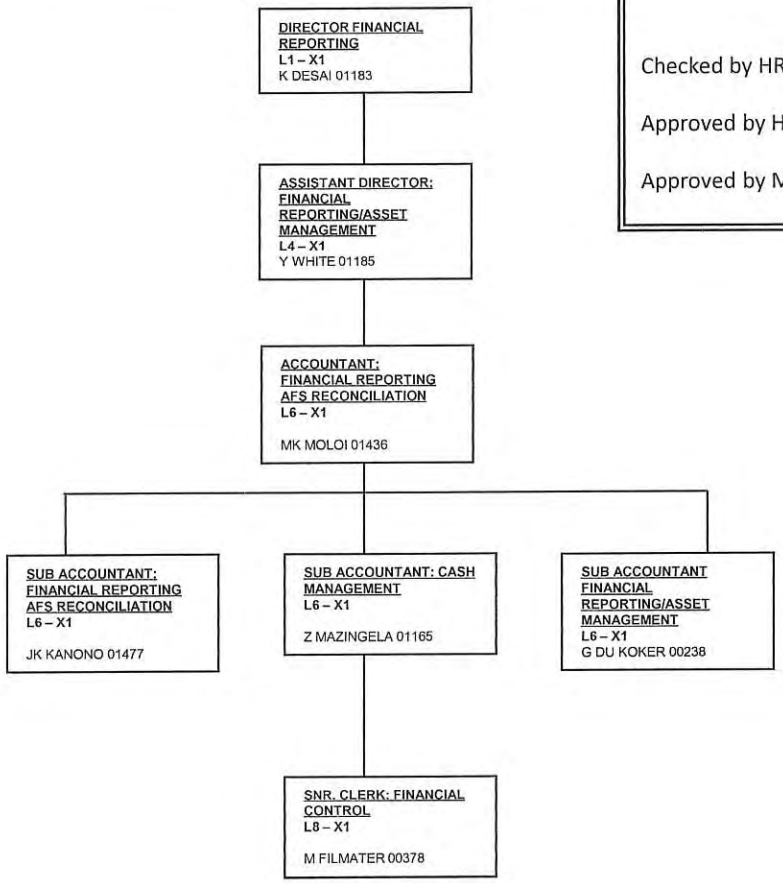
Checked by HR:		Date: 2021/05/11
Approved by HOD:		Date: 18/05/2021
Approved by MM:		Date: 14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – FINANCIAL REPORTING (2021-2022)

Checked by HR:		Date:	2021/05/11
Approved by HOD:		Date:	13/05/2021
Approved by MM:		Date:	14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – INCOME SERVICES (2021-2022)

Checked by HR:		Date:	2021/05/11
Approved by HOD:		Date:	11/05/2021
Approved by MM:		Date:	14/5/2021

DIRECTOR : INCOME
L1 – X1
AWC MEIRING 00671

ASSISTANT DIRECTOR: INCOME (WATER & ELECTRICITY)
L4 – X1
J RAMAKOLOI 00511

SUB ACCOUNTANT BILLING
L6 – X1
MM SEPHIRI 00732

CHIEF CLERK INCOME BILLING
L7 – X2
M RASENTSOERE 01026
RN MOKOENA 00999

SNR CLERK INCOME CASHIERS
L8 – X1
MA MAFAESA 01148

SNR CLERK ENQUIRIES
L8 – X1
VACANT

CLERK: WATER & ELECTRICITY
L9 – X1
H WARD 00667

CASHIERS
L9 – X3
MM FOKANE 01111
PM MAZIBUKO 01314
JN MOFOKENG 01538
RELIEF CASHIERS X2

INFORMATION DESK OFFICER
L9 – X1
LG MOTSAMAI 01015

ASSISTANT DIRECTOR: RATES & CREDIT CONTROL
L4 – X1
JM RAMODIKE 01184

ACCOUNTANT PROPERTY VALUATION ADMIN
L5 – X1
NT NHLAPO 01035

SUB ACCOUNTANT CLEARANCES & PROP TRANSFERS
L6 – X1
MM TSOAELI 00696

CHIEF CLERK RATES INCOME
L7 – X2
CJ FOURIE 28862
NM MOLEDI 00071

SNR CLERK CLEARANCE CERTIFICATE (INCOME)
L8 – X3
ZP MASIKANE 01568
TP RADEBE 01025
MP MOSOLA 01530

CLERK INCOME CLEARANCES
L9 – X1
VACANT

SNR CLERK SUNDRY
L8 – X1
SB THOBANE 01349

ACCOUNTANT DEBT COLLECTION & RECON
L5 – X1
JS BHENGU 01023

CHIEF CLERK DEBT COLLECTION
L7 – X2
Vacant
L FUNEKA 00533

SNR CLERK DEBT COLLECTION
L8 – X1
DP MTHEMBU 01297

CLERK INDIGENT ADMINISTRATION
L9 – X1
L BIKITSHA 00477

CLERK DEBT COLLECTION
L9 – X2
M MAMATELA 01435
ML MAKAZANE 01567

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – INCOME (SAVANNA CITY) (2021-2022)

Checked by HR:		Date:	2021/05/11
Approved by HOD:		Date:	13/05/2021
Approved by MM:		Date:	14/5/2021

DIRECTOR : INCOME
L1 – X1
AWC MEIRING 00671

ASSISTANT DIRECTOR: INCOME (WATER & ELECTRICITY)
L4 – X1
J RAMAKOLOI 00511

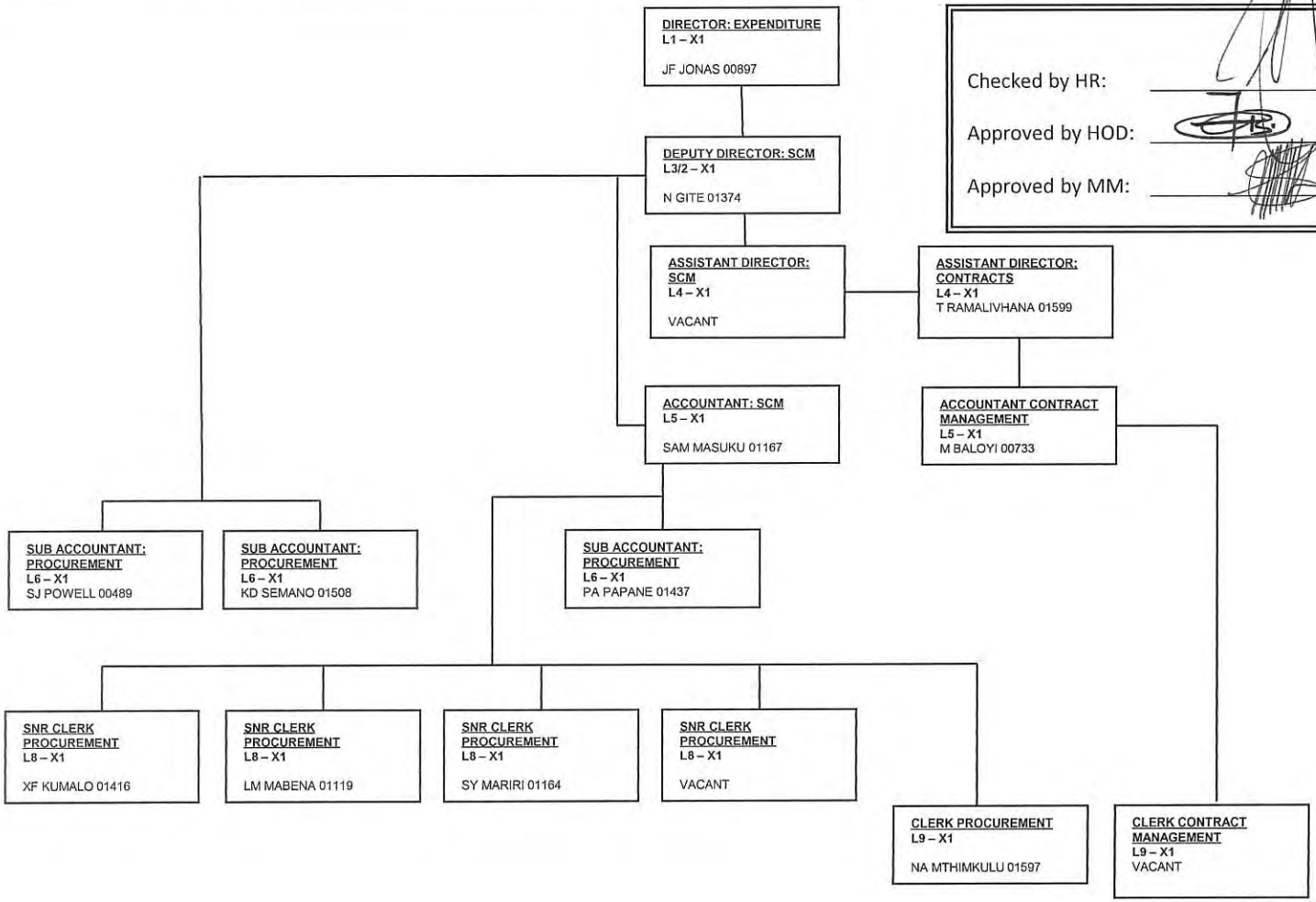
SUB ACCOUNTANT RATES & CLEARANCES
L6 – X1
LV MOTAUNG 00748

SNR CLERK CLEARANCES & RATES
L8 – X1
F KHOZA 00940

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

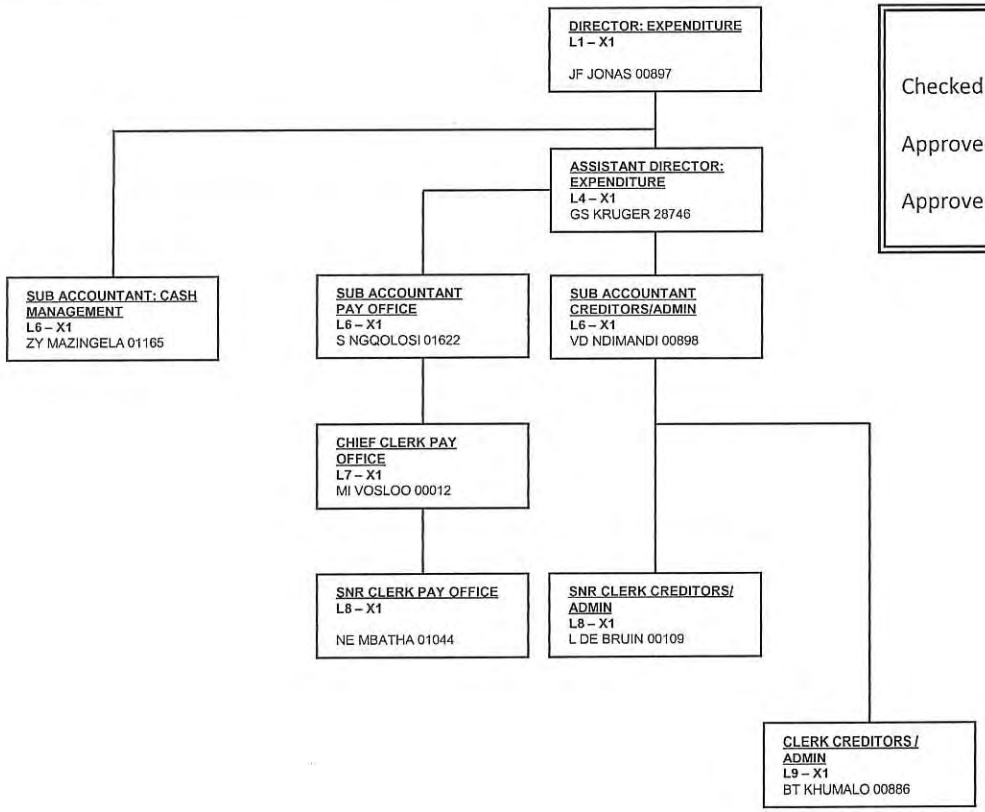
ORGANISATIONAL STRUCTURE – EXPENDITURE – SUPPLY CHAIN MANAGEMENT (2021-2022)

Checked by HR:		Date: 2021/05/11
Approved by HOD:		Date: 13/05/2021
Approved by MM:		Date: 14/5/2021



MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – EXPENDITURE – PAY OFFICE & CASH MANAGEMENT (2021-2022)



Checked by HR: _____ Date: 2021/05/11.

Approved by HOD: _____ Date: 13/05/2021

Approved by MM: _____ Date: 14/5/2021

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

ORGANISATIONAL STRUCTURE – EXPENDITURE – LOGISTICS/STORES (2021-2022)

Checked by HR:		Date:	2021/05/14
Approved by Finance:		Date:	13/05/2021
Approved by HOD:		Date:	
Approved by MM:		Date:	

DIRECTOR: EXPENDITURE
L1 – X1
JF JONAS 00897

DEPUTY DIRECTOR: SCM
L3/2 – X1
N GITE 01374

ASSISTANT DIRECTOR: LOGISTICS
L4 – X1
MS LETSATSI 00669

STOREMAN
L9 – X1
RT KGARITSI 01319

STOREMAN
L9 – X1
N NTULI 01472

GENERAL WORKER: STORES
L13 – X1
AB PHAKATHI 00956

MIDVAAL Local Municipality
Masepala Wa Selehae
Plaaslike Munisipaliteit

Annexure AT Midvaal Service Charter

SERVICE CHARTER

2020

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

The Vision of the Midvaal Local Municipality is:

To inclusively serve the needs of our community

3. Mission

We strive daily to enrich the lives of our people, by:

- Adopting a mind-set of innovation to revolutionise the way we operate;
- Leveraging partnerships to realise our full potential;
- Driving sustainability within the local ecosystem;
- Growing the economy in Midvaal, premised on incubating; entrepreneurship, socio-economic growth and environmental responsibility;
- Providing excellent and standardised service delivery for all;
- Prioritising the upliftment of our youth;
- Being an ethical and proactive local municipality;
- Elevating Midvaal to be the best and most attractive Municipality in the country.

The Municipality implements its mandated powers, duties and functions by way of a system of Integrated Development Planning which is based on the following strategic focus areas:

- Economic growth and development;
- Quality and sustainable urban infrastructure and affordable services;
- Energy efficient and environmentally conscious operations
- Effective, efficient and planned public transport network;
- Integrated and sustainable human settlements;
- Health, social and community development;
- Safety and security for all;
- An efficient, effective, transparent and accountable local municipality.

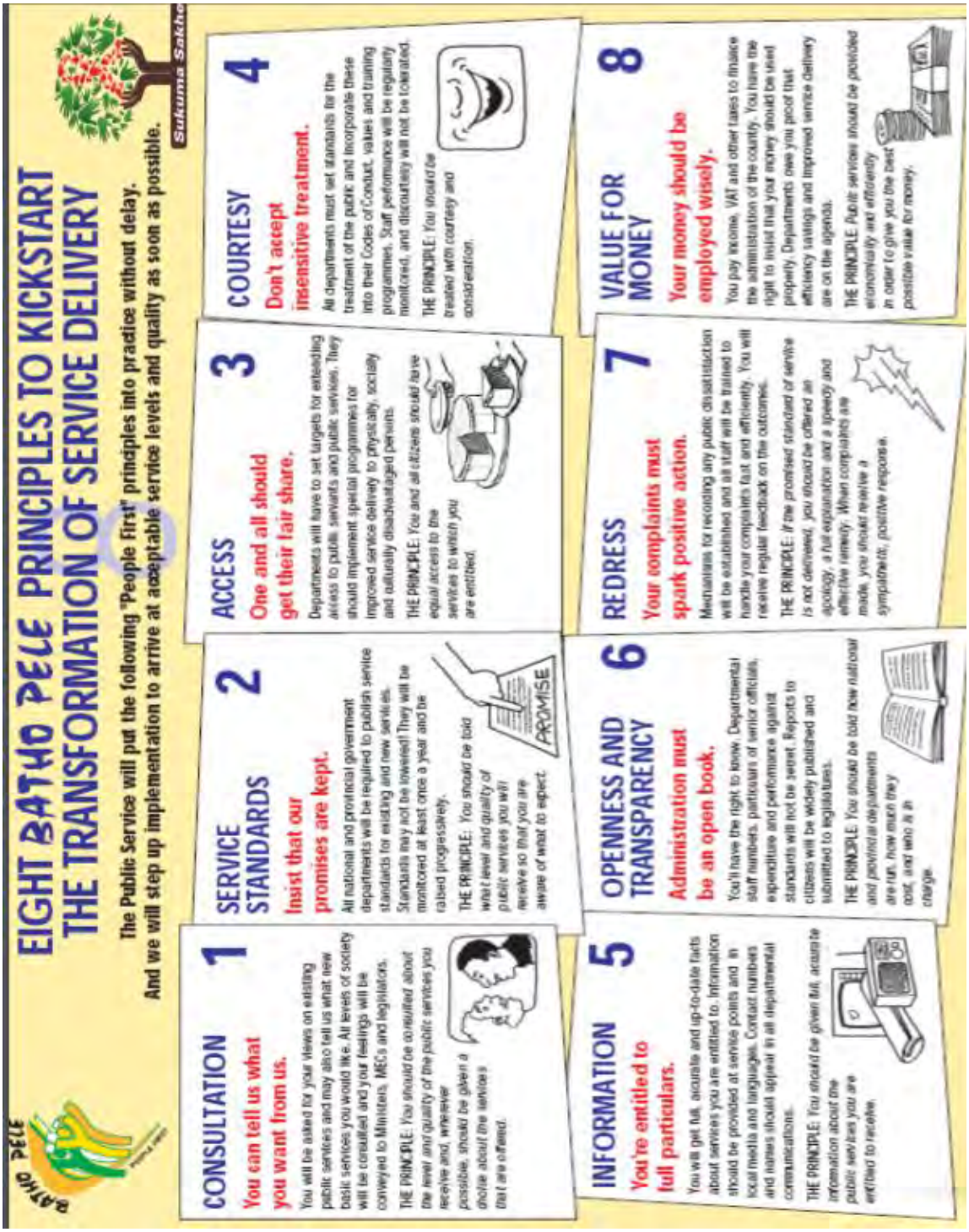
- This defines the character of the municipality and the foundation on which leadership and employees behave and conduct decisions. Midvaal local Municipality is guided by the following six (6) values.

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:



6. GENERIC SERVICE STANDARDS

6.1 Office Hours

- We will commit to these office hours: 07:30 – 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 telephones.
- 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

DEVELOPMENT AND PLANNING	
Building Plans	
Acknowledgement of receipt	Within Five (5) working days
Approval / Non Approval of building plan process: Standard Building Plans	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

Non-standard building plans Occupancy Certificate	(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	
Formal Trade License: Consider an application for trading on a demarcated area Consider an application for trading on non-demarcated areas Consider an application for business for the selling of foods	Written response within an average of 3 working days from date of application Written response within an average of 14 working days including the consent from the relevant Ward Councillor and internal departments Written response within an average of 21 working days from date of application
Poster Management: Consider an application for posters Response to complaints pertaining to posters Removal of Posters Deposit Refunds	 Written response within an average of 3 working days from date of application Within an average of 7 working days from date of receipt of such complaint Within an average of 3 working days after the expiry date of such approval 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 Swimming pools	Done according to prescheduled match programmes 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
Vehicle Licensing and Registrations	
Sedibeng District Function. Learners and drivers licenses.	Refer to contact details.
Road markings and Road Signs	
Road markings complaints	Complaints investigated and finalized within seven (7) – fourteen(14) 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	Immediate after reporting, one (1) day, subject to availability of stock
Repaint of faded stop markings	Immediately after reporting, one (1) day subject to availability of stock
Speed Law Enforcement	
As per approved schedule Ad hoc law enforcement requests - consideration	Feedback within two(2) working days
Accident scene	**Immediately after dispatch**
Law enforcement complaints	Within five (5) working days subject to an approval from the Municipal Manager
Events	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 30 working days before the event. A function with 30 - 250 persons e.g weddings, funerals, celebrations, initiation ceremonies etc. Safety Certificates must be obtained and yearly renewed. Apply at Protection Services Mr. Hannes Steyn
Disaster Management	
Natural disaster response	Joint operation centre (JOC) dispatched within one(1) hour.
CORPORATE SERVICES	
Council Meetings	Open to the public, at least once a month at 13:30.
Anti-Fraud and Corruption Hotline	0860 268 624 (24 hours)
Legal & Properties	Enquiries and requests for Legal assistance response within 48 Hours.

Auxiliary Services	Switchboard - Open for the public from 7:30 - 16:00 Halls - confirmation of booking upon proof of payment. Rental of municipal facilities - Confirmation immediately upon proof of payment.
Human Resources	Flexi time hours might be included then work hours will be amended to core working hours subject to Council Approval.
Information Technology	Response to calls logged on the IT Helpdesk, this includes Hardware, Software, Wide area network, and local area network. The IT helpdesk operates from 07h30 to 16H00 (Monday to Friday) Internal Calls on premise at 25 Mitchell str. Must be attended to within an hour from the call being logged at the IT. Help desk. External calls to be attended within 3 Hours. Telephone Number 016 360 7439
FINANCE SERVICES	
Queuing time for municipal accounts payments	We will endeavor 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.

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 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 is 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
Storm water	
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

TURN AROUND TIME: ENGINEERING SERVICES				
CLASS	**COVER**	**SUBCAUSE**	**TURNAROUND TIME FOR RESOLUTION ON EACH LEVEL OF ESCALATION IN MINUTES**	
ENGINEERING SERVICES	**WATER**	1.NO WATER	*Office Hrs*	*After Hrs*
			• 8 hrs	• 8 hrs
		2. WATER PRESSURE	• 4 hrs	• 4 hrs
		3. WATER LEAK	• 8 hrs	• 8 hrs
		4. WATER THEFT AND ILLEGAL CONNECTIONS	• 1 Week	• 1 Week
		5. STOP COCK OVERFLOWING	• 4 hrs	• 4 hrs
		6. METER INSTALLATION	•	•
		7. DELIVERY (WATER TANKER)	• 8 hrs	• 8 hrs
		8. LEAKING TAP	• 3 hrs	• 3 hrs
		9. FIRE HYDRANT	• 6 hrs	• 6 hrs
		10. NEW CONNECTIONS	*Standard connections* • 6 weeks after receipt of payment	*Non Standard connections* • Negotiable subject to delivery
	SANITATION	1.SPILLAGE	• 3 hrs during working hours	• 4 Hrs after working hours
		2. NEW CONNECTIONS	*With a line* • 3 weeks	*Without a line* • 2 Months
		3. Bad Smell	• 3 hrs during working hours	• 4 hrs after working hours
		4. Chemical Toilets (only for council buildings) not private	• 1 - 2 working days	
		5. Septic tanks (only for council buildings)	• 2 – 3 working days	• 2 – 3 working days
		6. Overflowing Manhole	• 3 hrs	• 3 hrs
		7. Blockage	• 1 day	• 1 day
	ELECTRICITY	1. Power Outages **(communicate with relevant stake holders)**	*Unplanned*	*Planned*
			Office Hours	Within 10 working days prior to the interruption

			• 1hr depends on outage cause, Staff availability and workload. All HT calls will receive priority. Afterwards area complaints will be attended to. Single calls will then be dealt with. After hours • Within 2hrs. depends on outage cause, Staff availability and workload. All HT calls will receive priority. Afterwards area complaints will be attended to. Single calls will then be dealt with.	before any planned tasks are executed, notices will be served to the relevant stakeholders two days in advance. For Area interruptions, notices will be served to the relevant stakeholders 10 days prior to the commencement of the interruption.
		2. Service Outages/ Power out **(Midvaal) supply arears for Electricity** NB: Midvaal municipality however has no control over Eskom schedule or unforeseen power outage	*Unplanned*	*Planned*
			Same as above	Same as above
		3.Low voltage	Office Hours • Same as above	After Hours • Same as above
		4. Overhead lines	Office Hours • Same as above.	After Hours • Same as above

		5. Skew/falling pole	Office Hours • Depending on staff availability.	After Hours • Will be attended to the next working day. Except if lives are in danger.
		6. Open substation/ Kiosk	Office Hours • Availability of staff (Same day.)	After Hours • Within 24 hours.
		7. Street lights (after receiving complaint) All streetlights complaints must be forwarded to Admin Clerk. Electrical and will only be attended to during office hours. No streetlight repairs will be done after hours and no streetlight complaints will be excepted after hours.	*more than 3 street lights affected on the same supply line* • Within 4 weeks. Depends on availability of spares in stores, and maintenance cycle.	*Less than 3 lights* • Within 4 weeks. Depends on availability of spares in stores, and maintenance cycle
		8. New connections	Standard connection and upgrading	Non Standard connection and upgrading
		All quotations must be obtained from the Assistant Director Bulk Connections or Chief Clerk pre-paid electricity.	*Quotations for standard connection and upgrading* Work will only commence after receiving a works order from the Chief Clerk Electrical and will only be completed within 21 working days.	*Quotations for non-standard connection and upgrading* Work will only commence after receiving a works order from the Chief Clerk Electrical and will only be completed within 21 working days. This excludes special conditions as outlined by quotation.
		9. Pre paid meter	Office Hours	After Hours

		All queries regarding pre-paid meters during office hours must be forwarded to the Chief Clerk	Depends on the availability of spares in store and workload and staff constrains.	No new connections are done after hours. Call outs same as above.
		10. Conventional meter	Office Hours	After Hours
			Depends on the availability of spares in store and workload and staff constrains.	No new connections are done after hours. Call outs same as above.
		11. Theft/ Illegal connections	Office Hours	After Hours
			Theft / Illegal connections must be reported to Finance Department (E. Bronkhorst). Stolen cable or transformers will be replaced within the same day, depending on spares availability.	Theft / Illegal connections must be reported to Finance Department (E. Bronkhorst) Replacement of apparatus that's been stolen will be done the same day.
	ROADS	1.Roads damages	Unplanned (Emergency)	Planned
			1 day	1 day
		2. Side of roads damaged	8 hrs	Per schedule
		3. Dirt on roads	8 hrs	Per schedule
		4. Speedbump	8 hrs	Per schedule
		5. Street names	8 hrs	2 Months
		6. Traffic signs	8 hrs	1 working day
		8. Roads hazards	1 day	1 working day
		10. Dust	Per schedule	Per schedule
		11.Tar request	1 week	1 week
		12. stagnant water	1 day	1 day
		1.Operating Hrs	07h15 – 16h00	-
		2. Dust	07h15 – 16h00	-
	LANDFILL	3. Scavengers	07h15 – 16h00	
		3. Accessibility	Monday - Saturday	-
		1.Blocked drain	*Unplanned (Emergency)*	*Normal Planned*

		1.Blocked drain 2. No drainage	1 day	Per schedule
	STORMWATER	1.Blocked drain 2. No drainage 3. Stagnant Water	1 day	Per schedule
			1 day	Per schedule
	VAAL MARINA	1. Sanitation	Refer to sanitation turn around times	
		2. Electricity	Refer to Electricity turn around times	
		3. Water	Refer to Water turn around times	
		4. Roads	Refer to Roads turn around times	

7. CONTACT DETAILS

The municipality can be contacted on a 24 hour basis, either during office hours at the various service points as indicated below or after hours at the Call Centre:

Physical Address:

25 Mitchell Street

Meyerton

1961

Postal Address: PO Box 9
Meyerton
1960

Fax: 016 360 7519
Switchboard: 016 360 7400

Call Centre Details: 0861 643 8225

WhatsApp: 084 582 5466
Email: complaints@midvaal.gov.za

Website: www.midvaal.gov.za

IMPORTANT CONTACT NUMBERS

SAPS

- Meyerton 016 362 0903/1787
- Vaal Marina 016 372 1616/9005
- Kliprivier 016 903 8205/6
- De Deur 016 590 9200

CLINICS

- Meyerton 016 362 5880
- Kookrus 016 363 1101
- Randvaal 016 360 5836/7

HALLS

- Bookings 016 360 7470

HOSPITALS

- Midvaal Private Hospital 016 454 6000
- Netcare Mulbarton 011 682 4300

LIBRARIES

- Meyerton 016 360 7443/4
- Randvaal 016 365 5093
- De Deur 016 360 5867/8
- Henley-on-Klip 016 366 0112
- Sicelo 016 360 7600
- Lakeside 016 360 7655
- Bantu Bonke 076 186 3409

IEC

- Meyerton 016 362 0367

EMERGENCIES

- Fire Station 016 360 7500

SWIMMING POOL

- Meyerton 016 362 0509

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

AFTER HOURS / EMERGENCY NUMBER:

- Fire & Rescue Services, Ambulance, Traffic, Water, Electricity & Roads complaints and emergencies: (016) 360 7500.

PLEASE NOTE:

The afterhours/emergency number is strictly for emergencies only. Enquiries, requests for information or other routine matters must be communicated to the municipality during office hours to ensure that the lines remain open to dispatch emergency teams in the shortest possible time without operators having to engage and waste time on non-emergency matters.

COMMENTS

CORPORATE SERVICES

Supported.

DEVELOPMENT AND PLANNING

No comments received.

COMMUNITY SERVICES

Supported.

FINANCE

Supported.

ENGINEERING SERVICES

Supported.

Annexure AU NT MFMA Cost Containment Regulations

Government Gazette
Staatskoerant

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NATIONAL TREASURY

NOTICE 317 OF 2019

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

MUNICIPAL COST CONTAINMENT REGULATIONS, 2019

The Minister of Finance has, acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, in terms of section 168(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made the Regulations as set out in the Schedule.

SCHEDULE

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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 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 in terms of these regulations; and
"credit card" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

Object of Regulations

2. The object of these Regulations, in line with sections 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 officials and political office bearers in municipalities and municipal entities.

Cost containment policies

4. (1) Each municipality or municipal entity must develop or revise 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;
(b) define a municipality or municipal entity's objectives for the use of consultants; and
(c) 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) monitoring 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; or
(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 specific measurable objectives 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) ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;
(e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality or municipal entity's supply chain management policy; and
(f) develop consultancy reduction plans to reduce the reliance on consultants.
(6) All contracts with consultants must include a 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 are appropriately recorded and monitored.
(8) The travel and subsistence costs of consultants must be in accordance with the national 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 costs 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 national 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 must not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package for the different grades of municipalities, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.

(2) The procurement of vehicles in sub-regulation (1) must be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms.

(3) Before deciding to procure a vehicle as contemplated in sub-regulation (2), the accounting officer or delegated official must provide the council with information relating to the following criteria which must be considered:

(a) status of current vehicles;

(b) affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in sub-regulation (1);

(c) extent of service delivery backlogs;

(d) terrain for effective usage of the vehicle; and

(e) any other policy of council.

(4) If the rental referred to in sub-regulation (3) is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.

(5) Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres.

(6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

(7) An accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

Travel and subsistence

7. (1) An accounting officer–

(a) may approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and

(b) may only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.

(2) In the case of the accounting officer, the mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.

(3) Notwithstanding sub-regulation (1) or (2), an accounting officer, or the mayor in the case of an accounting officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

(4) The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials or political office bearers attending such meetings or events must be limited to those officials or political office bearers directly involved in the subject matter related to such meetings or events.

(5) An accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice 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.

(6) An official or a political office bearer of a municipality or municipal entity must–
(a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;
(b) make use of available public transport or a 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 official or political office bearer; 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.

(7) A municipality or a municipal entity must utilise the negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through a notice or any other available cheaper flight and accommodation.

Domestic accommodation

8. (1) 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 from time to time by the National Treasury through a notice.
(2) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.

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 political office bearer, including members of the board of directors of municipal entities.
(2) Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement in accordance with the written approved 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 the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
(3) Entertainment allowances of qualifying officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.
(4) A municipality or municipal entity may not incur expenses on alcoholic beverages unless the municipality or the municipal entity recovers the cost from the sale of such beverages.
(5) An accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality or the 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 or is an integral part of the business model.

(7) An accounting officer may incur expenditure not exceeding the limits for petty cash usage 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.

Communication

11. (1) A municipality or municipal entity may, 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 and data costs are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.

(3) Newspapers and other related publications for the use of officials must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.

(4) A municipality or municipal entity may 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 applications 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) When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, an accounting officer or mayor as the case may be, must take the following into account–

(a) the official's or political office bearer'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 or political office bearers, not exceeding three, attending the conference or event; and

(d) the availability of funds to meet expenses related to the conference or event.

(3) 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.

(4) The benchmark costs referred to in sub-regulation (3) may not exceed an amount as determined from time to time by the National Treasury through a notice.

(5) The amount referred to in sub-regulation (4) 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 the 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 must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub-regulation (2).

(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 considered 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, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.

(3) Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.

(4) A municipality or municipal entity must avoid expenditure on elaborate and expensive office furniture.

(5) A municipality or municipal entity may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.

(6) A municipality or municipal entity may consider providing additional time-off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.

(7) A municipality or municipal entity must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs.

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 or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

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 and 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) The reports referred to in sub-regulation (2) must be copied to the National Treasury and the relevant provincial treasury 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, 2019 and take effect on 1 July 2019.

Annexure AV Midvaal Cost Containment Progress

C 2466/01/2021
MC A/5427/01/2021

9.A.14 [FS]: MID-YEAR REPORTING: COST SAVING MEASURES FOR THE 2020/2021 FINANCIAL YEAR

8/1/1

COMPETENCY: COUNCIL

PURPOSE

To disclose the cost containment measures applied by the municipality and the cost savings on the implementation of the cost containment measures in terms of the Municipal Cost Containment Regulations, 2019.

RECOMMENDATIONS

1. That the report on the disclosure of the cost containment measures applied by the municipality and the cost savings on the implementation of the cost containment measures for the period 01 July to 31 December 2020, be noted.

2. That since the cost containment measures were implemented in all respects prior to the Regulations being promulgated in 2019 there are no additional cost savings to report for the current reporting period.

3. That the report be sent to the Gauteng Provincial Treasury.

REPORT

The Municipal Cost Containment Regulations were gazetted and came into effect from 1 July 2019.

The MFMA Circular number 82: Cost Containment Measures was issued by National Treasury on 30 March 2016 with the objective of ensuring that the resources of the municipality are used effectively, efficiently and economically. The Council adopted all the recommendations of the Circular and implemented the cost containment measures from 2016.

The Regulations make specific reference to the following:

Cost containment policy

Each municipality must develop or revise and implement a cost containment policy

All the cost containment measures contained in the Regulations are incorporated into the approved Cost Containment Policy.

Use of consultants

Each municipality may only appoint consultants if an assessment of the needs and requirements confirms that the municipality does not have the requisite skills or resources in its full-time employ to perform the function. In addition, there are other guiding principles around the appointment of consultants.

Consultants are appointed after a needs analysis is completed and submitted together with the specifications which is then 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.

Vehicles used for political office bearers

The regulations introduce a ceiling in terms of the value of the vehicles to be procured and principles in terms of management of such vehicles.

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, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.

All vehicles are procured using the RT57 tender to save cost, unless it may be procured at a lower cost through procurement mechanisms. The threshold limits and other requirements are strictly observed.

Travel and subsistence

The regulations provide the thresholds for purchasing air tickets, limitations on international travel, and hiring of vehicles. Economy class tickets are the norm, except for flights over 5 hours, and for exceptional cases. Accommodation costs are also pegged to the rates determined by Treasury, with exceptions. Use of municipal fleet vehicles must be the first consideration, where viable, before incurring costs on hired vehicles.

The travel and subsistence policy have been amended to be in compliance with the NT prescriptions on travel and subsistence. The appointed travel agent has been instructed to ensure compliance with the Regulations.

Officials travel economy class for all local travel.

Credit and Debit cards

Prohibition on the issuance of debit or credit cards linked to municipal bank accounts to officials or public office bearers

The municipality has not issued any credit or debit cards.

Sponsorships, Events and Catering

Restrictions on using municipal funds for specific functions which include, amongst others, catering for internal meetings only attended by officials, and social, farewell and team building activities. Entertainment allowances for qualifying officials may not exceed R2 000 per person per financial year.

Catering is minimised for meetings, and only meetings lasting longer than 5 hours are considered for catering. No year-end functions are held at Council's cost.

All entertainment budgets are capped at R2 000 per person per financial year – staff related functions are not funded from the entertainment budgets.

Communication

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.

Municipal events and public information is posted 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, the e-tender portal is used for bidding processes and P-Net for recruitment of human capacity.

Private telephone calls are tracked and deducted from staff salaries.

Newspaper subscriptions have been reviewed and reduced to the bare minimum.

Domestic accommodation / Conferences, meetings and study tours

Delegations must be limited to no more than 3 officials per conference. Meetings and planning sessions, as far as may be practically possible be held in-house.

In addition, there are other guidelines. (which have been incorporated into the Cost Containment Policy)

Conferences are only attended if hosted by the professional bodies or government. Delegations are limited to no more than 3 officials per conference, hotel accommodation was kept within the prescribed limits, and car rentals were reduced, and shuttle services were used. In the 2nd quarter, there has been a great reduction in attendance of physical meeting and replaced with virtual attendance.

Other related expenditure items

There are other general limitations, relating to the reduction of excessive spending on office furniture and equipment, use of municipal funds for electioneering, brochures, tools of the trade beyond what is already allowed, security measures, and unplanned overtime. Proper processes are to be followed when dismissing and suspending officials to minimise unnecessary legal costs. Municipalities should conduct periodic threat assessments before approving any costs on security for political office bearers or officials

- Office furnishings – The budget for furniture is approved by the Budget Steering Committee and only where new positions are created, or furniture is 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 and RT57 for purchasing vehicles, plant and equipment.
- Printing is 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.

Compliance versus saving

It could be argued that there is an inverse proportional relationship between compliance versus saving. Midvaal adopted and implemented the Circular in 2016 and by the time the Regulation was gazetted in 2019 there was already a move towards 100% compliance, hence the additional savings disclosed from 1 July 2020 onwards is minimal, if any.

PREPARED BY:

MR. F JONAS
DIRECTOR: EXPENDITURE
2020/2021_mid-year reporting: cost saving measures for the 2020/2021_financial year/fj

RECOMMENDED

MR. A LAMBAT
CHIEF FINANCIAL OFFICER

APPROVED/NOT APPROVED

MS. NS MHLANGA
MUNICIPAL MANAGER

Annexure AW MFMA Budget Circular No 107 dated 4 December 2020

NATIONAL TREASURY

MFMA Circular No. 107

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2021/22 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts *(m*SCOA); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

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 by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *m*SCOA is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term.

South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020.

High-frequency data for the third quarter – such as the volume of electricity distributed, mining and manufacturing output, business confidence and the Absa Purchasing Managers' Index (PMI) – shows evidence of a limited economic rebound. Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024.

The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms. A second wave of COVID-19 infections, accompanied by new restrictions on economic activity, would have significant implications for the outlook. Government's fiscal position is a risk to growth: higher long-term borrowing costs and risk premiums have started to affect the broader economy.

In addition, recovery efforts will fail unless structural constraints (including in energy, infrastructure and competitiveness) are urgently addressed. While the reforms required in these areas do not immediately affect growth, they are critical for market confidence and investment.

Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2021. Private generation will only be able to plug the electricity gap to a limited extent over the next year.

Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and large-scale public

employment programmes. In addition, targeted skills development will improve productivity and employment prospects.

Headline inflation is at the lower end of the 3 to 6 per cent target range. Goods and services inflation has broadly declined due to weak demand and falling oil prices. Inflation is forecast to fluctuate around the 4.5 per cent midpoint over the medium term in line with moderating inflation expectations.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. There are measures in place to reduce expenditure to narrow the deficits.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2016 - 2020

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.2%	4.1%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2020.

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 2021/22 budget process

2.1 Local government conditional grants allocations

Transfers to local government will be reduced by R17.7 billion, including R14.5 billion from the local government equitable share, R2.7 billion from the general fuel levy and R569 million in direct conditional grants over the 2021 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period.

Government will revisit underperforming programmes. For example, some cities receiving the Public Transport Network Grant (PTNG) have not launched their integrated public transport networks. Over the MTEF period, government will suspend at least two more poorly performing cities from this grant and the remaining cities will be required to reduce costs and demonstrate their effectiveness to remain funded.

The annual Division of Revenue Bill will be published in February 2021 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2020 Division of Revenue Act to compile their 2021/22 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2020 Division of Revenue Act for 2020/21. The DoRA is available at
http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx

Division of Revenue Second Amendment Bill, 2020: changes to local government allocations

Roll-over of funds - R390 million is rolled over in the Urban Settlement Development Grant (USDG) to fund commitments for bulk infrastructure related projects in Nelson Mandela Bay Metropolitan Municipality. R98 million is rolled over in the PTNG to continue with the rollout of the integrated public transport network (IPTN) for public and non-motorised infrastructure in Nelson Mandela Bay Metropolitan Municipality.

R307 million is rolled over in the Regional Bulk Infrastructure Grant (RBIG) for drought and COVID-19 water and sanitation interventions nation-wide.

Water Services Infrastructure Grant (WSIG) - R12 million has been reprioritised from the Department of Water Affairs' budget into the indirect component of WSIG for the implementation of various water services interventions.

Reductions to municipal conditional grants
In the Medium-Term Policy Budget Statement, the Minister of Finance indicated that R10.5 billion is required for the rescue plan for the South African Airways. Therefore, R613 million has been proportionately reduced across municipalities in respect of conditional grants while no reductions were made to the local government equitable share for the 2020/21 financial year.

These changes are shown in Schedule 4, Part B; Schedule 5, Part B and Schedule 6, Part B of the Bill.

Additional instruments to finance infrastructure in municipalities

Municipalities can access other instruments to finance the development of infrastructure that boosts economic growth beyond infrastructure grants. Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development. An update on development charges and borrowing reforms is summarised below:

- *Development charges* - Municipalities earn revenue from charging developers to connect new developments to municipal services. The draft Municipal Fiscal Powers and Functions Amendment Bill proposes new, uniform regulations in respect of these development charges, thereby strengthening the revenue-raising framework of municipalities. After processing comments, the National Treasury will submit the Bill to Cabinet and Parliament for consideration in 2021; and
- *Borrowing* - Creditworthy municipalities can also borrow in capital markets. The National Treasury has updated the original municipal borrowing policy framework, which guides this borrowing, and will shortly submit it to Cabinet for approval. The proposed changes aim to increase the term maturity of borrowing improve the secondary market for the trade of municipal debt instruments and define the role of development finance institutions to avoid crowding out the private sector.

3. 2021 Local Government Elections and the budget process

Local government elections are scheduled to take place in 2021, and the proposed date is yet to be determined. Elections are important events as we reaffirm our commitment to democratic and accountable government by choosing representatives of the people who will guide the work of local government for the next five years.

The following four risks need to be explicitly managed:

1. In terms of section 13 of the Municipal Property Rates Act, 2004 (Act No 6 of 2004)(MPRA) and sections 24 and 42 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003)(MFMA), new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July). This means that the municipal council must approve the relevant tariffs as part of the MTREF budget before the commencement of the financial year on 1 July. Failure to obtain council approval for the annual tariff increases would most likely cause an immediate financial crisis that may lead to the provincial executive intervening in the municipality in terms of section 139 of the Constitution. Therefore, if the elections take place after the start of the financial year, the outgoing council will be responsible for approving tariffs for the 2021/22 MTREF and the newly elected council for the implementation thereof as section 28(6) of the MFMA does not allow the increase of tariffs in-year;

2. In terms of section 16 of the MFMA, a municipal council must approve the annual budget for the municipality before the start of the financial year, and should a municipal council fail to do so, section 26 of the MFMA prescribes that the provincial executive **must** intervene. This provincial intervention may include dissolving the municipal council and appointing an administrator to run the municipality. Therefore, the outgoing council must ensure that they comply with the timeframes for approval of the budget;

3. The outgoing council may be tempted to prepare an 'election friendly budget' with unrealistically low tariff increases and an over-ambitious capital expenditure programme. The outcome of this approach will undoubtedly be an unfunded municipal budget that threatens their respective municipality's financial sustainability and service delivery; and

4. Given that the timing of election campaigning may coincide with the municipal public budget consultations, there is a risk that these consultations may be neglected or used to serve the narrow interests of political parties. It is reiterated that transparency and public participation is an integral part of our constitutional democracy, hence municipalities must ensure that public and stakeholder consultation processes are adhered to as required by the legislative framework.

In the build-up to the 2021 local government elections, the financial sustainability of the municipality should be protected. Now, more than ever before, it is paramount for sound municipal decision-making so that the long-term sustainability of municipal finances and service delivery is achieved beyond the election period.

Finances of some municipalities have been unstable for many years, and this was exacerbated by the financial impact of the COVID-19 pandemic. Therefore, there is severe pressure to maintain healthy cash flows and increase cost containment measures while sustaining efficient service delivery levels. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Municipalities are also reminded of the regulatory framework set out in the Municipal Cost Containment Regulations insofar as it relates to the use of municipal funds to fund election campaigns and other non-priority issues as this might further impact the financial sustainability of municipalities.

Furthermore, as the current municipal leadership will be responsible for the compilation of the 2022/23 MTREF budgets, councils are advised to prioritise expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs). Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

In addition, the outgoing council is advised to critically consider the financial implications before entering into new long-term contracts that are not of priority to the municipality and avoid if possible, committing the incoming council. Municipalities should refrain from filling non-critical positions, purchasing cars, procuring new financial systems and from incurring any other expenditure at this stage that will financially burden the incoming council.

During this time of transition, all stakeholders should work together to ensure that municipalities continue to perform their functions efficiently and effectively. The Mayor and municipal manager should now be engaging in the process of the annual review of the fifth and last year of the IDP in terms of section 34 of the Municipal Systems Act (MSA) and the 2022/23 budget preparation process in terms of section 21 of the MFMA. It is particularly important to ensure that arrangements for the review of IDPs and preparation of budgets continue seamlessly as these processes cannot be delayed in anticipation of the announcement of an election date.

In deciding on the schedule for the 2022/23 budget process, the Mayor and municipal manager must also note that the MFMA, read together with the Municipal Budget and Reporting Regulations, only allows for a 'main adjustments budget' to be tabled after the mid-year budget and performance assessment has been tabled in council, i.e. after 25 January 2022. In addition, the permitted scope of an adjustments budget is quite limited in that taxes and tariffs may not be increased (refer to section 28(6) of the MFMA) and any additional revenues may only be appropriated to programmes and projects already budgeted for (refer to section 28 of the MFMA). Therefore, the idea of the current council passing a 'holding budget' which the new council will change substantially through an adjustments budget soon after the start of the municipal financial year is not legally permitted.

Though an IDP is a five-year strategic document of council, municipalities should note that when a new council takes office after a local government election, the norm has been that the new council implements the last adopted IDP during the first year of office. It is normally only in the second year of office that the newly elected council adopts a new IDP after thorough interrogation, extensive consultation and finalisation of a new five-year strategy.

In the absence of detailed information on the 2021 Local Government Elections, National Treasury will provide further guidance in the follow-up MFMA Budget Circular to be issued in March 2021.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Release of Version 6.5 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 6.5 is released with this circular.

Version 6.5 of the chart will be effective from 2021/22 and must be used to compile the 2021/22 MTREF and is available on the link below:
http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

4.2 Budgeting and Reporting for the COVID-19 pandemic and water inventory

In terms of the Annexure to MFMA Circular No. 99, *m*SCOA Circular No. 9, and GRAP 12, municipalities were advised to:

1. Record and ringfence all funding and expenditure pertaining to the COVID-19 pandemic for the 2020/21 MTREF when budgeting and transacting; and

2. Budget and account for bulk water purchases as inventory as per GRAP 12 (paragraph 07).

It is evident from the snapshots that were drawn from the Local Government Database based on the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting, that most municipalities have not budgeted or reported on COVID-19 related allocations and expenditure, nor bulk water inventory as per the guidance provided.

Although the regulated A1 Schedule will only be amended from the 2021/22 MTREF to align to GRAP 12 (as per MFMA Circular No. 98), municipalities should already record water inventory in the *m*SCOA chart. ***Municipalities must budget for water as inventory in the 2021/22 MTREF.*** This means that municipalities will no longer be able to budget for water bulk purchases as an expense on table A4. Municipalities must use bulk water purchases i.e. system input volume on table A6: inventory. This provides for three different water sources i.e. water treatment works, bulk purchases and natural sources. When water is issued through the billing/ distribution, the cost should be expensed through table A4: inventory consumed with the corresponding accounting transaction in the inventory account on table A6: current assets: water: authorised consumption.

Municipalities that did not adjust their 2020/21 MTREF budgets by 30 September 2020 to respond to the COVID-19 pandemic or budget for bulk water inventory are reminded to do so in the main adjustments budget process in February 2021.

It should also be noted that the National Treasury's reporting on COVID-19 will be drawn as per *m*SCOA Circular No. 9 and we will not be able to identify COVID-19 allocations and expenditure that have been ringfenced in another manner.

Municipalities must submit the adjustments budget and revised project list for 2020/21 in the format of a *m*SCOA data strings (ADJB and PRAR) uploaded to the Local Government (LG) Upload Portal within 10 working days after Council has adopted the adjustments.

4.3 Revised Municipal Property Rates Act Categories

By now all municipalities should be aware that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act"). The new rateable property categorisation framework based on use (provided these property categories exist within the municipality) and consequently, all property categories that are based on ownership, geographic location or any other basis fall away.

Municipalities must implement the new property categorisation framework by not later than 1 July 2021. The *m*SCOA chart Version 6.5 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

4.4 Forbidden activities

The Item Assets segment of the *m*SCOA chart currently includes items such as staff loans as non-current receivables from non-exchange transactions. This is in contravention with Section 164(1)(c) of the MFMA that stipulates that a municipality may not make loans to councillors or officials of the municipality; directors or officials of the entity; or members of the public. Therefore, municipalities are advised not to use these items when budgeting as National Treasury may retire these items in the next version of the chart.

4.5 Independent Audits on Municipal Financial Systems

All municipalities and municipal entities had to comply with the *m*SCOA Regulations by 1 July 2017. MFMA Circular No. 80 provided guidance on the minimum business processes and system specifications for all categories of municipality (A, B and C). The Request for Proposal (RFP) issued on 4 March 2016 for the appointment of service providers for an integrated financial management and internal control system for local government (RT25-2016 published in Tender Bulletin No. 2906), provided further guidance on the requirements applicable to a specific category of municipality.

The National Treasury will conduct independent audits on all municipal financial systems in 2021 to determine to what extent the financial systems that are currently being used by municipalities comply with the minimum business processes and system specifications required in terms of *m*SCOA. These audits were initially planned for 2020, but due to restrictions on procurement processes and travel in terms of the COVID-19 pandemic it was postponed to 2021. The results of the audits will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2022. **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 does not comply with the necessary *m*SCOA functionality requirements**. However, should a municipality need to procure a new financial system, they must follow the processes set out in the MFMA read together with the Municipal Supply Chain Management Regulations and MFMA Budget Circulars No. 93, 98 and *m*SCOA Circulars No 5 and 6. In addition, National Treasury has not accredited any of the municipal financial systems available in the market and this should therefore not be advertised as a requirement in municipal tender documents.

It should be emphasised that the onus to ensure compliance with the *m*SCOA Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities must properly manage Service level agreements (SLA) with system vendors. Penalties, including the termination of the SLA in cases of persistent non-compliance, should be imposed if the system vendor does not meet the agreed upon milestones. Likewise, if a system vendor has delivered on the services agreed upon in the SLA, then the municipality should pay all money owing to the system vendor within 30 days of receiving the relevant invoice or statement, as per the requirements of Section 65(2)(e) of the MFMA. Lastly, municipalities must agree on the services that are to be provided by the system vendors and costs thereof in the SLA that is signed by the municipality and system vendor. Municipalities should consider the financial implications thereof and negotiate more favourable terms with the system vendor if necessary before signing the SLA. Once signed, the SLA is legally binding.

4.6 Regulation of Minimum Business Processes and *m*SCOA System Specifications

National and Provincial Treasuries held extensive engagements with key system providers during which the system functionality on the following were demonstrated: IDP and budget, supply chain management (SCM), asset management, annual financial statements, revenue management, cash flow and period control. These engagements provided National and Provincial Treasuries with an understanding of what functionality is available on each system and what the key system related challenges are.

It was evident from the engagements that municipalities are not using their financial systems optimally. Some of the challenges that were identified in this regard include the following:

- Some municipalities have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*m*SCOA enabling) version of their financial systems;

- A few municipalities are not paying for the required licences to use system solutions and they are not upgrading and maintaining their servers, hardware and software to become and remain *m*SCOA compliant and to protect their data;
- Several municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitutes fruitless and wasteful expenditure; and
- Other municipalities are not using all the modules of the core financial system (using 3rd party systems) while they have procured these modules. This is once again fruitless and wasteful expenditure.

Municipalities should include the cost of the above in their 2021/22 MTREF budgets.

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

National Treasury will expand and regulate the business processes and system specifications communicated in MFMA Circular No. 80 and its Annexure B in the 2021/22 MTREF to ensure that municipalities are using the functionality available on their financial systems. MFMA Circular No. 80 was issued in 2016, and several Regulations and best practises as per the MFMA Circulars have been introduced since then. The expansion of the requirements will accommodate these new developments.

4.7 Non-compliance with *m*SCOA requirements

If your municipality has not yet achieved the required level of *m*SCOA implementation, then it must provide a detailed action plan (road map) to the National and the respective provincial treasury to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following priority areas, as applicable to the municipality:

- The functionality of the financial system, including the minimum system functionality and business process as per MFMA Circular No. 80 and Annexure B and functionality required in terms of Regulations and MFMA Circulars that was issued after 08 March 2016 (the date on which MFMA Circular No. 80 was issued);
- Integration of 3rd party sub-systems with the *m*SCOA enabling financial system as required in terms of MFMA Circular No. 80 and Annexure B;
- Change management initiatives to ensure that *m*SCOA is institutionalised as an organisational reform and not only a financial reform; and
- Training initiatives to ensure that all officials in the organisation are familiar with the *m*SCOA chart, basic accounting, balance sheet budgeting and movement accounting and the use of the *m*SCOA enabling financial system.

Importantly, the action plan must be drafted by the municipality and not the system vendor and the progress against it should be carefully monitored by the municipality's *m*SCOA Project Steering Committee (chaired by the Accounting Officer). Municipalities must present progress against the action plan at the 2020/21 Mid-Year Budget and Performance visits and Budget and Benchmark engagements with the National and the respective provincial treasury.

4.8 Extension and Procuring of Service Level Agreements (SLA) for Financial Systems

At least six (6) months prior to the expiry of the SLA for the support and maintenance of the financial system, the municipality should either:

- Extend the existing SLA with the same system vendor subject to the provisions of Section 33 and 116(3) of the MFMA (read in conjunction with MFMA Circular No. 62); or
- Approach the market to procure services for the support and maintenance of the financial system consistent with the Municipal Supply Chain Management Regulations and municipality's Supply Chain Management Policy.

Importantly, once the SLA has expired, it cannot be extended, and the municipality will have to embark on a new procurement process. In addition, when the contract for the support and maintenance of the financial system comes to an end, it does not mean that the municipality must procure a new financial system. It is only support and maintenance services pertaining to the financial system that needs to be procured. Municipalities need to properly document their systems and the system language used to ensure that system support can be procured in the local market when required.

4.9 Cash flow reconciliation

The population of the cash flow reconciliation in tables A7, B7 and C7 of the MBRR formats using *m*SCOA data strings has been a challenge in previous financial years. The main contributing factors to this were that:

- Municipalities were not using the *m*SCOA segments correctly to populate their cash flow information;
- A number of municipalities did not use the movement accounts correctly in the *m*SCOA chart which distorts the figures reported in the cash flow tables;
- Some municipalities did not budget, transact or report directly in or from their financial systems; and
- There were errors in the linkages of the MBRR cash flow tables to the *m*SCOA data strings in the segment item: asset and liabilities on the Local Government Database.

It is critical that municipalities undertake balance sheet and cash flow budgeting to provide accurate cash flow information. National Treasury has provided guidance in this regard in MFMA Circular No. 98 and *m*SCOA Circular No. 10 and have also corrected the errors in the linkages of the MBRR cash flow tables to the *m*SCOA data strings. This has resulted in improvements in the section 71 cash flow data that were published at the end of quarter 1 of the 2020/21 MTREF. Further guidance on the application of the funding segment has also been issued in *m*SCOA Circular No. 11 on 4 December 2020.

4.10 *m*SCOA Calendar for 2021/22

Important dates pertaining to *m*SCOA related activities for the 2020/21 financial year is summarised below for planning purposes:

Activity		Time Frames
1.	Independent System Audits	February to December 2021
2.	Regulation of Minimum Business Processes and System Specifications	For comments and testing: October 2021
3.	*m*SCOA Virtual Training Sessions (various topics)	Monthly
4.	Roll out of eLearning *mSCOA* course through	July 2020

	National School of Governance	
5.	Issue proposed *m*SCOA chart changes for version 6.6	October 2021
6.	Annual *m*SCOA CIGFARO Budgeting Workshop	November 2021
7.	Issuing of transversal contract for provision of financial systems	March 2022

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for the servicing of their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of persons per household means that the revenue foregone in respect of free basic services will likely increase, and it will become even more difficult to collect revenue. Household budgets are becoming increasingly under more pressure, and trade-offs might be applied when it becomes unaffordable to pay all household expenses on a monthly basis.

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 lower 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 2021/22** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circular No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2021/22 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities not attaining their desired collection rates.

It is therefore essential that municipalities pay attention to reconciling the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities are encouraged to undertake this exercise as a routine practice. The list of exceptions derived from this reconciliation will indicate 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. In accordance with the MFMA Circular No. 93,

municipalities are once more requested to submit the reconciliation of the valuation roll to the financial system to the National Treasury by no later than **05 February 2021**.

The above information must be emailed to linda.kruger@treasury.gov.za or must be uploaded by approved registered users using the LG Upload Portal at: https://lguploadportal.treasury.gov.za/.

5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (FFC, 2011). Credible budgets are critical for local government to fulfil its mandate and to ensure its financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- An effective budget is one that is adequate to deliver a service of the necessary quality on a sustainable basis; and
- An efficient budget is one that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable municipalities to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is also available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08

5.3 Bulk Account Payments - Eskom Concessions

During 2018/19, intense work had been undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom was engaged on providing relieve in certain areas. Municipalities must be made aware that the following concessions were agreed upon:

- Reducing the interest rate charged on overdue municipal bulk accounts from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms being extended from 15 days to 30 days for municipal bulk accounts; and
- Payments received from municipalities will be allocated to capital first and then the interest.

These concessions are aligned to the MFMA and are meant to curb the growing debt levels by allowing municipalities a more conducive payment regime than what was previously employed. In addition, municipalities are encouraged to budget for bulk services and honour their current account payments religiously to avoid stringent application of the bulk suppliers' credit control policy.

5.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

5.5 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

Municipalities are advised to use the tariff increases previously (March 2019) approved by the Regulator of 5.2 per cent 2021/22, 8.9 per cent for 2022/23 and 8.9 per cent in 2023/24 (*for 2023/24,* an average annual tariff increase is used for the National Energy Regulator of South Africa's multi-year price determination period of 1 April 2019 to 31 March 2022). The outer year is anticipated to be the first year of the MYPD 5 period, which is yet to be published.

6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2021/22 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates; and
- Curbing the 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.

6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary

increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC. Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability as many municipalities that are already not in a position to afford the current wage cost would indeed have to apply no more than zero per cent increase in the 2021/22 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability.

6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

7. Conditional Grant Transfers to Municipalities

7.1 Non-compliance of in-year monitoring

In terms of Section 74(1) of the MFMA, municipalities must submit to the transferring officers, National and Provincial treasuries documents and monthly grant reports as may be prescribed or required. The *m*SCOA Regulations requires the uniform recording and classification of municipal budget and financial information at a transaction level in the form of a *m*SCOA data string that must be submitted to the LG Upload portal. Most municipalities are still not reporting on conditional grants as per the *m*SCOA requirements. As per MFMA Circular No 93, the National Treasury has only used *m*SCOA data strings as the source of data for publications on municipal financial performance from 1 July 2019. The *m*SCOA data strings will also be the main source of data that will be used to monitor the performance against grants and to inform decisions on the stopping and reallocation of conditional grants funding in the 2021/22 MTREF. The credibility of the *m*SCOA data strings reporting on grants will be closely monitored going forward.

Furthermore, section 12(2) of the Division of Revenue Act, 2020 (Act No. 4 of 2020) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

Some municipalities have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that the non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is not limited to, the stopping and reallocation of conditional grants funding of non-compliant municipalities. Municipalities are encouraged to comply with the reporting requirements to avoid withholding or stopping of an allocation.

In terms of performance reporting on conditional grants, municipalities and Transferring Officers are urged to pay particular attention to the contents of money spent against conditional grants. Government is not realising full value for money against the substantial investments it makes through grants.

8. The Municipal Budget and Reporting Regulations

8.1 Ensuring municipal sustainability through a funded budget

A budget is funded from realistically anticipated revenues to be collected, cash backed accumulated funds from the previous year as well as borrowed funds to be utilised for capital projects. A budget is realistic if it takes into account projected revenue for the current year based on the collection levels to date and actual revenue collected in the previous financial year. Municipal budgets must be prepared on this basis. The economic climate and the impact of COVID-19 pandemic had an effect on the ability of municipalities to collect arrear debt during levels 5, 4 and 3 of the national lockdown. This inability to exercise credit control measures during this period had decreased the collection rate in many municipalities.

Municipalities need to be proactive in exercising credit control measures to ensure that arrear debt is collected. Whilst collection rates decreased during the period mentioned above, municipalities must implement efforts to collect arrear debt and return collection rates to pre-COVID-19 levels. Whilst this unprecedented COVID-19 period is the exception, collection rates need to be maintained at 95 per cent in order to ensure the financial sustainability of municipalities. If collection rates have decreased, prudent financial management requires expenditure to be adjusted downward accordingly. This is to ensure that deficits are not realised and that realistically anticipated revenue based on projected collection rates funds expenditure. This will also ensure financial sustainability and avoid situations of financial distress in municipalities.

The Municipal Systems Act states that a municipal council must adopt, maintain and implement a credit control and debt collection policy that would be utilised for the collection of money that is due and payable to it. The municipal Councillors therefore are the custodians of the policy and responsible for its implementation. As a result, Councillors are required to encourage consumers in their municipal jurisdiction to pay for municipal services and to ensure that such debt that is due and payable to the municipality is collected. This would ensure compliance with the Act and ensure that a culture of payment is implemented in the municipal area. Council needs to play an active role in implementing their adopted policies to increase collection rates and ensure that funds are received to render services to the people.

Municipalities are reminded to develop a credible funding plan where the budget is unfunded. This plan must be tabled in and adopted by Council with the 2021/22 MTREF budget and submitted to the National and provincial treasuries when they submit their tabled and adopted budget in terms of Section 22(b)(i) and 24 (3) of the MFMA. Failure to approve a credible plan will result in the invoking of Section 216(2) of the Constitution.

8.2 Budgeting for indirect grant allocations

Some municipalities continue to budget for allocations not directly allocated to them as revenue in the Statement of Financial Performance. This results in revenue being overstated. Therefore, municipalities must refrain from budgeting for indirect grant allocations. A municipality must only budget for the allocations that are directly allocated and transferred to them.

8.3 Monthly reporting of debtors

National Treasury has observed through in-year monitoring that most municipalities are overstating debtors as they report on gross debtors instead of net. The format of the monthly debtors' data strings provides for a column to disclose provision for impairment as per council policy. Therefore, municipalities are urged to always reflect the provision for impairment in the column as indicated above for National Treasury to be able to reconcile the net debtors.

8.4 Schedule A - version to be used for the 2021/22 MTREF

National Treasury has released Version 6.5 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.5 of the *m*SCOA classification framework and must be used when compiling the 2021/22 MTREF budget.

It is imperative that all municipalities prepare their 2021/22 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have 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. Therefore, there is no reason why the 2021/22 MTREF budget must be done manually. National Treasury has protected the A1 schedule version 6.5, therefore manual population will not be allowed as the schedule must be extracted from the financial system.

ALL municipalities **MUST** prepare their 2021/22 MTREF tabled and adopted budgets using the A1 schedule version 6.5.

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. **Manual capturing on A1 schedule version 6.5 is not allowed** in terms of the *m*SCOA Regulations.

The National Treasury has indicated in MFMA Circular No. 93 that municipalities must submit all A1 Schedules in PDF format only from the 2019/20 MTREF. Given the fact that the *m*SCOA classification framework makes it possible to generate the financial data required in the A1 schedule directly from the data strings and that additional data needed must be obtained from sub-systems that integrate with the financial system, the National Treasury will only accept the prescribed data string containing the supporting data, populated and uploaded by each municipality. National Treasury published the layout for the data string on the website in MFMA Budget Circular No. 98 and an amended version to be used for the 2021/22 MTREF forms part of this circular. The publication in the 2020/21 MTREF of non-financial data will be done using the supporting data uploaded from these data strings.

The National Treasury **will no longer gather supporting data from the MBRR A1 Schedules** but will expect each municipality to **submit the prescribed supporting data strings** containing the required data using the LG Upload Portal.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.5 changes. The revised MBRR Schedules for the 2021/22 MTREF and its linkages to the data string are available on the link below:

http://cenvappsp10:31200/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2020%2d21&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67

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

8.5 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 Buffalo City	Matjatji Mashoeshoe Mandla Gilimani	012-315 5553 012-315 5807	Matjatji.Mashoeshoe@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng Johannesburg and Tshwane	Kgomotso Baloyi Kevin Bell Willem Voigt	012-315 5866 012-315 5725 012-315 5830	Kgomotso.Baloyi@treasury.gov.za Kevin.Bell@treasury.gov.za WillemCordes.Voigt@treasury.gov.za
KwaZulu-Natal eThekwini	Kgomotso Baloyi Mpati Rakgwale Una Rautenbach Abigail Maila	012-315 5866 012-315 5700	Kgomotso.Baloyi@treasury.gov.za Mpati.Rakgwale@treasury.gov.za Una.Rautenbach@treasury.gov.za Abigail.Maila@treasury.gov.za
Limpopo	Willem Voigt Sifiso Mabaso	012-315 5830 012-315 5952	WillemCordes.Voigt@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani Stanley Malele	012-315 5807	Mandla.Gilimani@treasury.gov.za Stanley.Malele@treasury.gov.za
Northern Cape	Mandla Gilimani Phumelele Gulukunqu	012-315 5807 012 315 5539	Mandla.Gilimani@treasury.gov.za Phumelele.Gulukunqu@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
Cape Town George	Kgomotso Baloyi Willem Voigt and Mandla Gilimani	012-315 5866 012-315 5830 012-315 5807	Kgomotso.Baloyi@treasury.gov.za WillemCordes.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

8.6 Assessing the 2021/22 MTREF budget

National and provincial treasuries will assess the 2021/22 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **31 May to 30 June**. In this one-month period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

The previous verification process and timeframes (i.e. July to September) can no longer be applied as municipalities are already transacting against the adopted and locked budget from 01 July 2020.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution, as well as a budget locking certificate (in the case of the adopted budgets) in accordance with the format specified in Regulation 31 of Schedule A of the MBRR. The A1 schedule must be included as part of the budget documentation in pdf format.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a* credible funding plan*, they will be required to correct the budget and go back to the Municipal Council to ensure they adopt and implement a funded budget as required in terms of Section 18 of the MFMA***.

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 budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

9. Budget process and submissions for the 2021/22 MTREF

9.1 Submitting budget documentation and A1 schedules for 2021/22 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 electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget 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 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Hard copies must be submitted in pdf format to the LG Upload portal.

9.2 Expected submissions for 2021/22 MTREF

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA24 and any other information not contained in the financial data string) in the A1 in the prescribed *m*SCOA data string in the format published with Version 6.5 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

Budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: https://lguploadportal.treasury.gov.za/. It should be emphasised that municipalities should submit all required documents to the LG Upload portal and not to lgdocuments@treasury.gov.za. National Treasury will retire lgdocuments@treasury.gov.za on 1 July 2021 to ensure that there is a single collection point of municipal financial data.

Also note that the LG Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

1. Be in PDF format only; and

2. Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Any problems experienced with the submission of documents can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

The 2020/21 MTREF and the preliminary Quarter 1 Section 71 results for the 2020/21 financial year that has recently been published, have indicated that the credibility of the *m*SCOA data strings is still a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/from their core financial systems; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2020/21, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

To improve the credibility of these data string, National and provincial treasuries are analysing the accuracy of the data strings and the use of the six regulated segments. The National Treasury has developed tools to analyse the segment/chart use and trained budget analysts from both National and provincial treasuries on the use thereof. To date, the analysis has highlighted that municipalities are not using the FUND, REGION and COSTING segments correctly. In many instances, these segments are simply defaulted which impedes the multi-dimensional reporting power of the *m*SCOA classification framework. Another common area of concern is that total capital expenditure do not balance to total funding. Currently, the expenditure is much higher than the available funding reported.

It needs to be noted that the single source for all analysis and publications will be the data strings submitted by the municipalities for the 2020/21 municipal financial year. It is therefore imperative that municipalities ensure the credibility and accuracy of the data strings before submission.

9.3 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.

9.4 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact

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
04 December 2020

Annexure AX MFMA Budget Circular No 108 dated 8 March 2021

NATIONAL TREASURY

MFMA Circular No. 108

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2021/22 MTREF

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Introduction

This budget circular is a follow-up to the one issued in December 2020. It guides municipalities with their preparation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars, it should be read within this context. This Circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts *(m*SCOA); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved. The key focus of this Circular is the grant allocations per the 2021 Budget Review and the 2021 Division of Revenue Bill.

Municipalities are reminded to refer to the previous years' annual budget circulars for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The South African economy contracted by an estimated 7.2 per cent in 2020 compared with the 7.8 per cent contraction projected in the 2020 Medium Term Budget Policy Statement (MTBPS). The revised estimate results from easing lockdown restrictions in the third quarter and a faster-than-expected resumption of global growth, especially in China. The National Treasury projects real economic growth of 3.3 per cent in 2021, following an estimated contraction of 7.2 per cent in 2020. Real GDP growth is expected to moderate to 1.9 per cent in 2022 and 2023.

The outlook remains highly uncertain, and the economic effects of the pandemic are far-reaching. There were 1.7 million fewer jobs by the third quarter of 2020 compared to the same period in 2019. Rising unemployment and income losses have entrenched existing inequalities. GDP is only expected to recover to pre-pandemic levels in late 2023. High-frequency data for the third quarter, such as the volume of electricity distributed, mining and manufacturing output, business confidence and the ABSA Purchasing Managers' Index (PMI) shows evidence of a limited economic rebound.

Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, the output is only expected to return to pre-pandemic levels in 2024. Given South Africa's structural constraints, its recovery will be slower than many of its developing-country peers. Industrial sectors (which include mining, manufacturing, construction and utilities) lagged substantially, undermined by structural constraints including unreliable electricity supply and weak public investment that preceded the pandemic. Over the next several years, the country requires the implementation of long-standing structural reforms to sustainably move to a higher growth path.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels; hence a conservative approach is advised for revenue projections.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2019 - 2023

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.3%	3.9%	4.2%	4.4%

Source: 2021 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 2021/22 budget process

2.1 Changes to local government allocations

Over the next three years, municipalities will have to adjust to significant changes in expenditure plans while improving accountability. The 2021 Budget protects transfers that focus on infrastructure, service delivery and COVID-19 spending while reducing those spent less effectively. The 2021 Budget includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities.

Transfers to local government over the medium-term account for **9.4 per cent** of nationally raised funds after providing for debt-service costs, the contingency reserve and provisional allocations. Local government's share of revenue has risen in relative terms because reductions to the public-service wage bill affect only national and provincial government. Local government transfers grow by an annual average of 5.2 per cent over the MTEF; the equitable share declines by 4.4 per cent and conditional grants grow by 7.3 per cent. As part of government's fiscal consolidation policies over the medium term, transfers to local government are reduced by R19.4 billion, including R14.7 billion from the local government equitable share, R2.7 billion from the general fuel levy and R2 billion in direct conditional grants.

Conditional grants

The reduction to direct conditional grants includes R329 million from the *municipal infrastructure grant* and R21 million from the *integrated urban development grant*. These amounts have been reprioritised from underspending grants to fund a once-off councillor gratuity for non-returning councillors. The largest proportional reduction of R1.3 billion to local government grants has been made in the *public transport network grant*, because only six of the 13 cities receiving the grant have successfully launched public transport systems. Indirect conditional grants are re duced by R286 million over the period.

Government continues to reform the system of conditional grant transfers to local government based on the principles set out in the 2019 Budget Review. In 2021, government will expand the scope of the *municipal infrastructure grant* to allow municipalities to use up to 5 per cent of their allocation to develop infrastructure asset management plans. This change addresses poor asset management in municipalities.

In 2020, the *integrated city development grant* was repurposed to assist cities to build internal capacity or obtain technical support to prepare and package key infrastructure projects. This will continue in 2021 and private sector participation will be encouraged in these projects.

Two standalone *informal settlement upgrading grants* for provinces and municipalities will be introduced from 2021/22. These grants are made up of components previously within the *human settlements development grant* and the *urban settlements development grant* for provinces and municipalities respectively. In addition, the Municipal Systems Improvement Grant scope is extended to fund comprehensive institutional diagnostic assessments of the 21 district areas where the district municipality is a water service authority and the development of institutional improvement/ support plans that will inform all future capacity development programmes and municipal support initiatives to enhance the continued rollout of the rollout of the District Development Model (DDM).

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/2021/

3. 2021 Local Government Elections and the budget process

Municipalities are advised to refer to MFMA Circular No. 107 on risks related to the Local Government elections and issues to be considered in compiling the 2021/22 MTREF in addition to the information provided below.

3.1 Transitional processes - development and adoption of IDPs during the 2021 election year

The 2020/21 municipal financial year represents the last year of the current municipal councils' electoral term. Therefore, the next municipal election to usher in new councils is expected to take place between August and November 2021 in terms of the Section 24 (2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This particular scenario poses a latent challenge in so far as adherence to legislated timeframes with regard to the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2021, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council will be expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming councils be unhappy with the priorities set out by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed to, amongst others, guide municipalities with regards to the adoption of IDPs during an election year.

3.2 Hand-over reports for the newly elected councils

Each municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. This hand-over report aims to provide the new councils important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy;
- An overview of the municipality's financial health, with specific reference to:
    - Its cash and investments, and its funding of commitments (Table A8);
    - Cash coverage of normal operations (see Supporting Table SA10);

  - Creditors outstanding for more than 30 days, along with reasons for delayed settlement;
  - Current collection levels and debtors outstanding for more than 30 days; and
  - Extent of existing loans and associated finance and redemption payments.
- The municipality's 2019/20 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2021/22 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2021/22 MTREF budget, the mid-year budget and performance assessment report for 2020/21, and the latest monthly financial statement, and the annual report for 2019/20.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Opening balances

It was noted that some municipalities are not transferring their opening balances consistently to the current year of transacting. Opening balances for the previous year must be transferred in the first month (M01) of the current year, and all adjustments made during the preparation of the annual financial statements in period 14 and 15 must be transferred through journals to the opening balances of the current year in the month that it becomes apparent. When municipalities are not doing this correctly and consistently, it compromises the credibility of the *m*SCOA data strings submitted.

Importantly, journals may only be passed in the core financial system and not in 3rd party sub-systems.

4.2 Surplus or deficit journals

The Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and MBRR require that municipalities perform their month-end reconciliations at the end of every month before they submit their financial performance information to the National Treasury. Surplus or deficit journals must be passed monthly before a data string is generated to ensure that the financial system remains in balance. The monthly data strings reflected in the Statement of Financial position (table C6 of the regulated C Schedules) will not be in balance for those municipalities that are not doing this, and their *m*SCOA data strings will therefore not be accurate.

Municipalities must also reconcile their creditors and debtors and all month-end processes **before** they submit their monthly data strings to ensure that the data submitted to the National Treasury Local Government Database is credible.

4.3 Rollovers and repayment of unspent grants

Municipalities are required to use the correct posting levels and movement accounting when conditional grants are being receipted, recognised, rolled over, and unspent grants are repaid. The accounting for grants should be done in accordance with GRAP 23: Revenue from

exchange transactions (Taxes and Transfers). Refer to **Annexure A** of this Circular on the correct treatment of rollovers and repayment of unspent grants in *m*SCOA.

5. 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 municipality's financial sustainability. The Consumer Price Index (CPI) is forecasted to be within the lower 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 2021/22 MTREF*** in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. It is noted that the tariff increases by Eskom and Water Boards are above inflation and should be considered as such while determining cost-reflective tariffs. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving its own revenue collection, working more efficiently and implementing cost-containment measures.

5.1 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March, NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

The equitable share formula uses the 9.9 per cent bulk tariff increase used when National Treasury calculated the baseline for this year in the 2020 MTEF period. Other (non-bulk) electricity costs are updated based on the National Treasury's inflation projections in the 2020 MTBPS. This is due to fiscal constraints and the fact that the court had not pronounced on the Eskom matter at the time that the budget was finalised.

The additional R10 billion that the courts have allowed Eskom to recover in the 2021/22 national financial year translates to a 15.6 per cent bulk increase over the national financial year. However, given that the increase only comes into effect in July for municipalities, NERSA typically allows a higher percentage increase so that Eskom can recover the additional allowable revenue from municipalities over 9 months before the national financial year ends. Therefore, the increase should be expected to be between 16 to 20 per cent. Municipalities can mitigate the negative impact of this increase by improving efficiencies on both the revenue collections and the spending side.

The outer two years of the 2021 MTEF use 8.9 per cent, which is an average annual tariff increase used for the NERSA's multi-year price determination period of 1 April 2019 to 31 March 2022. Moreover, the outer year is anticipated to be the first year of the MYPD 5 period, yet to be published.

6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. Customers' ability to pay for services is declining, which means that less revenue will be collected.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability. Some municipalities are already not able to afford the current wage cost and would indeed have to apply no more than a zero per cent increase in the 2021/22 MTREF and exercise the option for exemption for any negotiated increase above the level of their affordability.

Therefore, should accounting officers fail to consider salary increases within the ambit of the municipality's available resources and financial position, such failure will constitute an act of financial misconduct as defined in section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

6.3 Payment of danger allowance to the employees

The work undertaken by the frontline staff in rendering services to communities must be appreciated whilst understanding the country's economic situation and the world resulting from the impact of COVID-19 pandemic. The SALGBC Circular No. 5 of 2020 provides advice to municipalities about the payment of danger allowance to employees working at the frontline to fight the COVID-19 pandemic.

The Circular provides that the council of the municipality must have an approved policy that should guide how the danger allowance should be paid, based on the affordability of the municipality. During this difficult financial situation posed by the COVID-19 pandemic, municipalities must consider the following:

1. Determine whether or not the municipality will afford the percentage increase in order to accommodate the Danger Allowance;
2. Assess the current status of the Employee Related Costs that form part of the municipality's budget in order to ascertain whether or not the inclusion of such allowance will not place the municipality's financial position in jeopardy in terms of the total Employee Related Costs as a percentage of the total expenditure;
3. Determine the credible funding source for the payment of Danger Allowance;

4. In this case the municipality must subject that change to "public participation processes" when dealing with the 2021/2022 MTREF based on the funding source; and
5. The municipality must also have a policy that operationalise the implementation of this kind of an allowance, only based on the determination/ assessment as per the aforementioned points.

6.4 Mayor's discretionary funds and similar discretionary budget allocations

It has been observed that many municipal budgets contain sub-votes or allocations to "Mayoral Discretionary Funds", "Special Projects", "Special Events" or similar discretionary type funds. Municipalities must refer to section 12 of the MFMA in relation to setting up a relief, charitable, trust or other funds.

National Treasury regards these types of allocations as a bad practice because:

- It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community (see section 153(a) of the Constitution);
- They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of 'vote' in section 1 of the MFMA);
- They undermine the budget consultation processes since the intended use of the funds is not transparently reflected in the tabled budget; and
- There is a risk that they may be abused for personal gain or to improperly benefit another person or organisation.

Therefore, National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated. These kinds of discretionary funds immediately raise public suspicions of impropriety and corruption. In terms of section 52(a) of the MFMA the Mayor "must provide general political guidance over the fiscal and financial affairs of the municipality". The Mayor, therefore, provides direct input into the budget. If this is the case, why does the Mayor require a 'discretionary / personal slush fund'?

Section 17(3)(b) of the MFMA requires that when an annual budget is tabled it must be accompanied by "measurable performance objectives ... for each vote in the budget". What measurable performance objectives can be set in relation to these funds given that their use is at the discretion of the Mayor? This means the transparent and effective use of these funds cannot be monitored and assessed by the council and the public.

National Treasury notes that section 17(3)(j) of the MFMA requires that when an annual budget is tabled it must be accompanied by "particulars of any proposed allocations or grants by the municipality to ... (iv) any organisations or bodies referred to in section 67(1)". The aim of this provision is to ensure that all proposed allocations or grants are presented transparently in the budget documentation that is tabled for public consultation and council approval, as well as for budget management and monitoring purposes. *Any allocations or grants made to organisations or bodies that are not reflected in a municipality's budget or adjustments budget must be regarded as unauthorised expenditure because they are "(f) a grant by the municipality otherwise than in accordance with this Act"* (see definition of unauthorised expenditure in section 1 of the MFMA).

National Treasury further notes that section 67 of the MFMA only allows funds to be transferred to 'an organisation or body' and not to an individual. Any allocations or grants to individuals, *other than in terms of the municipality's indigent policy or bursary scheme, must be regarded as*

irregular expenditure because they are expenditures not in accordance with a requirement of the MFMA.

National Treasury and provincial treasuries will exercise close oversight of all discretionary type allocations in municipal budgets. If there are any concerns about the use of these funds, section 74 of the MFMA will be used to request information in this regard and analyse it for consistency with the MFMA legal framework.

7. Conditional Grant Transfers to Municipalities

The annual Division of Revenue Act requires that municipalities must request for a rollover approval against any unspent conditional grants that were allocated through the Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2020/21 unspent conditional grant and rollover process and should be referenced against previous annual budget circulars.

7.1 Criteria for the rollover of conditional grant funds

In terms of Section 22 of the Division of Revenue Act, 2020 (Act No.4 of 2020) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2020 (Act No. 10 of 2020) (DoRAA) and the Division of Revenue Second Amendment Act, 2020 (Act No. 20 of 2020), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2020/21 financial year reverts to the National Revenue Fund, unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 22(2) of the 2020 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2020 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 a contractor or service provider was appointed for delivery of the project before 31 March; or
    b) Proof of project tender and tender submissions published and closed before 31 March with the 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;
    c) Incorporation of the Appropriation Statement;
    d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (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. Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover 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; this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2021, 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 2020 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 to National Treasury by 31 August 2021;
3. Accurate disclosure of grant performance in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2020/21 pre-audited Annual Financial Statements in order to verify grant expenditure; and
5. Cash available in the bank (net position including short term investments) as at 30 June 2021 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2020/21 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2020/21 allocation;
2. Rollover request of 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. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2021.

7.2 Rollover request against the Covid-19 allocated through the Equitable Share

The Division of Revenue Amendment Act, 2020 (Act No 10 of 2020) made available to Local government an amount of R11 billion following the President's speech on 20 April 2020. The President pronounced that R20 billion would be made available to municipalities in order to provide emergency water supply, increase sanitation of public transport facilities, and provide

food and shelter for the homeless. The R20 billion consisted of an additional allocation of R11 billion, which was transferred through the Equitable Share, and the R9 billion was funded from the repurposed spending within conditional grants allocated to municipalities. This increased the 2020/21 municipal Equitable Share allocation from R74.7 billion to R85.7 billion.

The R11 billion added to the local government Equitable Share allowed municipalities to maintain existing services despite a temporary decline in revenue collections and also cover some additional expenses incurred in response to the pandemic, including the provision of temporary shelter for homeless people during the lockdown.

Although the R11 billion was allocated through an unconditional grant (Equitable Share), these are committed funds in response to the Covid-19 pandemic. Consequently, the municipalities are required to request a rollover from National Treasury of any unspent committed Covid-19 allocation to be rolled over into the 2021/22 financial year.

Municipalities are therefore required to provide the following information to National Treasury in order to prove that the unspent funds are committed and also provide approval to allow the unspent funds to be spent in the 2021/22 financial year.

1. Provide the contracts that are linked to the response of the Covid-19 pandemic in line with the provisions made in the 2020 DoRAA;
2. Reasons why the funds were not fully spent during the year of original allocation per the DoRAA;
3. Accurate disclosure of Covid-19 allocation expenditure in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS); and
4. Any expenditure incurred against the unspent Covid-19 funds that was not approved for the rollover will be regarded as unauthorized expenditure.

7.3 Unspent conditional grant funds for 2020/21

The process to ensure the return of unspent conditional grants for the 2020/21 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 2021 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 2021. 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; and

Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2021.

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 2021;

Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2021. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2021; and

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 07 December 2021 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

7.4 Importance of section 17 of the Division of Revenue Act

The purpose of this section is to provide further clarity on section 17 of DoRA in relation to the transfer of funds to the organ of state in order to implement projects on behalf of the municipalities.

Section 17 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

a. The allocation
   i) Is approved in the budget for the receiving provincial department or municipality; or
   ii) If not already approved;
      aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
      bb) the National Treasury approves the allocation; or
b. The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 17 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 17 (3) before any DoRA allocated funds are allocated to any organ of state, and the municipality should first seek approval from National Treasury.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

1. If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilised for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and IUDG and three per cent for the USDG), municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefiting from this initiative, the PMU should be capacitated enough to implement capital project;
2. Municipalities that are benefiting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained

accelerated municipal and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital project; and

3. If the request does not comply with the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to organs of the state:

1. In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
2. Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
3. Provide the Service Level Agreement between the municipality and the organ of the state in consultation with the relevant transferring officer;
4. Provide the agreed payment schedule reflecting the disbursement of the funds;
5. Must provide the reasons why the municipality has taken such a decision;
7. If amongst the reasons for the request is related to capacity challenges, the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
8. Upon approval, the municipality must submit the approved budget that includes the allocation.

Note that once the allocation has been approved, the payment for goods or services must be procured in accordance with or in compliance with the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the national transferring officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 17, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

8. The Municipal Budget and Reporting Regulations

8.1 Service Level Standards

Municipalities are reminded to update the service level standards which must form part of their 2021/22 MTREF tabled budget documentation. A broad framework on the minimum service standards was issued with MFMA Circular No. 75. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

8.2 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 Buffalo City	Matjatji Mashoeshoe Mandla Gilimani	012-315 5553 012-315 5807	Matjatji.Mashoeshoe@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za

Gauteng Johannesburg and Tshwane	Kgomotso Baloyi Kevin Bell Willem Voigt	012-315 5866 012-315 5725 012-315 5830	Kgomotso.Baloyi@treasury.gov.za Kevin.Bell@treasury.gov.za WillemCordes.Voigt@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
KwaZulu-Natal eThekwini	Kgomotso Baloyi Mpati Rakgwale Una Rautenbach Abigail Maila	012-315 5866 012-315 5700	Kgomotso.Baloyi@treasury.gov.za Mpati.Rakgwale@treasury.gov.za Una.Rautenbach@treasury.gov.za Abigail.Maila@treasury.gov.za
Limpopo	Willem Voigt Sifiso Mabaso	012-315 5830 012-315 5952	WillemCordes.Voigt@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani Phumelele Gulukunqu	012-315 5807 012 315 5539	Mandla.Gilimani@treasury.gov.za Phumelele.Gulukunqu@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
Cape Town George	Kgomotso Baloyi Willem Voigt and Mandla Gilimani	012-315 5866 012-315 5830 012-315 5807	Kgomotso.Baloyi@treasury.gov.za WillemCordes.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Kgomotoso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za

9. Budget process and submissions for the 2021/22 MTREF

9.1 Submitting budget documentation and A1 schedules for 2021/22 MTREF

To facilitate oversight of compliance with the MBRR, 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 electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget 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 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Integrated Development Plan, Service Delivery Budget and Implementation Plan, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the LG Upload portal or lgdocuments@treasury.gov.za.

9.2 Consolidated budgets and reports

Municipalities with entities are reminded that they must prepare and submit MTREF budgets, section 71 reports, annual financial statements and annual reports for both the parent municipalities and consolidated documents that incorporates the entity information in terms of the MBRR.

9.3 Submission using LG Upload Portal

In MFMA Budget Circular No 107, it was indicated that budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: https://lguploadportal.treasury.gov.za/ and that National Treasury was planning to retire lgdocuments@treasury.gov.za from 01 July 2021 to ensure that there is a single collection point of municipal financial data. However, based on workflow licensing challenges on the LG Upload Portal, data string submissions will shortly be shifted to the Open Portal GoMuni while documents must still be submitted using lgdocuments@treasury.gov.za. The document submissions will also be shifted to GoMuni as soon as possible.

All municipalities and their entities had to prepare their MTREF budget directly on the *m*SCOA financial systems from 01 July 2017. Therefore, all MBRR schedule submissions must be submitted in ***PDF format only***.

9.4 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
08 March 2021

Annexure A: Treatment of Rollovers and repayment of unspent grants in *m*SCOA

Cash receipting of a conditional grant
The receiving of grants must be accounted for against (Dt) Bank and (Cr) Item Liabilities: Unspent grants: Capital: Monetary: Municipal Infrastructure Grant: Receipts as shown below:

- Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)
  - Opening Balance(IL-001-007-002-001-002-005-002-001)
  - **Receipts(IL-001-007-002-001-002-005-002-002)**

Recognising the revenue when the grant is spent

When the grant is spent in accordance with the conditions of the grant, a transaction must be passed against the (Dt) Item Liabilities: Transferred to Revenue/ Capital Expenditure and (Cr) Item Revenue: Non-Exchange Transactions: Transfers and subsidies: Capital: Monetary allocations: National Government: Municipal Infrastructure Grant as shown below:

Debit Item Liability: posting level

- Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)
  - Opening Balance(IL-001-007-002-001-002-005-002-001)
  - Receipts(IL-001-007-002-001-002-005-002-002)
  - **Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003)**

Credit revenue recognised: posting level

- Transfers and Subsidies(IR-003-005)
  - Capital(IR-003-005-001)
    - + Allocations In-kind(IR-003-005-001-001)
    - Monetary Allocations(IR-003-005-001-002)
      - + Departmental Agencies and Accounts(IR-003-005-001-002-001)
      - + District Municipalities(IR-003-005-001-002-002)
      - + Foreign Government and International Organisations(IR-003-005-001-002-003)
      - + Households(IR-003-005-001-002-004)
      - National Government(IR-003-005-001-002-005)
        - Integrated National Electrification Programme Grant(IR-003-005-001-002-005-001)
        - **Municipal Infrastructure Grant(IR-003-005-001-002-005-002)**

Rollovers

In the event that the full grant was not spent at the end of the financial year, the municipality must apply for a rollover as per the process stipulated in the Division of Revenue Act (DoRA). Until such approval has been granted by the National Treasury, a municipality may not continue to incur expenditure against the unspent conditional grant allocation. This does not mean that the municipality should stop or cancel ongoing projects, but Council approval must be obtained to fund the spending from own funding sources until rollover approval is granted by the National Treasury. Once the rollover has been approved by the National Treasury, the amount of the rollover must be ratified through an adjustments budget. The *m*SCOA chart makes provision for all the required transactions in this regard.

Roll over not approved/ Offset against Equitable share

In the event that the rollover is not approved by the National Treasury, the unspent grant funding must be paid back to the National Revenue Fund or alternatively be offset against the Equitable Share and the Liability must be reduced by:

1) Debiting Unspent Grant (Repayment) to reduce the liability that was still outstanding; and
2) Crediting Item Revenue Equitable Share to adjust the revenue in line with DoRA.

This is further illustrated below:

1) Debit Liability: posting level

- Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)
  - Opening Balance(IL-001-007-002-001-002-005-002-001)
  - Receipts(IL-001-007-002-001-002-005-002-002)
  - Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003)
  - (Retired) Closing Balance(IL-001-007-002-001-002-005-002-004)
  - Re-payment of Unspent Grant(IL-001-007-002-001-002-005-002-005)

2) Credit Revenue: posting level

- National Revenue Fund(IR-003-005-002-002-006)
  - Fuel Levy (RSC Replacement Grant)(IR-003-005-002-002-006-001)
  - Equitable Share(IR-003-005-002-002-006-002)

Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure

If the municipality continues to spend against the conditional grant allocation, but rollover approval has not been granted by the National Treasury, this expenditure will be viewed as unauthorised expenditure.

Annexure AY Provincial Treasury Assessment

GAUTENG PROVINCE
PROVINCIAL TREASURY
REPUBLIC OF SOUTH AFRICA

ANNUAL TABLED BUDGET ASSESSMENT REVIEW 2021/22

Midvaal Local Municipality -April 2021

This document provides a review of the annual tabled budget of the Midvaal Local Municipality for the 2021/22 budget year.

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ABBREVIATIONS

AG	Auditor General
BSC	Budget Steering Committee
CFO	Chief Financial Officer
CPIX	Consumer Price Index
DoRA	Division of Revenue Act,
DoRB	Division of Revenue Bill
GRAP	Generally Recognised Accounting Practice
GPT	Gauteng Provincial Treasury
IDP	Integrated Development Plan
LED	Local Economic Development
MLM	Midvaal Local Municipality
MBRR	Municipal Budgeting and Reporting Regulations
MFMA	Municipal Finance Management Act, 2003, No. 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NT	National Treasury
PPE	Property Plant and Equipment
SDBIP	Service Delivery and Budget Implementation Plan
TER	Township Economy Revitalisation
TMR	Transformation Modernisation Reindustrialisation
VAT	Value Added Tax

SECTION A: EXECUTIVE SUMMARY

This report provides an assessment of the 2021/22 tabled budget of the Midvaal Local Municipality (MLM). The Gauteng Provincial Treasury (GPT) is responsible for reviewing and commenting on the tabled budgets of all delegated municipalities, prior to its adoption by the respective municipal councils. This is done in terms of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and as part of the provincial treasury's oversight role over local government finances.

The 2021/22 budget of the municipality was assessed during the month of April 2021 and it covers three distinct areas namely, credibility, relevance and sustainability in accordance with the relevant provisions of the MFMA, the Municipal Budget and Reporting Regulations (MBRR) and the National Treasury (NT) Budget Assessment Methodology.

Credibility of the budget

This assessment area evaluated the quality of the budget preparation process, the fiscal planning framework and associated budget assumptions, and the level of budget funding. In summary;

- The budget was tabled and submitted per the applicable regulatory requirements and the submission included the top layer of the SDBIP.
- The national grant allocations reconcile with the gazetted national allocations in the Division of Revenue Act (DoRA) and the provincial allocations.
- The 2021/22 budget was assessed as credible and the budget seems to be funded in line with the requirements of sections 18 and 19 of the MFMA.

Relevance of the budget

This area assessed the level of alignment between the budget and the municipality's IDP and the extent to which national and provincial priorities and guidelines were considered. In summary;

- The budget is well aligned to the strategic objectives of the municipality as contained in the IDP, the 10 pillars and the provincial priorities.

Sustainability of the budget

This assessment area evaluated the extent to which the budget is cash funded and in summary;

- The audited outcomes of the most recent financial year and other prior years indicates stability in the financial affairs of the municipality and the new annual budget presents positive cash flow predictions over the MTREF period and an adequate liquidity position.

SECTION B: INTRODUCTION AND BACKGROUND

1. LEGISLATIVE FRAMEWORK

The strategic objective of the Provincial Treasury in respect of the annual budget assessment of municipal budgets, is derived from Section 195 of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996), which establishes the promotion of efficient, economic and effective use of resources as one of the cornerstones of public administration.

Section 16 of the MFMA further requires the mayor of a municipality to table the annual budget at Council at least 90 days before the start of the financial year. To this end, Section 23 of the MFMA requires that once the annual budget has been tabled, the municipal council must consider any views of the relevant Provincial Treasury, national organs of state and any other relevant institutions.

The municipality is thus legislatively required to consider the recommendations of the provincial treasury in terms of sub-sections 23(1)(b) and 23(2) of the MFMA prior to the approval of the 2021/22 budget by the municipal council. This report is meant to serve this purpose and provides an assessment of the 2021/22 tabled budget of the Midvaal Local Municipality.

The Gauteng Provincial Treasury (GPT) is responsible for reviewing and commenting on the tabled budgets of all delegated municipalities, prior to their adoption by the respective municipal councils. This is done in terms of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and as part of GPT's oversight role over local government finances.

2. SCOPE

The 2021/22 tabled budget assessment was conducted during the month of April 2021. It covers three distinct areas namely, credibility, relevance, and sustainability of the budget in compliance with the relevant provisions of the Municipal Finance Management Act and the Municipal Budget and Reporting Regulations.

Additional general financial management criteria were however added to bolster the completeness of the budget assessment.

3. LIMITATION ON SCOPE

The municipality did not complete all the budget schedules as required, specifically 'Table A7 Cash Flow Statement' which forms the basis for the funding assessment.

The following documents were reviewed:

(a) The 2021/22 budget Data Strings.
(b) The PDF budget document with narratives.
(c) The council resolutions.
(d) The draft IDP.
(e) The draft SDBIP.
(f) The tabled budget-related policies.

4. APPROACH

The budget assessment includes an assessment of the budget preparation process undertaken in terms of the legislative framework and an in-depth analysis of the supporting budget schedules. The details of the criteria utilised to undertake the assessment are outlined below.

Table 1: Assessment Criteria National Treasury framework

ASSESSMENT CRITERIA		DESCRIPTION OF ASSESSMENT CRITERIA
1	**CREDIBILITY**	
1.1	Evaluation of the budget process	(a) Political guidance and oversight
		(b) Public participation/ Community consultations
		(c) Evaluation of legal compliance of the budget
1.2	Revenue and expenditure fiscal framework	(a) Expected outcomes for current financial year
		(b) Budget assumptions
		(c) Adequacy of revenue management framework
		(d) Adequacy of expenditure management framework
		(e) Adequacy of capital budget and its funding sources
1.3	Establish the level of funding of budget	(a) Financial performance i.e. surplus/deficit
		(b) Financial position
		(c) Cash flow
		(d) Application of cash and investments
2	**RELEVANCE**	
2.1	Budget alignment to IDP	Establish the level of alignment between the revenue, expenditure and capital budgets and the IDP
2.2	Budget alignment to national programmes	Establish whether the municipality has sufficiently considered the relevant NDP and TMR priorities
2.3	Budgetary provision for funded provincial and national priorities	Establish whether the municipality's IDP/SDBIP and budget achieved adequate alignment between national, provincial and local government priorities.
3	**SUSTAINABILITY**	
3.1	Service delivery	Does the budget give effect to long-term financial and operational sustainability and proper asset management?
3.2	Free Basic Services (FBS)	Assess the FBS budget provision
3.3	Forecasting and multi-year budgeting	(a) Monthly forecasting and projections
		(b) Baseline assessment
		(c) Percentage increases in two outer year
3.4	Future sustainability and viability	Assessment of the strength of municipal cash position

SECTION C: DETAILED BUDGET ASSESSMENT

A. CREDIBILITY OF THE BUDGET

1.1 Evaluation of the budget process

a) Political guidance and oversight

- The mayor provided political leadership during the budget process and the municipality's budget steering committee is functional.

- The municipal council approved the 'Schedule of key budget process dates' in August 2020 and complied with section 21 of the MFMA.

- The 2021/22 budget and IDP were tabled as per the council approved 'budget process schedule' and our review indicates that there were no major deviations from the approved budget process plan.

b) Public participation

- From the municipality's actual progress reported against the approved budget process plan, it appears that the municipality conducted adequate public participation on the annual budget. Additionally, page 37 of the budget document specifies the dates on which public participation will take place.

c) Legal compliance of the budget

- The 2021/22 MTREF was timeously tabled (before 31 March 2021) on 25 March 2021 in the municipal council and the budget document was submitted to the provincial treasury on 26 March 2021.

- The submission to the provincial treasury was inclusive of the IDP, council resolution, the quality certificate, all the budget related policies as well as the draft SDBIP, which is in line with the requirements of the Municipal Budgeting and Reporting Regulations.

- The municipality prepared the annual budget in the correct format and complied with MFMA Circular No. 107 by using the correct 'mSCOA version 6.5' of the annual budget schedules.

- In terms of compliance with the mSCOA regulations, the municipality submitted the data strings to National Treasury, and it was successfully uploaded.

- A full compliance checklist is attached as per 'Annexure A'.

1.2 Financial performance trend

Table 2: Financial performance trend R000

Description (R'000)	Audited 2017/18	Audited 2018/19	Audited 2019/20
a) Operating Revenue (excluding capital grants)	1 103 512	1 110 426	1 044 287
b) Operating Expenditure	1 118 076	1 117 744	1 155 186
c) Deficit/ surplus	(14 564)	(7 318)	(2 713)
d) Cash and cash equivalents at the end of the year	400 047	292 900	400 047

The municipality presented deficit budgets for the past three financial years on the financial performance when excluding capital grants. Although the deficit does not appear significant it is important for the municipality to reduce the deficit over the MTREF period. In terms of capital expenditure, the municipality is known to achieve on average a 90 percent implementation rate when looking at the previous years.

1.3 Current financial year (2021/): financial performance

Table 3: Current financial year as at February 2021

Description	Original Budget	Adjusted Budget	Actual YTD	Actual YTD %
Operating revenue	1 259 581	1 258 659	848 739	67,5
Operating expenditure	1 325 210	1 309 790	810 619	61,9
Deficit/ Surplus	(65 628)	(51 131)	39 121	
Capital Expenditure	136 455	255 868	77 423	30,3

***Source**: National Treasury Local Government Database*

a) Total Operating Revenue and Expenditure

The year to date operating performance was in line with the straight-line average projection or benchmark at about 67.5 percent revenue and 61.9 percent expenditure.

b) Total Capital Expenditure

The overall spending was low (30.3 percent) at Month 08 however, the existence of a functional 'CAPEX monitoring committee' headed by the mayor, together with the municipality's track record over the past six financial years with an average of 90 percent spending, indicates no risk yet.

c) Total Cash and Cash Equivalents

No information is available on the database regarding the municipality's cash flow statement, the same can be seen on the municipality 2021/22 draft budget 'A schedules'. The municipality seem to be having challenges populating the cash flow statement.

d) Creditors

The municipality reported outstanding creditors to the value of R83,5 million at 28 February 2021 which was all within 30 days and thus no arrears and in line with the requirements of section 65(e) of the MFMA.

1.4 The new 2021/22 MTREF

Table 4: The Budget Overview

Description	Budget Year 2021/22	Budget Year +1 2022//23	Budget Year +2 2023/24
Total Operating Revenue	1 352 649	1 442 782	1 547 355
Total Operating Expenditure	1 417 884	1 504 688	1 599 012
Total Surplus / (Deficit)	(65 234)	(61 906)	(51 657)
Non-Cash Items	236 785	248 132	259 926
- Depreciation	133 748	138 982	144 479
- Debt Impairment	103 037	109 150	115 447
Adjusted Surplus / (Deficit)	171 550	186 226	208 268
Total Capital Expenditure	136 943	120 575	116 253

Source: Budget document
*Operating expenditure excluding non-cash items

The municipality presented deficit budgets across the MTREF period with a deficit of R65 million in 2021/22, R62 million in 2022/23 and R52 million in 2023/24. The provincial treasury is aware that these deficit budgets are mainly informed by the non-cash items namely Depreciation and Debt Impairment, which if restated, presents surplus budgets in each year of more than R171 million.

1.4.1 Budget Assumptions

In the budget narratives, the municipality have indicated that the revenue budget was compiled using the following underlying budget assumptions:

- 6 percent tariff increase on refuse removal
- 6 percent tariff increase on sanitation services;
- 6 percent tariff increase on the water services;
- 16 percent tariff increase on electricity services;
- 8 percent tariff increase on property rates.

The municipality provided extensive elaboration of its budget assumptions which were found to be adequate and credible although we noted that tariffs are higher than the average inflation rate.

1.4.2 The Revenue Framework

Adequacy of the revenue management framework

Table 5: Total Operating Revenue

Description	2021/22 Medium Term Revenue & Expenditure Framework		
	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source			
Property rates	273 907	293 080	313 596
Service charges - electricity revenue	468 601	510 233	555 571
Service charges - water revenue	252 846	272 813	294 358
Service charges - sanitation revenue	52 047	55 169	59 031
Service charges - refuse revenue	52 433	55 579	59 470
Rental of facilities and equipment	1 193	1 264	1 340
Interest earned - external investments	19 307	20 118	21 003
Interest earned - outstanding debtors	19 375	19 918	20 511
Dividends received			
Fines, penalties and forfeits	49 940	52 936	56 112
Licences and permits	–	–	–
Agency services			
Transfers and subsidies	151 008	149 026	153 023
Other revenue	11 993	12 644	13 339
Gains	–	–	–
Total Revenue (excluding capital transfers and contributions)	1 352 649	1 442 782	1 547 355

Source: Budget document of municipality

Overall observation

Total operating revenue for the 2021/22 financial year is projected to increase by 7 percent or R94 million from the 2020/21 adjustment budget. For the two outer years, operational revenue is projected to increase by 7 percent in 2022/23 and 2023/24. Revenue generated from rates and services charges constitutes 77 percent of the total operating revenue for the municipality.

The municipality indicated that tariffs could not be contained within the targeted inflation limits due to the increasing cost of providing municipal services. The municipality's growth forecasts in the budget assumptions appear to be consistent with the revenue growth.

a) Property rates

The budget narrative stated an 8 percent increase in property rates for 2021/22 which is in line with the revenue growth of 8 percent. Property rates account for 20 percent of the total operating revenue. The outer year tariff increases show an average of 7 percent.

b) Electricity revenue

The electricity revenue is projected to increase by 16 percent against the 2020/21 adjustment budget and the increase is attributed to an increase in electricity tariffs of 16 percent. A discussion on the cost reflectiveness of the tariff will be discussed later in the report.

c) Water and Sanitation revenue

Water and sanitation tariff increase by 6 percent (each) while the revenue increase from the adjustment budget is also at 6 percent. The current CPI is 3.9 percent which is significantly low when compared to the tariff increase and could result in affordability challenges for some consumers. It should be noted that assets show sufficient budget for repairs and maintenance to ensure future sustainability for water services

Analysis of impact of tariff increases on revenue projections

Table 6: Tariffs compared to CPIX in Year 1 of the MTREF

Service	% Tariff increase	% revenue increase	CPIX	Diff - Tariff incr. Vs CPIX
Electricity	16	16	3,9	12,10
Water	6	6	3,9	2,10
Sanitation	6	6	3,9	2,10
Refuse	6	6	3,9	2,10
Property Rates	8	8	3,9	4,10

Source: PT Generated

Overall

Considering that the projected CPI is 3.9 percent (2021/22) and 4.2 percent and 4.4 percent (in the outer years), the tariff increases exceeds the CPI. The municipality however indicated in its budget assumption and narrative that all tariffs are informed by the true costs of goods and services used in the service delivery process.

In this context, although the tariff increases are “above CPI inflation” for the 2021/22 MTREF, this is transparently explained in the budget document of the municipality on page 8.

Analysis of impact of tariff increases on revenue projections

Table 7: Net surplus/deficit on trading services

Services		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Electricity	Revenue	468 601	510 233	555 571
	Expenditure	503 717	543 075	585 845
	Surplus/Deficit	(35 116)	(32 842)	(30 275)
Water	Revenue	252 846	272 813	294 358
	Expenditure	226 420	244 619	262 953
	Surplus/Deficit	26 426	28 195	31 405
Refuse	Revenue	52 433	55 579	59 470
	Expenditure	67 147	69 135	71 857
	Surplus/Deficit	(14 714)	(13 556)	(12 387)
Sanitation	Revenue	52 047	55 169	59 031
	Expenditure	63 711	66 618	69 760
	Surplus/Deficit	(11 665)	(11 449)	(10 729)

Revenue: Sourced from A4 of the budget and Expenditure from A2 of the budget

Table 7 above shows that only the water service will be operating at a surplus over the 2021/22 MTREF period. Despite the R64 million increase in projected electricity revenue, the municipality will realise a loss of R35 million for electricity, which decreases in the 2022/23 financial year to R33 million and eventually to R30 million in the outer year. Sanitation and refuse services are also projected to run at losses over the MTREF period. It is worrying to note that the main revenue source of the municipality is running at a loss as it directly impacts on its financial sustainability. This could also be an indication of the tariffs not being completely inclusive of all the costs associated.

The water service on the other hand is forecasted to trade at increasing surpluses of R26 million, R18 million and R31 million over the MTREF. This is positive to note as the municipality will be able to subsidise the non-revenue generating departments within the municipality.

1.4.3 The Expenditure Framework

Adequacy of the operating expenditure management framework

Table 8: Operating Expenditure by type

	2021/22 Medium Term Revenue & Expenditure Framework		
Description	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure By Type			
Employee related costs	368 438	385 745	404 638
Remuneration of councillors	13 656	14 298	14 999
Debt impairment	103 037	109 150	115 447
Depreciation & asset impairment	133 748	138 982	144 479
Finance charges	18 055	19 319	20 671
Bulk purchases - electricity	392 353	427 272	465 300
Inventory consumed	129 428	139 114	149 564
Contracted services	141 223	146 480	152 807
Transfers and subsidies	1 132	1 132	1 132
Other expenditure	71 696	74 512	77 448
Losses	45 119	48 683	52 529
Total Expenditure	1 417 884	1 504 688	1 599 012

*Expenditure: Sourced from A4 of the budget

a) Employee Related Costs

Employee costs as a percentage of operational expenditure for 2021/22 is budgeted at 26.9 percent. The municipality forecasted a 6 percent increase in total employee costs for the budget year. The guideline by the Remuneration of Public Office Bearers has been taken into account by the municipality in this regard when compiling the budget.

b) Depreciation & asset impairment

The depreciation and asset impairment provisions are budgeted to increase from the current year from R129 million to R134 million which equates to over 9 percent of the total operating expenditure. This subsequently increases to R139 million and R144 million in the two outer years. According to the municipality depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

c) Debt impairment

The municipality has made provision of R103 million for debt impairment for the 2021/22 financial year. Debt impairment accounts for 7 percent of the total operational expenditure. The municipality assumed a collection rate of 92 percent in this regard and as a result the debt impairment appears to be in line with the budgeted collection rate.

Adequacy of the capital expenditure framework

Table 9: The Total Capital Budget

Vote Description	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional						
Governance and administration	7 852	92 745	92 745	5 934	3 427	4 395
Community and public safety	20 389	33 693	33 693	25 519	20 846	28 412
Economic and environmental services	12 173	21 187	21 187	17 197	7 737	13 786
Trading services	96 041	108 243	108 243	88 293	88 564	69 660
Other						
Total Capital Expenditure - Functional	136 455	255 868	255 868	136 943	120 575	116 253
Funded by:						
National Government	67 523	67 784	67 784	77 747	72 528	70 599
Provincial Government	7 550	12 499	12 499	7 125	5 620	4 700
District Municipality						
Other transfers and grants	1 500	81 896	81 896	2 000	1 500	–
Transfers recognised - capital	76 573	162 179	162 179	86 872	79 648	75 299
Public contributions & donations						
Borrowing	33 365	43 223	43 223	25 325	27 400	15 550
Internally generated funds	26 517	50 467	50 467	24 746	13 527	25 404
Total Capital Funding	136 455	255 868	255 868	136 943	120 575	116 253

Source: Budget document

a) Overall per main items or categories

The above table provides an illustration of the municipality's 2021/22 MTREF tabled capital budget as extracted from Table A5 of the A-Schedule. The budget is forecasted to decrease from R255 million in the current financial year to R137 million. This further decreases to R121 million and R116 million in the two outer years.

In terms of the capital budget addressing service backlogs, GPT could not conduct an in-depth assessment as Table A10 of the budget which deals with backlog eradication was not completed. The provincial treasury however noted from the capital projects that most projects

are directed towards electricity and water infrastructure. It is therefore imperative for the municipality to correct this figure in the budget.

The above information needs to find expression on table A10 of the budget to inform the long-term backlog eradication strategy through the budget cycle.

b) Borrowings (status of borrowings)

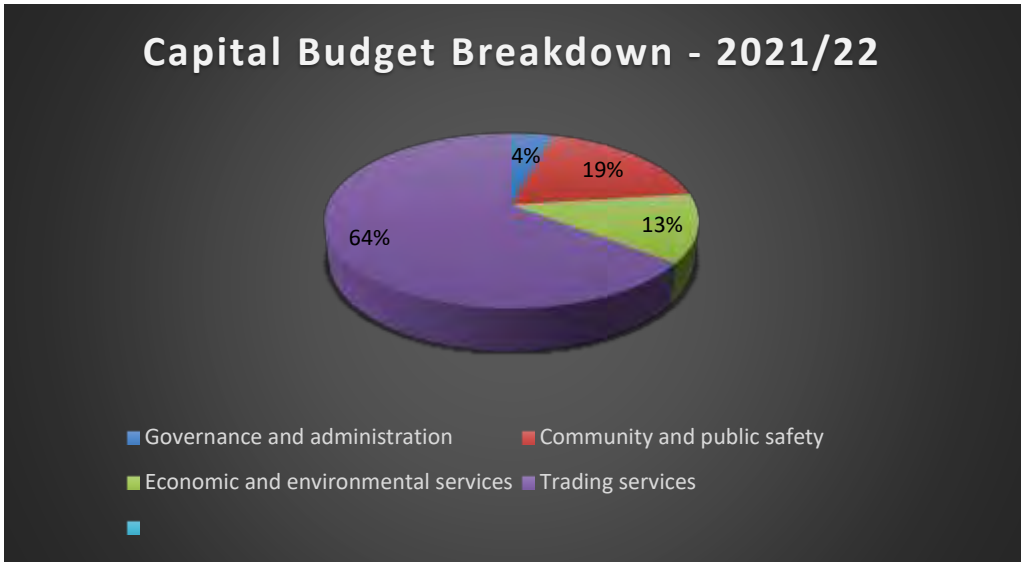
The municipality submitted all supporting documentation in line with Section 74 of the MFMA and all queries raised by the provincial treasury on the first quarter has been addressed. The municipality's long-term loans are paid semi-annually, in June and December of each year while finance leases are paid monthly. With the introduction of the mSCOA data string submissions, it is noted that the municipality had challenges for the past two quarters with the uploading of the data strings to the mSCOA portal. It seems as if eight ABSA leases did not pull through from the data strings, however repayments were verified against the proof of payments and the municipality is consistently honouring is obligations.

c) Long-term financial plan/model

The long-term financial plan of the municipality is captured on page 89 of the draft IDP. It mainly centres around 10 key components which includes among others: Effective and efficient use of resources, equity and redistribution cash / liquidity position and sustainability. The plan also focuses on the expansion of the municipality's revenue sources in relation to its costs to ensure that the municipality stays financially sustainable and viable as a going concern.

d) Composition and Prioritisation of the Capital Budget

Graph 1: Capital Budget

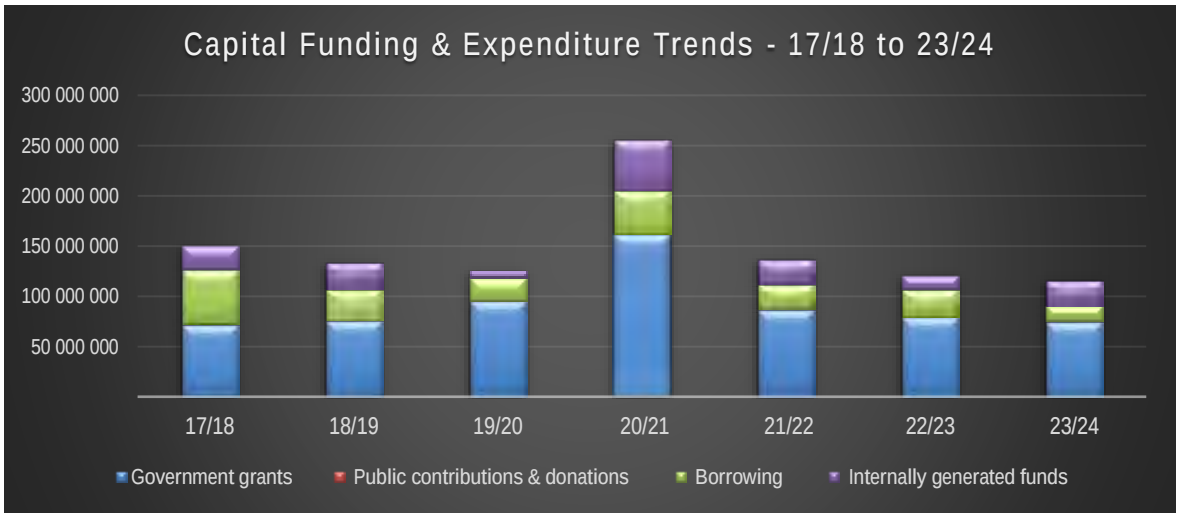


The bulk of the capital budget (64%) is directed toward trading services, 19 percent towards Community and public safety and 13 percent towards economic services. The budget as assessed is service delivery oriented as the bulk is directed towards roads, water, electricity, and sanitation which are core service delivery objectives.

e) Capital Funding Mix

The figure below represents a graphical representation of the municipality's capital funding outlook for the current year and the MTREF as well as the audited performance for the past three audited years.

Graph 2: Capital Funding Mix



***Source**: Budget document*

The municipality intends to fund over 63 percent of the capital budget through grants followed by 18 percent from borrowing and the remainder will be funded from developers' contributions and internally generated funding.

Credibility of the funding sources

In testing the funding credibility of the capital budget, at the assessment checks whether grant allocations as captured on schedule SA18 of the budget are aligned to the DoRA and the Provincial gazette(s). The second would be looking at whether the municipality has sufficient cash reserves to fund the internally funded capital programmes.

The municipality's capital budget is mainly funded by capital grants as discussed above.

Table 10: Provincial Grant Reconciliations

Provincial Grant	Gazette (R '000)	Municipal Budget (R '000)
Functional Fire and Rescue Services	2 000	-
Libraries Archives and Museums	7 000	-
Libraries Archives and Museums	12 500	-
Unspecified		17 584
Unspecified		7 125

Source: Provincial Gazette & SA18 of 2018/19 A-Schedule

Misalignments were noted on the provincial allocations reconciliation which must be corrected.

Table 11: National Grant Reconciliations

National Grant	Gazette (R '000)	Municipal Budget (R '000)
Local Government Equitable Share	124 899	124 899
Local Government Financial Management Grant	1 550	1 550
Municipal Infrastructure Grant	31 818	31 818
Neighbourhood Development Partnership Grant	10 000	10 000
Water Services Infrastructure Grant	18 000	18 000
Integrated National Electrification Programme Grant	22 072	22 072

Source: Provincial Gazette & SA18 of 2020/21 A-Schedule

No misalignments were noted on the reconciliation with the national DoRA allocations.

Funding of the budget

Section 18 of the MFMA requires that a municipal budget be funded from "realistically anticipated revenues". This requirement means that the municipality should consider past trends as well as socio-economic factors in compiling a budget that is credible, relevant as well as financially sustainable. A critical element of testing the credibility of the municipality's budget is testing the cash flow projections of the municipality and how they have been applied in ensuring the long-term survival of the municipality.

Table 12: Cash Assessment

GT422 - Midvaal	MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
Description	2021/22	2022/23	2023/24
R thousand	Treasury Calculation	Treasury Calculation	Treasury Calculation
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	244 599	261 721	280 041
Service charges	737 552	798 159	864 808
Other revenue	199 068	207 339	219 540
Transfers and Subsidies - Operational	151 008	149 026	153 023
Transfers and Subsidies - Capital	86 872	79 648	75 299
Interest	28 995	30 077	31 259
Dividends	–	–	–
Payments			
Suppliers and employees	(1 283 441)	(1 365 081)	(1 454 394)
Finance charges	(18 055)	(19 319)	(20 671)
Transfers and Grants	(1 132)	(1 132)	(1 132)
NET CASH FROM/(USED) OPERATING ACTIVITIES	145 468	140 439	147 775
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	–	–	–
Decrease (increase) in non-current receivables	–	–	–
Decrease (increase) in non-current investments	–	–	–
Payments			
Capital assets	(136 943)	(120 575)	(116 253)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(136 943)	(120 575)	(116 253)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Short term loans	–	–	–
Borrowing long term/refinancing	–	–	–
Increase (decrease) in consumer deposits	(18 201)	–	–
Payments			
Repayment of borrowing	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	(18 201)	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	(9 677)	19 864	31 521
Cash/cash equivalents at the year begin:	281 620	271 943	291 807
Cash/cash equivalents at the year end:	271 943	291 807	323 329

Source: Table A7 of Budget document

Table 12 above indicates the GPT cash flow recalculations. The municipality cash flow figures are not available as the municipality did not complete the 'Table A7' cash flow statement. In testing the credibility of the assumptions, GPT undertook an independent calculation to determining whether the cash flow assumptions and projections used by the municipality are realistic and promote financial stability within the municipality. The assumptions used in the GPT calculations considered past trends to adhere as much as possible to the principles of a conservative and realistic budget.

The Provincial Treasury applied a collection rate of 89 percent for property rates and all four trading services, furthermore the Provincial Treasury also performed recalculations based on the 2019/20 audited annual financial statements. The 89 percent collection rate is based on the 2020/21 Mid-year and budget performance result. The municipality however, maintained a positive cash position indicating that it will meet its financial obligations. Improving cash balances are evident of financial stability of a municipality. The Department would like to commend Midvaal for tabling a funded budget.

Disclaimer:

- The GPT recalculations are not to be used as a budgeting tool but rather are to guide the municipality into considering other broader cash flow aspects in ensuring that a budget is sufficiently funded. The municipality would have more accurate budgeting assumptions and the tool is merely used to ascertain to what extent these assumptions are informed by past trends.

Table 13: Cash reserves reconciliation

GT422 - Midvaal	MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
Description R thousand	2021/22 Treasury Calculation	2022/23 Treasury Calculation	2023/24 Treasury Calculation
Cash and investments available			
Cash/cash equivalents at the year end	271 943	291 807	323 329
Other current investments > 90 days	–	–	–
Non current assets - Investments	–	–	–
Cash and investments available:	271 943	291 807	323 329
Application of cash and investments			
Unspent conditional transfers	(65 568)	(65 568)	(65 568)
Unspent borrowing	–	–	–
Statutory requirements	23 236	37 938	53 701
Other working capital requirements	(34 161)	(42 334)	(51 138)
Other provisions	7 979	7 979	7 979
Long term investments committed	–	–	–
Reserves to be backed by cash/investments	14 946	14 946	14 946
Total Application of cash and investments:	(53 568)	(47 040)	(40 082)
Surplus(shortfall)	325 512	338 848	363 410

Source: Table A7 of Budget document

The table 13 above are the Table A8 from the budget A schedules and it indicates whether the Municipality's 2021/22 MTREF is funded in terms of Section 18 of the Municipal Finance Management Act. An independent assessment was conducted by GPT which did not take into account the municipality's cash back reserve figures as they are not realistic, i.e. figures look the same over the MTREF period. The total application of cash commitments as per the GPT recalculations amounts to R325.5 million for the 2021/21 financial year. It should however be noted that there have been limitations in calculating the above figures as the Cash Flow statement table is not completed.

In conclusion, based on the provincial re-calculations of tables A7 and A8, the 2020/21 adopted budget is considered to be funded, including from an "application and investment" perspective. The assumptions made were based on a 89 percent collection rate and the municipality previous performance.

B. RELEVANCE OF THE BUDGET

2.1 Budget alignment to IDP

The IDP and the budget are high level strategic planning where capital projects prioritized from IDP should align with budgeted capital projects. The projects identified from the IDP are aligning with those from the budget.

Regarding the linkage of the budget to the IDP, the municipality clearly outlined the National Outcomes on the budget tables SA4, SA5 and SA6 and the totals reconcile with main budget Table A4. In addition, it was also observed that the totals on table SA6 reconcile with totals on table A5 i.e. budgeted capital expenditure. The plans highlighted in the Integrated Development Plan are addressed in the budget.

2.2 Budget alignment to provincial and national priorities

Pages 22 to 24 of the municipality's 2021/22 IDP provides a high-level overview on how the municipal strategic objectives are linked to the National KPAs, the Growth and Development Strategy and the Provincial pillars.

To achieve the vision of making Gauteng into an integrated city region, in 2014, the Premier of the Province outlined a ten-pillar programme to facilitate the radical transformation, modernisation and revitalisation of the Gauteng region.

Table 14: Synergy of capital programme to TER and TMR

Pillar No.	Pillar Description	Allocation 2021/22 ('000)	Allocation 2022/23 ('000)	Allocation 2023/24 ('000)
Pillar 2	Accelerated social transformation	13 314	16 026	20 352
Pillar 5	Modernisation of the public service	28 810	8 267	12 480
Pillar 7	Modernisation of human settlement and urban development	88 602	88 564	69 660
Pillar 8	Modernisation of public transport infrastructure	6 217	7 717	13 761
		136 943	120 575	116 253

Source: *Budget Document*

From the table above it can be determined that 100 percent of the capital budget will contribute towards the provincial 10 pillars. The biggest contribution is observed to be from projects impacting pillar 7 'Modernisation of human settlement and urban development' with approximately R89 million in 2021/22 and over R247 million over the MTREF period.

In aligning the capital projects of the 2021/22 financial year, GPT has undertaken an independent assessment of taking each project and classifying it in terms of the Provincial Pillars. The municipality's capital budget has been found to align to four of the ten Provincial Pillars. In the year under review, the bulk of the projects are linked to the modernisation of public services as most of the projects relate to the improvement of the infrastructure network.

Regarding corridors of development over the 2021/22 MTREF period, it was observed that most of the municipality's capital projects are contributing towards the development of the southern corridor in respect of agriculture, green economy, creation of new industries, new economic nodes and new cities.

C. SUSTAINABILITY OF THE BUDGET

3.1 Service delivery

With the country unemployment rate standing at 32.5 percent and a high poverty rate, it is very important for the municipal capital programme to address the socio-economic issues in the municipal area. This can be achieved by continuous involvement of unemployed local youth and local businesses in the municipality's projects and prioritising infrastructural projects that benefits local communities. Additionally, the capital programme should also focus on addressing service delivery backlogs as shown in the IDP.

The municipality's unemployment rate stands at 18.8 percent (Page 59 of the draft IDP) which is significantly lower than the national average. In the IDP the municipality has outlined some initiatives in partnership with the Province and businesses which seek to ensure social upliftment and job creation through the LED department of the municipality. The municipality also seeks to attract investment through its Local Economic Development Strategy.

3.2 Free basic services (FBS)

Table 15: Cost of Free Basic Services compared to the Equitable Share package

No.	Service	National FBS Standard	FBS Granted by municipality	Difference
1.	Electricity	50 kwh	50 kwh	0
2.	Water to Indigents	6 kl	6kl	0
	Free Water to all households	0 kl	4kl	4kl
3.	Sanitation	-	85L per week	-
4.	Refuse removal	-	169L per week	-
5.	Property Rates	R15 000	150 000	135 000

Source: PT generated

The table above aims to determine how much the municipality incurs in providing free basic services to the indigents in comparison to how much it receives from the equitable share. According to the indigent policy and the budget, registered indigents receive: 6kl free water, 50khw of electricity and 85L sanitation and 169L refuse removal as shown in table above.

The number of indigents or household receiving free basic services is 6000 for the 2021/22 financial year which is expected to increase to 7000 and 8000 in 2022/23 and 2023/24 respectively whilst the equitable share of the municipality is budgeted at R125 million.

Forecasting and multi-year budgeting

The review compares the extent to which the indicative budget for 2020/21 and 2021/22 financial years that were approved in the 2020/21 MTREF have changed when compared to 2021/22 MTREF. It is helpful in evaluating whether municipalities does multi-year budgeting given that a budget is a three (3) year plan because if it does, the increase/ decrease in the baseline will not be material.

The application of the multi-year budgeting principle is limited particularly to the operating budget of the municipality. This is since the budget is purely adjusted by inflational forecasts in the two outer years. The capital budget on the other hand can be said to be multi-year as it is informed by changes in grant allocations and true needs of the municipality.

We observed that MLM does apply multi-year planning as the differences are not significant in their revenue, operating and capital expenditure. It can, however, be concluded that MLM considered current national and global macro-economic when forecasting although there are some matters that need to be considered.

3.3 MSCOA compliance

				SUBMISSIONCODE TABB
Financial Year	Demarcation Description	Demarc Code	CAP	
Province : GAUTENG (GT)				
2021	Midvaal	GT422	M	

The budget format used by the municipality is the one that is regulated by Regulation 9 of the MBRR, the municipality also complied with MFMA Circular No. 107 by using the mSCOA version 6.5 of the A1 schedule which was generated through the financial system. GPT noted that the municipality has been submitting data strings to National Treasury which were successfully uploaded.

3.4Institutional governance matters

The Mayor, Municipal Manager and the Chief Financial Officer positions are filled. Furthermore, senior management positions are filled and there are no vacancies or acting positions. Additionally, the municipality's Budget and Treasury office is almost at full capacity with minimal vacancies and as a result the municipality has the relevant capacity that will promote good financial management and ensure the efficient application of financial resources in the rendering of services to the community

3.5 Funding compliance and financial health

Table 16: Financial Health

Description	2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures				
Cash/cash equivalents at the year end - R'000	340 052	(6 184)	(6 184)	(6 184)
Cash + investments at the yr end less applications - R'000	1 538 862	279 383	279 383	279 383
Cash year end/monthly employee/supplier payments	4,2	(0,1)	(0,1)	(0,1)
Surplus/(Deficit) excluding depreciation offsets: R'000	280 921	25 780	11 572	23 575
Service charge rev % change - macro CPIX target exclusive	(8,2%)	4,6%	1,9%	2,0%
Cash receipts % of Ratepayer & Other revenue	0,0%	0,0%	0,0%	0,0%
Debt impairment expense as a % of total billable revenue	10,8%	9,4%	9,2%	9,0%
Capital payments % of capital expenditure	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations		0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	(414,6%)	(127,9%)	0,0%	0,0%
Long term receivables % change - incr(decr)	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	5,7%	5,6%	5,9%	6,2%
Asset renewal % of capital budget	51,9%	48,9%	53,8%	51,2%

Source: Budget document

The table above looks at the general financial health of the municipality using purely municipal-generated figures. The municipality however failed to complete Table A7 Cash flow statement which has distorted the funding measurement tool, and as a result the outcome of the funding tool is incorrect. The GPT recalculation however render the 2021/22 tabled budget funded as discussed on the cash flow section.

4 CONCLUSION AND RECOMMENDATIONS

1 Credibility

- The draft budget was tabled and submitted according to the applicable regulatory requirements. The submission also includes the top layer of the SDBIP.

- MLM's budget assumption was in-line with the proposed tariffs as tabled in MFMA Circular 107 and 108. However, the increases were above the CPI and the municipality is still incurring losses in the supply of electricity, sanitation and refuse removal and the provision of these services is unsustainable.

- The municipality has submitted the A-Schedule using the 6.5 version, however, the municipality has not populated all the budget tables including the cash flow statement. Table A8 is also not populated correctly as there is no movement of figures over the 2021/22 MTREF period.

- The 2021/22 budget was assessed to be funded in line with the requirements of sections 18 and 19 of the MFMA.

2 Relevance

- The municipality's Tabled 2021/22 MTREF budget is based on a clear organizational strategy.

- There is satisfactory evidence that the municipality's priorities are aligned with those of the national government and the Gauteng provincial government.

- The municipality demonstrated alignment of the budget to the IDP strategic objectives, the 10 pillars and the provincial priorities and this is evident from the operating revenue, expenditure, and capital budget, which reconciles to tables SA4, SA5 and SA6.

3 Sustainability

- The municipality has demonstrated stability in financial management over the past number of financial years. The attainment of good results and performance are also evident from the audited outcomes.

- Although the 202122 Cash flow statement was not completed, the positive outcome has been observed throughout the previous financial years including the cash coverage of 2 months.

- Provision for repairs and maintenance of assets for the municipality is however still inadequate and might affect the long-term sustainability of the municipality's assets.

- The municipality should take note of the findings as the municipality is legislatively required to consider the recommendations of GPT in terms of sub-sections 23(1)(b) and 23(2) of the MFMA prior to the approval of the 2021/22 budget by the municipal council.

- In this regard the municipality is requested to table this assessment report with the annual budget in council during the adopting of the annual budget.

SECTION E: ANNEXURES

Annexure A: NT Compliance Checklist

GT422 Midvaal	22/23	Draft	Hard copy
Main Compliance Component	**Sub Component/ Explanation**	**Ref.**	**Assessment**
Procedural compliance			
Draft MTREF Tabled 90 days prior to new financial year	Verify that the budget was tabled by 31 Ma	MFMA s. 16(2)	Yes
Grant Budget (SA18) is aligned to DoRA	Verify if the grant allocations reconcile to D	MFMA s. 21(2)(c)	Yes
Correct version of Schedule A1	Verify electronic submission version	MBRR r. 9	Yes
Table of Contents	Verification of inclusion in budget report/do	MBRR (Schedule A) r. 2	Yes
Annual Budget			
Mayors Report	Verification of inclusion in budget report/do	MBRR (Schedule A) r. 3	
Resolutions	Verification of inclusion in budget report/do	MBRR (Schedule A) r. 4	Yes
Executive Summary	Verification of inclusion in budget report/do	MBRR (Schedule A) r. 5	Yes
Annual Budget Tables A1 to A10: No Municipal Entities			
Table A1: Budget Summary	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	3
Table A2: Budgeted Financial Performance (Revenue and Expenditure by standard classification)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	3
Table A3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	3
Table A4: Budgeted Financial Performance (Revenue and Expenditure)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	3
Table A5: Budgeted Capital Expenditure by Vote, Standard Classification & Funding Source)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	3
Table A6: Budgeted Financial Position	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	3
Table A7: Budgeted Cash Flow	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	-
Table A8: Cash backed reserves/accumulated surplus reconciliation	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	3
Table A9: Asset Management	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	3
Table A10: Basic service delivery measurement	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 6	2
Supporting Documentation			
Overview of Budget Process	Is there a paragraph/section included on th	MBRR (Schedule A) r. 10	Yes
Overview of alignment of annual budget with IDP	Is there a paragraph/section included on th	MBRR (Schedule A) r. 11	Yes
Measurable performance objectives and indicators	Is there a paragraph/section included on th	MBRR (Schedule A) r. 12	Yes
Budget Related Policies	Is there a paragraph/section included on th	MBRR (Schedule A) r. 15	
Tariff Policy on Property Rates	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Tariff Policy on Electricity	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Tariff Policy on Water	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Tariff Policy on Sanitation	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Tariff Policy on Refuse Removal/Solid Waste	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes
Municipal Property Rates Policy	Rates Act	MBRR r. 7 (footnote 1)	Yes
Credit Control and Debt Collection Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Cash Management and Investment Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Borrowing Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Funding and Reserves Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Policy related to long-term financial planning	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Supply Chain Management Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Policy related to the Management and Disposal of Assets	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Policy relating to dealing with infrastructure investment and capital projects	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Indigents Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Budget Implementation and Management Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes
Supporting Documentation contd...			Yes
Budget Assumptions	Is there a paragraph/section included on th	MBRR (Schedule A) r. 16	Yes
Overview of Budget Funding including funding compliance (Table SA10)	Is there a paragraph/section included on th	MBRR (Schedule A) r. 17	Yes
Expenditure on grant allocations and grant programmes	Is there a paragraph/section included on th	MBRR (Schedule A) r. 18	Yes
Allocations on grants made by the municipality	Is there a paragraph/section included on th	MBRR (Schedule A) r. 19	Yes
Councillor and board member allowances and employee benefits	Is there a paragraph/section included on th	MBRR (Schedule A) r. 20	Yes
Monthly targets for revenue, expenditure and cash flow	Is there a paragraph/section included on th	MBRR (Schedule A) r. 21	Yes
Draft Service Delivery and Budget Implementation Plans (SDBIP)	Verification of inclusion in budget report/do	MBRR (Schedule A) r. 22	Yes
Service Delivery Agreements of Municipal Entities (if applicable)	Verification of inclusion in budget report/do	MBRR (Schedule A) r. 25	N/A
Annual budgets of municipal entities (D Schedule)	Verification of inclusion in budget report/do	MBRR (Schedule A) r. 25	N/A
Contracts having future budgetary implications	Is there a paragraph/section included on th	MBRR (Schedule A) r. 26	Yes
Capital expenditure details	Is there a paragraph/section included on th	MBRR (Schedule A) r. 27	Yes
Legislation Compliance Status	Is there a paragraph/section included on th	MBRR (Schedule A) r. 28	Yes
Quality Certificate (signed)	Verification of inclusion in budget report/do	MBRR (Schedule A) r. 31	Yes
Supporting Tables SA1 to SA37			
SA1: Supporting Detail to Budgeted Financial Performance	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA2: Matrix Financial Performance Budget (revenue source/expenditure type and	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA3: Supporting detail to Budgeted Financial Position	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA4: Reconciliation of IDP, Strategic Objectives and Budget (Revenue)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA5: Reconciliation of IDP, Strategic Objectives and Budget (Operating Expendit	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA6: Reconciliation of IDP, Strategic Objectives and Budget (Capital Expenditure	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA7: Measurable Performance Objectives	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA8: Performance Indicators and Benchmarks	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA9: Social, Economic and Demographic Statistics and Assumptions	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA10: Funding Measurement	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA11: Property Rates Summary	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA12a: Property Rates by category (current year)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA12b: Property Rates by category (budget year)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA13a: Service Tariffs by Category	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA13b: Service Tariffs by Category (explanatory)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA14: Household Bills	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA15: Investment Particulars by Type	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA16: Investment Particulars by Type	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA17: Borrowing	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA18: Transfers and Grant Receipts	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA19: Expenditure on Transfers and Grant Programme	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA20: Reconciliation of Transfers, Grant Receipts and Unspent Funds	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA21: Transfers and Grants made by the Municipality	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA22: Summary Councillor and Staff Benefits	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senir	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA24: Summary of Personnel Numbers	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA25: Budgeted Monthly Revenue and Expenditure	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA26: Budgeted Monthly Revenue and Expenditure (Municipal Vote)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA27: Budgeted Monthly Revenue and Expenditure (Standard Classification)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA28: Budgeted Monthly Capital Expenditure (Municipal Vote)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA29: Budgeted Monthly Capital Expenditure (Standard Classification)	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA30: Budgeted Monthly Cash Flow	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	-
SA31: Aggregated entity budget	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 30	-
SA32: List of External Mechanisms	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	-
SA33: Contracts having Future Budgetary Implications	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA34a: Capital Expenditure on New Assets by Asset Class	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA34b: Capital Expenditure on the Renewal of Existing Assets by Asset Class	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA34c: Repairs and Maintenance Expenditure by Asset Class	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA34d: Depreciation by Asset Class	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA34e: Capital Expenditure on the Upgrading of Existing Assets by Asset Class	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA35: Future Financial Implications of the Capital Budget	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA36: Detail Capital Budget	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA37: Projects Delayed from Previous Financial Years	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3
SA38: Detail Operational Projects	Rate completeness of table on scale from 0	MBRR (Schedule A) r. 29	3

Annexure B: Operating revenue and expenditure budget

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source											
Property rates	2	194 658	213 758	242 117	259 585	253 618	253 618	166 978	273 907	293 080	313 596
Service charges - electricity revenue	2	326 502	347 196	357 488	418 838	404 123	404 123	293 977	468 601	510 233	555 571
Service charges - water revenue	2	183 111	228 957	221 761	249 286	238 538	238 538	163 560	252 846	272 813	294 358
Service charges - sanitation revenue	2	38 450	42 105	45 601	45 004	49 101	49 101	33 143	52 047	55 169	59 031
Service charges - refuse revenue	2	36 023	39 008	41 920	44 560	49 465	49 465	31 161	52 433	55 579	59 470
Rental of facilities and equipment		1 345	1 324	1 214	1 461	1 125	1 125	742	1 193	1 264	1 340
Interest earned - external investments		14 725	18 751	21 721	18 583	18 583	18 583	9 430	19 307	20 118	21 003
Interest earned - outstanding debtors		9 181	12 404	18 964	16 874	18 890	18 890	13 651	19 375	19 918	20 511
Dividends received											
Fines, penalties and forfeits		34 362	44 425	40 839	46 956	47 113	47 113	28 390	49 940	52 936	56 112
Licences and permits		1	–	–	45	–	–	–	–	–	–
Agency services											
Transfers and subsidies		105 174	121 603	130 237	147 307	166 718	166 718	118 164	151 008	149 026	153 023
Other revenue	2	8 854	9 272	11 147	11 083	11 387	11 387	5 689	11 993	12 644	13 339
Gains		998	(413)	(1 158)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		953 385	1 078 388	1 131 851	1 259 581	1 258 659	1 258 659	864 884	1 352 649	1 442 782	1 547 355
Expenditure By Type											
Employee related costs	2	225 728	268 435	277 572	333 712	336 272	336 272	219 747	368 438	385 745	404 638
Remuneration of councillors		11 726	12 460	12 970	13 656	13 656	13 656	9 601	13 656	14 298	14 999
Debt impairment	3	73 894	115 671	86 918	100 620	107 090	107 090	79 629	103 037	109 150	115 447
Depreciation & asset impairment	2	122 503	136 385	130 381	127 714	128 763	128 763	84 900	133 748	138 982	144 479
Finance charges		17 080	18 320	18 568	18 874	16 874	16 874	9 613	18 055	19 319	20 671
Bulk purchases - electricity	2	241 211	260 569	300 622	333 925	333 925	333 925	267 621	392 353	427 272	465 300
Inventory consumed	8	–	17 197	15 224	–	–	–	11 359	129 428	139 114	149 564
Contracted services		116 537	105 522	107 576	136 796	135 751	135 751	58 725	141 223	146 480	152 807
Transfers and subsidies		21 386	588	1 301	1 132	1 132	1 132	1 172	1 132	1 132	1 132
Other expenditure	4, 5	44 188	54 438	51 516	79 915	71 467	71 467	31 251	71 696	74 512	77 448
Losses		787	569	12 365	–	–	–	–	45 119	48 683	52 529
Total Expenditure		875 041	990 155	1 015 014	1 146 344	1 144 928	1 144 928	773 617	1 417 884	1 504 688	1 599 012
Surplus/(Deficit)		78 344	88 234	116 838	113 237	113 730	113 730	91 267	(65 234)	(61 906)	(51 657)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		60 939	51 673	87 345	75 073	85 564	85 564	1 720	89 015	71 978	75 233
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	30 682	24 710	10 408	1 500	81 626	81 626	–	2 000	1 500	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		169 965	164 618	214 591	189 810	280 921	280 921	92 987	25 780	11 572	23 575
Taxation											
Surplus/(Deficit) after taxation		169 965	164 618	214 591	189 810	280 921	280 921	92 987	25 780	11 572	23 575
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		169 965	164 618	214 591	189 810	280 921	280 921	92 987	25 780	11 572	23 575
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		169 965	164 618	214 591	189 810	280 921	280 921	92 987	25 780	11 572	23 575

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Annexure C: Consolidated Capital Expenditure (A5)

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		12 661	2 876	8 234	400	400	400	–	–	–	–
Vote 02 - Corporate Services		1 511	1 939	974	7 260	13 728	13 728	6 777	4 224	1 890	1 795
Vote 03 - Financial Services		23	123	87	32	132	132	24	960	1 537	2 600
Vote 04 - Development & Planning		208	19	163	1 550	50	50	48	10 180	20	25
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		7 986	6 013	9 244	14 819	24 781	24 781	8 417	20 559	20 246	25 662
Vote 07 - Public Safety		6 541	4 200	591	4 165	4 355	4 355	571	4 040	100	2 115
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		25 046	12 858	12 397	10 520	17 052	17 052	6 219	17 100	–	2 000
Vote 11 - Solid Waste Management		7 717	16 470	545	17 700	21 962	21 962	8 562	11 720	19 711	12 420
Vote 12 - Roads And Transport		36 617	24 867	12 632	12 128	18 084	18 084	7 972	3 230	8 217	12 896
Vote 13 - Water Services		26 480	48 226	38 215	36 371	36 916	36 916	29 555	31 652	28 876	25 153
Vote 14 - Electrical Services		25 862	16 044	42 562	31 510	27 372	27 372	11 156	27 847	39 978	30 087
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	150 652	133 636	125 643	136 455	164 834	164 834	79 302	131 511	120 575	114 753
Single-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		–	–	–	–	78 126	78 126	–	–	–	–
Vote 02 - Corporate Services		–	–	–	–	22	22	11	155	–	–
Vote 03 - Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 04 - Development & Planning		–	–	–	–	–	–	–	–	–	–
Vote 05 - Health		–	–	–	–	–	–	–	–	–	–
Vote 06 - Community And Social Services		–	–	–	–	119	119	–	–	–	–
Vote 07 - Public Safety		–	–	–	–	2 700	2 700	–	–	–	–
Vote 08 - Sport And Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 - Solid Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads And Transport		–	–	–	–	5 000	5 000	–	5 217	–	1 500
Vote 13 - Water Services		–	–	–	–	5 000	5 000	–	–	–	–
Vote 14 - Electrical Services		–	–	–	–	67	67	–	60	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	–	–	–	91 034	91 034	11	5 432	–	1 500
Total Capital Expenditure - Vote		150 652	133 636	125 643	136 455	255 868	255 868	79 313	136 943	120 575	116 253
Capital Expenditure - Functional											
Governance and administration		14 726	5 282	9 596	7 852	92 745	92 745	6 914	5 934	3 427	4 395
Executive and council		445	670	373	400	400	400	–	–	–	–
Finance and administration		14 281	4 612	9 224	7 452	92 345	92 345	6 914	5 934	3 427	4 395
Internal audit											
Community and public safety		14 129	9 930	11 186	20 389	33 693	33 693	9 914	25 519	20 846	28 412
Community and social services		1 550	4 079	2 738	7 550	9 875	9 875	1 779	7 125	7 120	5 700
Sport and recreation		6 038	1 651	6 377	7 169	14 817	14 817	6 591	12 924	13 126	19 962
Public safety		6 541	4 200	2 071	5 670	9 002	9 002	1 544	5 470	600	2 750
Housing											
Health											
Economic and environmental services		36 825	24 885	11 314	12 173	21 187	21 187	7 045	17 197	7 737	13 786
Planning and development		208	19	163	1 550	50	50	48	10 180	20	25
Road transport		36 617	24 867	11 152	10 623	21 137	21 137	6 998	7 017	7 717	13 761
Environmental protection											
Trading services		84 972	93 539	93 547	96 041	108 243	108 243	55 439	88 293	88 564	69 660
Energy sources		25 730	15 984	42 390	31 450	27 312	27 312	11 102	27 822	39 978	30 087
Water management		26 480	48 226	38 215	36 371	41 916	41 916	29 555	31 652	28 876	25 153
Waste water management		25 046	12 858	12 397	10 520	17 052	17 052	6 219	17 100	–	2 000
Waste management		7 717	16 470	545	17 700	21 962	21 962	8 562	11 720	19 711	12 420
Other											
Total Capital Expenditure - Functional	3	150 652	133 636	125 643	136 455	255 868	255 868	79 313	136 943	120 575	116 253
Funded by:											
National Government		57 231	47 620	82 100	67 523	67 784	67 784	41 757	77 747	72 528	70 599
Provincial Government		1 550	4 053	2 714	7 550	12 499	12 499	1 706	7 125	5 620	4 700
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		13 495	24 710	10 642	1 500	81 896	81 896	567	2 000	1 500	–
Transfers recognised - capital	4	72 277	76 384	95 455	76 573	162 179	162 179	44 029	86 872	79 648	75 299
Borrowing	6	54 637	30 981	23 099	33 365	43 223	43 223	14 699	25 325	27 400	15 550
Internally generated funds		23 738	26 271	7 089	26 517	50 467	50 467	20 584	24 746	13 527	25 404
Total Capital Funding	7	150 652	133 636	125 643	136 455	255 868	255 868	79 313	136 943	120 575	116 253

Annexure D: Cash flow budget

GT422 Midvaal - Table A7 Budgeted Cash Flows

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									–	–	–
Service charges									–	–	–
Other revenue									–	–	–
Transfers and Subsidies - Operational	1								–	–	–
Transfers and Subsidies - Capital	1								–	–	–
Interest									–	–	–
Dividends									–	–	–
Payments											
Suppliers and employees									–	–	–
Finance charges									–	–	–
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (increase) in non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		(16 457)	(863)	(1 494)	(1 258)	–	–	(721)	(18 201)	–	–
Payments											
Repayment of borrowing		–	(16 776)	(17 622)	–	–	–	(9 913)	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(16 457)	(17 639)	(19 115)	(1 258)	–	–	(10 634)	(18 201)	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(16 457)	(17 639)	(19 115)	(1 258)	–	–	(10 634)	(18 201)	–	–
Cash/cash equivalents at the year begin:	2	130 071	201 984	292 900	234 193	340 052	340 052	–	12 017	(6 184)	(6 184)
Cash/cash equivalents at the year end:	2	113 614	184 345	273 784	232 935	340 052	340 052	(10 634)	(6 184)	(6 184)	(6 184)

Annexure E: Application of cash and investments

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available											
Cash/cash equivalents at the year end	1	113 614	184 345	273 784	232 935	340 052	340 052	(10 634)	(6 184)	(6 184)	(6 184)
Other current investments > 90 days		88 370	108 555	126 263	101 258	465 456	465 456	448 618	449 652	449 652	449 652
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		201 984	292 900	400 047	334 193	805 508	805 508	437 984	443 468	443 468	443 468
Application of cash and investments											
Unspent conditional transfers		21 608	54 768	29 429	–	(9 755)	(9 755)	89 692	(9 755)	(9 755)	(9 755)
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	109 549	138 383	154 905	51 129	(736 442)	(736 442)	132 318	160 997	160 997	160 997
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	12 842	12 842	12 842	12 842	12 842	12 842	12 842	12 842	12 842	12 842
Total Application of cash and investments:		144 000	205 993	197 176	63 972	(733 354)	(733 354)	234 852	164 085	164 085	164 085
Surplus(shortfall)		57 984	86 906	202 871	270 221	1 538 862	1 538 862	203 132	279 383	279 383	279 383

Annexure F: Table A10 Consolidated basic service delivery measurement

GT422 Midvaal - Table A10 Basic service delivery measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	19 461	–	–	–	19 850	19 850	19 850
Piped water inside yard (but not in dwelling)		–	–	5 376	–	–	–	5 484	5 484	5 848
Using public tap (at least min.service level)	2	–	–	1 467	–	–	–	1 496	1 496	1 496
Other water supply (at least min.service level)	4	–	–	26 304	–	–	–	26 830	26 830	26 830
Minimum Service Level and Above sub-total		–	–	52 608	–	–	–	53 660	53 660	54 024
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	1 266	–	–	–	1 291	1 291	1 291
No water supply		–	–	3 660	–	–	–	3 733	3 733	3 733
Below Minimum Service Level sub-total		–	–	4 926	–	–	–	5 024	5 024	5 024
Total number of households	5	–	–	57 534	–	–	–	58 684	58 684	59 048
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	17 370	–	–	–	17 717	17 717	17 717
Flush toilet (with septic tank)		–	–	5 505	–	–	–	5 615	5 615	5 615
Chemical toilet		–	–	1 842	–	–	–	1 879	1 879	1 879
Pit toilet (ventilated)		–	–	477	–	–	–	487	487	487
Other toilet provisions (> min.service level)		–	–	3 519	–	–	–	3 589	3 589	3 589
Minimum Service Level and Above sub-total		–	–	28 713	–	–	–	29 287	29 287	29 287
Bucket toilet		–	–	648	–	–	–	658	658	658
Other toilet provisions (< min.service level)		–	–	606	–	–	–	618	618	618
No toilet provisions		–	–	1 251	–	–	–	1 276	1 276	1 276
Below Minimum Service Level sub-total		–	–	2 505	–	–	–	2 552	2 552	2 552
Total number of households	5	–	–	31 218	–	–	–	31 839	31 839	31 839
Energy:										
Electricity (at least min.service level)		–	–	15 906	–	–	–	16 224	16 224	16 224
Electricity - prepaid (min.service level)		–	–	7 500	–	–	–	7 650	7 650	7 650
Minimum Service Level and Above sub-total		–	–	23 406	–	–	–	23 874	23 874	23 874
Electricity (< min.service level)		–	–	363	–	–	–	370	370	370
Electricity - prepaid (< min. service level)		–	–	6 195	–	–	–	6 319	6 319	6 319
Other energy sources		–	–	6 558	–	–	–	6 689	6 689	6 689
Below Minimum Service Level sub-total		–	–	13 116	–	–	–	13 378	13 378	13 378
Total number of households	5	–	–	36 522	–	–	–	37 252	37 252	37 252
Refuse:										
Removed at least once a week		–	–	24 594	–	–	–	25 086	25 086	25 086
Minimum Service Level and Above sub-total		–	–	24 594	–	–	–	25 086	25 086	25 086
Removed less frequently than once a week		–	–	579	–	–	–	591	591	591
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	363	–	–	–	370	370	370
Other rubbish disposal		–	–	948	–	–	–	967	967	967
No rubbish disposal		–	–	5 370	–	–	–	5 478	5 478	5 478
Below Minimum Service Level sub-total		–	–	7 260	–	–	–	7 406	7 406	7 406
Total number of households	5	–	–	31 854	–	–	–	32 492	32 492	32 492
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	9 553 349	–	–	–	10 628 891	11 468 574	12 374 591
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	602 045	–	–	–	603 200	656 885	715 348
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		21 956	7 996	9 553	10 027	10 027	10 027	10 629	11 469	12 375
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		386	331	602	520	520	520	603	657	715
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	10	–	–	–	11	12	13
Total cost of FBS provided		22 342	8 327	10 166	10 547	10 547	10 547	11 243	12 138	13 103
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)		161 505	7 828	4 574	24 856	43 660	43 660	47 153	50 453	53 985
Water (in excess of 6 kilolitres per indigent household per month)		–	13 710	7 776	8 280	235	235	250	269	291
Sanitation (in excess of free sanitation service to indigent households)		7 465	11 735	14 173	15 198	15 198	15 198	16 110	17 077	18 272
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		4 418	7 231	7 916	7 653	5 143	5 143	5 452	5 779	6 183
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		173 388	40 504	34 439	55 988	64 237	64 237	68 964	73 578	78 731